

COMPANY REGISTRATION NUMBER: 207173
REGISTERED CHARITY NUMBER: 312052

**FRENESHAM HEIGHTS
EDUCATIONAL TRUST LIMITED
REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
31 JULY 2020**

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
YEAR ENDED 31 JULY 2020

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FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
GOVERNORS, OFFICERS AND ADVISERS
YEAR ENDED 31 JULY 2020

DIRECTORS AND GOVERNORS

Margaret Coltman (Chair; retired 8 December 2019)
Gerard Holden (Vice Chair)
William Bird (Treasurer to 8 December 2019; appointed Chair 8 December 2019)
Angus Carlill (appointed Treasurer 8 December 2019)
Claire Fuller
Martin Lupton
Sally Marriott (appointed 15 January 2020)
William Marriott (appointed 15 January 2020)
Katherine Poulson
Jackie Sullivan
Philip Ward
Richard Fry
Peter Molyneux

FINANCE AND HUMAN RESOURCES COMMITTEE

Angus Carlill (Chair)
William Bird
Richard Fry
Katherine Poulson
Jackie Sullivan
Claire Fuller

EDUCATION COMMITTEE

Philip Ward (Chair)
William Bird
Richard Fry
Gerard Holden

HEAD

Rick Clarke

BURSAR AND COMPANY SECRETARY

Edwina Dean-Lewis (retired 8 December 2019)
James Bell (appointed 1 January as Interim Bursar)
(appointed 4 March 2020 as Company Secretary)

Note: Officers (i.e. Chair, Vice Chair and Treasurer) are ex-officio members of all Board committees.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

GOVERNORS, OFFICERS AND ADVISERS

YEAR ENDED 31 JULY 2020

REGISTERED OFFICE	Frensham Heights Rowledge Farnham Surrey GU10 4EA
COMPANY NUMBER	207173
REGISTERED CHARITY	312052
BANKERS	HSBC Bank plc The Borough Farnham Surrey GU9 7NJ
SOLICITORS	GBH Law (trading as Goodyear Blackie Herrington Solicitors) 7-8 Innovation Place Douglas Drive Godalming Surrey GU7 1JX
AUDITORS	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
INSURANCE BROKERS	Marsh Insurance Brokers Limited Rockwood House 9-17 Perrymount Road Haywards Heath West Sussex RH16 3DU

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2020

The Governors of Frensham Heights Educational Trust Limited, who are also the Directors and Charity Trustees, are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 July 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

DIRECTORS' REPORT

CONSTITUTION AND OBJECTS

Frensham Heights Educational Trust Limited was founded under Memorandum and Articles of Association dated 10 July 1925 as amended on 4 April 1950, 22 June 1996 and 11 January 2006. It is constituted as a company limited by shares, registered in England, No. 207173, and is registered with the Charity Commission under Charity No. 312052.

The Charity's principal Objects, as set out in the Memorandum of Association, are the advancement of education, including the provision of a school for boys and girls at Frensham, the holding of exhibitions, classes or conferences, whether general, professional or technical, and support to other charitable bodies. There has been no change to the Objects during the year.

In furtherance of these Objects and for the public benefit, the School has established and administered during the year bursary awards and other benefactions, and acts as the trustee and manager of property and gifts given or established in pursuance of these Objects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Contact Information

The Governors, Head, Company Secretary and principal address of the Charity are as listed on Page 1. Particulars of the Charity's professional advisers are listed on Page 2.

Group Structure and Relationships

The Charity has a wholly owned non-charitable subsidiary, Frensham Heights Enterprises Limited, (Company number 2866864) which was incorporated in 1993. Its principal activity is managing the hiring and letting of facilities at the School.

Board of Governors

Governors serve for approximately seven years, with one seventh (or nearest number) normally retiring at the Annual General Meeting (AGM) each year. Governors, with the exception of the Officers, may not be re-appointed until the AGM following the AGM at which they retired. One Governor retired and two Governors were appointed during the year. A new Chair and Treasurer were appointed during the year. All Governors are encouraged to identify potential new Governors and propose them in accordance with the needs identified using the specialist skills matrix which is reviewed annually by the Board. Potential Governors undergo a series of interviews and briefings before attending the Board as observers; after which they may be appointed. New Governors undergo induction sessions with the Head and Company Secretary to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2020

Development Strategy and recent financial performance of the charity. New Governors are given a tour of the School to meet key employees and they are encouraged to attend appropriate external training events to facilitate the undertaking of their role. All Governors have received training or attended external briefings by professional advisors throughout the period. Details of relevant courses and seminars are regularly circulated to all Governors.

Governance Code

The trustees are aware of the Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. During the year the Charity began a review of current governance arrangements against the principles within the code and prepared an action plan to address areas identified for best-practice improvements. This will be implemented during the year ended July 2021

Related parties and co-operation with other organisations

None of the Governors has received remuneration or other benefit from their work with the school in the year. Any connection between a trustee or senior manager of the school with a production company, contracted actor, performer or exhibitor must be disclosed to the full Board of Governors in the same way as any other contractual relationship with a related party.

Organisational Management

The Governors, who are also the Charity Trustees, are legally responsible for the general policy of the School and for the overall management and control of the School. The Governors meet as a Board at least three times a year. The work of overseeing the implementation of policies is carried out by committees. During the year, two committees were combined to form the Finance and Human Resources Committee, which sits at least three times a year prior to each full Board meeting. All other committees sit a minimum of twice a year. Specific governor working groups were established, reporting to the committees, including a steering group of governors, the Head and Bursar. The steering group met regularly through the pandemic period from March to July, with major decisions being referred to the board for approval. The committees and their membership are listed on Page 1. The Governors also hold an annual strategy meeting to examine and agree key issues impacting the School. At least one Governor sits on each of: the School's Health and Safety Committee; the Parents' Committee; and the Staff Common Room Committee. The day-to-day management of the School is delegated to the Senior Leadership Team (key management personnel), which is comprised of the Head, Bursar, Deputy Head Academic, Deputy Head Pastoral and Head of Junior School. The Head and the Bursar are invited ex-officio to all Board and committee meetings. The pay and remuneration of the Head and the Bursar are set by the whole Board at their Spring or Summer Board meetings having considered independent benchmark reports across the independent school education sector. During the year the consultancy services of an interim Bursar were secured.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2020

AIMS, OBJECTIVES AND ACTIVITIES

Public Benefit Aims and Activities

In meeting its Objects, the School's public benefit aim is to provide a world class progressive education that emphasises progressive values and focuses on students as individuals so as to bring out their strengths, with creative and performing arts given equal status alongside more traditional academic subjects and sport. In line with its ethos, the School welcomes students from all backgrounds where it is believed that the prospective student can benefit from the education provided at the School. During the year, the Head commenced work on reviewing and updating the school's vision, objectives and values.

In support of this aim the School awards bursaries, which are outlined in the grant making section of the Strategic Report. Importantly the School provides education in the widest sense covering a range of subjects, as well as extra-curricular activities, and community responsibility. With due regard to the Charity Commission's published guidance on the public benefit requirement under the Charities Act 2011, the School also co-operates closely with local schools, charities and organisations to widen public access to education. The school created a new post of Assistant Head (Student Development), with particular responsibility for outreach and community links. The School continues to work particularly closely with Rowledge Primary School supporting the Forest School programme, offering access to science laboratories and a member of staff is also a Governor there. Other local, maintained sector schools, youth groups, scouts and cubs made use of the School's music, art and sports facilities and minibuses. The School has also forged very strong charitable links with All Saints School and Amao Orphanage in Malawi. The school has now begun work at a second school (Mikuyu) in Malawi. Over the last ten years, in addition to working visits by staff and students, practical assistance and charitable funds raised by the School community have had significant impact for people living in those Malawi communities.

During the Covid 19 pandemic, the School proactively set up a hub for the creation of PPE for hospitals, care homes and other community beneficiaries, including the creation of 3D printed visors, donated gloves and created masks and medical scrubs.

Objectives for the Year

The School's principal objectives for the year were to:

- Maximise student achievement
- Maximise student personal development through effective tutoring and involvement in opportunities outside the classroom
- Inspire and further develop the teaching staff through professional development opportunities
- Further enhance teaching and learning
- Maintain a roll of around 520 students for the year
- Redefine and revamp the Scholarship and Enrichment programme offered throughout the School so that it is more in keeping with the School's ethos
- Deliver the School's charitable objects and demonstrable public benefit
- Maintain financial stability

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REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2020

STRATEGIC REPORT

Strategies

The School's strategic direction is articulated in its Strategic and Business Plan 2020-23. The annual Management Plan 2019-20 and capital expenditure plan out to 2024 supported the delivery of the year's objectives. The School regularly reviews its options in terms of long-term development and investment.

Principal Activity of the Year

The principal activity continues to be the provision of day and boarding education for boys and girls aged from 3 to 18 years. This year the School averaged 525 (2019: 519) students of whom 434 (2019: 430) were day students and 91 (2019: 89) were boarders.

Grant-making

During the year the School set aside funds to support bursaries, which were offered to parents of students who could not otherwise afford to send their children to the School, based on a comprehensive means-tested assessment of financial need. The process requires parents or guardians to complete a detailed financial form covering income, expenditure and assets which is reviewed by the Bursar and Head, and a representative of the Board of Governors in difficult cases, before any award is made. Bursary awards are re-assessed annually. The school also offered support to families in the case of financial hardship arising from the pandemic. The School's policy is to ensure funds are allocated for bursaries, and also develop further its programme of Scholarship and Enrichment activities which is open to scholars, as well as the wider School community. In addition, the School recognises the importance of family continuity and offers a 10% fee discount for third and subsequent children attending the School.

In support of all these awards the School committed £614k (2019: £606k) this year, of which £553k (2019: £552k) was awarded in bursaries to 45 students (2019: 54) through its General Fund, of which 11 (2019: 11) were 100%. In addition, £12k in hardship bursaries was awarded through funds donated by parents and Old Frenshamians. The availability of all such awards for fee-assistance is advertised on the School's website at www.frensham.org.

Volunteers

Old Frenshamians, Friends of Frensham, parents and members of the local community assisted and supported the School's educational and cultural activities throughout the year and the Board would like to record its appreciation of this invaluable and continuing support.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE

Operational Performance of the School

Educational value has been added to student achievement across all age groups; this has been monitored using nationally recognised prediction information systems. Through the Scholarship and Enrichment Programme; students gain a wealth of experiences which not only enhance their curriculum learning but also develop essential life skills, all of which add value to their time at Frensham. Trips and educational visits provide access to social, cultural, moral and spiritual experiences as students are challenged and have the opportunity for experiential learning. Due to Covid-19, the academic year for providing enrichment was cut short. However, through a remote learning platform, students continued to receive access to the curriculum delivered via a full timetable of live teaching. Opportunities for enrichment were creatively identified as the community was brought together in a number of ways

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from students being involved in PPE support for the NHS, care homes and charities, virtual camp outs, virtual sports days, charity initiatives and challenges.

Exam results continue to be strong and increase, in line with the trajectory. This year the exam season was cancelled and Centre Assessed Grades were used. Frensham ensured that a robust process was followed to ensure that all grades allocated were fair and well deserved.

GCSEs: students achieved 43% 9-7; 65% 9-6; 97% 9-4 grades.

A Levels: students achieved 42% A*/A, 72% A*-B, 100% A*-E. In addition, some students undertook the Extended Project Qualification (equivalent to half an A Level); the pass rate was 71% A*-A.

The School continues to attract students in the South East and London through the unique nature of our education and pastoral care and has maintained strong student numbers. The School also remains active in the international market place and appeals to overseas students, mainly from Europe.

FUNDRAISING

The School is aware that its alumni and current parents have already committed significant funds to the School by the families' payment of school fees and has historically taken a low-key approach to additional fundraising; it does not employ professional or commercial fundraisers. The approach to fundraising was reviewed during the year and plans are emerging for a fundraising strategy. Funds raised are placed in a restricted fund intended for the future provision of bursaries. The School is aware of the need to protect vulnerable people from unreasonable and persistent fundraising pressure; it has not received any complaints about fundraising during the year.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Results

The School aims to generate sufficient surplus for reinvestment that advances the educational experience of all students and finances improvements to the School's facilities, so that it can continue to offer high quality education and student development. The majority of the School's income derives from fees and is closely related to student numbers for the year; enterprise trading activity also creates income. In the current year the group's net incoming resources amounted to £393k (2019: £496k). This includes income from the trading subsidiary of £76k (2019: £216k).

The School was impacted by Covid-19 with remote learning in place for the summer term and additional investment in IT resources, physical infrastructure and other resources to ensure the School could reopen safely for all pupils and staff in September. The School also received funding through the Coronavirus Job Retention Scheme and through active management of its expenditure was able to make some costs savings. Some of these savings were passed on to parents and guardians with a partial refund on the summer term's fees with refunds totalling £352k.

Trading Company

The wholly owned subsidiary and trading company, Frensham Heights Enterprises Ltd, continues to manage successfully the letting and hiring facilities at Frensham Heights. For the year ended 30 June 2020 the trading company has made a gift aid payment of £76k to the School. This was lower than in previous years due to disruption to weddings and residential lets during the coronavirus pandemic.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2020

Borrowing and Investment

The School has had no borrowing requirement during the year and holds no investments.

Reserves Level and Policy and Financial Viability

The School's reserves policy is to maintain sufficient unrestricted income reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall taking into account annual and longer term capital expenditure plans in conjunction with access to external financing. The level of free reserves will therefore fluctuate within the cycle of the capital programme. The Group's total reserves of £17,200k at the year-end included £549k unspent restricted income and £16,651k unrestricted income. £12,469k of this represented the net book value of fixed assets less associated internal funding arrangements and £516k designated for Scholarship funding, made against future years' fees leaving free reserves of £3,666k (2019: £2,880k) at the year-end. This compares with a policy level of £1,534k which would provide cover for up to two months' operating costs. The Trustees' policy is not to maintain free reserves in its wholly owned subsidiary, which therefore has no impact on the School's reserves. The governors are reviewing the reserves level in light of risk management strategies and will be updating this in the following financial year.

GOING CONCERN

The School produces regular financial information including budgets, forecasts and a longer term strategic business plan, which are closely monitored by the Governors. These budgets, cash flows and forecasts have been reviewed and revised in light of the Covid-19 pandemic, to take into consideration the current economic climate and its potential impact. A number of scenarios were produced which considered the wider potential impact from Covid-19 on the School's key operations, cash position, sources of income and planned expenditure. Revised forecasts have been prepared together with cash-flows, based on the most likely expected outcome from these scenarios, with sensitivity analysis on the key assumptions. The cash flow modelling with sensitivity analysis indicates that the cash reserves of the School are adequate to meet the charity's obligations as they fall due.

Therefore, the Governors have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities.

FIXED ASSETS

Acquisitions and disposal of fixed assets during the year are shown in Note 9 to the Financial Statements. Freehold buildings are currently included in the Balance Sheet at cost less depreciation. The Governors are satisfied that their current market value is in excess of their historic cost, but do not wish to spend charitable funds on obtaining a formal valuation for accounts purposes.

RISK MANAGEMENT

The Board of Governors is responsible for the identification and management of risk and continues to keep the School's activities under critical review at every Board meeting. Detailed consideration of specific risks is also conducted by relevant Governor Committees and their recommendations reported to the Board of Governors. The key controls used by the charity include:

- Formal agendas for all Committee and Board activity;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2020

-
- Comprehensive Risk Register
 - Formal written policies;
 - Clear authorisation and approvals; and
 - Vetting procedures as required by law for the protection of the vulnerable.

The highest priority risks identified by the Board of Governors at the end of the year which could lead to financial and operational challenges are:

1. The possible effect of the economic climate, including the impact of the pandemic, on student numbers.
2. The possible impact of changing government policy (including increases for employers' contributions to the Teachers' Pension Scheme) and/or the social environment reducing demand for independent school education.
3. Adverse impact upon students', staff and others' physical and mental health
4. Unpredictable adverse publicity affecting the School's reputation.

The Management Plan and strategies to manage these risks are to continue to enhance and market Frensham Heights' ethos; develop fresh marketing strategies to maintain student numbers; and to exercise tight financial control over spending and debtors.

Health and Safety is also a significant area of non-financial risk and it is closely managed. The risks range from fire and infrastructure damage to personal risks. The risks associated with all activities are minimised by preventative planning and risk assessment. The Board of Governors is satisfied that for all major risks identified, appropriate controls have been put in place and are maintained to mitigate the risks. It is recognised that systems can provide reasonable but not absolute assurance that major risks have been effectively mitigated.

The pandemic has had an impact on many aspects of education and school life, including a term of remote learning for many students and a range of adjustments for the partial reopening to certain year groups. Risks to potential student numbers, the boarding operation, and to physical and mental health have all been reviewed and regularly monitored by management and governors. Governors have considered the risks and ongoing uncertainties of the situation, including the impact on fee receipts and have identified a range of actions implemented in the year and under review for the future period. These include adjustments to fees, support for cases of unexpected financial hardship, and investing in facilities to support a safe learning and working environment.

FUTURE PLANS

The School's Strategic and Business Plan 2020-23, charitable objects and ethos provide the strategic direction for future plans; these are captured and articulated in the School's Management Plan 2020-2021. This document sets out the specific and detailed plans for next year. The key objectives within the current plan are:

- Student Achievement. Maximise student achievement through enhancements to Approaches to Learning and the role of tutors.
- Student Personal Development. Maximise student development by improving organisational skills. Further refine the PSHE (Personal, Social and Health Education) programme.
- Marketing. Maintain numbers around 525 and focus marketing effort on retention from Year 11 and recruitment into the Sixth Form and in the Early Years. Develop Frensham's position as a thought leader for progressive education.
- Parent Communication/Reputation. Build on the success of the new Parents' Information Evenings. Review effectiveness of parental communications.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

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- Finance and Site/Facilities Development. Implement improvements to Finance and HR systems. Produce site development plan. Continue initiatives to increase energy efficiency and work to sustain the woodlands.
- Public Benefit. Maintain strong links with local schools, the local community (following success of the PPE provision for the NHS over lockdown) and partner schools in Malawi.

BOARD OF GOVERNORS

The Governors are all Directors of the School and their non-beneficial interests in the ordinary share capital in the year are as shown in the following table:

	31 July 2020	31 July 2019
William Bird	10	20
Angus Carlill	10	5
Margaret Coltman (retired)	-	20
Claire Fuller	10	5
Gerard Holden	10	20
Martin Lupton	5	5
Sally Marriott	10	-
William Marriott	5	-
Katherine Poulosom	10	5
Jackie Sullivan	5	5
Philip Ward	5	5
Richard Fry	10	10
Peter Molyneux	10	-

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The members of the Board of Governors (who are also the directors of Frensham Heights Educational Trust for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Company law requires the members of the Board of Governors to prepare financial statements for each financial year. Under company law they must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group, including the income (and its application) and expenditure of the group for that year. In preparing these financial statements, the members of the Board of Governors are required to:

- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2020

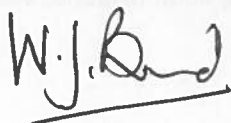
The members of the Board of Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

AUDITORS

Crowe U.K. LLP have expressed their willingness to continue in office as auditors.

This Annual Report, including the Strategic Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Governors of Frensham Heights Educational Trust Limited on 5 December 2020 and is signed as authorised on its behalf by:



William Bird:
Director and Chair of Governors

Independent Auditor's Report to the Members of Frensham Heights Educational Trust

Opinion

We have audited the financial statements of Frensham Heights Educational Trust for the year ended 31 July 2020 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Statement of Cash Flows and 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 group's and the charitable company's affairs as at 31 July 2020 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you, where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter 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 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 Trustees' Annual Report and Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company 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 10, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

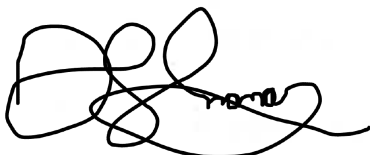
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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



Andrew Thomas

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

Date: 19 March 2021

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure account)
FOR THE YEAR ENDED 31 JULY 2020

		Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
Income and endowments from:						
Charitable Activities						
School fees receivable	3	8,751	-	-	8,751	9,006
Other educational income	6	187	-	-	187	210
Other ancillary trading income	6	188	-	-	188	321
Other trading activities						
Trading turnover	4	247	-	-	247	435
Other Income		34	-	-	34	17
Profit / (Loss) on disposal		-	-	-	-	(3)
Investments						
Investment income	5	26	3	-	29	42
Voluntary Income						
Grants and Donations		225	16	-	241	4
Total Income		9,658	19	-	9,677	10,032
Expenditure on:						
Raising funds						
Fundraising Trading	4	166	-	-	166	214
Charitable Activities						
Education and grant making		9,107	11	-	9,118	9,322
Total expenditure	7	9,273	11	-	9,284	9,536
Net Income		385	8	-	393	496
Transfers between funds	16	4	-	(4)	-	-
Net movement of funds		389	8	(4)	393	496
Funds brought forward 1 August 2019		16,262	271	274	16,807	16,311
Funds carried forward 31 July 2020	17	16,651	279	270	17,200	16,807

All amounts relate to continuing operations. There are no recognised gains or losses other than the results for the year set out above.

The Notes on Pages 20 to 37 form part of these financial statements

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
(Company Number: 207173)

CONSOLIDATED BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020		2019
		£'000	£'000	£'000
FIXED ASSETS				
Tangible fixed assets	9 a)	12,740		13,076
			<u>12,740</u>	<u>13,076</u>
CURRENT ASSETS				
Stocks		1		3
Debtors: amounts falling due within one year	11	274		316
Cash at bank and in hand		5,554		4,870
		<u>5,829</u>		<u>5,189</u>
CREDITORS: amounts falling due within one year	12	<u>1,367</u>		<u>1,456</u>
NET CURRENT ASSETS			<u>4,462</u>	<u>3,733</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			17,202	16,809
CREDITORS: amounts falling due after more than one year	13		<u>2</u>	<u>2</u>
NET ASSETS			<u>17,200</u>	<u>16,807</u>
CAPITAL AND RESERVES				
Called up share capital	15		-	-
THE FUNDS OF THE CHARITY				
UNRESTRICTED FUNDS				
Scholarship fund		516		580
Tangible fixed asset fund		12,470		12,802
General fund		3,665		2,880
			<u>16,651</u>	<u>16,262</u>
RESTRICTED FUNDS				
Endowments		270		274
Bursary and award funds		279		271
			<u>549</u>	<u>545</u>
TOTAL FUNDS	17		<u>17,200</u>	<u>16,807</u>

The profit for the financial year dealt with in the financial statements of the parent Company was £315k (2019: £280k).

Approved and authorised for issue by the Board of Governors on 5 December 2020

W.J. Bird
Angus L. Carlill

} Governors and Directors

William Bird

Angus Carlill

The Notes on Pages 20 to 37 form part of these financial statements

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

(Company Number: 207173)

BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Tangible fixed assets	9 b)	12,736	13,071
Investments	10	10	10
		<u>12,746</u>	<u>13,081</u>
CURRENT ASSETS			
Stocks		1	2
Debtors: amounts falling due within one year	11	273	309
Cash at bank and in hand		5,383	4,640
		<u>5,657</u>	<u>4,951</u>
CREDITORS: amounts falling due within one year	12	<u>1,210</u>	<u>1,231</u>
NET CURRENT ASSETS			<u>3,720</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,193</u>	<u>16,801</u>
CREDITORS: amounts falling due after more than one year	13	<u>-</u>	<u>-</u>
NET ASSETS		<u>17,193</u>	<u>16,801</u>
CAPITAL AND RESERVES			
Called up share capital	15	-	-
THE FUNDS OF THE CHARITY			
UNRESTRICTED FUNDS			
Scholarship fund		516	580
Tangible fixed asset fund		12,470	12,802
General fund		3,658	2,874
		<u>16,644</u>	<u>16,256</u>
RESTRICTED FUNDS			
Endowments		270	274
Bursary and award funds		279	271
		<u>549</u>	<u>545</u>
TOTAL FUNDS	17	<u>17,193</u>	<u>16,801</u>

Approved and authorised for issue by the Board of Governors on 5 December 2020.

W.J. Bird
Angus L. Carlill

} Governors and Directors

William Bird
Angus Carlill

The Notes on Pages 20 to 37 form part of these financial statements

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities			
Net cash provided by operating activities	(i)	921	1,058
Cash flows from investing activities:			
Payments for tangible fixed assets		(267)	(306)
Non-cash payments for tangible fixed assets		-	11
Proceeds on sale of tangible fixed assets		1	4
Investment income and bank interest received		29	42
Net cash (used in) / provided by investing activities		(237)	(249)
Cash flows from financing activities:			
Finance Costs Paid		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the reporting period		684	809
Cash and cash equivalents at the beginning of period		4,870	4,061
Cash and cash equivalents at the end of the reporting period		5,554	4,870

The Notes on Pages 20 to 37 form part of these financial statements

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2020

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

	2020	2019
	£'000	£'000
Net incoming resources	393	496
Elimination of non-operating cash flows:		
- Investment income	(29)	(42)
- Depreciation Charge	603	578
- Non Cash-Flow Item	-	6
Profit on sale of assets	(1)	(4)
(Increase) / decrease in debtors	42	60
(Increase) / decrease in stocks	2	-
Increase / (decrease) in creditors	(224)	(58)
Increase / (decrease) in fees in advance scheme creditors	219	(54)
Increase / (decrease) in parents' deposits	(84)	76
	<u>528</u>	<u>562</u>
Net cash provided by operating activities	<u>921</u>	<u>1,058</u>

(ii) Analysis of cash and cash equivalents

	2020	2019
	£'000	£'000
Cash held on current account	2,032	1,304
Cash held on deposit	3,519	3,562
Petty cash held	3	4
	<u>5,554</u>	<u>4,870</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1. COMPANY INFORMATION:

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 10 July 1925 (company number: 207173) and registered as a charity on 15 August 1966 (charity number: 312052).

2. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)

Going Concern; As detailed in the Report of the Governors, the Governors have reviewed and revised the School's financial forecasting in light of the Covid-19 pandemic, to take into consideration the current economic climate and its potential impact. A number of scenarios were produced which considered the wider potential impact from Covid-19 on the School's key operations, cash position, sources of income and planned expenditure. Revised forecasts have been prepared together with cash-flows, based on the most likely expected outcome from these scenarios, with sensitivity analysis on the key assumptions. The cash flow modelling with sensitivity analysis indicates that the cash reserves of the School are adequate to meet the charity's obligations as they fall due.

Having regard to the above, the current cash position, and the expected cash flow over the next 12-24 months the Governors have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities.

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

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

The consolidated accounts include Frensham Heights Enterprises Limited, made up to 30 June 2020. In accordance with the exemption allowed under Section 408 of the Companies Act 2006, the charity's Statement of Financial Activities is not separately presented.

Critical accounting judgements and key sources of estimation uncertainty

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

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

2. ACCOUNTING POLICIES (Continued)

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

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

b) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

c) Investment Income

Investment income from dividends, bank balances and fixed interest securities are accounted for on an accruals basis.

d) Voluntary Income

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

Donations receivable for the general purpose of the School 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 the Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as 'endowments' – permanent or expendable according to the nature of the restriction.

e) Taxation

The School is a registered charity. As such it is exempt under present legislation from assessment to corporation tax on its net income and is able to reclaim tax deducted from covenants and interest received.

f) Tangible fixed assets and depreciation

All items with a value greater than £1,000 have been capitalised. Depreciation is provided annually at the following rates:

Freehold buildings	-	2% of cost
Timber buildings	-	5% to 6.7% of cost
Modular buildings	-	4% of cost
Motor vehicles	-	25% of cost
Furniture and other equipment	-	10% - 20% of cost
Solar Panels	-	5% of cost
Computer equipment	-	20% to 33.3% of cost

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

2. ACCOUNTING POLICIES (Continued)

g) Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to the activity in the year. The irrecoverable element of VAT is included with the item of expense to which it relates.

Raising funds comprise those costs directly attributable to the trading subsidiary (Note 3).

Support costs comprise a proportion of staff costs together with a proportion of overheads of the School. Governance costs are those incurred in connection with the governance of the School and compliance with constitutional and statutory requirements.

h) Operating leases

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

i) Stock

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

j) Pension schemes

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

Certain non-teaching staff are members of other defined contribution schemes. All non-teaching staff are entitled to join a group personal pension scheme, which complies with the requirements for a Stakeholder Pension Scheme.

k) Financial instruments

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

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

	2020	2019
	£'000	£'000
3. CHARITABLE ACTIVITIES - FEES RECEIVABLE		
Fees receivable consist of:		
School Fees	9,886	9,823
Less: Total bursaries, grants and allowances	(783)	(817)
Less: Covid-19 Fee refund	(352)	-
	8,751	9,006
NET INCOME		
Net income is stated after charging:		
Depreciation of tangible fixed assets	603	578
Auditors' remuneration - Audit	22	19
- Other services	4	7
Staff costs (Note 8)	6,836	6,534
Operating lease costs	50	46
	50	46

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

4. TRADING INCOME

Frensham Heights Educational Trust Ltd owns the entire issued share capital of Frensham Heights Enterprises Ltd, Company Number 2866864, registered address Frensham Heights, Rowledge, Farnham, Surrey GU10 4EA. The principal activity of this company is that of managing letting and hiring facilities available at Frensham Heights.

	30 June 2020 £'000	30 June 2019 £'000
Turnover	247	435
Cost of sales	<u>(116)</u>	<u>(171)</u>
Gross profit	131	264
Administration expenses	<u>(56)</u>	<u>(49)</u>
Operating profit	75	215
Interest receivable	<u>1</u>	<u>1</u>
Profit on ordinary activities before taxation	76	216
Taxation	-	-
Profit on ordinary activities after taxation	<u>76</u>	<u>216</u>
Retained earnings at the start of period	6	6
Profit for the year	<u>76</u>	<u>216</u>
Gift aid to Frensham Heights Educational Trust Limited	<u>(76)</u>	<u>(216)</u>
Retained earnings at the end of period	<u>6</u>	<u>6</u>
Trading costs detailed above are disclosed in the consolidated Statement of Financial Activities as follows		
Cost of sales	116	171
Administrative expenses	56	49
Audit and professional fees included in governance costs	<u>(6)</u>	<u>(6)</u>
Fundraising trading as on Statement of Financial Activities	<u>166</u>	<u>214</u>

The School's and company's year-end are non co-terminus and it is not considered necessary to have identical year ends as it is not expected that any transactions will occur in the trading company in the intervening period which will have a material impact on the consolidated accounts. Administration expenses of the subsidiary include auditors' remuneration for audit services of £4k (2019 - £4k) and for other services £1k (2019 - £1k). These have been included in governance costs in the consolidated statement of financial activities.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

5. INVESTMENT INCOME

	Total 2020 £'000	Total 2019 £'000
Bank deposit account interest	29	42

6. INCOME FROM CHARITABLE ACTIVITIES

	2020 £'000	2019 £'000
Other educational charitable activities		
Entrance and registration fees	104	113
Courses and sub-lettings	83	97
	187	210
Other ancillary activities		
Insurance commissions	-	-
School Trips, Meals and Other Income	188	321
	188	321

7. ANALYSIS OF EXPENDITURE

	Staff Costs £'000	Other Costs £'000	Depreciation £'000	Total 2020 £'000
Trading expenditure	97	68	1	166
	97	68	1	166
Charitable activities				
Education and welfare	4,778	539	602	5,919
Housekeeping	363	232	-	595
Catering	249	277	-	526
Transport	-	18	-	18
Maintenance and estate	287	435	-	722
Support costs and governance	1,061	277	-	1,338
	6,738	1,778	602	9,118
Total expenditure	6,835	1,846	603	9,284

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

7. ANALYSIS OF EXPENDITURE (Continued)

SUPPORT COSTS AND GOVERNANCE

	2020 £'000	2019 £'000
Salaries	1,062	919
Staff recruitment and travel	82	55
Marketing and professional fees	120	169
Telephone, postage, printing, stationery	27	37
Miscellaneous admin costs	24	39
Governance costs (Note 7)	23	25
	<u>1,338</u>	<u>1,244</u>

Governance costs include auditors' remuneration for audit services of £17k (2019: £15k) and for other services £4k (2019: £7k) and the reimbursement of two Governors' travelling and subsistence expenses of £756 (2019 three Governors: £1,827), as well as £768 for Governor miscellaneous and training costs.

8. STAFF COSTS

	2020 £'000	2019 £'000
Wages and salaries	4,960	4,845
Social security costs	496	479
Other pension costs	982	723
	<u>6,438</u>	<u>6,047</u>
Staff not directly employed by the School	<u>397</u>	<u>487</u>
	<u>6,835</u>	<u>6,534</u>
	No.	No.
The average monthly staff headcount was:		
Teaching	99	100
Administration	30	30
Other	26	27
	<u>155</u>	<u>157</u>

Included in the above, one permanent member of staff is employed in the trading subsidiary (2019: One). In addition, ad hoc staff are called upon throughout the year to provide support for functions in the trading subsidiary.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

8. STAFF COSTS (Continued)

	2020	2019
	£'000	£'000
The total employee benefits (including employers' pension and national insurance contributions) of key management personnel were:	<u>998</u>	<u>805</u>

The following number of staff received remuneration in excess of £60,000 in the year:

	2020	2019
	No.	No.
£60,001 to £70,000	2	2
£70,001 to £80,000	1	1
£110,001 to £120,000	<u>1</u>	<u>-</u>

Neither the governors nor persons connected with them received any remuneration or any other benefits from any employment with the charity or related entity within the year (2019: £4,434).

Included in the total staff cost figures above are termination payments to employees authorised during the year totalling £66k (2019 - £26k). All authorised payments were fully paid to employees during the year.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

9. TANGIBLE FIXED ASSETS

a) The Group

	Freehold Land, Buildings and Improvements £'000	Plant, Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 August 2019	16,453	1,769	151	18,373
Additions	70	185	12	267
Disposals	-	(13)	(4)	(17)
At 31 July 2020	16,523	1,941	159	18,623
Depreciation				
At 1 August 2019	4,247	919	131	5,297
Charge for the year	396	193	14	603
Disposals	-	(13)	(4)	(17)
At 31 July 2020	4,643	1,099	141	5,883
Net book value				
At 31 July 2020	11,880	842	18	12,740
<i>At 31 July 2019</i>	<i>12,206</i>	<i>850</i>	<i>20</i>	<i>13,076</i>

b) The School

	Freehold Land, Buildings and Improvements £'000	Plant, Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 August 2019	16,440	1,759	151	18,350
Additions	70	185	12	267
Disposals	-	(13)	(4)	(17)
At 31 July 2020	16,510	1,931	159	18,600
Depreciation				
At 1 August 2019	4,240	908	131	5,279
Charge for the year	395	193	14	602
Disposals	-	(13)	(4)	(17)
At 31 July 2020	4,635	1,088	141	5,864
Net book value				
At 31 July 2020	11,875	843	18	12,736
<i>At 31 July 2019</i>	<i>12,200</i>	<i>851</i>	<i>20</i>	<i>13,071</i>

Freehold Land, Buildings and Improvements includes assets in the course of construction at a cost of £70k (2019: £ Nil) not yet being depreciated.

Plant, Furniture and Equipment includes work in progress at a cost of £22k (2019: £Nil) not yet being depreciated.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

10. INVESTMENTS

Frensham Heights Enterprises Ltd	2020	2019
	£'000	£'000
£1 Ordinary shares at par in Frensham Heights Enterprises Ltd	10	10
	10	10

Company

The company holds £10,000 ordinary shares, the entire issued share capital, of Frensham Heights Enterprises Limited.

The principal activity of the investee is the letting of facilities available at Frensham Heights School.

At 30 June 2020 Frensham Heights Enterprises Ltd had capital and reserves which totalled £17k (2019: £17k). The turnover for the year was £247k (2019: £435k).

Frensham Heights Enterprises Ltd is a company registered in England and Wales, registered number 2866864.

11. DEBTORS: amounts falling due within one year

	Group		School	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Amounts due from group undertaking	-	-	92	30
Fees debtors	83	132	83	132
Sundry debtors and prepayments	191	184	98	148
	274	316	273	310

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

12. CREDITORS: amounts falling due within one year

	Group		School	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts owed to group undertakings	80	5	-	-
Fees deposits	520	604	520	604
Trade creditors	171	272	170	270
Other creditors and accruals	128	107	120	90
Fees received in advance	341	122	341	122
Deferred income	127	346	59	145
	<u>1,367</u>	<u>1,456</u>	<u>1,210</u>	<u>1,231</u>

The total amount held in relation to fees deposits of £520k is included above. In the normal course of business, the expected repayment of these amounts will be £178k within one year and £342k after more than one year.

The School holds pupil fee deposits. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 July 2020 have been included within current liabilities. The prior year pupil fee deposits balance has been similarly represented.

Deferred Income Reconciliation

	£'000
Balance brought forward at 1 August 2019	346
Additions in current year	125
Release of deferred income	(344)
	<u>127</u>
Balance carried forward at 31 July 2020	<u>127</u>

The deferred income balance relates mostly to future year school trips income; and on the trading subsidiary, future year residential lets and weddings.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

13. CREDITORS: amounts falling due after more than one year

	Group		School	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Deferred income	2	2	-	-
	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>

14. FEES IN ADVANCE SCHEME

The School is not currently offering a Fees in Advance Scheme due to the low interest rate environment.

15. SHARE CAPITAL

	2020 £	2019 £
Authorised 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

16. MOVEMENT ON FUNDS

	Balance at 1 August 2019 £'000	Incoming Resources £'000	Resources Expended £'000	Transfer Between Funds £'000	Balance at 31 July 2020 £'000
Restricted Funds					
Bursary and award fund	266	17	(11)	-	272
Music award fund	5	2	-	-	7
Endowment fund	274	-	-	(4)	270
	<u>545</u>	<u>19</u>	<u>(11)</u>	<u>(4)</u>	<u>549</u>
Designated Funds					
Scholarship fund	580	-	-	(64)	516
Tangible fixed assets fund	12,802	-	-	(332)	12,470
General Fund	<u>2,880</u>	<u>9,657</u>	<u>(9,272)</u>	<u>400</u>	<u>3,665</u>
	<u>16,807</u>	<u>9,676</u>	<u>(9,283)</u>	<u>-</u>	<u>17,200</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

16. MOVEMENT ON FUNDS (Continued)

	Balance at 1 August 2018 £'000	Incoming Resources £'000	Resources Expended £'000	Transfer Between Funds £'000	Balance at 31 July 2019 £'000
Restricted Funds					
Bursary and award fund	265	4	-	(3)	266
Music award fund	-	2	-	3	5
Endowment fund	279	-	-	(5)	274
	<u>544</u>	<u>6</u>	<u>-</u>	<u>(5)</u>	<u>545</u>
Designated Funds					
Scholarship fund	577	-	-	3	580
Tangible fixed assets fund	13,086	-	(284)	-	12,802
General Fund	<u>2,104</u>	<u>10,027</u>	<u>(9,253)</u>	<u>2</u>	<u>2,880</u>
	<u>16,311</u>	<u>10,033</u>	<u>(9,537)</u>	<u>-</u>	<u>16,807</u>

Bursary and award Fund

Consists of donations for the future award of bursaries. This will accumulate over time until the level of income the fund generates is sufficient to provide a reasonable bursary for a student.

Expendable Endowment funds

These are funds which have been given to the School to invest in the School's buildings.

Designated funds

These funds represent amounts set aside at the discretion of the Governors.

Scholarship fund

This scholarship fund is used to indicate scholarships and bursaries currently awarded for specific stages of education, made against future years' fees.

Tangible fixed assets fund

The fund represents the amount of general funds invested by the School in its tangible fixed assets after deducting those assets represented by the endowment funds.

Transfers

A transfer of £4k has been made between the endowment and unrestricted funds. This represents the depreciation charged on the proportion of the building represented by the endowment fund.

A transfer of (£64k) has been made to reduce the Scholarship Fund. This is to cover the School's future commitments at 31 July 2020 to bursaries and scholarships for specific pupils.

A transfer of (£332k) has been made between the General fund and the Tangible Fixed Asset Fund to ensure that this, plus the Endowment Fund, are equal to tangible fixed assets within the consolidated balance sheet.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

The Group	Unrestricted General Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £
Tangible fixed assets	12,470	-	270	12,740
Net current assets	4,183	279	-	4,462
	16,653	279	270	17,202
Creditors: amounts falling due after one year	2	-	-	2
	<u>16,651</u>	<u>279</u>	<u>270</u>	<u>17,200</u>

The Charity

Tangible fixed assets	12,466	-	270	12,736
Investments	10	-	-	10
Net current assets	4,168	279	-	4,447
	16,644	279	270	17,193
Creditors: amounts falling due after one year	-	-	-	-
	<u>16,644</u>	<u>279</u>	<u>270</u>	<u>17,193</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued)

The Group	Unrestricted General Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £
Tangible fixed assets	12,801	-	275	13,076
Net current assets	3,461	272	-	3,733
	16,262	272	275	16,809
Creditors: amounts falling due after one year	2	-	-	2
	<u>16,260</u>	<u>272</u>	<u>275</u>	<u>16,807</u>

The Charity

Tangible fixed assets	12,796	-	275	13,071
Investments	10	-	-	10
Net current assets	3,448	272	-	3,720
	16,254	272	275	16,801
Creditors: amounts falling due after one year	-	-	-	-
	<u>16,254</u>	<u>272</u>	<u>275</u>	<u>16,801</u>

18. PENSION SCHEMES

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £758k (2019: £534k) and at the year-end £Nil (2019: £Nil) was accrued in respect of contributions to this scheme.

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

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

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

18. PENSION SCHEMES (Continued)

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

The pension cost for the year in relation to other defined contribution schemes amounts to £223k (2019: £189k) and has been included in the Statement of Financial Activities.

19. LEASING COMMITMENTS

The Trust is committed to making the following payments under operating leases:

	Equipment 2020 £'000	Equipment 2019 £'000
Due in less than one year	48	46
Due within two and five years	42	33
Due in more than five years	-	-

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

20. CAPITAL COMMITMENTS

At 31 July 2020 the School had outstanding retention commitments for: £183k in respect of the modular build project; £3.5k in respect of the swimming pool auto-dosing equipment; £4k in respect of the re-branding and website redesign project. The School had no other capital commitments.

21. RELATED PARTY TRANSACTIONS

In 2019-20 the School charged £15k (2019: £15k) to Enterprises for utilities and associated services. The balance owed to the School at 31 July 2020 was £92k (2019: £30k).

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

22. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARISON FIGURES BY FUND TYPE

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total Funds 2019 £'000
Income and endowments from:				
Charitable Activities				
School fees receivable	9,006	-	-	9,006
Other educational income	210	-	-	210
Other ancillary trading income	321	-	-	321
Other trading activities				
Trading turnover	435	-	-	435
Fundraising Income	-	-	-	-
Other Income	17	-	-	17
Profit on Disposal	(3)	-	-	(3)
Investments				
Investment income	40	2	-	42
Voluntary Sources				
Donations	-	4	-	4
Total Income	<u>10,026</u>	<u>6</u>	<u>-</u>	<u>10,032</u>
Expenditure on:				
Raising funds				
Fundraising Trading	214	-	-	214
Charitable Activities				
Education and grant making	9,322	-	-	9,322
Total expenditure	<u>9,536</u>	<u>-</u>	<u>-</u>	<u>9,536</u>
Net Income	490	6	-	496
Transfers between funds	5	-	(5)	-
Net movement of funds	495	6	(5)	496
Fund balances at 1 August 2018	<u>15,767</u>	<u>265</u>	<u>279</u>	<u>16,311</u>
FUND BALANCES AT 31 JULY 2019	<u>16,262</u>	<u>271</u>	<u>274</u>	<u>16,807</u>

