

COMPANY REGISTRATION NUMBER: 207173
REGISTERED CHARITY NUMBER: 312052

FRENSHAM HEIGHTS
EDUCATIONAL TRUST LIMITED
REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
31 JULY 2022

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
YEAR ENDED 31 JULY 2022

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FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

GOVERNORS, OFFICERS AND ADVISERS

YEAR ENDED 31 JULY 2022

DIRECTORS AND GOVERNORS

William Bird (Chair)
Gerard Holden (Vice Chair retired 30 November 2021)
Angus Carlill (Treasurer)
Martin Lupton (retired 31 January 2022)
Sally Marriott
William Marriott
Katherine Poulson
Jackie Sullivan
Philip Ward (Vice Chair)
Richard Fry
Katherine Love

FINANCE AND HUMAN RESOURCES COMMITTEE

Angus Carlill (Chair)
William Bird (Ex Officio)
Richard Fry
Katherine Poulson
Jackie Sullivan

GROUP 5 (discontinued July 2022)

William Bird (Chair)
Angus Carlill (Treasurer)
Gerard Holden (Vice Chair)
Rick Clarke (Head)
John Pratten (Interim Bursar) (appointed
November 2021)

EDUCATION COMMITTEE

Philip Ward (Chair)
Richard Fry
Sally Marriott
William Bird (Ex Officio)
Angus Carlill (Ex Officio)
Gerard Holden (retired 30 November 2021)

HEAD

Rick Clarke

INTERIM BURSAR & COMPANY SECRETARY

John Pratten (appointed November 2021)

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 2022

REGISTERED OFFICE	Frensham Heights Rowledge Farnham Surrey GU10 4EA
COMPANY NUMBER	207173
REGISTERED CHARITY	312052
BANKERS	HSBC Bank plc 12A North Street Guildford Surrey GU1 4AF
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 2022

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 2022 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, 5 December 2020, and redrafted 2022 for acceptance December 2022. 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 Governors retire by rotation each year (including any Governor who is an officer). Any retiring Governor will be available for immediate re-election and the expectation is that Governors will serve either two or three terms of three years each.

The Board instigated a review of their governance by The Association of Governing Bodies of Independent Schools (AGBIS) in June 2022. Adjustments to the Committee structure and other adjustments will be instigated during 2022-23.

Two Governors retired during the year and a Governor recruitment plan was instigated following the AGBIS review. 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

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2022

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 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 2022 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 a Remuneration Committee was formed to discuss the Head's and Bursar's salary; and an Estates Committee was formed, which will meet prior to the Finance Committee and be extant during the School's upcoming building development phase. All other committees sit a minimum of three times per year. All Committees are being rationalised following the AGBIS review.

During the previous 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 Bursar. The G5 met regularly through the pandemic period, with major decisions being referred to the board for approval; G5 was disbanded in June 2022 following the AGBIS review. 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, Interim Bursar, Deputy Head, Deputy Head (Academic) and Head of Junior School. The Head and the Interim Bursar are invited ex-officio to all Board and committee meetings. The pay and remuneration of the Head is set by the Remuneration Committee having considered independent benchmark reports across the independent school education sector and agreed by the Main Board at their Spring or Summer Board meetings. In November 2021, a new Interim Bursar was

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2022

appointed to replace the Chief Operating Officer. Recruitment for a permanent Bursar commenced in November 2022.

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 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 and this was further expanded in 2022. 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. The School has continued to work closely with Bordon Junior School, providing lessons and activities in ICT, with our students acting as mentors and teachers. 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 been working at a second school (Mikuyu) in Malawi, with plans to expand beyond this in 2023. 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. The school is making the first trip in 3 years to Malawi in July 2023.

Following Russia's invasion of Ukraine, the School became a 'hub' for displaced Ukrainian families allowing them to meet informally once every week. The school also collects for a 'Free Shop' for the families where they can obtain essentials like clothing and toiletries. The School also has FOUR Ukrainian students on 100% bursaries.

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

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2022

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6. Deliver the School's charitable objects and demonstrable public benefit
 7. Maintain financial stability

STRATEGIC REPORT

The Strategic Direction of the School

During the previous 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 the new vision and mission statements, which 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

Endorsed by the Board last year (2020-21) the School consolidated its 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 these values which are:

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

To support the vision, mission and values the Board looks forward to receiving a revised Strategic Plan and an underpinning Management Plan in autumn 2022.

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 544 (2021: 529) students of whom 467 (2021: 459) were day students and 77 (2021: 70) were boarders. In January 2022 the School was subject to an Independent Schools Inspectorate (ISI) inspection, which was a full Education Quality and Compliance was found to be fully compliant and graded EXCELLENT in all areas of education provision and personal development.

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.

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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.

In support of all these awards the School committed £594k (2021: £530k) this year, of which £532k (2021: £471k) was awarded in bursaries to 41 students (2021: 44) through its General Fund, of which 14 (2021: 9) were 100%. Within this bursary funding, £16k was allocated in-year for Ukrainian pupils. In 2021, £3k in Covid-related 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.

With COVID-19 impact receding, the school was able to offer a much more normal operation for students, with nearly full programmes of sport, music, dance, drama and school trips on offer. Sports fixtures, together with sports trips, provided fantastic opportunities for students to remain active. Full access to the theatre meant that plays, dance concerts and rock & pop gigs were in full operation, with students excelling in all of these. The return of school trips, a key element of a Frensham education, meant that significant trips such as the Year 6 trip to Pembrokeshire, the Year 9 trip to the Peak District and the Year 12 trip to Knoydart in Scotland all went ahead. Alongside this, many smaller trips for other year groups were offered too.

Exam results in the summer were excellent, considering that these were the first exams to be written in two years. The students performed superbly, well above the levels achieved in the last written exams in 2019.

GCSEs: students achieved 23% 9-8; 42% 9-7; 96.5% 9-4 grades.

A Levels: students achieved 40% A*-A, 67% A*-B, 100% A*-E.

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 marketplace and appeals to overseas students, mainly from Europe, with a number from Eastern Europe and further afield. +

SUSTAINABILITY

The School is fully aware of its responsibilities in making progress towards a more sustainable campus. It has a solar field that contributes towards the costs in the Main Building during term time and FIT contribution in the accounts (this year) circa £26K.

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All new buildings are constructed to the sustainability regulations in place at the time and where possible loft insulation, double glazing are added to staff accommodation when the opportunities are presented.

The School is investigating a grant to change the floodlights on the AWSP to LED. It is also hoping to be able to finance a fully electric minibus via the parents' association.

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 train a current member of the Marketing Department to be responsible for the 2025 Centenary Campaign supported by a suitably qualified Governor. 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. Ring-fenced funds have been raised to support the Ukrainian students in School with their everyday educational needs and to fund their educational trips.

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. Enterprise activity this year is still somewhat diminished but is showing signs of recovery and business as usual. A Business Recovery Plan will be produced in the Autumn of 2022 that signposts the way forward for the next five years and to contribute in a significant way to the overall income of the School. In the current year the group's net incoming resources amounted to £182k (2020: £220k). This includes a profit from the trading subsidiary of £64k.

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 2022 the trading company made a small gift aid payment to the School of £8,341 after offsetting the prior year loss of (£56k) against the current year profit of £64k.

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

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

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total reserves of £17,602k at the year-end included £564k unspent restricted income and £17,038k unrestricted income. £11,671k of this represented the net book value of fixed assets less associated internal funding arrangements and £521k designated for Scholarship funding, made against future years' fees leaving free reserves of £4,846k (2021: £4,183k) at the year-end. This compares with a policy level of £2,500k (2021: £2,300k) which would provide cover for up to three months' operating costs (2021: three 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 breakeven and then 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 aftermath of the COVID-19 pandemic and the School's strategic objective to reduce the number of SEND students on the role, to take into consideration the current economic climate and its potential impact. Revised forecasts have been prepared together with cash-flows, based on the most likely expected outcome from these scenarios, and detailed examination by the Finance Committee. 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.

The School has scoped out income and expenditure up to and including 2026-27 and although 2022-23 is forecasted as a difficult year as the backwash from Covid and resultant drop in boarders works its way through a steady increase in surplus is foreseen thereafter.

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 bearing in mind current rates of inflation.

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 (TPS) Phased Withdrawal to the School as an employer
2. An increasing cost base including inflation
3. Reduction in 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
 - d. VAT on fees
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 School's 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.

Last year the Governors recognised 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 considered that the impact is a very significant one with implications for the future viability of the School.
- b. Nevertheless, after extensive negotiations with the staff and teaching unions an agreement was reached to adopt a Phased Withdrawal from TPS. Although this will not immediately reduce costs significantly it will over the next few years. This decision does not remove the threat of the impact of the 2020 valuation and the situation may well have to be revisited.
- 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.

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YEAR ENDED 31 JULY 2022

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 Development Plan 2022-2023; 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. Further develop the skills-based curriculum from Years 7 & 8 and throughout the Junior School
2. Student Personal Development. Maximise student development by improving organisational skills and improving pastoral and wellbeing provision. Further refine the PSHE (Horizons) programme.
3. Marketing. Currently numbers are circa 500 and therefore there is a requirement to restore them to 525 and eventually 550. Marketing will be focussing the main effort on retention from Year 11 and recruitment into the Sixth Form and in the Early Years. The intention being to Develop Frensham's position as a thought leader for progressive education.
4. Parent Communication/Reputation. Build on the success of the Parents' Information Evenings. Review effectiveness of parental communications. Explore the use of communication software like My School Portal to enhance communication with parents.
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 and partner schools in Malawi. Continue with support for Ukrainian children in the school and act as a hub for Ukrainian families in the area.

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 2022	31 July 2021
William Bird	20	10
Angus Carlill	15	10
Gerard Holden	-	10
Martin Lupton	-	5
Sally Marriott	5	10
William Marriott	5	5
Katherine Poulosom	15	10
Jackie Sullivan	15	5
Philip Ward	15	5
Richard Fry	15	10
Peter Molyneux	-	10
Catherine Love	5	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.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2022

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. The School will retender the audit contract in 2023-24.

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 10 December 2022 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 2022 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 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

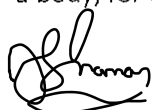
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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: 20 January 2023

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure account)
FOR THE YEAR ENDED 31 JULY 2022

		Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Income and endowments from:						
Charitable Activities						
School fees receivable	3	9,976	-	-	9,976	9,076
Other educational income	6	226	-	-	226	127
Other ancillary trading income	6	181	-	-	181	54
Other trading activities						
Trading turnover	4	219	-	-	219	34
Other Income		42	-	-	42	16
Profit / (Loss) on disposal		(1)	-	-	(1)	-
Investments						
Investment income	5	10	-	-	10	6
Voluntary Income						
Grants and Donations		-	21	-	21	128
Total Income		10,653	21	-	10,674	9,441
Expenditure on:						
Raising funds						
Fundraising Trading	4	149	-	-	149	84
Charitable Activities						
Education and grant making		10,343	-	-	10,343	9,137
Total expenditure	7	10,492	-	-	10,492	9,221
Net Income		161	21	-	182	220
Transfers between funds	16	5	-	(5)	-	-
Net movement of funds		166	21	(5)	182	220
Funds brought forward 1 August 2021		16,872	283	265	17,420	17,200
Funds carried forward 31 July 2022	17	17,038	304	260	17,602	17,420

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 2022

	Notes	2022		2021
		£'000	£'000	£'000
FIXED ASSETS				
Tangible fixed assets	9 a)	11,931	11,931	12,451
CURRENT ASSETS				
Stocks		2		1
Debtors: amounts falling due within one year	11	614		398
Cash at bank and in hand		6,575		5,839
		7,191		6,238
CREDITORS: amounts falling due within one year	12	1,520		1,266
NET CURRENT ASSETS			5,671	4,972
TOTAL ASSETS LESS CURRENT LIABILITIES			17,602	17,423
CREDITORS: amounts falling due after more than one year	13		-	3
NET ASSETS			17,602	17,420
CAPITAL AND RESERVES				
Called up share capital	15		-	-
THE FUNDS OF THE CHARITY				
UNRESTRICTED FUNDS				
Scholarship fund		521		503
Tangible fixed asset fund		11,671		12,186
General fund		4,846		4,183
			17,038	16,872
RESTRICTED FUNDS				
Endowments		260		265
Bursary and award funds		304		283
			564	548
TOTAL FUNDS	17		17,602	17,420

The profit for the financial year dealt with in the financial statements of the parent Company was £118k (2021: £277).

Approved and authorised for issue by the Board of Governors on 10 December 2022

W. J. Bird

Angus Carlill

} Governors and Directors

William Bird

Angus Carlill

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

FRENHAM HEIGHTS EDUCATIONAL TRUST LIMITED


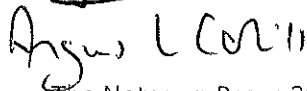
(Company Number: 207173)

BALANCE SHEET

AS AT 31 JULY 2022

	Notes	2022		2021
		£'000	£'000	£'000
FIXED ASSETS				
Tangible fixed assets	9 b)	11,930		12,449
Investments	10	10		10
			<u>11,940</u>	<u>12,549</u>
CURRENT ASSETS				
Stocks		1		-
Debtors: amounts falling due within one year	11	459		391
Cash at bank and in hand		6,403		5,687
		<u>6,863</u>		<u>6,078</u>
CREDITORS: amounts falling due within one year	12	<u>1,206</u>		<u>1,067</u>
NET CURRENT ASSETS			<u>5,657</u>	<u>5,011</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,597</u>	<u>17,470</u>
CREDITORS: amounts falling due after more than one year	13		<u>-</u>	<u>-</u>
NET ASSETS			<u>17,597</u>	<u>17,470</u>
CAPITAL AND RESERVES				
Called up share capital	15		-	-
THE FUNDS OF THE CHARITY				
UNRESTRICTED FUNDS				
Scholarship fund		521		503
Tangible fixed asset fund		11,671		12,186
General fund		4,840		4,233
			<u>17,032</u>	<u>16,922</u>
RESTRICTED FUNDS				
Endowments		260		265
Bursary and award funds		305		283
			<u>565</u>	<u>548</u>
TOTAL FUNDS	17		<u>17,597</u>	<u>17,470</u>

Approved and authorised for issue by the Board of Governors on 10 December 2022.

} 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
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022

	Note	2022		2021	
		£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	(i)		812		620
Cash flows from investing activities:					
Payments for tangible fixed assets		(89)		(342)	
Non-cash payments for tangible fixed assets		2		-	
Proceeds on sale of tangible fixed assets		-		1	
Investment income and bank interest received		10		6	
Net cash (used in) / provided by investing activities			(77)		(335)
Cash flows from financing activities:					
Finance Costs Paid			-		-
Net cash provided by financing activities			-		-
Change in cash and cash equivalents in the reporting period			736		285
Cash and cash equivalents at the beginning of period			5,839		5,554
Cash and cash equivalents at the end of the reporting period			6,575		5,839

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 2022

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

	2022		2021	
	£'000	£'000	£'000	£'000
Net incoming resources		182		220
Elimination of non-operating cash flows:				
- Investment income	(10)		(6)	
- Depreciation Charge	606		631	
- Non Cash-Flow Item	-		-	
Profit on sale of assets	-		(1)	
(Increase) / decrease in debtors	(216)		(124)	
(Increase) / decrease in stocks	(1)		-	
Increase / (decrease) in creditors	314		151	
Increase / (decrease) in fees in advance scheme creditors	(97)		(202)	
Increase / (decrease) in parents' deposits	34		(49)	
		<u>630</u>		<u>400</u>
Net cash provided by operating activities		<u>812</u>		<u>620</u>

(ii) Analysis of cash and cash equivalents

	2022		2021	
	£'000		£'000	
Cash held on current account		3,020		2,329
Cash held on deposit		3,552		3,508
Petty cash held		3		2
		<u>6,575</u>		<u>5,839</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

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 current economic climate, the forecasted deficit in 2022/23, and their potential impact. Revised forecasts have been prepared together with cash-flows and restructuring 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 2022. 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 2022

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

Items of a capital nature and with a value greater than £5,000 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 2022

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.

The School contributes to the Royal London Group Personal Pension Plan which the School established as the official alternative to the TPS under the Phased Withdrawal arrangement.

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 2022

	2022	2021
	£'000	£'000
3. CHARITABLE ACTIVITIES - FEES RECEIVABLE		
	10,794	10,198
Fees receivable consist of:		
School Fees	10,794	10,198
Less: Total bursaries, grants and allowances	(818)	(633)
Less: COVID-19 Fee refund	-	(478)
	9,976	9,076
NET INCOME		
Net income is stated after charging:		
Depreciation of tangible fixed assets	607	631
Auditors' remuneration - Audit	20	22
- Other services	3	3
Staff costs (Note 8)	7,460	6,914
Operating lease costs	72	62

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

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 2022 £'000	30 June 2021 £'000
Turnover	219	34
Cost of sales	<u>(87)</u>	<u>(33)</u>
Gross profit	132	1
Administration expenses	<u>(68)</u>	<u>(57)</u>
Operating profit	64	(56)
Interest receivable	<u>0</u>	<u>0</u>
Profit on ordinary activities before taxation	64	(56)
Taxation	<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation	<u>64</u>	<u>(56)</u>
Retained earnings at the start of period	(50)	6
Profit for the year	<u>64</u>	<u>(56)</u>
Gift aid to Frensham Heights Educational Trust Limited	<u>8</u>	<u>(0)</u>
Retained earnings at the end of period	<u>6</u>	<u>(50)</u>

Trading costs detailed above are disclosed in the consolidated Statement of Financial Activities as follows

Cost of sales	87	33
Administrative expenses	68	57
Audit and professional fees included in governance costs	<u>(8)</u>	<u>(6)</u>
Fundraising trading as on Statement of Financial Activities	<u>147</u>	<u>84</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 (2021 - £4k) and for other services £2k (2021 - £2k). 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 2022

5. INVESTMENT INCOME

	Total 2022 £'000	Total 2021 £'000
Bank deposit account interest	10	6

6. INCOME FROM CHARITABLE ACTIVITIES

	2022 £'000	2021 £'000
Other educational charitable activities		
Entrance and registration fees	152	89
Courses and sub-lettings	74	38
	226	127
Other ancillary activities		
Insurance commissions	-	-
School Trips, Meals and Other Income	181	54
	181	54

7. ANALYSIS OF EXPENDITURE

	Staff Costs £'000	Other Costs £'000	Depreciation £'000	Total 2022 £'000
Trading expenditure	73	74	1	148
	73	74	1	148
Charitable activities				
Education and welfare	5,169	787	606	6,562
Housekeeping	356	220	-	576
Catering	360	345	-	705
Transport	-	29	-	29
Maintenance and estate	290	481	-	771
Support costs and governance	1,211	489	-	1,700
	7,386	2,351	606	10,343
Total expenditure	7,459	2,425	607	10,491

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

7. ANALYSIS OF EXPENDITURE (Continued)

SUPPORT COSTS AND GOVERNANCE

	2022	2021
	£'000	£'000
Salaries	1,212	1,084
Staff recruitment and travel	41	28
Marketing and professional fees	373	200
Telephone, postage, printing, stationery	20	23
Miscellaneous admin costs	34	46
Governance costs (Note 7)	21	20
	1,701	1,401

Governance costs include auditors' remuneration for audit services of £16k (2021: £17k) and for other services £750 (2021: £2k) and the reimbursement of four Governors' travelling and subsistence expenses of £2k (2021 two Governors: £439), as well as £2k for Governor miscellaneous and training costs (2021: £84).

8. STAFF COSTS

	2022	2021
	£'000	£'000
Wages and salaries	5,272	5,023
Social security costs	536	494
Other pension costs	1,056	994
	6,864	6,511
Staff not directly employed by the School	596	403
	7,460	6,914
	No.	No.
The average monthly staff headcount was:		
Teaching	106	100
Administration	34	32
Other	25	28
	165	160

Included in the above, one permanent member of staff is employed in the trading subsidiary (2021: 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 2022

8. STAFF COSTS (Continued)

	2022 £'000	2021 £'000
The total employee benefits (including employers' pension and national insurance contributions) of key management personnel were:	1,115	957

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

	2022 No.	2021 No.
£60,001 to £70,000	3	3
£70,001 to £80,000	2	-
£110,001 to £120,000	1	1

One person connected with a governor has received remuneration from employment with the charity in accordance with the pay scales of the school (2021: £0).

Included in the total staff cost figures above are termination payments to employees authorised during the year totalling £59k (2021 - £43k). 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 2022

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 2021	16,704	2,067	159	18,930
Additions	-	89	-	89
Disposals	-	(36)	-	(36)
At 31 July 2022	<u>16,704</u>	<u>2,122</u>	<u>159</u>	<u>18,985</u>
Depreciation				
At 1 August 2021	5,048	1,276	155	6,479
Charge for the year	405	198	3	606
Disposals	-	(34)	-	(34)
At 31 July 2022	<u>5,453</u>	<u>1,440</u>	<u>158</u>	<u>7,051</u>
Net book value				
At 31 July 2022	<u>11,251</u>	<u>682</u>	<u>1</u>	<u>11,934</u>
At 31 July 2021	<u>11,656</u>	<u>791</u>	<u>4</u>	<u>12,451</u>

b) The School

	Freehold Land, Buildings and Improvements £'000	Plant, Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 August 2021	16,691	2,062	159	18,912
Additions	-	90	-	90
Disposals	-	(36)	-	(36)
At 31 July 2022	<u>16,691</u>	<u>2,116</u>	<u>159</u>	<u>18,966</u>
Depreciation				
At 1 August 2021	5,039	1,269	155	6,463
Charge for the year	404	198	3	605
Disposals	-	(34)	-	(34)
At 31 July 2022	<u>5,443</u>	<u>1,433</u>	<u>158</u>	<u>7,034</u>
Net book value				
At 31 July 2022	<u>11,248</u>	<u>683</u>	<u>1</u>	<u>11,932</u>
At 31 July 2021	<u>11,652</u>	<u>793</u>	<u>4</u>	<u>12,449</u>

There are no Freehold Land, Buildings and Improvements in the course of construction this year (2021: £0k).

There is no Plant, Furniture and Equipment work in progress this year (2021: £0k).

FRENESHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

10. INVESTMENTS

Frensham Heights Enterprises Ltd	2022	2021
	£'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 2022 Frensham Heights Enterprises Ltd had capital and reserves which totalled £17k (2021: (£40k)). The turnover for the year was £219k (2021: £34k).

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	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts due from group undertaking	-	-	100	117
Fees debtors	125	97	125	97
Sundry debtors and prepayments	489	301	233	177
	614	398	458	391

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

12. CREDITORS: amounts falling due within one year

	Group		School	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts owed to group undertakings	63	117	-	-
Fees deposits	505	471	505	471
Trade creditors	252	284	239	282
Other creditors and accruals	262	103	240	94
Fees received in advance	42	139	42	139
Deferred income	396	152	180	81
	<u>1,520</u>	<u>1,266</u>	<u>1,206</u>	<u>1,067</u>

The total amount held in relation to fees deposits of £505k is included above. In the normal course of business, the expected repayment of these amounts will be £3k within one year and £502k 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 2022 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 2021	151
Additions in current year	395
Release of deferred income	(151)
	<u>395</u>
Balance carried forward at 31 July 2022	<u>395</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 2022

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

	Group		School	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Deferred income	-	3	-	-
	-	3	-	-

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

	2022 £	2021 £
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 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Transfer Between Funds £'000	Balance at 31 July 2022 £'000
Restricted Funds					
Bursary and award fund	273	12	-	-	285
Music award fund	10	2	-	-	12
Ukrainian bursary fund	-	7	-	-	7
Endowment fund	<u>265</u>	<u>-</u>	<u>-</u>	<u>(5)</u>	<u>260</u>
	548	21	-	(5)	564
Designated Funds					
Scholarship fund	503	-	-	18	521
Tangible fixed assets fund	12,186	-	-	(515)	11,671
General Fund	<u>4,183</u>	<u>10,652</u>	<u>(10,491)</u>	<u>502</u>	<u>4,846</u>
	<u>17,420</u>	<u>10,673</u>	<u>(10,491)</u>	<u>-</u>	<u>17,602</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

16. MOVEMENT ON FUNDS (Continued)

	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>

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 £18k has been made to increase the Scholarship Fund. This is to cover the School's future commitments at 31 July 2022 to bursaries and scholarships for specific pupils.

A transfer of (£515k) 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 2022

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

The Group	Unrestricted General Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £
Tangible fixed assets	11,671	-	260	11,931
Net current assets	5,367	304	-	5,671
	17,038	304	260	17,602
Creditors: amounts falling due after one year	-	-	-	-
	<u>17,038</u>	<u>304</u>	<u>260</u>	<u>17,602</u>
The Charity				
Tangible fixed assets	11,670	-	260	11,930
Investments	10	-	-	10
Net current assets	5,352	304	-	5,656
	17,032	304	260	17,596
Creditors: amounts falling due after one year	-	-	-	-
	<u>17,032</u>	<u>304</u>	<u>260</u>	<u>17,596</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued)

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
	<u>16,872</u>	<u>283</u>	<u>265</u>	<u>17,420</u>

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	-	-	-	-
	<u>16,922</u>	<u>283</u>	<u>265</u>	<u>17,470</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 £825k (2021: £772k) and at the year-end £Nil (2021 - £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%.

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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 a 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.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation 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 £230k (2021: £222k) 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 2022

19. LEASING COMMITMENTS

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

	Equipment 2022 £'000	Equipment 2021 £'000
Due in less than one year	72	62
Due within two and five years	161	219
Due in more than five years	-	-

20. CAPITAL COMMITMENTS

At 31 July 2022 the School had no material outstanding retention commitments and no other capital commitments.

21. RELATED PARTY TRANSACTIONS

In 2021-22 the School charged £20k (2021: £16k) to Enterprises for utilities and associated services. The balance owed to the School at 31 July 2022 was £100k (2021: £117k).

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

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

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