

COMPANY REGISTRATION NUMBER: 207173
REGISTERED CHARITY NUMBER: 312052

**FRENSHAM HEIGHTS
EDUCATIONAL TRUST LIMITED
REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
31 JULY 2021**

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
YEAR ENDED 31 JULY 2021

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FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

GOVERNORS, OFFICERS AND ADVISERS

YEAR ENDED 31 JULY 2021

DIRECTORS AND GOVERNORS

William Bird (Chair)
Gerard Holden (Vice Chair)
Angus Carlill (Treasurer)
Claire Fuller (resigned 5 December 2020)
Martin Lupton
Sally Marriott
William Marriott
Katherine Poulson
Jackie Sullivan
Philip Ward
Richard Fry
Peter Molyneux
Catherine Love (appointed 5 December 2020)

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

**CHIEF OPERATING OFFICER &
COMPANY SECRETARY**

Ann Marie Dalton-Pillay
(Appointed as Company Secretary on 5 December 2020 and as
Chief Operating Officer with effect from 11 January 2021, left
the school as at 31 October 2021)

BURSAR & COMPANY SECRETARY

James Bell (resigned 25 November 2020)

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 2021

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 2021

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 2021 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, 11 January 2006 and 5 December 2020. 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. Details of the Charity's professional advisers are also 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

One third of all directors retire by rotation each year (including any director who is an officer). Any retiring director will be available for immediate re-election and the expectation is that directors will serve either two or three terms of three years each.

One new Governor was appointed during the year. A register of skills is maintained for the appointed members of the Board and this information informs the decisions of the Board both in determining the skill sets and experience sought through advertising of forthcoming vacancies, and in the recommendations for succession planning and Board appointments. Members of the Governing Body are appointed against the skills register which is considered and approved by the Governing Body on an annual basis. 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

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REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2021

with the Chair, 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 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, and updated in March 2021, which sets out the principles and recommended practice for good governance within the sector. During 2020 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. That review of governance arrangement is kept under constant review and modifications and improvements are continuously implemented.

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 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 three times per year.

During the year and in direct response to the COVID-19 pandemic the Board extended the remit of its Group 5 (G5), a steering group of Governors, the Head and Chief Operating Officer. The G5 met regularly through the pandemic period, 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 (SLT), which is comprised of the Head, Chief Operating Officer, Deputy Head, Deputy Head Academic and Head of Junior School. The Head and the Chief Operating Officer are invited ex-officio to all Board and committee meetings. The pay and remuneration of the Head and the Chief Operating Officer are set by the whole Board at their Spring or Summer Board meetings having considered independent benchmark reports across the independent school education sector. In January 2021 a new Chief Operating Officer was appointed to replace the Interim Bursar. The Chief Operating Officer left the school in October 2021 and was replaced by a consultant Interim Bursar in November 2021.

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YEAR ENDED 31 JULY 2021

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 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.

In support of its public benefit aim the School also awards annual bursaries, which are outlined in the grant making section of the Strategic Report. The Board has been and remains committed to growing the number of bursaries awarded in order to widen participation at the school recognising the significant opportunities such bursaries provide to the recipients and their families.

In addition to providing education supported by an extensive range of extra-curricular activities the school has due regard for its obligations under the Charity Commission's published guidance on the public benefit requirement (Charities Act 2011), therefore the School also works in partnership with local schools, charities and organisations to widen public access to education.

In 2020 the school created a new post of Assistant Head (Student Development), with responsibility for outreach and community links, in 2021 the School further supported our community benefit by providing additional human resource support to deliver our ambitions in this area. The School continues to work 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:

1. Maximise student achievement
2. Maximise student personal development through effective tutoring and involvement in opportunities outside the classroom
3. Inspire and further develop the teaching staff through professional development opportunities
4. Further enhance teaching and learning
5. Maintain a roll of approximately 520 students for the year
6. Redefine and revamp the Scholarship and Enrichment programme offered throughout the School so that it is more in keeping with the School's ethos
7. Deliver the School's charitable objects and demonstrable public benefit
8. Maintain financial stability
9. Ensure compliance with all COVID-19 regulatory advice and protocols

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STRATEGIC REPORT

The Strategic Direction of the School

During the year, the Head completed work on reviewing and updating the school's vision, mission, and values. At its meeting held on 22 May 2021 and following an all-school consultation process the Board warmly welcomed and endorsed new vision and mission statements, they are as follows:

OUR VISION

Empowering tomorrow's change-makers to find their inspiration today through a transformative education

OUR MISSION

We continue to pioneer a better education, one which

- celebrates the individual as part of a nurturing and supportive community.
- amplifies the voices of our community, encouraging self-expression and sharing of ideas.
- brims with inspiration from strong relationships with outstanding educators in a stimulating environment.

The Board is confident that the re-articulation of the aims and mission places the school firmly in a position to continue to deliver its unique educational offering as a leading progressive school for the years to come.

OUR VALUES

The Board was pleased to endorse the adoption of new school values alongside the vision and mission and to champion the delivery of a values-based culture for the school; we are extremely proud to support our new values which are:

- *Originality of thought*
- *Spirit of togetherness*
- *Respect of individuality*
- *Courage to try*

To support the new vision, mission and values the Board looks forward to receiving a revised Strategic Plan and an underpinning Management Plan in autumn 2021 articulating and detailing the delivery of those aims, complete with targets, milestones, and measures of success for the school.

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 529 (2020: 525) students of whom 459 (2020: 434) were day students and 70 (2020: 91) were boarders. In March 2020 the School sought and was successfully granted the ability to grow its student numbers.

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 Chief Operating Officer 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'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.

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In support of all these awards the School committed £530k (2020: £614k) this year, of which £471k (2020: £553k) was awarded in bursaries to 44 students (2020: 45) through its General Fund, of which 9 (2020: 11) were 100%. In addition, £3k in hardship bursaries was awarded through funds donated by parents. 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 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 Teacher 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 61% 9-7; 76% 9-6; 99% 9-4 grades.

A Levels: students achieved 62% A*/A, 85% A*-B, 100% A*-E. In addition, some students undertook the Extended Project Qualification (equivalent to half an A Level); the pass rate was 100% 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 recognises 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. The approach to fundraising was recently reviewed and plans are in operation to increase our fundraising activity by appointing in the latter part of 2021 a Director of Development to develop and deliver a long-term fundraising strategy for the School. 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.

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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 Board had identified the following strategic priorities for the future:

1. Investment in our people
2. Investment in our estate
3. Investment in our IT systems
4. An ongoing commitment to enhance our bursary provision thus widening access to the School

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. However, during the pandemic there has been a very significant impact on our ability to generate the usual contribution from our enterprise trading activity, we anticipate the recovery of that income stream post pandemic and as public confidence returns. The Board has also supported the rebranding of our enterprise trading arm to enable and support its recovery to pre-pandemic levels of contribution. In the current year the group's net incoming resources amounted to £220k (2020: £393k). This includes a loss from the trading subsidiary of (£56k) (2020: £76k).

COVID-19 had a significant impact on the whole education sector and on our school with remote learning in place throughout the year with the associated additional investment required in IT resources, physical infrastructure and other resources to ensure the School could reopen and operate safely for all pupils and staff once government enabled schools to do so. Despite the pandemic we continued to operate and to successfully deliver education to our students.

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 rebate.

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 2021 the trading company did not make any gift aid payments to the School due to COVID-19 and the resultant disruption to weddings and residential lets affecting the trading results. However, plans are in place to return to a position where gift aid payments can be made to the School and recent activities have included a launch event to forge strong relationships with local wedding-related suppliers, a marketing campaign to focus on raising the social media profile of "Frensham Hall", and a re-branding exercise for the wedding business, with a new website and printed marketing materials.

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

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total reserves of £17,420k at the year-end included £548k unspent restricted income and £16,872k unrestricted income. £12,186k of this represented the net book value of fixed assets less associated internal funding arrangements and £503k designated for Scholarship funding, made against future years' fees leaving free reserves of £4,183k (2020: £3,666k) at the year-end. This compares with a policy level of £2,300k (2020: £1,534k) which would provide cover for up to three months' operating costs (2020: two months). 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 regularly review the levels of reserves.

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. Through this strategic planning and monitoring of financial information, the Governors are confident of moving towards a surplus position in the medium term, from this year's expected deficit. These budgets, cash flows and forecasts have been reviewed and revised due to 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 exceeds 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
- Comprehensive Risk Register
- Formal written policies
- Clear authorisation and approvals; and
- Vetting procedures as required by law for the protection of the vulnerable.

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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 ongoing cost of the Teachers' Pension Scheme to the School as an employer
2. An increasing cost base
3. Reduction in boarding student numbers
4. Retention into the sixth form
5. The impact of changing government policy including potential
 - a. further increases for employers' contributions to the Teachers' Pension Scheme
 - b. increases in National Insurance
 - c. the loss of business rates relief
6. Any reduction in the demand for independent school education
7. The ongoing impact of the pandemic
8. The ongoing impact of Brexit
9. Any adverse impact upon the wellbeing of our students and staff
10. Any adverse publicity affecting the School's reputation.

Multiple strategies are being employed to manage these risks including enhancing our marketing efforts for our unique Frensham Heights' proposition; in addition, we will continue to grow and maintain our student numbers; and to exercise tight financial control over spending and debtors.

Health and Safety is recognised as 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.

TEACHERS' PENSION SCHEME

In common with much of the sector, the Schools' largest cost is that of staff costs in particular the need to fund pension benefits for our staff. This has proved increasingly challenging in respect of the Teachers' pension scheme due to the increasing employers' contributions now required into that scheme.

The Governors recognising their duty to act prudently in connection with the longevity of the School and have considered:

- a. the ongoing impact of the increased contribution on the School's finances. They consider that the impact is a very significant one with implications for the future viability of the School.
- b. whether the School should continue with membership of TPS and to try to mitigate the extra costs by, for example, increasing fees, absorbing the increased costs by having lower surpluses, and/or making cost reductions by having fewer staff as a result of having increased classroom sizes and/or a reduced number of extra-curricular activities.
- c. The need to ensure the School has adequate financial resilience to invest in our people, in our estate, in our IT systems and in our important strategic priority; our commitment to widening access through a larger number of bursaries.
- d. the effect that leaving membership of TPS could have on the School and what alternative pension scheme could be offered in place of membership of TPS.

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Therefore, on 20 March 2021 the Governors approved the commencement of a formal consultation on the Schools' membership of the TPS which is scheduled to conclude at the end of November 2021.

FUTURE PLANS

The School's Strategic and Business Plan, charitable objects and ethos provide the strategic direction for future planning; 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:

1. Student Achievement. Maximise student achievement through enhancements to Approaches to Learning and the role of tutors.
2. Student Personal Development. Maximise student development by improving organisational skills. Further refine the PSHE (Personal, Social and Health Education) programme.
3. 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.
4. Parent Communication/Reputation. Build on the success of the new Parents' Information Evenings. Review effectiveness of parental communications.
5. Finance and Site/Facilities Development. Implement improvements to Finance and HR systems. Produce an Estates Masterplan and a supporting space utilisation plan to enable and inform long-term capital planning for the estate. Continue initiatives to increase energy efficiency and work to sustain the woodlands.
6. 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 2021	31 July 2020
William Bird	10	10
Angus Carlill	10	10
Claire Fuller	-	10
Gerard Holden	10	10
Martin Lupton	5	5
Sally Marriott	10	10
William Marriott	5	5
Katherine Poulson	10	10
Jackie Sullivan	5	5
Philip Ward	5	5
Richard Fry	10	10
Peter Molyneux	10	10
Catherine Love	10	-

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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 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:

1. select the most suitable accounting policies and then apply them consistently;
2. observe the methods and principles in the Charities SORP 2019 (FRS 102);
3. make judgments and estimates that are reasonable and prudent;
4. state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
5. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The members of the 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 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 11 December 2021 and is signed as authorised on its behalf by:



William Bird:
Director & Chair of Governors

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

Opinion

We have audited the financial statements of Frensham Heights Educational Trust Limited ('the charitable company') and its subsidiaries ('the group') for the year ended 31 July 2021 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 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 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate and proper accounting records have not been kept or 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, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

appropriate to provide a basis for our opinion.

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

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

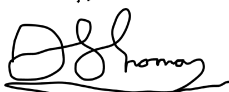
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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



Andrew Thomas
Senior Statutory Auditor
For and on behalf of

Crowe U.K. LLP
Statutory Auditor

London

Date: 17 January 2022

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure account)
FOR THE YEAR ENDED 31 JULY 2021

		Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Income and endowments from:						
Charitable Activities						
School fees receivable	3	9,076	-	-	9,076	8,751
Other educational income	6	127	-	-	127	187
Other ancillary trading income	6	54	-	-	54	188
Other trading activities						
Trading turnover	4	34	-	-	34	247
Other Income		16	-	-	16	34
Profit / (Loss) on disposal		-	-	-	-	-
Investments						
Investment income	5	5	1	-	6	29
Voluntary Income						
Grants and Donations		122	6	-	128	241
Total Income		9,434	7	-	9,441	9,677
Expenditure on:						
Raising funds						
Fundraising Trading	4	84	-	-	84	166
Charitable Activities						
Education and grant making		9,134	3	-	9,137	9,118
Total expenditure	7	9,218	3	-	9,221	9,284
Net Income		216	4	-	220	393
Transfers between funds	16	5	-	(5)	-	-
Net movement of funds		221	4	(5)	220	393
Funds brought forward 1 August 2020		16,651	279	270	17,200	16,807
Funds carried forward 31 July 2021	17	16,872	283	265	17,420	17,200

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

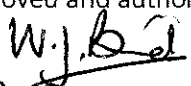

The Notes on Pages 21 to 38 form part of these financial statements

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
(Company Number: 207173)
CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2021

	Notes	2021		2020
		£'000	£'000	£'000
FIXED ASSETS				
Tangible fixed assets	9 a)	<u>12,451</u>		12,740
			<u>12,451</u>	<u>12,740</u>
CURRENT ASSETS				
Stocks		1		1
Debtors: amounts falling due within one year	11	398		274
Cash at bank and in hand		<u>5,839</u>		<u>5,554</u>
		<u>6,238</u>		<u>5,829</u>
CREDITORS: amounts falling due within one year	12			<u>1,367</u>
			<u>4,972</u>	<u>4,462</u>
NET CURRENT ASSETS				
			<u>17,423</u>	<u>17,202</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
CREDITORS: amounts falling due after more than one year	13		<u>3</u>	<u>2</u>
NET ASSETS			<u>17,420</u>	<u>17,200</u>
CAPITAL AND RESERVES				
Called up share capital	15		-	-
THE FUNDS OF THE CHARITY				
UNRESTRICTED FUNDS				
Scholarship fund		503		516
Tangible fixed asset fund		12,186		12,470
General fund		<u>4,183</u>		<u>3,665</u>
			<u>16,872</u>	<u>16,651</u>
RESTRICTED FUNDS				
Endowments		265		270
Bursary and award funds		<u>283</u>		<u>279</u>
			<u>548</u>	<u>549</u>
TOTAL FUNDS	17		<u>17,420</u>	<u>17,200</u>

The profit for the financial year dealt with in the financial statements of the parent Company was £277k (2020: £315k).

Approved and authorised for issue by the Board of Governors on 11 December 2021

} Governors and Directors

William Bird
Angus Carlill

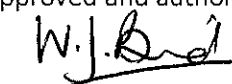
The Notes on Pages 21 to 38 form part of these financial statements

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
(Company Number: 207173)

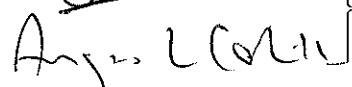
BALANCE SHEET
AS AT 31 JULY 2021

	Notes	2021		2020
		£'000	£'000	£'000
FIXED ASSETS				
Tangible fixed assets	9 b)	12,449		12,736
Investments	10	10		10
		<u>12,459</u>		<u>12,746</u>
CURRENT ASSETS				
Stocks		-		1
Debtors: amounts falling due within one year	11	391		273
Cash at bank and in hand		5,687		5,383
		<u>6,078</u>		<u>5,657</u>
CREDITORS: amounts falling due within one year	12	<u>1,067</u>		<u>1,210</u>
NET CURRENT ASSETS			<u>5,011</u>	<u>4,447</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,470</u>	<u>17,193</u>
CREDITORS: amounts falling due after more than one year	13		-	-
NET ASSETS			<u>17,470</u>	<u>17,193</u>
CAPITAL AND RESERVES				
Called up share capital	15		-	-
THE FUNDS OF THE CHARITY				
UNRESTRICTED FUNDS				
Scholarship fund		503		516
Tangible fixed asset fund		12,186		12,470
General fund		4,233		3,658
			<u>16,922</u>	<u>16,644</u>
RESTRICTED FUNDS				
Endowments		265		270
Bursary and award funds		283		279
			<u>548</u>	<u>549</u>
TOTAL FUNDS	17		<u>17,470</u>	<u>17,193</u>

Approved and authorised for issue by the Board of Governors on 11 December 2021.



William Bird



Angus Carlill

} Governors and Directors

The Notes on Pages 21 to 38 form part of these financial statements

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities			
Net cash provided by operating activities	(i)	620	921
Cash flows from investing activities:			
Payments for tangible fixed assets		(342)	(267)
Non-cash payments for tangible fixed assets		-	-
Proceeds on sale of tangible fixed assets		1	1
Investment income and bank interest received		6	29
Net cash (used in) / provided by investing activities		(335)	(237)
Cash flows from financing activities:			
Finance Costs Paid		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the reporting period		285	684
Cash and cash equivalents at the beginning of period		5,554	4,870
Cash and cash equivalents at the end of the reporting period		5,839	5,554

The Notes on Pages 21 to 38 form part of these financial statements

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2021

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

	2021		2020	
	£'000	£'000	£'000	£'000
Net incoming resources		220		393
Elimination of non-operating cash flows:				
- Investment income	(6)		(29)	
- Depreciation Charge	631		603	
- Non Cash-Flow Item	-		-	
Profit on sale of assets	(1)		(1)	
(Increase) / decrease in debtors	(124)		42	
(Increase) / decrease in stocks	-		2	
Increase / (decrease) in creditors	151		(224)	
Increase / (decrease) in fees in advance scheme creditors	(202)		219	
Increase / (decrease) in parents' deposits	(49)		(84)	
		400		528
Net cash provided by operating activities		620		921

(ii) **Analysis of cash and cash equivalents**

	2021		2020	
	£'000		£'000	
Cash held on current account	2,329		2,032	
Cash held on deposit	3,508		3,519	
Petty cash held	2		3	
		5,839		5,554

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

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 2021. 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 2021

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.

Government grants are recognised on the performance model, when the Company has complied with any conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme has been recognised in the period to which the underlying furloughed staff costs relate to.

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 2021

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 2021

3. CHARITABLE ACTIVITIES - FEES RECEIVABLE	2021	<i>2020</i>
	£'000	<i>£'000</i>
Fees receivable consist of:		
School Fees	10,198	<i>9,886</i>
Less: Total bursaries, grants and allowances	(644)	<i>(783)</i>
Less: COVID-19 Fee refund	(478)	<i>(352)</i>
	<u>9,076</u>	<i><u>8,751</u></i>
 NET INCOME		
Net income is stated after charging:		
Depreciation of tangible fixed assets	631	<i>603</i>
Auditors' remuneration - Audit	22	<i>22</i>
- Other services	3	<i>4</i>
Staff costs (Note 8)	6,914	<i>6,836</i>
Operating lease costs	62	<i>50</i>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

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 2021 £'000	<i>30 June 2020 £'000</i>
Turnover	34	247
Cost of sales	(33)	(116)
Gross profit	1	131
Administration expenses	(57)	(56)
Operating profit	(56)	75
Interest receivable	0	1
Profit on ordinary activities before taxation	(56)	76
Taxation	-	-
Profit on ordinary activities after taxation	(56)	76
Retained earnings at the start of period	6	6
Profit for the year	(56)	76
Gift aid to Frensham Heights Educational Trust Limited	(0)	(76)
Retained earnings at the end of period	(50)	6
Trading costs detailed above are disclosed in the consolidated Statement of Financial Activities as follows		
Cost of sales	33	116
Administrative expenses	57	56
Audit and professional fees included in governance costs	(6)	(6)
Fundraising trading as on Statement of Financial Activities	84	166

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 (2020 - £4k) and for other services £2k (2020 - £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 2021

5. INVESTMENT INCOME

	Total 2021 £'000	<i>Total 2020 £'000</i>
Bank deposit account interest	<u>6</u>	<u>29</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	2021 £'000	<i>2020 £'000</i>
Other educational charitable activities		
Entrance and registration fees	89	<i>104</i>
Courses and sub-lettings	38	<i>83</i>
	<u>127</u>	<u><i>187</i></u>
Other ancillary activities		
Insurance commissions	-	-
School Trips, Meals and Other Income	54	<i>188</i>
	<u>54</u>	<u><i>188</i></u>

7. ANALYSIS OF EXPENDITURE

	Staff Costs £'000	Other Costs £'000	Depreciation £'000	Total 2021 £'000
Trading expenditure	<u>45</u>	<u>38</u>	<u>1</u>	<u>84</u>
	45	38	1	84
Charitable activities				
Education and welfare	4,832	404	630	5,866
Housekeeping	355	246	-	601
Catering	298	257	-	555
Transport	-	23	-	23
Maintenance and estate	301	391	-	692
Support costs and governance	1,083	317	-	1,400
	<u>6,869</u>	<u>1,638</u>	<u>630</u>	<u>9,137</u>
Total expenditure	<u>6,914</u>	<u>1,676</u>	<u>631</u>	<u>9,221</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

7. ANALYSIS OF EXPENDITURE (Continued)

SUPPORT COSTS AND GOVERNANCE

	2021	<i>2020</i>
	£'000	<i>£'000</i>
Salaries	1,084	1,062
Staff recruitment and travel	28	82
Marketing and professional fees	200	120
Telephone, postage, printing, stationery	23	27
Miscellaneous admin costs	46	24
Governance costs (Note 7)	20	23
	<hr/>	<hr/>
	1,401	<i>1,338</i>

Governance costs include auditors' remuneration for audit services of £17k (2020: £17k) and for other services £2k (2020: £4k) and the reimbursement of two Governors' travelling and subsistence expenses of £439 (2020 two Governors: £756), as well as £84 for Governor miscellaneous and training costs.

8. STAFF COSTS

	2021	<i>2020</i>
	£'000	<i>£'000</i>
Wages and salaries	5,023	<i>4,960</i>
Social security costs	494	<i>496</i>
Other pension costs	994	<i>982</i>
	<hr/>	<hr/>
	6,511	<i>6,438</i>
	<hr/>	<hr/>
Staff not directly employed by the School	403	<i>397</i>
	<hr/>	<hr/>
	6,914	<i>6,835</i>
	<hr/>	<hr/>
	No.	<i>No.</i>
The average monthly staff headcount was:		
Teaching	100	<i>99</i>
Administration	32	<i>30</i>
Other	28	<i>26</i>
	<hr/>	<hr/>
	160	<i>155</i>

Included in the above, one permanent member of staff is employed in the trading subsidiary (2020: 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 2021

8. STAFF COSTS (Continued)

	2021	2020
	£'000	£'000
The total employee benefits (including employers' pension and national insurance contributions) of key management personnel were:	957	998

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

	2021	2020
	No.	No.
£60,001 to £70,000	3	2
£70,001 to £80,000	-	1
£110,001 to £120,000	1	1

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 (2020: £0).

Included in the total staff cost figures above are termination payments to employees authorised during the year totalling £43k (2020 - £66k). 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 2021

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 2020	16,523	1,941	159	18,623
Additions	181	161	-	342
Disposals	-	(35)	-	(35)
At 31 July 2021	16,704	2,067	159	18,930
Depreciation				
At 1 August 2020	4,643	1,099	141	5,883
Charge for the year	405	212	14	631
Disposals	-	(35)	-	(35)
At 31 July 2021	5,048	1,276	155	6,479
Net book value				
At 31 July 2021	11,656	791	4	12,451
<i>At 31 July 2020</i>	<i>11,880</i>	<i>842</i>	<i>18</i>	<i>12,740</i>

b) The School

	Freehold Land, Buildings and Improvements £'000	Plant, Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 August 2020	16,510	1,931	159	18,600
Additions	181	162	-	343
Disposals	-	(31)	-	(31)
At 31 July 2021	16,691	2,062	159	18,912
Depreciation				
At 1 August 2020	4,635	1,088	141	5,864
Charge for the year	404	212	14	630
Disposals	-	(31)	-	(31)
At 31 July 2021	5,039	1,269	155	6,463
Net book value				
At 31 July 2021	11,652	793	4	12,449
<i>At 31 July 2020</i>	<i>11,875</i>	<i>843</i>	<i>18</i>	<i>12,736</i>

There are no Freehold Land, Buildings and Improvements in the course of construction this year (2020: £70k).

There is no Plant, Furniture and Equipment work in progress this year (2020: £22k).

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

10. INVESTMENTS

Frensham Heights Enterprises Ltd	2021	2020
	£'000	£'000
£1 Ordinary shares at par in Frensham Heights Enterprises Ltd	<u>10</u>	<u>10</u>
	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 2021 Frensham Heights Enterprises Ltd had capital and reserves which totalled (£40k) (2020: £17k). The turnover for the year was £34k (2020: £247k).

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	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts due from group undertaking	-	-	117	92
Fees debtors	97	83	97	83
Sundry debtors and prepayments	301	191	177	98
	<u>398</u>	<u>274</u>	<u>391</u>	<u>273</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

12. CREDITORS: amounts falling due within one year

	Group		School	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts owed to group undertakings	117	80	-	-
Fees deposits	471	520	471	520
Trade creditors	284	171	282	170
Other creditors and accruals	103	128	94	120
Fees received in advance	139	341	139	341
Deferred income	152	127	81	59
	1,266	1,367	1,067	1,210

The total amount held in relation to fees deposits of £471k is included above. In the normal course of business, the expected repayment of these amounts will be £73k within one year and £397k 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 2021 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 2020	127
Additions in current year	103
Release of deferred income	(79)
	<hr/>
Balance carried forward at 31 July 2021	151
	<hr/>

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 2021

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

	Group		School	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Deferred income	<u>3</u>	<u>2</u>	<u>-</u>	<u>-</u>
	3	2	-	-

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

	2021 £	2020 £
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 2020 £'000	Incoming Resources £'000	Resources Expended £'000	Transfer Between Funds £'000	Balance at 31 July 2021 £'000
Restricted Funds					
Bursary and award fund	272	4	(3)	-	273
Music award fund	7	3	-	-	10
Endowment fund	270	-	-	(5)	265
	<u>549</u>	<u>7</u>	<u>(3)</u>	<u>(5)</u>	<u>548</u>
Designated Funds					
Scholarship fund	516	-	-	(13)	503
Tangible fixed assets fund	12,470	-	-	(284)	12,186
General Fund	<u>3,665</u>	<u>9,436</u>	<u>(9,220)</u>	<u>302</u>	<u>4,183</u>
	<u>17,200</u>	<u>9,443</u>	<u>(9,223)</u>	<u>-</u>	<u>17,420</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

16. MOVEMENT ON FUNDS (Continued)

	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>

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 £5k 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 (£13k) has been made to reduce the Scholarship Fund. This is to cover the School's future commitments at 31 July 2021 to bursaries and scholarships for specific pupils.

A transfer of (£284k) 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 2021

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

The Group	Unrestricted General Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £
Tangible fixed assets	12,186	-	265	12,451
Net current assets	4,689	283	-	4,972
	16,875	283	265	17,423
Creditors: amounts falling due after one year	3	-	-	3
	16,872	283	265	17,420
The Charity				
Tangible fixed assets	12,184	-	265	12,449
Investments	10	-	-	10
Net current assets	4,728	283	-	5,011
	16,922	283	265	17,470
Creditors: amounts falling due after one year	-	-	-	-
	16,922	283	265	17,470

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued)

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
	<u>16,653</u>	<u>279</u>	<u>270</u>	17,202
Creditors: amounts falling due after one year	2	-	-	2
	<u>16,651</u>	<u>279</u>	<u>270</u>	17,200

The Charity

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

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 £772k (2020: £758k) and at the year-end £Nil (2020 - £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 2021

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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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 a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following the public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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 cost cap mechanism review is 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 £222k (2020: £223k) and has been included in the Statement of Financial Activities.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

19. LEASING COMMITMENTS

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

	Equipment	Equipment
	2021	2020
	£'000	£'000
Due in less than one year	62	48
Due within two and five years	219	42
Due in more than five years	-	-

20. CAPITAL COMMITMENTS

At 31 July 2021 the School had no material outstanding retention commitments and no other capital commitments.

21. RELATED PARTY TRANSACTIONS

In 2020-21 the School charged £16k (2020: £15k) to Enterprises for utilities and associated services. The balance owed to the School at 31 July 2021 was £117k (2020: £92k).

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

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

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