



**GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)



**Company Registration No. 00556463
Registered Charity No. 309086**

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
KEY EXECUTIVES AND PROFESSIONAL ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2023

Key executives and Professional Advisors

HEADMISTRESS: Mrs S Rollings

BURSAR: Mrs R Frier

SENIOR LEADERSHIP TEAM:

Ms L Scott	Deputy Head (Pastoral and Boarding)
Mr D Mitchell	Deputy Head (Academic)
Miss W Reynolds	Assistant Head (Co-curricular)
Ms A Morgan	Director of Marketing and Admissions
Mr A Valner	Assistant Head (Pastoral and Boarding)
Miss C Wells	Assistant Head (Operations)

BANKERS: Barclays Bank Plc

SOLICITORS: VWV
Orchard Court
Orchard Lane
Bristol
BS1 5WS

AUDITORS: Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

COMPANY SECRETARY: Mrs R Frier

REGISTERED OFFICE: Heathfield School
London Road
Ascot
Berkshire
SL5 8BQ

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Governors present their annual report for the year ended 31 August 2023 under the Companies Act 2006, together with the audited accounts for the year, and confirms that the latter comply with the requirements of the Act, the memorandum and articles of association and the Charities SORP 2015.

REFERENCE AND ADMINISTRATIVE INFORMATION

The School was founded in 1899 and became a Charity in 1955 and is registered with the Charity Commission under Charity number 309086. The School is also a company limited by guarantee registered number 556463 (England and Wales). The Trustees of the charity are also Directors of the company and are referred to as Governors in this Report. The Governors are listed below and the executive officers, professional advisors and principal addresses of the Charity are listed on page 1.

Principal activities of the year

The School provides education in Ascot for girls from the ages of 11 to 18, and also runs a summer school and camp for local and overseas students.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

Governors

The members of the Governing Body are detailed below. The Governing Body is self-appointing. Each Governor is elected for three years and retiring Governors are able to stand for re-election. The number of serving Governors shall not be fewer than ten or exceed twenty.

Organisational Management

The School's Governors, who are also the Charity Trustees and the Company Directors, are legally responsible for the overall management and control of the School and meet at least three times a year. The work of implementing most of their policies is carried out by the members of the five following subcommittees: Finance, Buildings & Development, Educational, Pastoral and Compliance, Marketing, Admissions & Communications, Development and Nominations which meet at regular intervals during the year.

The day-to-day running of the school is delegated to the Headmistress, supported by the senior management team, together with the Bursar. The Headmistress and the Bursar attend meetings of the above committees.

At the date of approval of the financial statements the School Governors are as follows:

Name	Position
Mr Tom Cross Brown (resigned 31 July 2023)	Chair of the Council, Chair N
Mr Alex Popplewell (appointed 17 April 2023)	Chair of the Council, Chair N, F, Chair D
The Revd Canon Dr Philip Ursell (resigned 1 December 2022)	
Mr Steve Melcher	Chair of F, D
Miss Charlotte Faber	Chair of MAC, N
Mrs Sally Tulk-Hart	MAC, EPC
Mrs Sarah Collister (appointed 29 June 2023)	EPC
Mr Guy Egerton-Smith	Chair BD, F
Hon Mrs Frances Stanley (resigned 6 July 2024)	D
Mr Robert Gregory	N
Mrs Annabelle More O'Ferrall	EPC
Mrs Suzie Cullen	MAC

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Name	Position
Mrs Anne Lynch	Chair EPC
Mrs Poppy Hughes (appointed 12 March 2024)	F
Mr Tony Leggett (appointed 12 March 2024)	F
Mrs Karen Hurt (resigned 1 November 2023)	
Lady Katharine Colquhoun (appointed 26 June 2024)	EPC

Key:

Buildings & Development Sub-committee = BD
Marketing, Admissions & Communications Sub-committee = MAC
Nominations Sub-committee = N
Education, Pastoral & Compliance Sub-committee = EPC
Finance Sub-committee = F
Development Sub-committee = D

Recruitment and Training of Governors

Potential Governors are identified by members of the Governing Body which seeks to achieve a balance of experience and background in secondary education, finance, business, law, facilities & property management, human resources management, marketing & PR and health & safety compliance. New candidates tour the School and meet the Headmistress and other existing Governors. They are proposed by the Nominations Committee. Once appointed, new Governors are inducted into the workings of the School including Board Policy and Procedures. Training is regularly offered to all Governors on various topics including child protection and safeguarding training. Governors are encouraged to attend external seminars and course to keep them informed and updated on current issues in the sector and regulatory requirements. This includes events run by AGBIS, ISC, ISBA and professional firms.

Key management personnel remuneration

The remuneration of key management personnel (being the Headmistress and Bursar) is set by the Governors, with the objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly for their individual contributions to the success of the School. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to benchmarking information 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 expenditure.

The School is committed to ensuring equality of opportunity through the creation of an environment in which individuals are treated on the basis of their relevant merits and abilities. The School respects all its members and values the harmonious relationships between them. As a community we are committed to the active promotion of equality between all who live, study or work in the School. Provision is made for individuals with a particular disability and religious, dietary, language or cultural needs, as appropriate.

Consultation with employees at all levels ensures that the views of employees are taken into account when decisions are made that are likely to affect their interests. All staff are briefed at the beginning of each term with shorter briefing sessions held once a week. The Senior Leadership Team meet once a week to discuss strategic plans; there are regular Heads of Department and Heads of Year meetings where teaching and learning strategies are discussed, as well as weekly meetings with Boarding staff.

Chapel

The Chapel provides a place of peace and quiet reflection, where pupils' spiritual development can begin. Our Chapel is the spiritual centre of the school and is often at the core of people's memories of the school when they leave, and the place they come back to first when they return to visit. Dedicated in 1904, the Chapel was

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built in the Victorian Gothic style with collegiate seating. Chapel follows current Anglican practice, yet it is a place for all the school community regardless of faith or belief.

The Chaplain is a central figure in school life who leads Chapel services during the week, on Sundays and on special occasions. The Chaplain is available to all members of the school community and the school's extended community for pastoral care.

Related parties and other connected charities and organisations

The Heathfield Fellowship is a separate entity which continues to raise money to enable pupils to attend the school by way of bursarial support.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The objects for which the Association is established are to advance education and training by:

- The provision and conduct, in the UK or abroad, of a school or schools for girls under the name of Heathfield School to be conducted in accordance with the traditions of the Church of England including the Anglo-Catholic tradition; and
- Insofar as it is incidental or ancillary to the advancement of education, such other means for the benefit of the local community as shall be exclusively charitable.

These are set out in the School's governing document – the Memorandum and Articles of Association of Heathfield School dated 18 October 1955 as amended March 2009.

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the School's aims and objectives and in planning future activities.

Public Benefit Activities

The Governors have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The School is committed to ensuring that it is meeting its main aim and its charitable objective. The School's aims for the public benefit are:

- To recognise the need to respond to the challenge of change by giving all members of its community the opportunity to develop, by continual improvement of its facilities and by fostering links with the wider community.
- To optimise its resources and recognise its responsibilities for administering its charitable funds efficiently and for the benefit of the School and the wider community.

The Governors are committed to widening access to the School and welcomes pupils from all backgrounds. Each pupil to whom support is offered must, in the opinion of the Headmistress, be likely to make sound academic progress following admission, possess the potential to develop the quality of her work and benefit from participation in the wider, extra-curricular activities on offer at the School. The availability of bursaries is publicised on the School's website. The Governors' policy is to award bursaries on a means tested basis only. The bursaries are available to provide financial support for up to 100% of the annual fees. During 2023 a total of £464,294 (2022: £441,808) was awarded in bursaries to 29 (2022: 24) pupils. Many more applications are received than the School can reasonably support.

The School works closely with a number of other partner charities that help identify pupils who could benefit substantively from the education and pastoral support that the School can provide. 6 pupils (2022: 9) receive significant contributions towards their fees from these external grant-making bodies which resulted in full

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remission of their tuition fees.

The School actively supports the local community, charities and associations by making its facilities available at less than cost price or free to a variety of different clubs and organisations. This provision is inevitably limited by boarders use and the safeguarding restrictions of operating a small boarding school. The School has started to develop links with local maintained schools. Some specific examples of the School's outreach programme are:

- Two members of the Senior Leadership Team volunteered as Governors at local maintained schools.
- The school ran several Prep Schools Swimming Galas, Prep Schools Choir competition and a Prep Schools Lacrosse coaching session event.
- Free places were offered to pupils receiving free school meals from local maintained schools to attend Heathfield's Summer Camp.
- Sixth Form students visited a local maintained primary school on a regular basis to help with their reading lessons.
- Text books were donated to a maintained secondary school in Surrey as well as the OSCAR Foundation in India.
- A local Alzheimer's fundraiser is given a table at our Christmas bazaar free of charge to raise funds for their chosen charity.
- Local maintained senior schools attended a number of guest speaker events.
- Members of staff are qualified school inspectors and are permitted time off from their Heathfield role to regularly carry out inspections of other schools.

Heathfield pupils also participate in the Duke of Edinburgh's Award scheme at Bronze, Silver and Gold level. Our pupils have contributed over 200 hours of volunteering during the year.

Our pupils also raised over £24,000 for local, national and international charities throughout the year through a variety of fundraising activities including charity concerts, a Christmas fair, cake sales, poppy sales for the British Legion and non-uniform days.

The swimming pool is host to many local communities and organisations. Schools including Kennel Lane, and Natures Nursery used the facility at various times throughout the year. In addition to these schools, there are a number of clubs that use the pool on a regular basis. These include, Scuba Trust, Bracknell and Wokingham Swimming Club and Windsor Swimming Club. Frogs and Friends Swimming School regularly run lessons at the pool as part of their 'learn to swim' programme which is offered to children in and around the local area.

The swimming pool is also used for training as well as tuition. NPLQ (National Pool Lifeguard Qualification) and Swimming Teacher courses are held at the pool and are open to members of the local community.

Fundraising performance

The School views fundraising as a very important source of additional income to enable fees to be kept as low as possible and to reduce reliance on single income streams. The trustees are fully aware of their individual responsibility and accountability to ensure that the School fundraises legally, responsibly and effectively. They are aware of the Charity Commission CC20 guidance and use this and the accompanying checklist to help them evaluate the School's fundraising performance.

The Development Office continued to raise funds for the Sixth Form Centre capital project and other development projects. The total amount raised for 2023 was £188,686 (2022: £365,927).

The School did not engage with a professional fundraiser in the year and is not a member of the fundraising body.

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The School has a published complaints procedure, available on its website. The number of complaints received during the year in respect of fundraising was none.

Aims and Intended Impact

Heathfield School aims to discover and develop every pupil's unique talents to enable them to excel.

Heathfield aims to foster:

- The confidence and self-belief to go beyond one's preconceived abilities academically, physically and spiritually;
- Authenticity, self-awareness and a desire to embrace each other's uniqueness and spirit;
- Compassion, empathy, understanding and lifelong friendship building respect for oneself and others;
- Good habits for life: work ethic, self-discipline, resilience, independence, integrity and courage based on strong moral values and having a go;
- Commitment to the community: selflessness, compassion and service to others.

These values are engendered through four central pillars of Community, Pastoral Care and Boarding, Teaching and Co-Curricular

Objectives for the year

- To maintain and develop the School's academic performance
- To maintain and provide a first class boarding experience
- To continue to grow and boost admission numbers
- To continue to improve and increase awareness of the School and what it stands for at local, regional and national level

Strategies to achieve the year's objectives

The strategies to achieve the year's objectives have included:

Admissions

Day girls, first admitted in 2015-16, are now an established and vital part of the School population with numbers increasing steadily in line with our planned growth of the student roll. They are leading a full part in the life of the school alongside the School's boarders and have every opportunity to take part in all the activities on offer at Heathfield.

Weekly boarders were admitted for the first time in September 2022 in response to parental demands and an "Introduction to Boarding" for day pupils in Forms 1 and 2 (Year 7 and 8), which allows them to board for the same 2 or 3 nights per week over a period of time, was introduced in the Summer term 2023. Part time boarding, which allows pupils to board for the same 1, 2 or 3 nights per week per term will be introduced in every year group in September 2024.

The Headmistress continues to host prep head visits, and the School hosts prep school curriculum and non-curriculum events at Heathfield, aimed at increasing prep schools' awareness of what we offer and of our growing academic reputation.

Academic Strategy

During the year, we have continued to push forward with an over-arching strategy to improve our growing academic success at Heathfield, including more intensive individual monitoring of staff and pupils' performances in the classroom as well as monitoring girls' study time and their use of it more closely while providing complementary activities to enhance their learning, in the form of conferences and workshops at the school through to a greater variety of co-curricular activities.

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Our Learning Support Department continues to provide expert help for girls who require additional support in one or several areas, ensuring that Heathfield's outstanding reputation for helping to fulfil the potential of each individual girl through our value added results is supported and enhanced at every level.

Monitoring current pupils

Our individual monitoring of pupils to highlight their academic strengths and weaknesses, and to give them extra guidance where appropriate, is paying dividends in enabling staff to identify early the areas where girls need extra help. Staff can input such vital details about a child's performance into our monitoring and tracking system within the school's intranet so that they share their observations with their colleagues and areas of concern quickly become spotted and therefore acted on.

Monitoring also means that our gifted and talented programme for the brightest pupils has become more defined within the school and has encouraged and nurtured academic development in the brightest girls.

Scholarship programme

Our scholarship programme has continued to grow in profile inside and outside the school. The scholarships attract the brightest pupils to Heathfield, thus helping to improve our academic reputation. Regular monitoring to ensure each girl's potential is fulfilled also helps us to identify potential scholarship candidates from within the school who are able to compete for a scholarship at appropriate times.

Co-Curricular

Similarly, our co-curricular programme was developed to encourage and reflect an emphasis on academics. Making the programme increasingly Sixth Form-led has succeeded in its aim of giving the girls a greater sense of responsibility and helping them to develop leadership and team building qualities.

The initiatives held to highlight and praise the girls' academic achievements such as special assemblies and the

High Flyer awards are popular with the girls and have a positive effect on the girls' confidence as they take pride in their achievements.

STRATEGIC REPORT

The following sections of this report constitute the Strategic Report.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Academic Achievements

The size of Heathfield ensures every pupil is known individually and enables our dedicated and talented teaching team to engage and motivate every pupil. Small class sizes and individual teaching boosts achievement, and our pupils benefit from a 4:1 teacher / pupil ratio. Personalised learning plans and performance monitoring help both staff and pupils to analyse progress.

Academic life of a school is not just the learning that takes place in a classroom but the breadth and depth of activities both in and out of the classroom. Heathfield is renowned for its strong and vibrant creative and dramatic tradition. We are an academically ambitious and rigorous school where we prepare our pupils for careers which have not yet been discovered. Therefore, it is vital that our curriculum is skill based as well as ensuring that every pupil has the relevant academic qualifications to progress onwards to their future goals.

Our 2023 GCSE examinations resulted in successes across a broad range of subjects, with over 40% of all grades awarded at 9-7 with over 60% of grades 9-6. On average, students scored well over 0.5 grades higher

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in every subject when compared to their standardised Value Added Scores.

For our A Level students, after recent 'lockdown' years, students showed exceptional determination, resilience and adaptability as their results evidenced their unwavering focus and drive considering they missed out on taking practical GCSE examinations. Around 80% of A Level results were A* to B grades.

Students went on to attending Russell Group universities, leading Arts and Drama colleges and other overseas destinations. As with GCSEs, on average, students scored well over 0.5 grades higher in every subject when compared to their standardised Value Added Scores.

Extra Curriculum Activities:

Sport

Pupils were seventh overall in the ISGA Gymnastics competition and the same girls were second overall at the ISA competition.

In Lacrosse, the Senior team were winners of the Small Schools Invitational Tournament as well as quarter finalists in division 2 of the National Schools' Lacrosse competition. The U13 team were winners of the Plate Division in the South West Rally. Four students were selected for the Lacrosse Regional Academy.

In Netball, the U15 team were fourth in the Ascot Schools Tournament and the U14 team came third.

In Swimming, at the Ascot Schools competition the school were champions for both the U12 and Senior teams. A Form I pupil won two gold and three silver medals at the Hatfield Level 2 British Qualifying Summer Meet.

In Athletics four students were selected to represent Bracknell at the Berkshire County Championships and one student represented Berkshire at National Championships.

A team of Form I and Form II pupils came third in the Plate Division at the GSA Girls Football Festival.

Music

23 girls passed ABRSM instrumental and singing examinations during the year, with a range of instruments. One LVI pupil received a merit in their Grade 8 piano exam, whilst a pupil in FII pupil received a distinction in her Grade 2 French Horn exam, a Form 4 pupil received a distinction in her Grade 4 Organ exam and two pupils received distinction in their Grade 4 and Grade 5 singing exams.

A number of students took part in the LVS Music Festival and were awarded with a total of 14 medals including five golds for cello, clarinet, harp, flute and classical vocal, with a pupil in Form IV also being awarded the Best Instrumentalist Cup and a pupil in LVI the Best Classical Vocalist Cup too.

LAMDA and Dance

Students took 52 LAMDA examinations between December 2022 and June 2023. 6 of these examinations were at the Higher Level – Grades 6-8 – for which the students also receive UCAS points. A pupil in UVI and another in Form IV achieved Distinction at Grade 8 Musical Theatre. The students achieved 112 UCAS points in total. All 52 LAMDA exam students achieved a Distinction or Merit.

In Dance, students have achieved 100% success in RAD Grade 5, 7 and 8 Ballet Examinations, for which they also achieved UCAS points. Girls also participated in Ballet, Street Dance, Dance GCSE, Tap Dance, Pointe-work, Acro, Pilates and Yoga classes during the year.

A number of students took part in the LVS Performing Arts Festival, a student in LVI was awarded a Silver Medal for Acting and four Form IV students won the Gold Medal for Quartet Dance Group for their street dance performance. The Dance Group also won the Cup for the Best Small Group in the Festival.

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Equestrian Events at Heathfield

Heathfield remains very active, encouraging riders and polo players with lessons and coaching available three days a week.

Heathfield polo players took part with great enthusiasm at the SUPA schools' national tournaments at all age and abilities winning the Beginners Division at the Junior Championship and placing second, third and fourth in their divisions at Senior level. There are three polo coaching sessions each week, with levels for the complete beginner, improvers and advanced.

Riders attend the Berkshire riding centre on Wednesday and due to popularity, we now have an advanced group riding on Tuesdays at the Light Cavalry, Honorable Artillery Company, based in Windsor Great Park.

Heathfield has an average of 38 pupils attending polo and/or riding lessons. Classes available are for beginners (completely new to the activity) to advanced jumping classes.

Heathfield continues to attract competent show jumping, dressage and event riders with several pupils' horses at local livery yards to continue their training whilst boarding at school. Many pupils continue with their equestrian disciplines at high levels after their start at Heathfield.

Staff

The Governors wish to express their gratitude to the Headmistress, the Bursar and all other members of the Staff for their continued dedication to the interests of the pupils of Heathfield School.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Governors consider that the School is on a sound financial footing, given the increasing pupil numbers year on year since 2018, and views the future with optimism, despite the challenges of the year due to the economic crisis. At the year end, the school held cash balances of £686,088 (2022: £1,251,222) and investments of £1,501,463 (2022: £1,493,260).

At 31 August 2023 the School had net assets of £12,536,847 (2022: £13,006,738), of which freehold property accounts for £12,741,210 (2022: £13,852,775). This is a vital area of focus for the School as the high quality facilities and living quarters are significant contributing factors in attracting new pupils.

During the year a net cash outflow of £565,134 (2022: outflow £917,402) occurred. Cash from operating activities was a net inflow of £94,360 (2022: inflow £2,575,252) in the year.

As a result of a historic claim in relation to St Mary's Wantage School, the additional legal and professional costs of £546,222 were incurred and are included in note 3. Excluding these costs, the School made an operational surplus of £436,686 (2022: surplus £1,392,621) in the year, which after depreciation and gains on investments, resulted in a deficit £469,891 (2022: surplus £997,531).

As a registered Charity any surpluses are applied for the benefit of the School.

Reserves Policy

The Governors' policy is to build up free reserves to meet demands for further expenditure out of annual operating surpluses to equip the School with the up-to-date facilities needed to improve and maintain the standard of educational services and sporting facilities. The Governors are of the opinion that the total reserves on the Income and Expenditure account of £12,536,847 (2022: £13,006,738) are sufficient to meet the school's obligations for the foreseeable future (see note 15 for note on reserves).

The Governors recognise the need to review the reserve levels of the school annually at the year-end as part of

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its medium-term budget planning. The Governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the School and to fund future projects, whilst maintaining a contingency in the region of £1,000,000. The Governors intend to review the Reserves Policy annually to ensure that this aim can be achieved.

Investment Policy

The Governors' policy is to invest in secure forms of investment that provide a reasonable level of income. The Finance Sub-committee keeps under review the investment risks and rewards.

Going concern accounting Policy

The Governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the School to continue as a going concern. The Governors have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Governors have considered the cost of living pressures on parents and the recession on the School's forecasts and projections. After making enquiries the Governors have concluded that the School has adequate resources to continue in operational existence for the foreseeable future.

As such the School expect to be able to meet its liabilities as they fall due in the period of at least 12 months from the date of approval of these accounts.

On this basis the Governors have concluded that the School is a going concern. The financial statements do not include any adjustments that would result from the School not being able to meet its liabilities as they fall due.

Future Plans

The construction of a Sixth Form Study and Wellbeing Centre was completed in September 2022. The School is continually improving its facilities with smaller refurbishment projects as well as considering options for future capital plans which may include an additional classroom block, new sports hall and fitness suite and/or staff accommodation.

The School is continuing to raise academic standards and to attract academically able pupils to the School.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governing Body is responsible for the management of the risks faced by Heathfield. Detailed considerations of risk are assessed by senior staff for review by the relevant Sub-Committees and then centrally by the Governing Body. Risk is assessed in three categories; Strategic, Financial and Operational risk. Risks are identified, assessed and controls or mitigations established throughout the year. A formal review of the risk management process is undertaken on a rolling basis throughout each year.

The most significant risk to the charity, and indeed most independent schools, is a significant drop in pupil numbers, which would affect income. This is a matter that receives continuous attention. The risk is compounded by the government legislative changes to business rates relief and the addition of VAT to fees. Identified as significant risks with some mitigations available, this would increase operating costs and almost certainly lead to increased fees, raising the risk of reduced pupil numbers even higher.

The highest costs to Heathfield are staff and pastoral costs which are paid in arrears. Conversely, school fees are received termly in advance resulting in a surplus of working capital. Any cash flow risk which will arise from the commission of any building projects will be reduced by extensive forward planning by the Governors, coupled with significant cash balances held by Heathfield which can be utilised as required.

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Credit risk is the risk of financial loss to Heathfield if a fee payer fails to meet their obligations. Heathfield minimises this risk by taking deposits from each student and monitoring amounts not received on a regular basis.

Health and Safety is always a significant area for risk management. The risks range from fire to personal risks (most notably when away from the School on trips and expeditions). The risks associated with all activities are minimised by thorough planning and risk assessment.

The global economic situation is now the most significant risk and a cause for concern. Increases in inflation, particularly energy and food, have increased the School's operating cost in the current period and will continue to increase over the near-term. The budget for the next financial period has identified these areas where possible. It is not yet clear whether, or to what degree pupils' parents will be affected but it should be noted that the pupil numbers for 2023-24 did not decrease. Regardless, controls have been put in place to mitigate this risk and its possible enduring nature. Governors have concluded that the Going Concern basis remains applicable.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. The charity's exposure to risk is reviewed consistently throughout the year.

The key controls used by the Charity include:

- Formal agenda for all Committee and Board activity
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable
- Formal written policies

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the Trustees 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other

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irregularities.

So far as each of the Governors are aware at the time the report is approved:

- there is no relevant information of which the company's auditors are unaware, and
- the Governors have each taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

BY ORDER OF THE BOARD

A handwritten signature in black ink that reads "Alex Popplewell". The signature is written in a cursive, flowing style.

Mr Alex Popplewell
Chair of the Governors

Date: 6 August 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the financial statements of Heathfield School ('the company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees 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 there is 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 2, 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2023

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention

in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent 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, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2023**

3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

Date: 16 August 2024

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £	2022 Total Funds £
INCOME FROM:					
Charitable activities					
School fees	1a	8,516,490	-	8,516,490	8,471,755
Donations and grants	1b	291,312	-	291,312	622,297
Other trading activities					
Rental income	1c	126,330	-	126,330	97,190
Investments	1d	62,989	12,683	75,672	55,100
Total income		<u>8,997,121</u>	<u>12,683</u>	<u>9,009,804</u>	<u>9,246,342</u>
EXPENDITURE ON:					
Raising and managing funds	2	111,721	-	111,721	72,710
Charitable activities	2	9,273,551	-	9,273,551	8,166,301
Total expenditure		<u>9,385,272</u>	<u>-</u>	<u>9,385,272</u>	<u>8,239,011</u>
Net (losses)/gains on investments	9	(81,326)	(13,097)	(94,423)	(9,800)
NET (DEFICIT) / SURPLUS		(469,477)	(414)	(469,891)	997,531
Reconciliation of funds					
Fund balances brought forward at 1 September	15	<u>12,754,218</u>	<u>252,520</u>	<u>13,006,738</u>	<u>12,009,207</u>
Fund balances carried forward at 31 August	15	<u>12,284,741</u>	<u>252,106</u>	<u>12,536,847</u>	<u>13,006,738</u>

All amounts derive from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Tangible assets	8		13,170,121		13,852,774
CURRENT ASSETS					
Investments	9	1,501,463		593,260	
Stocks	10	34,645		23,186	
Debtors	11	432,396		534,913	
Cash at bank and in hand		686,088		1,251,222	
		2,654,592		2,402,581	
CREDITORS - Amounts falling due within one year					
	12			(2,037,867)	
		(2,167,688)			
NET CURRENT ASSETS					
			486,905		364,714
TOTAL ASSETS LESS CURRENT LIABILITIES					
			13,657,025		14,217,488
Creditors					
Amounts falling due after more than one year	13		(1,116,962)		(1,205,327)
Provisions for liabilities and charges					
	14		(3,216)		(5,423)
Net assets					
			12,536,847		13,006,738
FUNDS					
Restricted funds					
	15		252,106		252,520
Unrestricted funds					
Income and expenditure account	15		12,284,741		12,754,218
School Funds					
			12,536,847		13,006,738

Approved by the Board of Governors of Heathfield School on 6 August 2024 and signed on its behalf by



Mr Alex Popplewell - Governor



Mr Steve Melcher - Governor

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Net cash inflow from operating activities	(a)	94,360	2,575,252
Cashflows from investing activities			
Investment income and interest received		75,672	27,581
Interest paid		(46,636)	(72,710)
Purchase of investments		(102,626)	-
Investments received		-	(252,520)
Payments to acquire tangible fixed assets		(435,904)	(3,132,505)
Net cash outflow from investing activities		(509,494)	(3,430,155)
Cashflow from financing activities			
Loan repayments		(150,000)	(62,500)
Decrease in cash and cash equivalents in the year		(565,134)	(917,403)
Cash and cash equivalents at beginning of the year		1,251,222	2,168,625
Cash and cash equivalents at end of the year		686,088	1,251,222

Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
(a) Net expenditure including endowments	(469,891)	997,531
Adjustments for:		
Net losses on investments	94,423	9,800
Profit disposal of tangible fixed assets	-	(267)
Investment income	(75,672)	(27,581)
Interest paid	46,636	72,710
Depreciation charges	368,558	395,090
(Increase)/decrease in stock	(11,459)	1,157
Decrease in debtors	102,517	1,086,747
Increase in creditors	41,455	63,109
Decrease in provisions	(2,207)	(23,044)
Net cash inflow from operating activities	94,360	2,575,252

	Balance at 31 August 2022 £	Cash Movements £	Balance at 31 August 2023 £
Net cash:			
Cash at bank and in hand	1,251,222	(565,134)	686,088
Bank loan	(687,500)	150,000	(537,500)
Net cash	563,722	(415,134)	148,588

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

ACCOUNTING POLICIES

Heathfield School Limited is a charitable company, incorporated in England and Wales and limited by guarantee.

The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' Report.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

(b) Going concern

The Governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the School to continue as a going concern. The Governors have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Governors have considered the School's forecasts and projections and have taken account of pressures on fee income. After making enquiries the Governors have concluded that there is a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the governors continue to adopt the going concern basis for the preparation of the financial statements.

(c) Income

All income is recognised when the School has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Fees receivable

These represent fees charged to pupils with incidental fees and disbursements disclosed separately and are accounted for in the period in which the service is provided. Fees received in advance of education to be provided in future years are held as liabilities until either taken to income in the term when used or else refunded.

Donations

All monetary donations are included in full in the statement of financial activities when received, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met. Donations receivable for the general purpose of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on Heathfield School's Governors.

The value of donated services and gifts in kind provided to the School are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the School can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the School's policies.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

Grants receivable

Revenue grants, including government grants, are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable and transferred to unrestricted funds up to the level of expenditure incurred. Depreciation on the fixed assets purchased with such grants is then charged against unrestricted funds.

(d) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and is classified under the following activity headings:

- Costs of raising funds comprise the finance costs incurred by the School.
- Expenditure on charitable activities includes the costs of the academic and pastoral care provided to the pupils.

Governance costs, which comprise the regulatory costs of running the charity, have been allocated wholly to the charitable activities of the School. All expenditure is inclusive of irrecoverable VAT.

(e) Grant making policy

Bursaries from restricted funds are included as expenditure in the period for which the award is given. Bursaries and scholarships from unrestricted funds towards school fees at school are treated as a reduction in those fees.

(f) Tangible fixed assets

The School prepares a budget for capital expenditure at the start of each academic year which is approved by the Finance Committee.

Depreciation is provided on cost less residual value at the following rates in order to write off assets over their estimated useful lives

Freehold buildings - St Mary's Theatre and STEM building	2%
Freehold buildings - Access road	10%
Freehold buildings - Other	Not depreciated
Freehold buildings - Swimming pool	3 $\frac{1}{3}$ %
Equipment	10% - 20%
Motor vehicles	20%

The Charity holds no inalienable or historic assets.

The policy for depreciating freehold buildings is to provide a charge of 2% on cost less residual value. However, no depreciation has been charged on the main school buildings as an annual impairment review is undertaken. This considers the maintenance programme to keep buildings in good repair, and an annual insurance review to identify any significant issues.

Assets costing more than £1,000 are capitalised and carried in the balance sheet at historical cost. Assets under the course of construction are not depreciated until they are complete and brought into use.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

(g) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains/(losses) on investments" in the SOFA.

(h) Stock

Stock is included at the lower of cost and net realisable value.

(i) Debtors

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

(j) Cash at bank and in hand

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

(k) Creditors and provisions

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

(l) Financial Instruments

The School has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 11, 12 and 13 for the debtor and creditor notes.

(m) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

(n) Pension costs

Retirement benefits to employees of the School are provided by Royal London for teachers and the TPT Retirement Solutions Independent Schools' Pension Scheme ('ISPS') for non-teaching staff. Both schemes are a defined contribution

Contributions to the ISPS are expensed in the Statement of Financial Activities. See note 17 for details.

(o) Benefits in kind and gifts

Gifts donated to the school and any services provided by the Governors have been included in the financial statements.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

(p) Operating leases

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

(q) Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Restricted funds are created when donations are made either for a particular area or purpose, the use of which is restricted. Expenditure is charged to the Statement of Financial Activities when incurred.

(r) Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Change in market value is an estimate. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a regular basis. In the view of the Governors, no assumptions concerning the estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying values.

1 ANALYSIS OF INCOME

	2023	2022
(a) Charitable activities	£	£
Fees receivable	8,060,609	7,514,399
Less: bursaries, scholarships and discounts	<u>(635,180)</u>	<u>(578,795)</u>
	7,425,429	6,935,604
Summer school income	442,249	396,481
Business Interruption insurance claim	-	550,000
Registration fees	23,000	31,600
Retained deposit and other income	41,355	1,000
Extras and disbursements	<u>584,457</u>	<u>557,070</u>
	<u><u>8,516,490</u></u>	<u><u>8,471,755</u></u>

All bursaries, scholarships and discounts were made to individuals in accordance with the School's grant-making policy.

(b) Donations and grants	2023	2023	2023	2022
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Donations received	<u>291,312</u>	-	<u>291,312</u>	<u>622,297</u>

£365,927 of donations and grants income in 2022 related to unrestricted funds.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)

REGISTERED NUMBER: 00556463

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

(c) Other trading activities	2023	2023	2023	2022
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Rental income and hire of facilities	126,330	-	126,330	97,190

All income from other trading activities in 2022 related to unrestricted funds.

(d) Investment income	2023	2023	2023	2022
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Interest receivable	62,989	12,683	75,672	55,100

£44,378 of investment income in 2022 related to unrestricted funds.

2(a) Analysis of expenditure

2023	Staff costs	Other	Depreciation	Total
Charitable activities	£	£	£	£
Teaching	3,218,957	689,217	-	3,908,174
Premises	1,086,456	1,402,204	368,558	2,857,218
Support costs (note 2b)	1,120,845	1,387,314	-	2,508,159
Raising and Managing Funds (note 2c)	-	111,721	-	111,721
	<u>5,426,258</u>	<u>3,590,456</u>	<u>368,558</u>	<u>9,385,272</u>

2022	Staff costs	Other	Depreciation	Total
Charitable activities	£	£	£	£
Teaching	3,122,263	732,577	-	3,854,840
Premises	963,991	1,519,655	396,046	2,879,692
Support costs (note 2b)	942,612	474,585	-	1,417,197
Raising and Managing Funds (note 2c)	-	72,710	-	72,710
	<u>5,028,866</u>	<u>2,799,527</u>	<u>396,046</u>	<u>8,224,439</u>

2(b) Support costs

	2023	2022
	£	£
Salaries and National Insurance	1,120,845	944,851
Printing, postage and stationery	17,544	14,071
Marketing and development	195,540	105,378
Computer costs	83,243	114,028
Bad debts & stock write off	34,371	11,253
Legal & Professional fees	71,422	84,283
Non-teachers' CPD	6,800	4,867
General expenses	384,520	117,751
Governance Costs (note 3)	593,874	20,715
	<u>2,508,159</u>	<u>1,417,197</u>

2(c) Raising and Managing Funds

Fundraising	65,085	54,849
Interest and charges	46,636	17,861
	<u>111,721</u>	<u>72,710</u>

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3 Governance Costs	2023	2022
	£	£
Legal & Professional fees	569,307	-
Audit fees	24,567	20,715
	<u>593,874</u>	<u>20,715</u>

4 Operating Surplus	Funds	Funds
	2023	2022
	£	£
The operating surplus is stated after charging:		
Depreciation and other amounts written off tangible assets	368,558	395,090
Operating lease charges	75,143	24,994
Auditor's remuneration - audit fee	24,567	20,715
	<u>24,567</u>	<u>20,715</u>

5 Employees

The average monthly number of employees (including staff who are also trustees) during the year was:

	2023	2022
	No.	No.
Teaching staff	55	52
Administration and support	81	77
	<u>136</u>	<u>129</u>

Employment costs

	Total	Total
	2023	2022
	£	£
Wages and salaries	4,355,182	4,128,615
Social security costs	430,261	414,815
Employer's pension contributions	475,635	451,474
Temporary and agency staff costs	102,307	2,239
Other	62,873	33,961
	<u>5,426,258</u>	<u>5,031,105</u>

Included in the above are termination payments of £23,882 for two individuals (2022: £33,961 three individuals).

Employees earning £60,000 per annum or more received remuneration in the following bands:

	2023	2022
	No.	No.
£60,000 - £69,999	2	3
£70,000 - £79,999	-	-
£80,000 - £89,999	1	2
£90,000 - £99,999	-	-
£100,000 - £109,999	1	-

The employers pension contributions for the above employees was £40,102 (2022: £41,069).

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6 Key Management Personnel

The charity considers that the key management personnel comprise the governors and the senior leadership team - who are the Headmistress, Deputy Head (Pastoral & Boarding), Assistant Head (Co-curricular), Deputy Head (Academic), Assistant Head (Sixth Form), Assistant Head (Teaching and Learning), Assistant Head (Operations), Bursar & Clerk to the Governors, and the Director of Marketing & Admissions. The total employee benefits including pension costs of the key management personnel of the school were £827,562 (2022: £824,489).

7 Taxation

The charitable company is exempt from corporation tax on its activities.

8 Tangible Fixed Assets

	Investment properties £	Freehold properties £	Equipment £	Total £
Cost				
At 1 September 2022	750,000	15,058,591	3,316,050	19,124,641
Additions		114,914	320,990	435,904
Transfer to current assets	(750,000)	-	-	(750,000)
Disposals		-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2023	-	15,173,505	3,637,040	18,810,545
Depreciation				
At 1 September 2022	-	2,165,851	3,106,015	5,271,866
Charge for the year	-	266,444	102,114	368,558
Eliminated on disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2023	-	2,432,295	3,208,129	5,640,424
Net Book Value				
At 31 August 2023	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 August 2022	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The insured value of the Main School (including the Sixth Form Centre and STEM block), Sports Hall, Swimming Pool, St Mary's Theatre and other buildings is £58,320,000.

All tangible fixed assets are used for direct charitable purposes. The school does not own or have the use of any inalienable or historic assets. No impairment of the freehold property was evident, which has been confirmed by the insurance valuation. The School has an outstanding Coronavirus Business Interruption Loan with Barclays. Security of the loan is held on three separate residential properties held off the School site.

The School had capital commitments of £nil (2022: £nil) at 31 August 2023.

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9 Investments	2023	2023	2023	2022
	Investment	Other	Total	Total
	Property		£	£
At 1 September	-	593,260	593,260	350,540
Additions	1,002,626	-	1,002,626	252,520
Disposals	-	-	-	-
Net gains/(losses)	(102,626)	8,203	(94,423)	(9,800)
At 31 August	<u>900,000</u>	<u>601,463</u>	<u>1,501,463</u>	<u>593,260</u>
Historical cost	<u>900,000</u>	<u>564,555</u>	<u>1,464,555</u>	<u>564,555</u>

Of the other investments held £344,056 (2022: £340,740) relates to Fidelity Investments which is listed on the London Stock Exchange. The balance relates to M&G Charibond and Charifund acquired in 2022.

10 Stock	2023	2022
	£	£
Household and consumable materials	<u>34,645</u>	<u>23,186</u>

11 Debtors	2023	2022
	£	£
Tuition fees receivable	196,253	226,397
Bad debt provision	(128,931)	(70,115)
Other debtors	2,057	5,987
Prepayments and accrued income	363,017	372,643
	<u>432,396</u>	<u>534,912</u>

12 Creditors: Amounts falling due within one year	2023	2022
	£	£
Trade creditors	366,938	259,631
Loan	150,000	150,000
Tuition fees in advance (see below)	991,590	1,311,827
Other taxes and social security costs	168,500	102,576
Other creditors	124,659	141,511
Accruals and deferred income	366,001	72,322
	<u>2,167,688</u>	<u>2,037,867</u>

	2023	2022
	£	£
Total tuition fees in advance brought forwards	1,311,827	1,291,158
Released in year	(1,311,827)	(1,291,158)
Received in year	<u>991,590</u>	<u>1,311,827</u>
Total tuition fees in advance carried forwards	<u>991,590</u>	<u>1,311,827</u>
Repayable in one year or less, or on demand	991,590	1,311,827
Repayable in one year or more (see note 13)	-	-
	<u>991,590</u>	<u>1,311,827</u>

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13 Creditors: Amounts falling due after more than one year	2023	2022
	£	£
Loan	387,500	537,500
Fee deposits	658,394	667,827
Fees paid in advance	71,068	-
	<u>1,116,962</u>	<u>1,205,327</u>

In 2021, the school obtained a loan from Barclays Bank plc under the Government's Coronavirus Business Interruption Loan scheme. Interest is payable at Bank of England base rate plus 3.35% from December 2021 and the loan is repayable by November 2026. The amount due in more than five years is £nil (2022: £nil). There is a charge outstanding over properties owned by the School in relation to these loans.

Fee deposits

Repayable in one year or less, or on demand	<u>75,239</u>	<u>75,070</u>
Repayable between one and two years	71,139	53,539
Repayable between two and five years	510,965	536,488
Repayable in five years or more	<u>76,290</u>	<u>77,800</u>
Total	<u>658,394</u>	<u>667,827</u>

Fees paid in advance

Repayable in one year or less, or on demand	<u>991,590</u>	<u>1,311,827</u>
Repayable between one and two years	71,068	-
Repayable between two and five years	<u>-</u>	<u>-</u>
Total	<u>71,068</u>	<u>-</u>

14 Provision for liabilities	2023	2022
	£	£
Balance at 1 September	5,423	28,467
Released in year (see note 17)	<u>(2,207)</u>	<u>(23,044)</u>
	<u>3,216</u>	<u>5,423</u>

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15 Funds	Balance at 31 August 2022 £	Income £	Expenditure £	Gains & Transfers £	Balance at 31 August 2023 £
Unrestricted Funds - General	12,754,218	8,997,121	(9,385,272)	(81,326)	12,284,741
Restricted Funds	252,520	12,683	-	(13,097)	252,106
	<u>13,006,738</u>	<u>9,009,804</u>	<u>(9,385,272)</u>	<u>(94,423)</u>	<u>12,536,847</u>

Restricted funds relate to St Mary's Wantage Bursary Fund which supports bursaries given to pupils at the School.

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £	2022 Total Funds £
Tangible fixed assets	13,170,121	-	13,170,121	13,852,775
Current assets	2,402,486	252,106	2,654,592	2,402,580
Current liabilities	(2,167,688)	-	(2,167,688)	(2,037,867)
Creditors falling due after 1 year	(1,116,962)	-	(1,116,962)	(1,205,327)
Provisions for liabilities and charges	(3,216)	-	(3,216)	(5,423)
	<u>12,284,741</u>	<u>252,106</u>	<u>12,536,847</u>	<u>13,006,738</u>

£12,754,218 of net assets in 2022 were represented by unrestricted funds.

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17 Pension obligations

The School employees belong to two principal pension schemes: Royal London Scheme for teaching staff; and TPT Retirement Solutions Independent Schools' Pension Scheme (ISPS) for non-teaching staff. Both are defined contribution schemes. In addition, a small number of employees belong to TPT Retirement Solutions Growth Plan (TPTGP) defined benefit scheme however this is closed to new members.

TPT Retirement Solutions

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme of £3,312,000 per annum. This is payable monthly from 1 April 2022 to 31 January 2025 and increases by 3% each on 1st 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 rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Reconciliation of opening and closing provision:	2023	2022
	£	£
Provision at start of period	5,423	28,467
Recognised in year	-	-
Unwinding of discount factor (interest expense)	185	162
Deficit contribution paid	(2,360)	(5,665)
Remeasurements - impact of change in assumptions	(32)	(239)
Remeasurements – amendments to the contribution schedule	-	(17,302)
	<u>3,216</u>	<u>5,423</u>

Income and expenditure impact:

Interest expense	185	162
Recognised in year	-	-
Remeasurements - impact of change in assumptions	(32)	(239)
Remeasurements – amendments to the contribution schedule	-	(17,302)

All movements on the pension provision are recognised in the Statement of Financial Activities as staff costs.

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17 Pension obligations continued

The assumed discount rate applied is 6.04% per annum (2022: 4.46%). This rate is the equivalent single discount rate 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.

Royal London Scheme

The pension charge for the year includes contributions payable to Royal London of £359,667 (2022: £344,111) and at the year-end £46,168 (2022: £42,193) was accrued in respect of contributions to this scheme.

18 Indemnity insurance

During the year the company purchased insurance for the directors of the school against liabilities arising from negligence in relation to the company as permitted under section 233 of the Companies Act 2006 with the approval of the Charities Commission. £45,607 (2022: £36,996) was paid for an all risks combined liability insurance policy. Included in this was public liability insurance and professional indemnity insurance relating to the trustees.

19 Company limited by guarantee

As the company is limited by guarantee, in the event of winding up the members will be required to pay £1.

20 Related party transactions

None of the trustees received any remuneration or reimbursed expenses for their role as trustee during the current or previous year.

21 Controlling interest

The company is controlled by its Board of Governors.

22 Operating lease commitments

At 31 August 2023 the school had total commitments under non-cancellable operating leases falling due as set out below:

Due within:	2023	2022
	£	£
Less than one year	24,097	26,249
Between one and five years	<u>64,879</u>	<u>27,389</u>
	<u><u>88,976</u></u>	<u><u>53,638</u></u>