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TORMEAD LIMITED  
(A Company Limited by Guarantee)

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TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

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TORMEAD LIMITED  
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**TORMEAD LIMITED**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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<b>Trustees</b>	R Harris BA ACA, Chair A L Cullum BA PGCE NPQH+ R Finnan BSc (Hons) MRICS * (appointed 1 October 2022) S A Geary* (resigned 30 October 2022) M Howse LLB* K Jefferies MBBS MSc MRCPsych + (appointed 1 October 2022) R J Jewkes B Eng FIE Aust* (resigned 31 January 2022) Dr C M Kissin MB ChB MRCP FRCR+ ^ Prof G Miller BSc MSc PhD PGCE+ S G Newnes-Smith ACA* P J O'Keefe RIBA MCIOB MIMgt* A R C Spender BSc FIA+ F Thompson LLB (appointed 25 October 2022) J C Watkins FCA+ Dr C Zagorski MB BChir FRCR MA (Cantab) (appointed 1 October 2022)
	* Members of the Finance & General Purposes Committee + Members of the Academic Committee ^ Designated Safeguarding Governor
<b>Company registered number</b>	00485947
<b>Charity registered number</b>	312057
<b>Registered office</b>	Tormead Cranley Road Guildford Surrey GU1 2JD
<b>Bursar</b>	S Lawton (resigned 8 February 2022) J Sharp MA (Cantab) ACA (appointed 8 February 2022, resigned 8 August 2022) S Lehrter MA (Oxon) ACIB (appointed 9 August 2022)
<b>Head</b>	D Boyd MA (Oxon) MA (UCL) PGCE (Cantab)
<b>Independent auditor</b>	CLA Evelyn Partners Limited Chartered Accountants Statutory Auditor Onslow House Onslow Street Guildford GU1 4TL

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
(CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022

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<b>Bankers</b>	Lloyds Bank plc Connaught House Alexandra Terrace Guildford GU1 3DA
<b>Solicitors</b>	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH

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**TORMEAD LIMITED**  
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**TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022**

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The Trustees present their annual report, together with the audited financial statements of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

## **OBJECTS, AIMS AND ACTIVITIES**

### **• Objects**

The School was founded in 1905 and its objects, as set out in its governing document, are the advancement of education through the provision of a school or schools for girls and boys. Tormead School is the operating name of Tormead Limited. It is a charity established as a company limited by guarantee, registration number 485947.

The School provides education in Guildford for girls from the ages of 4 to 18. It is the aim of the School to attain the highest academic levels whilst providing an extra-curricular programme that seeks to develop a life-long love of learning and a desire to contribute to the community. It looks also to prepare girls for life at university and beyond in a changing world.

The School has no endowment income and therefore makes a proportion of gross fee income available to provide fee assistance to pupils who would not otherwise be able to join or remain at the School.

### **• Our aims**

We are committed to providing an excellent, all-round education in a warm, stimulating and supportive environment. Our values are:

- We provide an outstanding all-round education for girls that is modern, progressive and diverse;
- We nurture and develop girls' confidence and skills, providing a safe space in which they can take risks;
- We promote subjects and careers where women have historically been under-represented;
- We foster a culture of respect, inclusion and kindness towards each other;
- We prepare our girls for life beyond school;
- We encourage our girls to contribute to their communities;
- We listen to staff, pupils and parents and are open to feedback; and
- We celebrate the effort and achievement of our community.

### **• Ethos**

Tormead School is a charitable trust which seeks to benefit the public through the pursuit of its aims. Our fees are set at a level both to ensure the financial viability of the School and to facilitate delivery of a first-class education.

Tormead School is committed to safeguarding and promoting the welfare of our pupils and expects all staff to share this commitment. In all we do, we strive to keep our pupils safe and appropriately provided for, and this was confirmed by the ISI Compliance inspection undertaken in November 2021, in which the school met all the requirements of the Independent School Standard Regulations, including those that relate to safeguarding. The inspection noted that 'the School seeks to value individuality and celebrate diversity, encouraging pupils to be themselves, all within a happy, caring and supportive environment, whilst developing tolerance, respect and dignity, a sense of personal responsibility and the ability to work in a team and aims to instil in pupils a love of learning, the ability to think independently and the self-confidence to prepare for the challenges of adult life'.

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022

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**OBJECTS, AIMS AND ACTIVITIES (continued)**

● **Objectives for the year**

Our objectives are set to reflect our educational aims and the ethos of the School. In setting objectives and planning activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary guidance on advancing education and on fee-charging.

Objectives for the year, and strategies for objectives, were:

**Prepare girls, within a supportive environment, to meet today's challenges**

The academic year began with a sense of optimism that the restrictions presented by COVID would soon be a thing of the past, facilitating a return to normality. We do not however underestimate the impact on girls of the disruption to learning and social development imposed by the pandemic and repeated lockdowns. Two additional members of staff were recruited to the wellbeing team to provide additional support with the adjustment back into routine.

The spirit of the Tormead community was raised by the lifting of restrictions allowing house events, extra-curricular activities across year groups and trips and visits to begin again. The return to in-person events, including speakers, after such an intense period of online activity, was welcomed by all.

We returned to in-person graduation celebrating multiple year groups and this was followed by our Sixth Form Takeover afternoon, with all pupils revelling in the Silent Disco and Petting Zoo.

The School Council has continued with a particular remit to deal with specific areas of school life, with the establishment of sub-committees for food, the environment, diversity and equality.

**The pursuit of academic excellence**

Tormead is an academically selective school and our results for 2022 are testament to the hard work of our pupils and the dedication of our teaching staff. Following a comprehensive evaluation exercise, we have made a number of changes to our Key Stage 3 and Key Stage 4 curricula offering, which delivers academic rigour whilst remaining broad and balanced.

**Continued focus on extra-curricular activities**

Every girl had an extra-curricular programme tailored to her interests and needs, with 130 different clubs and activities on offer, providing a wide range of opportunities for leadership, community engagement, sporting achievement and other interests.

We have agreed a three-year joint 6th Form expedition schedule with the RGS Guildford, starting with Vietnam next summer and Nepal in 2024.

Pupils from all year groups have delivered a programme of volunteering and charity work and fundraising.

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022

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**OBJECTS, AIMS AND ACTIVITIES (continued)**

**A leading position at the cutting edge of IT in education**

As a school committed to technological excellence and innovation in support of delivering our curriculum, Tormead continues to hold Apple Distinguished School status. September saw the roll-out of over 230 new Apple devices to pupils and staff.

Updated communications systems, including a new e mail, SMS platform and school portal were introduced, and implementation of a new Virtual Learning Environment is under way. We have also introduced an iPad-based electronic admissions testing procedure which has delivered significant efficiencies, and a new electronic visitor management system, to enhance safety for all users of the School site.

We continue to provide state of the art facilities in all teaching spaces, with a full upgrade of all IT provision in the new 6th Form Centre and new touchscreen interactive boards in specialist teaching rooms in Prep.

**An aspirational and ambitious Sixth Form**

The Sixth Form continued to have an academic focus with extensive opportunities for girls to take part in intellectual life. The entire Sixth Form took part in either Symposium or EPQ, both projects providing the opportunity to undertake more in-depth research into chosen topics, and our Horizons programme introduced the girls to a wide variety of life experiences and also subject knowledge e.g. the latest medical or engineering research. The Oxbridge coordinators continued to provide a structured programme of preparation for our candidates and arranged mock interviews for those girls invited to interview.

The Lower Sixth participated in the Young Enterprise Company programme, developing an environmentally friendly gift card using paper manufactured themselves using recycled materials.

This year we held our inaugural Sixth Form Tormead/RGS Prefects dinner which included a 30-minute presentation from Rick Findler, an award-winning war photographer whose work has been published in The Sunday Times.

This year brought a welcome return to in-person careers events, and with many employers taking the opportunity to run these alongside virtual events for greater flexibility and choice.

**The further development of links with parents and the community**

Following the relaxation of COVID rules, we have continued to see increasing levels of parental involvement as the number and scale of events in the Tormead calendar has continued to increase.

We have continued to grow relationships with alumnae and the new Alumnae and Development Office was launched, to foster ongoing relationships between our network of old girls and the Tormead community.

During this first year four events were held, including the inaugural networking event, which saw seven alumnae presenting on their journey post Tormead, a university 'Speed Networking' event, with over 25 universities represented by returning alumnae, a hockey/netball reunion and an afternoon tea attended by alumnae and former staff.

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022

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**OBJECTS, AIMS AND ACTIVITIES (continued)**

**The optimisation of the site**

In 2021 progress was made with implementation of a number of aspects of the site 'masterplan', originally presented to Trustees in June 2021. The Sixth Form centre refurbishment was completed over the summer along with extensive upgrades in the Prep School, both indoors and outside. Two science labs in the Senior School had a full makeover, with a new common room for Year 11. Air conditioning was installed in a number of teaching rooms and offices, and our on-site tennis courts were resurfaced. The 'old' school shop was completely renovated to provide a state-of-the art wellbeing centre for our welfare and counselling team.

Following on from the partnership agreement with Guildford County School for the development and improvement of the sports facilities at the Urn Field, a sports ground situated around 5 minutes from the School by minibus, planning permission was finally granted for the proposed scheme following an appeal hearing in September 2022. This includes a full-size artificial hockey pitch surrounded by a new, artificial athletics track, new facilities for field sports, a first XI natural grass football pitch, conversion of the 2nd XI cricket pitch to an artificial wicket, and the installation of cricket nets.

The Urn Field is owned by Guildford County School, and in exchange for Tormead covering the cost of redevelopment, use of the Urn Field will be shared with both schools being able to consider it their home ground.

**Future developments**

The above objectives will continue to be central to the future development of the School; our strategic goals for 2022-2023 can be summarised as follows:

- Our educational offering is consistently excellent;
- Our pastoral care is consistently excellent;
- School leadership is consistently excellent;
- To make Tormead a first choice for parents in the Guildford and wider Surrey area, when they are thinking about their daughter's education;
- To make Tormead a first choice for teachers when we recruit and to create a working environment that retains the best staff;
- To grow our community at both the top end (Sixth Form) and the start (Prep) to be a more resilient organisation;
- To develop our alumnae community and build a community for life;
- To develop meaningful partnerships to make a valuable contribution to the wider community;
- To build our development capacity to support bursaries and facilities projects;
- To develop our school estate to be leading within the area; and
- Ensure prudent management of the School's finances to assure delivery of our ambitious targets.

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022

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## PUBLIC BENEFIT

- **Bursary policy**

The Trustees are committed to ensuring that financial assistance is available, within the means of the School, for families who would not otherwise be able to afford the fees, or to relieve hardship where a pupil's education might be at risk. Our bursary awards are available to all who meet our general entrance requirements and are made solely on the basis of parental means. The financial needs assessment is made through the use of a means-questionnaire and an independent assessor, with awards made by the Bursary Committee.

The Trustees are aware that the School has no endowments from which to draw funds to meet the financial commitments of bursaries, all the charity's income coming solely from fees. There is therefore a balance to be struck in the number of bursaries awarded and the fees being received from other parents that subsidise the scheme.

Bursary awards can be for up to 100% of fees. Entrance Bursaries are awarded on entry to the School at Year 7 and Year 12. In addition, there is financial assistance for families awarded a bursary with the cost of uniform, educational school trips and public examinations.

During the year, the School provided means-tested Entrance Bursaries for 44 pupils whose parents could not afford the full fees, with 14 pupils receiving support of 100% of fees. We also provided full bursaries for two Ukrainian girls who were being hosted by Tormead families. An additional five pupils received some additional financial assistance for part of the year.

Beyond the considerable public benefit of providing a high-class education to pupils of the School, which equips them with excellent academic qualifications and instils in them a sense of citizenship and responsibility in later life, the School also provided wider benefits as detailed below.

- **Charitable giving**

The pupils of both the Prep and Senior Schools raised money for designated charities throughout the year. During the 2021/22 academic year a total of £13,000 was raised for a number of different charities, including the DEC Ukraine appeal. Other charities receiving donations included Parkinsons UK, Pets as Therapy, Age UK, The Children's Trust, Bee Friendly Trust, St Francis Animal Care, Young Minds and the British Heart Foundation.

Through the Duke of Edinburgh scheme administered by the School, our pupils were involved in helping local charities and undertook regular volunteering.

- **Educational benefits to those who are not pupils**

Over the year, Tormead pupils dedicated 2665 hours to volunteering, with a social value of £12,312. In addition, Sixth Formers regularly undertake litter picking in the local community. A small group of Year 12 students helped with English conversation classes for Ukrainian students.

As noted previously, we will shortly be formalising our partnership with Guildford County School for the redevelopment and expansion of sporting facilities at the Urn Field. This project will create significant benefit for the pupils of Guildford County School, in addition to the benefits afforded to Tormead girls.

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022

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## REVIEW OF ACTIVITIES AND ACHIEVEMENTS

- Pupil numbers

Pupil numbers were 741 at the end of the Summer term 2022 made up of 165 in the Prep School and 576 in the Senior School. The number on roll increased to 780 at the start of the new academic year in September 2022.

- Academic Review

After two years of assessed grades, and with the expectation that formal examinations would return, contingency plans were prepared should circumstances change. This involved the requirement to undertake formal assessments of pupils, to be used should exams be cancelled, and teacher assessed grades be required. This did not prove necessary, and teachers were able to focus their attention on working with the exam cohorts to prepare for the summer exams for the first time since 2019.

Fortunately, public exams were able to take place and the year saw the continuing academic success of the School with extremely strong results at both A level and GCSE.

At A level, 59% of results were A\* or A grades, rising to 79% for A\* - B grades and 96% at A\* - C. Pupils are leaving to pursue further study at a variety of universities, and courses chosen include Law, Natural Sciences, Psychology, Medicine, Engineering, Mathematics, Physics, Biology, Quantity Surveying, English Literature, History, Public Relations, Sociology and Marketing, with one girl going up to Cambridge to study Veterinary Medicine.

At GCSE, 46% of all grades were 9 or 8, with 73% of the cohort securing grades nine or more grades at 9-7.

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022

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- **Extra Curricular**

**Sports Report September 2021 – August 2022**

We were delighted to be able to return to competitive sport and bring home an abundance of trophies and awards.

**Gymnastics** - our U19 and U11 teams won Gold medals in the British Floor and Vault Championships, with the U14s winning Silver. Tormead won the overall School ISGA National Title for the sixth consecutive year; five team golds and one team silver over the three-day competition. 14 girls also won individual medals. In the British Milano Championships, the U16 and U19 teams were British Champions, with the Under 11 and Under 13s winning Silver. The U11s were the IAPS National Champions.

**Dance and Cheerleading** – Tormead won Gold in the 'We Create Dance' Festival, with the Cheerleading team coming first in the Future Cheer Schools' Division.

**Netball** – the U15s qualified for the County finals, and two girls were selected for the U17 Surrey Storm Academy, and a further two U15 girls and two U13 girls for the Surrey County Academy.

**Hockey** – Our U15A team were named U16 County winners in the Tier 3 competition and go forward to the Regional stage. We had seven girls representing at County level and one qualifying for National trials

**Cross-country** – In the U13's Two of our U12 girls qualified for Southeast Inter-counties competition, with 1 of our U13 girls representing the Juniors, and 1 of our U15 girls qualifying for English Schools Cross-country and winning a bronze medal in the National Cross-Country Championships Athletics. 2 Tormead athletes were selected to represent Guildford District in the Surrey Schools Athletics in the 800m and 1500m distances.

**Rowing** - Tormead rowing continues to go from strength to strength with sessions for all year groups in their curriculum games afternoon, as well as their extra-curricular sessions on Saturdays. Over 80 students are now involved with rowing enjoying sessions at Weybridge Ladies Amateur Rowing Club.

**Skiing** - The U15 ski team won the regional round of ESSKIA (English Schools Ski Association) and qualified for the finals in Norwich.

**Prep School** - There was a drive to continue building and nurturing connections in sport across both the senior and prep schools through shared resources including coaching, use of facilities and support for competitions.

**Music**

The focus this year has been on reinvigorating extra-curricular music to how it was before the pandemic. In February, the Chamber Choir made visits to Southwark and Winchester Cathedrals to sing Choral Evensong. Both cathedrals are known for their exceptionally high musical standards and the Chamber Choir performed very well. In February we hosted the first major concert since the pandemic – a Spring Concert in the Hall, swiftly followed by the annual House Music competition and the Jazz Evening in March. The summer term concluded with a Soloist evening for our more junior musicians.

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022

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### Drama

October saw the Tormead House Drama competition take place in a live format but livestreamed to all the classrooms due to ongoing audience restrictions. The House Captains and their directorial teams from Years 10-13 wrote scripts based around the idea of 'A Comment on the World Today'. Nightingale House were declared worthy winners with their production 'Locked in Our Story', which used characters from well-known fairy stories and gave them a modern day resonance.

November saw the return of the Music, Drama and Art evening. Year 7 Drama Club had been attended by between twenty and thirty girls each week and their first performance of the year took place at this event where seven mini plays were performed that each lasted EXACTLY sixty seconds. Themes ranged from 'Three Blind Mimes' to 'The Death of Gerald' and were wonderfully wacky.

In January, we were delighted to be able offer Drama Scholarships to incoming Year 7s for the first time.

March saw the showcase production of the year, Shakespeare's 'The Comedy of Errors', which took place in the Main Hall, with the audience treated to a night out in Club Ephesus – a jazz bar featuring House Band, 'The Tempests'. The production contained something for everyone: comedy, music, refreshments served to your table, gratuitous violence and of course, a huge amount of Tormead Talent on display.

A number of theatre trips took place and in March seventy students from the GCSE and 'A' Level Drama classes went to see 'The Woman in Black' in the West End.

Summer saw eight plays from the Brothers Grimm stories, adapted by Carol Ann Duffy and performed in numerous locations around the School site.

May also saw the Year 8/9 Youth Theatre present a public performance of a new play, 'At First I Was Afraid, I Was Petrified' by Douglas Maxwell to their friends and family. This production was part of a nationwide, participatory project called 'Positive Stories for Negative Times', and was the brainchild of theatre company Wonder Fools. This work was a response to a lack of physical spaces for young people to be able to participate in creative activities due to the pandemic.

LAMDA Speech and Drama exams took place as usual with an impressive array of Distinctions. Tormead students were also successful in applying for prestigious external opportunities. Two representatives from the National Youth Theatre came to School to run auditions, with three students being offered places with the National Youth Theatre. One of our U6 students gained a place with the National Youth Music Theatre and performed in their production of 'Chess' in Leicester in the summer.

Auditions and casting for 'Legally Blonde', which we will be performing on the Yvonne Arnaud mainstage in March 2023, took place before the end of term. This is our first co-production with George Abbot School.

### Trips and Residentials

Domestic day trips were almost back to pre-pandemic levels, and residential visits have resumed, albeit a little more slowly. Trips to PGL Osmington Bay (Year 7), a GSA netball tournament in Conover Hall (Years 8 and 9), a Biology trip to Slapton Ley (U6), PGL Shropshire (Year 8) and Dynamic Adventures in Devon (Year 9) took place along with the Duke of Edinburgh Award scheme at all levels.

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**TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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● **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Under the Memorandum and Articles of Association of Tormead Limited, control of the company is vested in the Council of Management (also known as the Governing Body), whose Members perform a role equivalent to that of company directors. The Council Members are also the Charity Trustees and the Governors of the School and are responsible for appointing new Trustees. Any proposed appointment should be notified to the Council ten days before the proposal is put to the vote. New appointments require a three quarters majority vote at a Council meeting for the appointment to be approved. Trustees are appointed for a 4-year term and may be re-elected at the end of their term.

The School aims to have a broad range of skills on the Trustee body and the current Trustees are experienced in the following fields: school and university education, finance, property, business, medicine, engineering and law.

Nominations for vacancies as they are anticipated or arise generally are forwarded to the Governing Body for review. Prospective candidates are interviewed by a panel of Trustees and the appointment of new governors are presented by the Chair of Governors and Head for the Board's approval.

A recruitment process for new Trustees was undertaken during the summer term and four new Trustees joined the Board in October 2022, further strengthening the skillset of the Board.

New Trustees receive formal induction materials from the Clerk to the Governors, are notified of relevant training courses and encouraged to utilise resources available from the Association of Governing Bodies of Independent Schools (AGBIS). They are invited to visit the School and attend School events wherever possible.

Ongoing training is provided through specialist training presentations to the Board of Governors and its committees.

● **Trustees**

Details of Trustees who were in office during the year ended 31 August 2022 are listed on page 1. During the year, R Jewkes resigned from the Governing Body, and four new Trustees joined in October 2022. Trustees serve a four-year term and can offer themselves for re-election, subject to eligibility.

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022

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(continued)

● **Organisational structure**

The Full Council met three times (moving to four times a year from 2022). It establishes an overall framework for the governance of the School and delegates certain responsibilities to its committees. The activities of the Committees are monitored through the minutes of their meetings and the ratification of decisions where required. During the year to 31 August 2022 there were three Committees:

- Finance and General Purposes Committee, which also serves as the Audit Committee
- Academic Committee
- Remuneration Committee

All Committees operate under terms of reference and procedures approved by the Full Council.

The Trustees are responsible for setting general policy and strategic direction, adopting operational plans, approving the annual budget and other financial decisions in accordance with the Scheme of Delegation, setting pay policies and determining senior leadership pay.

The day to day running of the School is delegated to the Head and the Bursar, supported by an Executive Leadership Group, Senior Management Team and the Prep School Senior Team.

● **Risk management**

The Trustees have a risk management strategy which comprises:

- An annual review of the principal risks and uncertainties that the School faces;
- The establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- The implementation of procedures designed to minimise or manage any potential impact on the School should those risks materialise.

***Financial risks***

The School's operations expose it to a variety of financial risks that include credit risk and interest rate risk. The monitoring of these risks is the responsibility of the Finance and General Purposes Committee of the Trustees.

The Trustees are aware of the uncertain political and economic climate at the present time, particularly the dramatic increase in inflation and cost of living, and how this may impact upon the future pupil numbers at the School. Potential changes to the structure of the maintained school sector may further affect future pupil numbers whilst possible changes to the tax and/or charitable status of independent schools may affect financial performance. The Trustees continue to exercise prudence in the management of the School's finances to ensure that any effects resulting from the problems in the wider economy, or political shifts, are effectively managed.

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TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (CONTINUED)  
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(continued)

*Credit risk*

Tormead has in place a very clear and well defined procedure for the collection of all debts. The Bursar ensures that the procedure is followed and that the School enters into early dialogue with any potential debtors to ensure that problems are identified and resolved at an early stage. Where the collection of debts remains problematic, these are referred to a debt collection agency to recovery on our behalf.

*Interest rate risk*

The School ensures that its exposure to unfavourable movements in interest rates is minimised by negotiating very favourable terms through its lender by fixing its loans for a number of years so that future repayments are known. During the prior year the term loan was fixed for 15 years at an extremely favourable rate, and the debt repayments are factored into the School's long-term financial planning to ensure that they are affordable.

*Compliance risk*

The School has robust policies, procedures and processes in place to ensure compliance. Safeguarding and Health & Safety are fundamental to the School's operation and the welfare of the girls and staff is of the utmost importance. There is a nominated Trustee with responsibility for oversight of Safeguarding, and the Trustees review the management of Safeguarding at each meeting of Full Council. There is also a nominated Governor for Health & Safety who reports to the Finance & General Purposes Committee each term.

The Trustees have assessed the major risks to which the Charitable Company is exposed, in particular those related to the operations and finances of the Charitable Company and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

● **Investment powers**

The Trustees are empowered to invest the funds of Tormead Limited in stocks, securities, property or other investments as they think fit and in accordance with Trust Law. At present, all surplus funds are held in cash in current and longer term deposit accounts.

● **Pay policy for senior staff**

The Trustees consider the Board of Trustees (who are the directors for the purposes of company law), along with the Head and the Bursar, to be the key management personnel of the charity in charge of directing, controlling, running and operating the School on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year.

The Trustees consider the remuneration of key management personnel at schools of a similar size and profile to benchmark the salaries of the Head and the Bursar. The Trustees approve the annual pay increase, if any, for all staff at the School and this is applied to the salaries of the Head and the Bursar. In determining the annual pay award, the Trustees consider the maintained sector pay award, the overall economic outlook and the financial position of the School, particularly with reference to the budget for the next year. An element of the pay of the Head and Bursar is also performance-related. The level of award of the performance-related element of remuneration is determined by the Remuneration Committee after considering level of attainment against agreed targets for the year.

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**TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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## **FINANCIAL REVIEW**

The Statement of Financial Activities is presented on page 21. Total incoming resources amounted to £11,777,735 (2021 - £10,601,184), of which £11,003,984 (2021 - £9,657,306) was expended as direct charitable expenditure. This increase in income was achieved primarily through the successful recruitment of additional pupils in both the Prep and Senior Schools.

At year end the unrestricted funds increased by £773,738 (2021 - £942,599).

During the year, £1,797,900 was invested in capital projects for the improvement of the site and computer equipment (2021 - £220,190). The cash balance at year end was £5,479,572 (2021 - £5,221,484).

### **Fixed assets**

The School's land and buildings were valued by King Sturge & Co at 10 December 1999 at £6,975,000. The valuation has not been included in these financial statements.

The net book value of land and buildings in the financial statements is £16,474,296 (2021 - £15,788,365). The Trustees believe that the market value of land and buildings held by the School is significantly in excess of the net book value, although no formal valuation has been undertaken since 1999.

As reported above, the School is committed to a joint project with the Guildford County School to upgrade the sports facilities at the Urn Field. The Trustees have elected to proceed with this project and cash reserves will be allocated to the project accordingly.

### **Charity reserves**

The School aims to retain unrestricted free reserves equivalent to £100,000, defined as unrestricted funds minus the net carrying value of the School buildings. The unrestricted funds held at year end totalled £17,239,302 (2021 - 16,465,564), leaving free reserves of £765,006 (2021 - £677,199). The Trustees intend to invest these free reserves in further improvements to the School's facilities.

Reserves are necessary as a contingency for meeting unscheduled repairs and maintenance or unforeseen expenditure. The Trustees monitor the level of reserves on a term by term basis and review the policy on an annual basis. To ensure the School is always in a position to manage its ongoing operations, the governors have agreed the School should retain net current assets equivalent to at least 3 months' salary costs. As at 31 August 2022 net current assets were £3,920,877 with an average 3-month salary cost of £1,645,174.

### **Auditor**

Our auditor, CLA Evelyn Partners Limited (formerly Nexia Smith & Williamson), has indicated a willingness to continue in office. A resolution to reappoint the auditor will be proposed at the next meeting of the governing body.

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TORMEAD LIMITED  
(A Company Limited by Guarantee)

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TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022

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Disclosure of information to the auditor

So far as each of the Trustees serving at the time this report is approved are aware:

- There is no relevant audit information of which the auditors are unaware, and
- They have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:



R Harris (Jan 13, 2023 17:52 GMT+2)

R Harris  
(Chair of Trustees)

Date: 13/01/2023

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TORMEAD LIMITED  
(A Company Limited by Guarantee)

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STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2022

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The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company, and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in business.

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

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**TORMEAD LIMITED**  
(A Company Limited by Guarantee)

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**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TORMEAD LIMITED**

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**Opinion**

We have audited the financial statements of Tormead Limited (the 'Charitable Company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

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**TORMEAD LIMITED**  
(A Company Limited by Guarantee)

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**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TORMEAD LIMITED (CONTINUED)**

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**Other information**

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report incorporating a Strategic Report and the Directors' Report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report incorporating a Strategic Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report contained within the Trustees' Annual Report incorporating a Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Statement of Trustees' Responsibilities set out on page 16, the trustees (who are also 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.

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TORMEAD LIMITED  
(A Company Limited by Guarantee)

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TORMEAD LIMITED (CONTINUED)

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**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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained a general understanding of the Charitable Company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations and the entity's policies and procedures regarding compliance.

We understand that the Charitable Company complies with the framework through:

- Outsourcing payroll, accounts preparation and tax compliance to external experts;
- Subscribing to relevant updates from external experts, and making changes to internal procedures and controls as necessary; and
- Updating operating procedures and internal controls as legal and regulatory requirements change.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the Charitable Company's ability to conduct its business, and where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Charitable Company's activities:

- The Companies Act 2006;
- The Charities Act 2011; and
- Safeguarding legislation relevant to educational settings.

Based on our understanding we performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- Making enquiries of management and those charged with governance to understand their awareness of any non-compliance of laws and regulations;
- Inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees of the Charitable Company;
- Inquiring about the methods of monitoring compliance with such policies; and
- Reviewing trustee minutes to identify any instances of non-compliance.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements, especially revenue, via fraudulent journal entries.

These areas were communicated to the other members of the engagement team not present at the discussion. The procedures we carried out to gain evidence in the above areas included:

- Substantive work on material areas affecting profits; and
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts.

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TORMEAD LIMITED  
(A Company Limited by Guarantee)

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TORMEAD LIMITED (CONTINUED)

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A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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

*CLA Evelyn Partners Limited*

CLA Evelyn Partners Limited, Jan 13, 2023 16:48 GMT

Julie Mutton (Senior Statutory Auditor)

for and on behalf of  
**CLA Evelyn Partners Limited**

Chartered Accountants  
Statutory Auditor

Onslow House  
Onslow Street  
Guildford  
GU1 4TL

Date: 13/01/2023

TORMEAD LIMITED  
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income and endowments from:</b>						
Donations and legacies	4	3,759	-	-	3,759	70,284
Other income	5	478,568	-	-	478,568	191,881
School fees	6	11,294,701	-	-	11,294,701	10,337,211
Income from investments	7	694	13	-	707	1,808
<b>Total income and endowments</b>		<b>11,777,722</b>	<b>13</b>	<b>-</b>	<b>11,777,735</b>	<b>10,601,184</b>
<b>Expenditure on:</b>						
Charitable activities		11,003,984	-	-	11,003,984	9,657,306
<b>Total expenditure</b>		<b>11,003,984</b>	<b>-</b>	<b>-</b>	<b>11,003,984</b>	<b>9,657,306</b>
<b>Net movement in funds</b>		<b>773,738</b>	<b>13</b>	<b>-</b>	<b>773,751</b>	<b>943,878</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		16,465,564	6,562	119,000	16,591,126	15,647,248
Net movement in funds		773,738	13	-	773,751	943,878
<b>Total funds carried forward</b>		<b>17,239,302</b>	<b>6,575</b>	<b>119,000</b>	<b>17,364,877</b>	<b>16,591,126</b>

There are no recognised gains or losses in either period other than the surplus shown above.

All amounts relate to continuing operations.

TORMEAD LIMITED  
(A Company Limited by Guarantee)  
REGISTERED NUMBER: 00485947

STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	14	16,878,655	15,998,593
		<u>16,878,655</u>	<u>15,998,593</u>
<b>Current assets</b>			
Stocks	15	6,358	-
Debtors	16	686,573	455,084
Cash at bank and in hand		5,479,572	5,221,484
		<u>6,172,503</u>	<u>5,676,568</u>
Creditors: amounts falling due within one year	17	(2,251,626)	(1,425,869)
<b>Net current assets</b>		<u>3,920,877</u>	<u>4,250,699</u>
<b>Total assets less current liabilities</b>		<u>20,799,532</u>	<u>20,249,292</u>
Creditors: amounts falling due after more than one year	18	(3,434,655)	(3,658,166)
<b>Total net assets</b>		<u><u>17,364,877</u></u>	<u><u>16,591,126</u></u>
<b>Charity funds</b>			
Endowment funds	20	119,000	119,000
Restricted funds	20	6,575	6,562
Unrestricted funds	20	17,239,302	16,465,564
<b>Total funds</b>		<u><u>17,364,877</u></u>	<u><u>16,591,126</u></u>

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TORMEAD LIMITED  
(A Company Limited by Guarantee)


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STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 31 AUGUST 2022

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The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

  
R Harris (Jan 13, 2023 17:52 GMT+2)  
R Harris BA ACA  
(Chair of Trustees)  
Date: 13/01/2023

  
S G Newnes-Smith  
(Chair of Finance and General Purposes Committee)

The notes on pages 25 to 43 form part of these financial statements.

TORMEAD LIMITED  
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash generated from operating activities	22	1,896,427	2,017,986
<b>Cash flows from investing activities</b>			
Investment income receipts		707	1,808
Purchase of tangible assets		(1,350,727)	(220,190)
<b>Net cash used in investing activities</b>		<b>(1,350,020)</b>	<b>(218,382)</b>
<b>Cash flows from financing activities</b>			
Finance costs paid		(75,383)	(80,189)
Bank loan repayments		(212,936)	(208,166)
<b>Net cash used in financing activities</b>		<b>(288,319)</b>	<b>(288,355)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>258,088</b>	<b>1,511,249</b>
Cash and cash equivalents at the beginning of the year		5,221,484	3,710,235
<b>Cash and cash equivalents at the end of the year</b>	23	<b>5,479,572</b>	<b>5,221,484</b>

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**TORMEAD LIMITED**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**1. General information**

The School is a registered charity and a private company limited by guarantee incorporated in England and Wales. The members of the Charitable Company are the Trustees named on page 1. The registered office is Tormead School, Cranley Road, Guildford, Surrey, GU1 2JD. In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charitable Company.

The School functional and presentational currency is GBP.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Tormead Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Going concern**

The trustees have concluded that the School has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties about the School's ability to continue as a going concern.

**2.3 Income**

Income is recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. 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. Income from government grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. The School received government grants in respect of the Coronavirus Job Retention Scheme for furloughed non-teaching staff.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

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2. Accounting policies (continued)

2.4 Expenditure

Expenditure is accounted for on an accruals basis. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff time or other method deemed appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

Governance costs comprise internal and external audit, any costs of meetings of the trustees, and all the costs of complying with constitutional and statutory requirements such as preparation of statutory accounts. These are included within support costs.

2.5 Tangible fixed assets and depreciation

All items are capitalised provided they meet the definition of a fixed asset and are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold land	- Nil
Freehold buildings	- On a straight-line basis over 10-25 years once they have come in to use
Fixtures and fittings	- On a straight-line basis over 5 years
Computer equipment	- On a straight-line basis over 3 years

2.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.7 Debtors

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

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2. Accounting policies (continued)

2.8 Cash at bank and in hand

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

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the statement of financial position date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.10 Financial instruments

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the School's work. Endowment funds are restricted capital funds which cannot be spent by the School.

2.12 Finance and operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. At the statement of financial position date all leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

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TORMEAD LIMITED  
(A Company Limited by Guarantee)

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

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2. Accounting policies (continued)

2.13 Employee benefits

Short-term employee benefits including holiday pay and annual bonuses are accrued as services are rendered.

The School contributes to the government's Teachers' Pension Scheme, a defined benefit scheme. However, the School's liability to the scheme is limited to the extent of contributions payable. Contributions are charged through the Statement of Financial Activities when they are incurred and relate to unrestricted funds.

The School also contributes to a defined contribution pension scheme for non-teaching staff.

Please see note 25 for details of contributions paid.

3. Key sources of estimation uncertainty and judgements

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

*Fixed assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. These are re-assessed annually and amended when necessary to reflect current estimates. See accounting policy 2.5 and note 14.

TORMEAD LIMITED  
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

4. Income from donations and government grants

	Unrestricted funds 2022 £	Total funds 2022 £
Donations	300	300
Government grants	3,459	3,459
	3,759	3,759
	3,759	3,759

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	31,252	31,252
Government grants	39,032	39,032
	70,284	70,284
	70,284	70,284

5. Other income

	Unrestricted funds 2022 £	Total funds 2022 £
Registration fees, reimbursed disbursements and sundry income	478,568	478,568
	478,568	478,568

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Registration fees, reimbursed disbursements and sundry income	191,881	191,881
	191,881	191,881

TORMEAD LIMITED  
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

6. Income from charitable activities

School fees

	Unrestricted funds 2022 £	Total funds 2022 £
The School fee income comprised:		
Gross fees	12,236,323	12,236,323
Less: Bursaries	(590,559)	(590,559)
Scholarships	(224,182)	(224,182)
Staff discounts	(97,367)	(97,367)
Sister discounts	(25,572)	(25,572)
Advance fee discount	(3,942)	(3,942)
	11,294,701	11,294,701
	11,294,701	11,294,701
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Gross fees	11,238,349	11,238,349
Less: Bursaries	(589,800)	(589,800)
Scholarships	(212,238)	(212,238)
Staff discounts	(74,072)	(74,072)
Sister discounts	(22,161)	(22,161)
Advance fee discount	(2,867)	(2,867)
	10,337,211	10,337,211
	10,337,211	10,337,211

TORMEAD LIMITED  
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

7. Investment income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Bank interest receivable	694	13	707

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Bank interest receivable	529	1,279	1,808

8. Net income

	2022 £	2021 £
Net income is stated after charging		
Operating leases payments	106,132	53,757
Auditor's remuneration:		
Statutory audit	19,975	21,390
Accounts preparation	2,255	2,050
Other assurance services	975	1,170
Other services	17,798	13,140
	147,135	91,507

9. Taxation

As a charity, the School is exempt from tax on income and gains in accordance with current tax legislation to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

TORMEAD LIMITED  
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

10. Analysis of expenditure on charitable activities

	Staff costs 2022 £	Other 2022 £	Depreciation 2022 £	Total funds 2022 £
Teaching costs	5,787,714	850,471	52,072	6,690,257
Welfare	152,543	569,617	15,378	737,538
Premises	221,167	1,037,013	842,522	2,100,702
Support costs (note 11)	419,272	928,079	7,434	1,354,785
Finance costs (note 12)	-	120,702	-	120,702
	<u>6,580,696</u>	<u>3,505,882</u>	<u>917,406</u>	<u>11,003,984</u>

	Staff costs 2021 £	Other 2021 £	Depreciation 2021 £	Total funds 2021 £
Teaching costs	5,347,547	480,849	29,611	5,858,007
Welfare	86,206	362,183	29,124	477,513
Premises	220,605	1,011,211	830,130	2,061,946
Support costs (note 11)	379,578	773,471	4,206	1,157,255
Finance costs (note 12)	-	102,585	-	102,585
	<u>6,033,936</u>	<u>2,730,299</u>	<u>893,071</u>	<u>9,657,306</u>

TORMEAD LIMITED  
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

11. Support costs

	2022 £	2021 £
Wages and salaries	419,272	379,726
Travel costs	389,352	321,283
Legal and professional	119,948	102,122
Books, journals and IT costs	31,043	27,928
Insurance	38,943	25,903
Other office costs	319,607	269,265
Depreciation	7,434	4,206
Governance costs	29,186	26,822
	<u>1,354,785</u>	<u>1,157,255</u>

12. Finance costs

	2022 £	2021 £
Interest on bank loans and overdraft	75,383	90,189
Bad debt charge	45,319	12,396
	<u>120,702</u>	<u>102,585</u>

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13. Staff costs

	2022 £	2021 £
Wages and salaries	5,135,946	4,669,526
Social security costs	534,674	483,856
Contribution to defined contribution pension schemes	910,076	880,554
	<u>6,580,696</u>	<u>6,033,936</u>

The average number of permanent employees during the period was 163 (2021 - 140), and the average full-time equivalent is as follows:

	2022 No.	2021 No.
Head	1	1
Teachers	95	91
Domestic	9	7
Administration	9	8
	<u>114</u>	<u>107</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No.	2021 No.
In the band £60,000 - £69,999	4	1
In the band £70,000 - £79,999	1	-
In the band £80,000 - £89,999	-	1
In the band £110,000 - £119,999	-	1
In the band £160,000 - £169,999	1	1

The key management personnel of the charity comprise the trustees, the Head and the Bursar. The total employee benefits of the key management personnel of the charity were £334,969 (2021 - £337,162).

None of the trustees received any remuneration, benefits or reimbursed expenses from the School (2021 - no trustee was reimbursed for travel expenses).

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14. Tangible fixed assets

	Freehold land & buildings £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2021	22,552,251	2,627,168	883,317	26,062,736
Additions	1,476,087	210,372	111,441	1,797,900
Disposals	(33,998)	(777,904)	(201,437)	(1,013,339)
At 31 August 2022	<u>23,994,340</u>	<u>2,059,636</u>	<u>793,321</u>	<u>26,847,297</u>
<b>Depreciation</b>				
At 1 September 2021	6,763,886	2,441,575	858,682	10,064,143
Charge for the year	790,156	87,152	40,098	917,406
On disposals	(33,998)	(777,472)	(201,437)	(1,012,907)
At 31 August 2022	<u>7,520,044</u>	<u>1,751,255</u>	<u>697,343</u>	<u>9,968,642</u>
<b>Net book value</b>				
At 31 August 2022	<u>16,474,296</u>	<u>308,381</u>	<u>95,978</u>	<u>16,878,655</u>
<i>At 31 August 2021</i>	<u>15,788,365</u>	<u>185,593</u>	<u>24,635</u>	<u>15,998,593</u>

The School's land and buildings were valued by King Sturge & Co at 10 December 1999 at £6,975,000. The valuation has not been included in these financial statements. Since the date of valuation the School has invested a further £18,449,164 in land and buildings.

15. Stocks

	2022 £	2021 £
Finished goods and goods for resale	<u>6,358</u>	<u>-</u>

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16. Debtors

	2022 £	2021 £
Due within one year		
Fees and disbursements recoverable	94,109	94,001
Other debtors	46,941	26,403
Prepayments and accrued income	545,523	334,680
	686,573	455,084
	686,573	455,084

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	217,620	212,936
Trade creditors	485,957	309,945
Other taxation and social security	134,436	143,802
Other creditors	59,241	81,892
Accruals and deferred income	1,354,372	677,294
	2,251,626	1,425,869
	2,251,626	1,425,869

18. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	2,989,225	3,206,845
Accruals and deferred income	445,430	451,321
	3,434,655	3,658,166
	3,434,655	3,658,166

Bank loans of £3,206,845 (2021 - £3,419,781) are secured against the freehold property of the Charitable Company. The net book value of the assets secured is £16,474,296 (2021 - £15,788,365).

Included in non-current bank loans of £2,989,225 (2021 - £3,206,845) is £1,297,677 (2021 - £2,306,271) which falls due after five years or more from the statement of financial position date.

In June 2020, the School negotiated a new fixed rate loan at a rate of 2.281%, repayable in instalments over a 15-year term.

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19. Deferred income

	2022 £	2021 £
Balance at 1 September	572,263	440,865
Amount released to incoming resources	(522,405)	(344,355)
Amount deferred in the year	579,324	475,753
<b>Balance at 31 August</b>	<u><u>629,182</u></u>	<u><u>572,263</u></u>

Deferred income comprises fees paid in advance in respect of the Autumn 2022 term and amounts paid into advance fee schemes in respect of tuition fees in future years.

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20. Statement of funds

Statement of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>				
General Funds - all funds	16,465,564	11,777,722	(11,003,984)	17,239,302
<b>Endowment funds</b>				
Endowment Fund	119,000	-	-	119,000
<b>Restricted funds</b>				
Restricted Funds	6,562	13	-	6,575
<b>Total of funds</b>	<b>16,591,126</b>	<b>11,777,735</b>	<b>(11,003,984)</b>	<b>17,364,877</b>

The Marian Shackleton endowment was donated to provide the School with interest income. This interest is accounted for in the Marian Shackleton restricted fund. These funds are used for awarding educational travel scholarships to pupils at the School.

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20. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 August 2021 £</i>
<b>Unrestricted funds</b>				
General Funds - all funds	15,522,965	10,599,905	(9,657,306)	16,465,564
<b>Endowment funds</b>				
Endowment Fund	119,000	-	-	119,000
<b>Restricted funds</b>				
Restricted Funds	5,283	1,279	-	6,562
<b>Total of funds</b>	<b>15,647,248</b>	<b>10,601,184</b>	<b>(9,657,306)</b>	<b>16,591,126</b>

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Endowment funds 2022 £</b>	<b>Total funds 2022 £</b>
Tangible fixed assets	16,878,655	-	-	16,878,655
Current assets	6,046,928	6,575	119,000	6,172,503
Creditors due within one year	(2,251,626)	-	-	(2,251,626)
Creditors due in more than one year	(3,434,655)	-	-	(3,434,655)
<b>Total</b>	<b>17,239,302</b>	<b>6,575</b>	<b>119,000</b>	<b>17,364,877</b>

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21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Endowment funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	15,998,593	-	-	15,998,593
Current assets	5,551,006	6,562	119,000	5,676,568
Creditors due within one year	(1,425,869)	-	-	(1,425,869)
Creditors due in more than one year	(3,658,166)	-	-	(3,658,166)
<b>Total</b>	<u><u>16,465,564</u></u>	<u><u>6,562</u></u>	<u><u>119,000</u></u>	<u><u>16,591,126</u></u>

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	773,751	943,878
<b>Adjustments for:</b>		
Add: Bank interest payable	75,383	80,189
Less: Bank interest receivable	(707)	(1,808)
Increase in stock	(6,358)	-
Increase in debtors	(231,489)	(105,253)
Decrease in creditors	368,441	207,907
Depreciation charges	917,406	893,073
<b>Net cash provided by operating activities</b>	<u><u>1,896,427</u></u>	<u><u>2,017,986</u></u>

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	5,479,572	5,221,484
<b>Total cash and cash equivalents</b>	<u><u>5,479,572</u></u>	<u><u>5,221,484</u></u>

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24. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Other non- cash changes £	At 31 August 2022 £
Cash at bank and in hand	5,221,484	258,088	-	5,479,572
Debt due within 1 year	(212,936)	212,936	(217,620)	(217,620)
Debt due after 1 year	(3,206,845)	-	217,620	(2,989,225)
	<u>1,801,703</u>	<u>471,024</u>	<u>-</u>	<u>2,272,727</u>

25. Pension commitments

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 £828,673 (2021 - £781,300). The School also operates a defined contribution scheme for support staff and contributions for the year were £81,403 (2021 - £99,254).

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%.

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

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25. Pension commitments (continued)

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the review published in May 2022.

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.

At this point, 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 next valuation, based on data as at 31 March 2020, is underway and any changes to contributions will take effect in April 2024.

26. Financial commitments - lease disclosures

The School had the following commitments with respect to operating leases. The future minimum lease payments under non-cancellable leases are as follows:

	2022 £	2021 £
Payments due:		
Within one year	101,803	103,528
After one year and not later than five years	66,974	158,360
	<u>168,777</u>	<u>261,888</u>

27. Related party transactions

One governor has daughters who attend the School and pay fees in accordance with published rates. One child is in receipt of a 5% scholarship.

C Rusk, the spouse of the Head, received remuneration of £19,264 (2021 - £Nil) under a contract of employment.

R Harris, the chair of trustees, is a board director of Marsh Limited, the School's insurance broker. Fees of £62,658 have been paid to Marsh Limited since her appointment to Marsh Limited in June 2022.

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28. Controlling party

The directors do not consider there to be an ultimate controlling party.