

THE FARNBOROUGH HILL TRUST

England & Wales · Charity number 1039443

Details

Other names	FARNBOROUGH HILL
Status	Registered
Legal form	Charitable company
Company number	02941378
Registered	1994-07-15
Register	View on the Charity Commission register

Contact

Address	Farnborough Hill School 312 Farnborough Road Farnborough GU14 8AT
Phone	01252529800
Email	bursar@farnborough-hill.org
Website	www.farnborough-hill.org

Activities

Objects: The objects of the Trust are to advance the Roman Catholic Faith by the education of children of all faiths and none in the Christian tradition in accordance with the rites of the Roman Catholic Faith and to provide education for children in the Roman Catholic Faith.

Activities: Farnborough Hill educates the whole person in a happy, caring community. The ethos of the school is rooted in the Roman Catholic tradition. Governors, community, staff, parents and students are involved in a creative partnership which explores life through learning, experience and reflection and gives a reason for living and hoping.

Classification

- **How:** Makes Grants To Individuals, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

Geography

- Bracknell Forest
- Buckinghamshire
- Hampshire
- Reading
- Slough
- Surrey
- West Berkshire
- West Sussex
- Windsor And Maidenhead
- Wokingham

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£10,191,191	£10,168,083	£14,526,163	141
2024-07-31	£9,925,182	£9,618,212	£14,415,226	141
2023-07-31	£9,608,392	£9,179,019	£14,048,673	137
2022-07-31	£9,095,085	£8,547,717	£13,609,763	139
2021-07-31	£8,528,017	£8,152,643	£11,087,423	134

Trustees

Name	Role	Appointed
GERARD McCORMACK	Chair	2016-12-08
CHRISTOPHER JOHN FOWLER-TUTT		2017-08-31
Claire Cox		2023-12-07
Eddie Cunningham		2023-12-07
Gary Selby		2022-12-01
Helen Griffiths		2018-12-06
JULIE LYNN MICKLETHWAITE		2017-08-31
MARK RODNEY BERNARD		2017-08-31
Niamh Hills		2018-12-06
Sally Hayes		2025-12-02
Tabitha Brufal de Melgarejo		2025-12-02
Zoe Hawken		2025-12-02

Linked charities

- THE FARNBOROUGH HILL SCHOLARSHIP BURSARY AND PRIZE FUND (1039443-1)

THE FARNBOROUGH HILL TRUST

England & Wales - Charity number 1039443

Accounts

Registered number: 2941378
Charity number: 1039443

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2025

**THE FARNBOROUGH HILL TRUST
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 JULY 2025**

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REFERENCE AND ADMINISTRATIVE INFORMATION

M R Bernard²
C Cox²
E M Cunningham¹
C Fowler-Tutt^{1,3}
H Griffiths² (Deputy Chair until 23 June 2025, Chair from 23 June 2025)
N Hills¹
G J McCormack^{1,2} (Chair until 23 June 2025)
J L Micklethwaite² (Deputy chair from 23 June 2025)
G D Selby¹
A M K Berry (resigned 5 December 2024)²
Dr G Huxford (resigned 5 December 2024)²
S E Hayes (appointed 2 December 2025)
Z L A Hawken (appointed 2 December 2025)

³ Farnborough Hill representative at the Association of Governing Bodies of Independent Schools

2941378

1039443

Chair

Mr M Maher
Sr R O'Looney RCE
Sr E McCormack RCE
Sr C Nagle RCE
Mrs S Buckle
Mr T J Flesher
Mrs H Griffiths
Mr J B Hull
Mrs C E Hamilton
Mr GJ McCormack

Mrs M Young

Farnborough Hill
Farnborough Road
Farnborough
Hampshire
GU14 8AT

HaysMac LLP
10 Queen Street Place
London
EC4R 1AG

NatWest Bank Plc
Farnborough & Basingstoke Commercial Centre
Ground Floor
200 Fowler Avenue, IQ Farnborough
Hampshire, GU14 7JP

Coutts & Co
440 Strand
London
WC2R 0QS

**THE FARNBOROUGH HILL TRUST
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 JULY 2025**

The Farnborough Hill Trust (Farnborough Hill) was incorporated as a private company limited by guarantee on 22 June 1994. Farnborough Hill is a registered charity number 1039443. The Trust includes the Farnborough Hill Bursary, Scholarship and Prize Fund.

The governing documents are the Instrument of Government, approved by the Charity Commission and the Principal Superior of the Institute of Christian Education, and the Memorandum and Articles of Association. Where ambiguity arises, the Memorandum and Articles of Association prevail, as most recently approved.

The Objects of the Farnborough Hill Trust are to advance the Roman Catholic Faith by the education of children of all faiths and none in the Roman Catholic Tradition.

INTRODUCTION

The Governors (or Directors) - who are charity Trustees for the purposes of the Charities Act 2011 - present their annual report in compliance with both that Act and the Companies Act 2006, together with the financial statements prepared under the latter Act, for the year ended 31 July 2025

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

With the election on 4th July 2024 of a Labour Government, it became clear that the Labour Party's manifesto commitment to impose VAT on school fees would be implemented and implementation occurred earlier than expected and mid academic year in January 2025. Farnborough Hill has in consequence and like many other independent schools experienced significant pressure on pupil numbers; and Governors expect this pressure to continue. However, The Trust has now spent several years building a strong cash position and, having no borrowing on the balance sheet, Farnborough Hill has flexibility to respond to changing conditions. Governors are working with staff to ensure that the school's offering is strengthened and enhanced so that it remains attractive in the new, more difficult, environment. Many parents have confirmed their confidence and commitment to supporting their children's independent education, by using our fees in advance policy

A Level Headlines – for the academic year ending in July 2025

- In a cohort of 37 students, one student achieved 5 A* grades (incl EPQ) and another achieved 3 A* grades
- 13 pupils achieved all A* or A grades
- 6 pupils achieved 2 A*s and an A and 4 pupils achieved 1 A* and 2 As
- 1 pupil achieved 3 As
- The average grade in the cohort was a grade B+
- 16 pupils in the year averaged a Grade A
- 76.32% of all grades were A*-B
- 50% of all grades were A*-A
- 16 of the cohort also completed the EPQ, with 8 gaining A*s or As

GCSE Headlines

- 26% of grades were A* equivalent (Grades 9 and 8); 49% were graded 9-7
- 1 pupil achieved 12 Grade 9s, including Further Maths and Classical Greek
- 1 pupil achieved 10 grade 9s and 1 grade 8.
- The Average Points score was 6.62
- 57 Year 9 pupils completed Level 1 and 2 Projects with 90% achieving either an A or A*

Summer Works

During the main break the following major work was undertaken:

- Re-piping the heating in 2 major areas of the Middle house,
- Commencing refurbishment of the kitchen, removing gas and replacing major equipment.
- Creating a Year 11 common room.
- Modernising and refurbishing Maths classrooms (including new fire doors)
- Regulatory compliance checks were completed.
- Refurbishing sports and staff facilities and infrastructure.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

FINANCIAL RESULTS FOR THE YEAR and RESERVES POLICY

This is the 32nd financial year for the Farnborough Hill Trust, the School having been transferred to the Trust by the Institute of Christian Education as a going concern on 1 August 1994. During this year Farnborough Hill has had a roll of 502 Pupils

As at 31 July 2025, the total funds of the school were £14,526,163 which included restricted funds of £716,438 and unrestricted funds of £8,419,725 - the bulk of which is represented by the School's fixed assets i.e. its buildings. As with all schools, the School's reserves policy is closely linked to its working capital needs through the year and to its development plan in the medium term. The Governors are aware that it is not always possible for a major new development project to be funded solely from current resources and alternative means of funding may be required. It is also the intention of Governors, successfully in the past, to steadily build up the School's reserves over time from modest annual operating surpluses.

As at the end of the financial year, the level of freely available reserves, represented by net assets stood at £1,134,823 (2024: £2,239,738). Unrestricted fund operating costs for the year amounted to £9,928,687 (2024: £9,427,988).

The value of the restricted funds at the end of the year is £716,438 (2024: £621,702). In the accounts unrestricted funds relate to the general school funds and restricted funds comprise the Bursary, Scholarship and Prize Funds.

The year-end deficit of unrestricted funds over the cost of the year's activities was £21,701 (2024: surplus £296,486).

SCHOOL LIFE AND CURRICULUM

Farnborough Hill is an Independent Roman Catholic day school for girls aged 11-18 years. The Headmistress is a member of the Girls' School Association and of the Independent Schools Association. We welcome all (of any faith or none) into our community, where we aim to live Christ's Gospel values joyfully and wholeheartedly and to form each individual to fulfill her potential and face the future with strength and dignity.

The Farnborough Hill curriculum is broad and balanced. Girls in Years 7 and 8 are exposed to up to 17 subjects before selecting a portfolio of 13 subjects in Year 9 and then working towards 8-10 GCSEs in Years 10 and 11. The majority of Year 9 girls will also attain the AQA Project Qualification, which provides an enlivening extension to their mainstream curriculum.

All girls benefit from a very wide range of enrichment activities through the Farnborough Hill Extra-Curricular programme. With an annual offering of approximately 90 clubs and activities, the programme encompasses sport, music, drama, art, dance, music theatre, MUN, many science groups - including the highly successful Greenpower engineering project, debating, LAMDA, Young Enterprise, beekeeping, and cookery. Additional enrichment comes with the half-termly Think Tank talks, introducing speakers from a very wide variety of backgrounds to address interested pupils, parents and staff.

Academic Scholars and other girls who are achieving particularly well join the Af'Hilliation group, which meets regularly to tackle and enjoy a variety of projects and activities that offer extra stretch and challenge. All scholars, in whatever discipline, follow a dedicated pathway to add value to their scholarship experience.

Our Sixth Formers follow a three A level linear model, with four A levels being studied for by the most able, when required. Many girls in the Lower Sixth will complete the EPQ and other qualifications, such as a TEFL certification, are available. Bi-weekly careers lessons have been embedded into all Lower Sixth students' timetables. All pupils participate in weekly PE lessons and, as a Catholic school, we include in our sixth form offering the REACT programme, which includes a diversity of service projects, such as teaching English to newly arrived immigrant families or visiting the elderly in a care home.

There is a lively Chaplaincy programme, led by the school Chaplain, which encompasses a wide range of activities, from training our altar servers, running regular weekly prayer groups, maintaining a welcoming drop

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

in space for our youngest girls, training CAFOD Young Leaders in the Lower Sixth, running the SVP group, staff prayer sessions, organising regular Masses and other acts of worship and leading various charitable projects.

PUBLIC BENEFIT STATEMENT

In the year ending 31st July 2025, Farnborough Hill has made available bursaries as further described below.

Each year we raise funds to donate to charities that align with our values, for this year totalling £16,755. We also provided practical and material assistance to local charities, in part through our St Vincent de Paul Society. We train our CAFOD young leaders to raise charitable funds and to ensure that they are spent on sustainable and effective projects.

We have strong connections with our surrounding primary schools, involving their pupils in a variety of projects, such as "Empower", an activity programme designed for them by our Year 9 girl, and have on occasion this year also made available our chapel and sports facilities.

Our biennial international expedition always includes a strong service element, and we have now implemented our first visit to Lourdes with HCPT, directly serving disabled and disadvantaged pilgrims from around the UK. As an important local history landmark, we have developed History Open Saturdays, to encourage the local people to discover the rich heritage of the school building and grounds

GOVERNANCE

Governing Body

The Governors who served during the year and to the date of this report are shown on page 1.

The governing documents require that the Board of Governors should comprise not fewer than five and not more than fifteen Governors and consist predominantly of Roman Catholics. The Members can appoint, by a simple majority in a general meeting, any suitable person who is willing to act as a Governor.

Governors regularly attend training seminars and courses organised by ISBA, AGBIS and other professional bodies with the aim of keeping up to date with governance, compliance and safeguarding issues. Attendance at relevant INSET training for academic staff is also encouraged and the interaction with academic staff, at such training, is deemed to be of a significant benefit as are the Governors' regular "Learning Walks" to observe the school in action.

Prospective Governors are normally invited to visit the School and undertake an induction programme, attend AGBIS training for new Governors and attend school events and Governors' meetings prior to being nominated for election by the Members of the Trust. On appointment each Governor is given a copy of the Memorandum and Articles of Association and the Instrument of Government, together with any other documentation appropriate at the time.

Organisation

The Board of Governors and its two committees, namely Finance & General Purposes and Education, set out the general policy of the school. The day-to-day affairs of the school are run by the School's Senior Leadership Team. A Bursary sub-committee reviews & authorises applications for Bursaries.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

OBJECTIVES

Objectives for the year ahead

In light of the more difficult environment in which independent schools now operate the Governors' primary objectives for the next year are:

- i. to maintain and increase healthy recruitment into the school, particularly in Years 7 and the Sixth Form;
- ii. thereby and otherwise, to maintain and enhance the financial stability of the Farnborough Hill Trust; and
- iii. to invigorate the spiritual life of the School, in line with its mission.

Strategies to achieve the year's objectives

Strategies to achieve the above objectives will be elaborated by Governors and senior staff together in a new Development Plan for the School, to encompass the vision of the newly appointed Headmistress. This new Plan is expected to focus on the maintenance and continuous improvement of standards in teaching and learning and more generally, on the improvement and enhancement of the educational experience offered by Farnborough Hill. Emphasis will also be placed on our marketing and recruitment activities, on opportunities for greater commercial use of the school premises and on development activities involving the School's alumnae.

GRANT MAKING POLICY AND GRANTS AWARDED

The Governors' policy, in line with that of other independent schools, is to award bursaries on the basis of the individual's assessed financial need and to award scholarships and prizes on the basis of educational ability (subject to any particular conditions imposed by the original donor where the award is made out of restricted funds). One of the major scholarships is available only to a Roman Catholic.

The Board of Governors wishes to acknowledge the continued generosity of the Sisters of the Institute of Christian Education in making very significant donations, which this year totalled £230,000 (2024: £181,000) to the Scholarship, and in particular the Bursary funds. These are of immense help in maintaining the Objects and Policy of the School and in assisting Catholic pupils to attend Farnborough Hill when parents could not otherwise afford the fees.

This year the total value of bursaries, scholarships and prizes amounted to £1,065,352 (2024: £805,233). This included a total of £230,000 (2024: £181,000) from restricted funds, comprising bursaries £215,000 (2024: £156,000) and scholarships £15,000 (2024: £15,000).

The value of the restricted funds at the end of the year is £621,702 (2024: £546,135). The actual surplus of unrestricted funds over the year's activities was £296,486 (2024: £409,308).

KEY MANAGEMENT PAY

The Governors consider the Senior Leadership Team to comprise the key management personnel of the School and their remuneration (like that of all staff) is reviewed annually. The governing body uses anonymised sector data to benchmark against pay levels in other similar educational organisations.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

All Governors give of their time freely and no Governor received remuneration in the year. The fact that there have been no related party transactions is disclosed in Note 23 to the financial statements.

INVESTMENT POLICY AND OBJECTIVES

In accordance with the Charity Commission guidance and powers given in its governing documents, the School has delegated the management of its investment portfolio to a specialist adviser who has been instructed to balance capital growth and income in managing its portfolio. The investment manager has completed these aims within current market conditions. Income from listed investments was £10,803 (2024: £19,707) and the market value at the year-end is £2,057,178 (2024: £662,392), as shown in Note 11 to the financial statements.

Fundraising Practices

Farnborough Hill has not in the year ending 31st July 2025 made any fundraising appeals to the general public. Fundraising normally focusses on securing grants and donations from government bodies, registered charities, business links and parents. Our development manager will explore options with our alumnae. There has been no outsourced fundraising via professional fundraisers or other third parties. Consequently, the School is not registered with the fundraising regulator and received no fundraising complaints in the year. Parental donations are entirely voluntary.

RISK MANAGEMENT AND PRINCIPAL RISKS

The School has a formal risk management process through which Governors together with the Senior Leadership Team identify the major risks to which the organisation may be exposed and has ranked these by likelihood and impact, culminating in a risk control document which is updated on a regular basis. All significant risks, together with current mitigation actions, are reviewed regularly throughout the year by the Governing Body. The Governors are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

The principal risks and uncertainties identified by the School are as follows:

Risk identified	Action to mitigate the risk
Fall in pupil numbers	Numbers throughout the recruiting process will be closely monitored and marketing and admissions strategies will be adjusted as required. The School will take steps to ensure that it remains an attractive option for future parents both academically and in the provision of excellent facilities. To the extent that falling numbers are an unavoidable consequence of external factors, measures will be taken to ensure that the operations and finances of the school are managed to reflect the smaller cohort of pupils.
Catastrophic business interruption	Well trialled and tested Emergency Recovery plans are in place supported by comprehensive insurance cover to ensure the continued operation of the school.
Externally imposed financial pressures	The school continues to monitor the situation and react to advice and guidance given by relevant bodies. Provision is then considered for inclusion in forecasts and following year budgets.
Reputational damage	The School has a well trialled and tested Emergency Recovery plan. A comprehensive suite of risk assessments and policies are in place which mitigates against events that would potentially lead to reputational damage
Decrease in academic achievement	Ensure continued recruitment of high calibre teaching staff. Maintain attractive pay scales. Continue to provide a welcoming stimulating, vibrant and well supported work environment.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

FUTURE PLANS

Future Plans are detailed within the Long-Term Strategic Plan, which is reviewed regularly by the Board of Governors. The main objectives for the next four years are to build upon and take forward those set for the next year, as outlined above.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors 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 company and of the profit or loss of the company for that year. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

So far as each of the Governors is aware up to the time this report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Governors have taken all steps that 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.

AUDITORS

A resolution to re-appoint HaysMac LLP will be submitted to the Annual General Meeting.

Approved by order of the members of the board of Governors on 2 December 2025 and signed on their behalf by:



H Griffiths (Chair, as from 23 June 2025)

THE FARNBOROUGH HILL TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FARNBOROUGH HILL TRUST

Opinion

We have audited the financial statements of The Farnborough Hill Trust for the year ended 31 July 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2025 and of its net movement in funds, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Governors' 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 Governors with respect to going concern are described in the relevant sections of this report.

THE FARNBOROUGH HILL TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FARNBOROUGH HILL TRUST (CONTINUED)

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Governors' Report (which includes the directors' 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 directors' report included within the Governors' 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 Governors' Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

THE FARNBOROUGH HILL TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FARNBOROUGH HILL TRUST (CONTINUED)

Responsibilities of Governors for the financial statements

As explained more fully in the Governors' Responsibilities Statement, the Governors (who act as Trustees of Farnborough Hill Trust and 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 Governors 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 Governors 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission, the Independent Schools Inspectorate (ISI) and the statutory safeguarding and child protection guidance issued by the Department for Education (DfE), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Charities SORP (2019), Companies Act 2006 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risk was related to the recognition of voluntary income. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the charity, particularly in relation to the recording of income and processing of payments and payroll, to ensure these were in place throughout the year;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing and testing journal entries made in the year, particularly those made as part of the year-end financial reporting process; and
- Challenging assumptions and judgements made by management in their critical accounting estimates which comprise depreciation, bad debt provision, accruals and deferred income.

THE FARNBOROUGH HILL TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FARNBOROUGH HILL TRUST (CONTINUED)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Weaver
For and on behalf of HaysMac LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Date: 9 January 2026

THE FARNBOROUGH HILL TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 JULY 2025

	Note	Endowment funds 2025 £	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income and endowments from:						
Voluntary Sources	3	-	230,000	57,493	287,493	272,812
School Fees	4	-	-	8,893,854	8,893,854	8,889,205
Ancillary trading	5	-	-	625,411	625,411	674,615
Investments	6	-	10,803	373,630	384,433	88,549
Total income and endowments		-	240,803	9,950,388	10,191,191	9,925,181
Expenditure on:						
Raising funds	7	-	3,896	4,787	8,683	4,640
Charitable activities	7	5,500	230,000	9,923,900	10,159,400	9,613,572
Total expenditure		5,500	233,896	9,928,687	10,168,083	9,618,212
Net (expenditure)/income before net gains on investments		(5,500)	6,907	21,701	23,108	306,969
Net gains on investments		-	87,829	-	87,829	59,584
Net (expenditure)/income after net gains on investments		(5,500)	94,736	21,701	110,937	366,553
Reconciliation of funds:						
Total funds brought forward		5,395,500	621,702	8,398,024	14,415,226	14,048,673
Net movement in funds		(5,500)	94,736	21,701	110,937	366,553
Total funds carried forward		5,390,000	716,438	8,419,725	14,526,163	14,415,226

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 34 form part of these financial statements.

THE FARNBOROUGH HILL TRUST

REGISTERED NUMBER: 2941378

**BALANCE SHEET
AS AT 31 JULY 2025**

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	10	11,334,212	11,513,096
Investments	11	2,057,128	662,392
		<u>13,391,340</u>	<u>12,175,488</u>
Current assets			
Debtors	12	653,659	726,111
Cash at bank and in hand		7,228,433	11,366,052
		<u>7,882,092</u>	<u>12,092,163</u>
Creditors: amounts falling due within one year	13	(3,984,496)	(4,777,495)
Net current assets		<u>3,897,596</u>	<u>7,314,668</u>
Total assets less current liabilities		<u>17,288,936</u>	<u>19,490,156</u>
Creditors: amounts falling due after more than one year	14	(2,762,773)	(5,074,930)
Net assets		<u>14,526,163</u>	<u>14,415,226</u>
Total net assets		<u>14,526,163</u>	<u>14,415,226</u>
Charity funds			
Endowment funds	17	5,390,000	5,395,500
Restricted funds	17	716,438	621,702
Unrestricted funds	17	8,419,725	8,398,024
Total funds		<u>14,526,163</u>	<u>14,415,226</u>

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

The financial statements were approved and authorised for issue by the Governors on 2 December 2025 and signed on their behalf by:

H Griffiths
Chair



The notes on pages 15 to 34 form part of these financial statements.

THE FARNBOROUGH HILL TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2025**

	2025 £	2024 £
Cash flows from operating activities		
Net cash used in operating activities	(2,610,332)	8,653,032
Cash flows from investing activities		
Purchase of tangible fixed assets	(231,183)	(307,179)
Proceeds from sale of investments	222,293	640,189
Purchase of investments	(1,529,200)	(656,171)
Investment income	10,803	19,707
Net movement in cash held not yet invested	-	(3,869)
Net cash used in investing activities	(1,527,287)	(307,323)
Change in cash and cash equivalents in the year	(4,137,619)	8,345,709
Cash and cash equivalents at the beginning of the year	11,366,052	3,020,343
Cash and cash equivalents at the end of the year	<u>7,228,433</u>	<u>11,366,052</u>

The notes on pages 15 to 34 form part of these financial statements

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

1. Charity information

The School is a Public Benefit Entity registered in England and Wales as a charity and a company limited by guarantee. It was incorporated on 22 June 1994 (company number: 2941378) and registered as a charity on 15 July 1994 (charity number: 1039443). Its registered office is Farnborough Road, Farnborough, Hampshire, GU14 8AT.

2. Accounting policies

2.1 Basis of preparation

The financial statements have been prepared 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 (second edition) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – second edition effective 1 January 2019.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments and leasehold land and buildings.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School 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, the Governors consider it appropriate to adopt the going concern basis in preparing the financial statements.

2.2 Critical accounting judgements and key sources of estimation or uncertainty

In the application of the accounting policies, Governors are required to make judgements, 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.

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 affects current and future periods.

In the view of the Governors, 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.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

2. Accounting policies (continued)

2.3 Income

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

Investment income

Investment income from equities/shares, bank balances and fixed interest securities is accounted for on an accruals basis.

Donations, legacies, grants and other voluntary income

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to unrestricted funds. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund.

2.4 Expenditure

Expenditure is accrued as soon as a liability is considered probable. Expenditure attributable to more than one cost category in the Statement of Financial Activities is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the School's Governors, and all the costs of complying with constitutional and statutory requirements, such as costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets inherited by the School at 1 August 1994 are included at cost being their net book value at that date.

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £1,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £1,000 is capitalised and carried in the balance sheet at historical cost.

Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred. Individual items costing less than £1,000 are normally written off as an expense on acquisition.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation (continued)

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments (using the straight-line method) over their expected useful economic lives as follows:

Leasehold buildings and property investments	- 10 - 50 years
Motor vehicles	- 4 - 10 years
Furniture, fittings and equipment	- 4 - 10 years
IT equipment	- 2 - 4 years

The gift of the 999-year lease of the School building and grounds in 2003 has been capitalised to comply with the Charities SORP. The asset has been included in the balance sheet at valuation. The trust has adopted the provisions of FRS 15 in respect of this asset and will not revalue it in the future. The land element is depreciated over the life of the lease.

2.6 Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

2.7 Fund accounting

Investment income, gains and losses are allocated to the appropriate fund.

The charitable trust funds of the School are accounted for as unrestricted or restricted income in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, to be spent at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Endowed funds represent the depreciated 999-year lease which was gifted to the School during the year ended 31 July 2003. The fund was valued at £5,500,000, less the Deed of Charge principal of £2,000,000. The net figure constituted an expendable endowment of £3,500,000 that was recognised as income in the Statement of Financial Activities under the heading 'Donations' in the year of receipt.

Restricted funds represent amounts donated to the School for specific purposes such as funding building developments, scholarships, seniors' bursaries and prizes.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

2. Accounting policies (continued)

2.8 Pensions

Retirement benefits to employees of the School are provided through two principal pension schemes. The pension costs charged in the Statement of Financial Activities are determined as follows:

- a) The Aviva Pension Trust for Independent Schools (APTIS) is a defined contribution scheme. Contributions payable by the School during the year are included in the pension costs charged in the accounts.
- b) Other pension costs charged in the accounts for defined contribution schemes represent the contributions payable by the School during the year.

2.9 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.

2.10 Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost 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 all creditors except social security and other taxes and provisions.

2.11 Debtors

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

2.12 Liabilities and provisions

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

2.13 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.

2.14 Employee benefits

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

THE FARNBOROUGH HILL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

3. Voluntary Sources

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Donations	230,000	-	230,000	181,000
Similar incoming resources	-	57,493	57,493	91,812
	<u>230,000</u>	<u>57,493</u>	<u>287,493</u>	<u>272,812</u>
<i>Total 2024</i>	<u>181,000</u>	<u>91,812</u>	<u>272,812</u>	

4. School fees

	2025 £	<i>2024 £</i>
a) School fees comprised:		
School fees	9,711,246	9,495,037
Registration fees	15,877	17,901
Retained deposits	<u>2,083</u>	<u>500</u>
	9,729,206	9,513,438
Less: Bursaries, grants and allowance	<u>(1,065,352)</u>	<u>(805,233)</u>
	<u>8,663,854</u>	<u>8,708,205</u>
 Scholarship and grants paid for by Restricted Funds	 230,000	 181,000
	<u>8,893,854</u>	<u>8,889,205</u>
 b) Grants, awards and prizes paid by restricted funds consisted of:		
Scholarships	15,000	15,000
Bursaries	215,000	166,000
 Scholarships and bursaries paid for by Restricted Funds	 <u>230,000</u>	 <u>181,000</u>

The above educational awards were made to 129 pupils (2024: 119).

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

5. Ancillary trading income

	2025 £	2024 £
Catering	264,801	283,558
Coaches	206,100	240,176
Trips	72,148	70,307
Other	82,362	80,576
	<u>625,411</u>	<u>674,617</u>

All ancillary trading income is unrestricted in both years.

6. Investment income

	2025 £	2024 £
School bank interest	373,630	68,842
Restricted fund investment income	10,803	19,707
	<u>384,433</u>	<u>88,549</u>

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

7. Analysis of expenditure

	Staff £	Other £	Depreciation £	2025 Total £
Cost of generating funds:				
Financing costs	-	4,787	-	4,787
Investment management	-	3,896	-	3,896
	-	8,683	-	8,683
Charitable activities:				
School operating costs:				
Teaching costs	4,920,810	723,832	110,900	5,755,542
Welfare	39,335	3,746	-	43,081
Premises	561,901	1,328,599	195,179	2,085,679
Support costs	792,883	511,275	-	1,304,158
Catering, travel and other recharges	198,376	542,564	-	740,940
Grants and prizes	-	230,000	-	230,000
	<u>6,513,305</u>	<u>3,340,016</u>	<u>306,079</u>	<u>10,159,400</u>

Comparative information in respect of the preceding period is as follows:

	Staff £	Other £	Depreciation £	2024 Total £
Cost of generating funds:				
Financing costs	-	916	-	916
Investment management	-	3,724	-	3,724
	-	4,640	-	4,640
Charitable activities:				
School operating costs:				
Teaching costs	4,748,464	617,432	87,907	5,453,803
Welfare	29,735	1,886	-	31,621
Premises	473,594	1,275,761	192,771	1,942,126
Support costs	721,655	441,649	-	1,163,304
Catering, travel and other recharges	189,886	651,832	-	841,718
Grants and prizes	-	181,000	-	181,000
	<u>6,163,334</u>	<u>3,174,200</u>	<u>280,678</u>	<u>9,618,212</u>

THE FARNBOROUGH HILL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

	2025 £	2024 £
Other support costs of schooling comprise		
Stationery, equipment and computers	45,054	36,195
Postage and telephone	16,163	19,168
Advertising & marketing	106,344	116,371
Professional fees	22,775	213,687
Subscriptions	17,894	18,170
Governance	24,300	24,800
Other	17,409	13,258
	<u>249,939</u>	<u>441,649</u>
	2025 £	2024 £
Governance costs includes		
Audit	22,225	23,300
Accounts preparation	2,075	1,500
	<u>24,300</u>	<u>24,800</u>

8. Staff costs

	2025 £	2024 £
Remuneration	5,505,465	5,165,241
Social security costs	416,475	416,197
Pension contributions	591,365	581,896
	<u>6,513,305</u>	<u>6,163,334</u>

Included within the remuneration figure is £47,317 relating to termination payments (2024:Nil).

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

8. Staff costs (continued)

The average number of persons employed by the Company during the year was as follows:

	2025 No.	<i>2024 No.</i>
Full time	80	76
Part time	61	65
	<u>141</u>	<u>141</u>

Included above, the average number of teaching staff for the year was 57 full time (2024: 57) and 27 part time (2024: 28).

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

	2025 No.	<i>2024 No.</i>
In the band £60,001 - £70,000	17	12
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	3	3
In the band £90,001 - £100,000	-	1
In the band £110,001 - £120,000	1	-
In the band £140,001 - £150,000	1	-

The total employee benefits of the key management personnel were £777,781 (2024: £690,921).

All of these higher paid employees (2024: all) are accruing retirement benefits under the defined contribution scheme.

No governors, or any person connected with them, received any remuneration during the year. Expenses for travel and training reimbursed to 1 governor (2024: 1) amounted to £24 (2024: £28).

General insurance expense includes professional indemnity and governors liability insurance for a premium of £411 (2024: £411).

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

9. Net movement in funds

Net movement in funds is stated after charging:

	2025 £	2024 £
Auditors' remuneration - for audit	21,100	19,500
Auditors' remuneration - in relation to accounts preparation	2,075	1,500
Operating lease rental expenditure	303,464	178,286
Depreciation	306,078	280,678
	<u>329,253</u>	<u>479,964</u>

THE FARNBOROUGH HILL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

10. Tangible fixed assets

	Leasehold land and buildings £	Leasehold Buildings and property improvements £	Furniture fittings and motor vehicles equipment £	IT Equipment £	Total £
Cost or valuation					
At 1 August 2024	5,500,000	8,801,954	1,136,170	857,156	16,295,280
Additions	-	-	196,955	34,228	231,183
Adjustment for pre-registration VAT	-	(26,769)	(30,951)	(46,268)	(103,988)
At 31 July 2025	<u>5,500,000</u>	<u>8,775,185</u>	<u>1,302,174</u>	<u>845,116</u>	<u>16,422,475</u>
Depreciation					
At 1 August 2024	104,500	3,284,616	817,376	575,693	4,782,185
Charge for the year	5,500	175,504	49,232	75,842	306,078
At 31 July 2025	<u>110,000</u>	<u>3,460,120</u>	<u>866,608</u>	<u>651,535</u>	<u>5,088,263</u>
Net book value					
At 31 July 2025	<u><u>5,390,000</u></u>	<u><u>5,315,065</u></u>	<u><u>435,566</u></u>	<u><u>193,581</u></u>	<u><u>11,334,212</u></u>
At 31 July 2024	<u><u>5,395,500</u></u>	<u><u>5,517,338</u></u>	<u><u>318,795</u></u>	<u><u>281,463</u></u>	<u><u>11,513,096</u></u>

The leasehold land and buildings relates to the gift of a 999-year full repairing lease from the Religious of Christian Education (the freeholder/lessor). The asset has been capitalised in accordance with the requirements of the Charities SORP.

The valuation was carried out by external valuers Christie & Co. (surveyors, valuers and agents) who arrived at an existing use valuation of £5,500,000 based on the current condition as at 5 December 2002.

The Trust has adopted the provisions of FRS15 in respect of the lease and will not revalue it in the future.

THE FARNBOROUGH HILL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

11. Investments - restricted funds

	2025	2024
	£	£
Market value		
Listed investments	2,046,146	653,689
Cash awaiting reinvestment	10,982	8,703
	<u>2,057,128</u>	<u>662,392</u>

	2025	2024
	£	£
Historical Cost		
Listed investments	1,838,445	563,302
	<u>1,838,445</u>	<u>563,302</u>

Investments listed on a recognised stock exchange including investments and unit trusts:

	2025	2024
	£	£
UK	140,236	5,369
Overseas	1,905,910	648,320
Cash: UK	10,982	8,703
	<u>2,057,128</u>	<u>662,392</u>

	2025	2024
	£	£
Market value at 1 August	662,392	586,825
Additions and movements in cash awaiting reinvestment	1,529,200	656,172
Disposals at opening market value	(222,293)	(640,189)
Gains on investments	87,829	59,584
Market value at 31 July	<u>2,057,128</u>	<u>662,392</u>

THE FARNBOROUGH HILL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

12. Debtors

	2025 £	2024 £
Due within one year		
Fees receivable	177,139	69,026
Prepayments and accrued income	354,693	571,573
Other debtors	121,827	85,512
	<u>653,659</u>	<u>726,111</u>

13. Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	518,141	668,343
Other taxation and social security	142,019	114,285
Other creditors	124,024	127,053
Accruals and deferred income	286,535	168,951
Pupil deposits	237,992	244,000
Fees in advance	2,502,009	3,433,625
Finance lease creditor	21,238	21,238
Pension creditor	152,538	-
	<u>3,984,496</u>	<u>4,777,495</u>

Deferred income of £Nil relates to fees paid on account for future terms (2024: £33,868).

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

	2025 £	2024 £
Finance lease	61,943	83,181
Fees in advance	2,700,830	4,991,749
	<u>2,762,773</u>	<u>5,074,930</u>

THE FARNBOROUGH HILL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

15. Finance lease/ Fees in advance maturity

	2025	2024
Finance lease		
Due less than one year	21,238	21,238
Due more than one year	<u>61,943</u>	<u>83,181</u>
	<u>83,181</u>	<u>104,419</u>

	2025	2024
Fees in advance		
Assuming the pupils remain in the School, advance fees will apply as follows:		
Due less than one year	2,502,009	3,433,625
Due between two and five years	2,700,830	4,972,219
Due more than five years	<u>-</u>	<u>19,530</u>
	<u>5,202,839</u>	<u>8,425,374</u>

16. Allocation of Charity net assets

The School's assets are held for the various funds as follows:

	Endowed funds 2025 £	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	5,390,000	-	5,944,212	11,334,212
Fixed asset investments	-	2,057,128	-	2,057,128
Current assets	-	-	7,882,092	7,882,092
Creditors due within one year	-	(1,340,690)	(2,643,806)	(3,984,496)
Creditors due in more than one year	-	-	(2,762,773)	(2,762,773)
Total	<u>5,390,000</u>	<u>716,438</u>	<u>8,419,725</u>	<u>14,526,163</u>

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

Comparative allocation of Charity net assets (continued)

	<i>Endowed funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Tangible fixed assets	5,395,500	-	6,117,596	11,513,096
Fixed asset investments	-	662,392	-	662,392
Current assets	-	-	12,092,163	12,092,163
Creditors due within one year	-	-	(4,777,495)	(4,777,495)
Creditors due in more than one year	-	(40,690)	(5,034,240)	(5,074,930)
Total	<u>5,395,500</u>	<u>621,702</u>	<u>8,398,024</u>	<u>14,415,226</u>

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

17. Statement of funds

Statement of funds - current year

	Balance at 1 August 2024 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2025 £
Unrestricted funds					
General Funds	<u>8,398,024</u>	<u>9,950,388</u>	<u>(9,928,687)</u>	<u>-</u>	<u>8,419,725</u>
Endowment funds					
Endowment Funds	<u>5,395,500</u>	<u>-</u>	<u>(5,500)</u>	<u>-</u>	<u>5,390,000</u>
Restricted funds					
Bursary Funds	457,904	7,665	(2,764)	25,515	488,320
Scholarship Fund	163,798	233,138	(231,132)	62,314	228,118
	<u>621,702</u>	<u>240,803</u>	<u>(233,896)</u>	<u>87,829</u>	<u>716,438</u>
Total of funds					
	<u>14,415,226</u>	<u>10,191,191</u>	<u>(10,168,083)</u>	<u>87,829</u>	<u>14,526,163</u>

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

17. Statement of funds (continued)

Prior year

	Balance at 1 August 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2024 £
Unrestricted funds					
General Funds - all funds	<u>8,101,538</u>	<u>9,724,474</u>	<u>(9,427,988)</u>	<u>-</u>	<u>8,398,024</u>
Endowment funds					
Endowed funds	<u>5,401,000</u>	<u>-</u>	<u>(5,500)</u>	<u>-</u>	<u>5,395,500</u>
Restricted funds					
Bursary Fund	389,290	194,982	(168,643)	42,275	457,904
Scholarship Fund	156,845	5,725	(16,081)	17,309	163,798
	<u>546,135</u>	<u>200,707</u>	<u>(184,724)</u>	<u>59,584</u>	<u>621,702</u>
Total of funds					
	<u>14,048,673</u>	<u>9,925,181</u>	<u>(9,618,212)</u>	<u>59,584</u>	<u>14,415,226</u>

Restricted funds are employed as follows: -

Bursary Fund: Used for the provision of fee assistance.

Scholarship Fund: Used for scholarships awarded to students.

Unrestricted funds are used in the day to day running of the School.

Endowed funds constitute an expendable endowment for the 999-year lease of the School land and buildings.

THE FARNBOROUGH HILL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

18. Financial commitments

At 31 July 2025 the School had annual commitments under non-cancellable operating leases as follows:

	2025 £	2024 £
Land and buildings		
Within 1 year	70,000	70,000
Between 1 and 5 years	280,000	280,000
Greater than five years	68,040,000	68,110,000
	<u>68,390,000</u>	<u>68,460,000</u>
	2025 £	2024 £
Other		
Within 1 year	187,590	80,605
Between 1 and 5 years	397,839	78,078
	<u>585,429</u>	<u>158,683</u>

19. Capital commitments

At 31 July 2025 the School had outstanding contractual commitments for capital expenditure of £nil (2024: £nil).

20. Contingent liabilities

The Trustees of The Institute of Christian Education ("ICE/the Lessor/freeholder") gifted the company a 999 year lease over the land and school buildings in 2003. The lease was professionally valued at its existing use value as a school. To protect its interests in ensuring the property continued as a school, the ICE and company also entered into a first legal charge in lieu in August 2003. While drawn up and initially accounted for as a loan with a principal of £2,000,000, it also included reference to an "Additional Sum" which would capture 20% of any market gain over existing use should the property ever be sold for development. This event would also trigger repayment of the "principal". As the land and buildings continue to be used for their existing purpose as a school, the principal sum of £2,000,000 is not repayable and there is no additional sum. As a result, no amounts have been provided in these financial statements.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

21. Pension commitments

Defined Contribution Schemes

The School also runs a defined contribution scheme for its non-teaching staff. The School's contributions to the scheme during the year ended 31 July 2025 were £Nil (2024: £83,235) and at the year-end £Nil (2024: £Nil) was accrued in respect of contributions to the scheme.

The School joined APTIS from 1 September 2020 for teaching staff and 1 June 2024 for support staff. The School's contributions to the scheme during the year ended 31 July 2025 were £591,365 (2024: £574,899) and at the year-end £123,939 (2024: £Nil) was accrued in respect of contributions to the scheme.

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

	2025 £	2024 £
Net income for the year (as per Statement of Financial Activities)	110,937	366,553
Adjustments for:		
Depreciation charges	306,078	280,678
Gains on investments	(87,829)	(55,715)
Decrease/(increase) in debtors	72,452	(539,234)
Increase/(decrease) in creditors	(3,105,156)	8,620,457
Investment income	(10,803)	(19,707)
Adjustment to Fixed assets – pre-registration adjustment	103,989	-
Net cash provided by/(used in) operating activities	<u>(2,610,332)</u>	<u>8,653,032</u>

23. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand	7,228,433	11,366,052
Total cash and cash equivalents	<u>7,228,433</u>	<u>11,366,052</u>

THE FARNBOROUGH HILL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

24. Analysis of changes in net debt

	At 1 August 2024	Cash flows £	At 31 July 2025 £
	£		
Cash at bank and in hand	11,366,052	(4,137,619)	7,228,433
Finance leases	(104,419)	21,238	(83,181)
	<u>11,261,633</u>	<u>(4,116,381)</u>	<u>7,145,252</u>

25. Related party transactions

There were no related party transactions in the year (2024: none).

26. Taxation

The School is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

THE FARNBOROUGH HILL TRUST

England & Wales - Charity number 1039443

Accounts

THE FARNBOROUGH HILL TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

Company Number: 2941378
Charity Number: 1039443

THE FARNBOROUGH HILL TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 JULY 2024

The Governors who served throughout the year (unless stated otherwise) were:

Mr G J McCormack *#
Miss H Griffiths #
Mr M Bernard #
Mrs A Berry #
Mr C Fowler-Tutt *+
Dr G Huxford #
Miss N Hills *
Mrs J L Micklethwaite #
Mr G Selby*
Mrs C Cox # Appointed 7th December 2023
Mr E Cunningham * Appointed 7th December 2023

- * Member of the Finance and General Purposes Committee
- # Member of the Education Committee
- + Farnborough Hill representative at the Association of Governing Bodies of Independent Schools

Members of the Trust:

Mr M Maher	Chair
Sr R O'Looney RCE	
Sr E McCormack RCE	
Sr C Nagle RCE	
Mrs S Buckle	
Mr T J Flesher	
Mr J B Hull	
Mrs C E Hamilton	
Mr GJ McCormack	

The Head:	Mrs M Young (from April 2024) Mrs Z Ireland (Acting from June 2023 to June 2024)
Address:	Farnborough Hill Farnborough Road Farnborough Hampshire GU14 8AT
Bankers:	NatWest Bank Plc Farnborough & Basingstoke Commercial Centre Ground Floor 200 Fowler Avenue IQ Farnborough Farnborough Hampshire GU14 7JP
Auditors:	HaysMac LLP 10 Queen Street Place London EC4R 1AG
Investment Advisers:	Coutts & Co 440 Strand London WC2R 0QS

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 JULY 2024

INTRODUCTION

The Governors (or Directors) - who are charity Trustees for the purposes of the Charities Act 2011 - present their annual report in compliance with both that Act and the Companies Act 2006, together with the financial statements prepared under the latter Act, for the year ended 31 July 2024.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The Government decision to implement VAT on school fees in January 2025 brought the expected date forward by two terms. Inevitably, any such period of change raises concerns about affordability: the resulting 20% rise in fees will have a significant impact. However, The Trust has now spent several years building a strong cash position to anticipate this sort of eventuality. We will be absorbing some of the VAT cost in the academic year of implementation. Many parents have confirmed their confidence and commitment to supporting their children's independent education, in these changing and challenging times, by using our fees in advance policy. The demand for Support in the form of Bursaries and awards is unlikely to diminish. We enter this period confident in our ability to withstand the traumas of transition to the changed context. At the same time we have no borrowing on our balance sheet, so our ability to manage change can flex to the needs of the market. As we respond to parent choices and their impact on our student numbers, we are confident we can meet the challenge.

A level Headlines

- In a cohort of 35 students, 12 pupils achieved all A* or A grades
- 1 pupil achieved 3 A*s; They also secured an A* for their EPQ
- 5 pupils achieved 2 A*s and an A and 3 pupils achieved 1 A* and 2 As
- 1 pupil achieved 1 A* and 3 As whilst 3 pupils achieved 3 As
- The average grade in the cohort was a grade B+ (43.40 points)
- The top 15 pupils in the year averaged a Grade A
- The % of A*-B was 80.37% (up from 76.1 in 2023) and the average EAP Differential 0.3
- In addition to the U6 A level results, One student secured a C for Latin, another secured an A for their Chinese A level, sat elsewhere.
- 20 of the cohort also completed the EPQ, with 5 gaining A*s, 3 As and 6 Bs

GCSE Headlines

- 37.32% of grades were A* equivalent (Grades 9 and 8); 59.16% were graded 9-7
- 2 pupils achieved 11 Grade 9s, including Further Maths
- 4 pupils achieved 10 grades of either 8 or 9
- 3 pupils secured 9 grades of either 8 or 9 and 1 pupil achieved 8 Grade 9s • Super-Curricular subjects provided the opportunity for the most able pupils: all Further Maths grades were 9 and Classical Greek all 9/8
- 11 Departments averaged a Grade 7 or over, including Classics, Computer Sciences, Further Maths, Food Prep and Nutrition, Greek, History, Latin, RE and Sciences.
- The Average Points score was 6.94 and overall Value Added 0.8
- In addition to the Year 11 Results, A student in Year 10 achieved a Grade 9 in French.
- 53 Year 9 pupils completed Level 1 and 2 Projects with 77% achieving either an A or A

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2024

Curriculum and School Life

The Farnborough Hill curriculum is broad and balanced. Girls in Years 7 and 8 are exposed to up to 17 subjects before selecting a portfolio of 13 subjects in Year 9, and then reducing to eight subjects, which translates to 10 GCSEs in Years 10 and 11. From September 2024 pupils study a core of nine GCSEs with the higher-achieving pupils being able to access an additional one or two GCSEs. In Year 7, pupils are exposed to three modern foreign languages in a carousel in their first half term, following which they will choose two modern languages for the remainder of the year, alongside Latin. In Year 8 pupils will then opt for two languages. Year 9 pupils have the choice of continuing with one or two languages including Latin. The GCSE offering is a rich one, including Classical Civilisation, Latin and Further Maths alongside the more traditional subjects. Instead of Business Studies at GCSE, there is the option to take part in the Young Enterprise Scheme, in which our teams regularly win awards at regional and national level. The majority of Year 9 girls will attain the AQA Project Qualification, which provides an inspiring extension to their mainstream curriculum. Many girls in KS3 and KS4 take part in a particularly broad range of sports, with football and cricket adding to the usual offer of girls' major games. Dance, gymnastics, basketball, fitness sessions and cross country also enrich our Physical Education programme. Drama and Music are very popular activities, and we have developed a Music Theatre outreach programme connecting us to local Junior Schools. In the Summer term our Empower girls (Year 9) run an inspirational activity programme for our nearest schools, entirely devised and run by themselves.

There is a lively Chaplaincy programme, led by the school Chaplain, which encompasses a wide range of activities, from training our altar servers, running regular weekly prayer groups, maintaining a welcoming drop-in space for our youngest girls – 'Open Access', training CAFOD Young Leaders in the Lower Sixth, running the SVP group, staff prayer sessions, organising regular Masses and other acts of worship and leading various charitable projects.

All girls benefit from a very wide range of enrichment activities through the Farnborough Hill Extra-Curricular programme. With an annual offering of approximately 90 clubs and activities, the programme encompasses sport, music, drama, art, dance, music theatre, MUN, many science groups - including the highly successful Greenpower engineering project, debating, LAMDA, beekeeping, cookery and much more. Where possible, we encourage senior girls to take a lead with some of these groups. Additional enrichment comes with the half-termly Think Tank talks, introducing speakers from a very wide variety of backgrounds to address interested pupils, parents and staff.

Academic Scholars and other girls who are achieving particularly well join the Af'Hiliation group, which meets regularly to tackle and enjoy a variety of projects and activities that offer extra inspiration, stretch and challenge. All scholars, in whatever discipline, follow a dedicated pathway to add value to their scholarship experience.

Our Sixth Formers, based in the Lafosse centre, follow a three A level linear model, with four A levels being studied by the most able, when required. Many girls in the Lower Sixth will complete the EPQ and other qualifications, such as a TEFL certification are available. Bi-weekly careers lessons have been embedded into all Lower Sixth students' timetables as well as the Ivy House coaching programme. All pupils participate in weekly PE lessons and, as a Catholic school, the girls' lives are enriched by the RE Department's REACT programme, which includes a diversity of service projects (e.g. teaching English to newly-arrived immigrant families or visiting the elderly in a care home).

We have identified Wellness as a major area of growth and development in the coming year and will be refurbishing our Wellbeing Centre and running a variety of activities in association with our membership of The Wellbeing Hub, from September 2024.

As part of our strategy for recruitment and retention we continue to review the Open Afternoon format. The new format allows parents and pupils to take part in self-guided tours of the school, with the Sixth Form dotted around the school to ensure all visitors move along to the right places. This has had a positive impact and we have seen a 36% increase in families attending our open afternoons. Furthermore, we will be continuing with the successful Farnborough Hill (F'Hill) Fridays: short taster sessions on Friday (early evening) for those who have registered for our entrance exam, with parents being invited to stay in school and relax in the Lafosse centre, meet the SLT and/or take advantage of the upstairs working space. This has been met with enthusiasm by prospective families and also staff.

In the Sixth Form we continue to work on increasing retention which is a focus for both SLT and Governors, covered at our last strategy day. The leadership team will be surveying past and present pupils to gain a full picture of what activities and extras are popular and those that are now well received in order to make informed decisions. One 'easy fix' has been to bring back MacBook's for the Sixth Form, as well as a fixed Head of Year (HOY) 11. The last time we had both (MacBook's and a fixed HOY 11) numbers were in the 40s. We continue also to target external families and 19 families attended the sixth form open afternoon.

Public benefit statement

Each year we raise substantial sums of money to donate to charities that align with our values, most recently totalling £15,045 (2023 - £15,000). Our SVP society targets local charitable causes and we have contributed towards the work of Caritas with the homeless in Basingstoke. We regularly collect food and household items which we donate to food banks for local families in need. We train our CAFOD young leaders to raise charitable funds and to ensure that they are spent on sustainable and effective projects.

We have strong connections with our surrounding primary schools. We invite 130 pupils from four local schools to our annual Empower day, where inspiring STEM, creative, sporting and performing arts activities are devised and delivered by our Year 9 students. We send our Music and Drama staff into a range of local primary schools to deliver Musical Theatre workshops. Our Head serves as a Governor in two local primary schools. We also invite local schools to attend school performances, free of any charge.

Our bursary and scholarship provision removes financial barriers to accessing a Farnborough Hill education for 50 families.

Where possible, we lend our facilities to local primary schools and the local borough council for a range of purposes. Recently, this has included the school chapel, our main building and sports facilities.

Our biennial international expedition always includes a strong service element and we have now implemented our first visit to Lourdes with HCPT, directly serving disabled and disadvantaged pilgrims from around the UK. As an important local history landmark, we have developed History Open Saturdays, to encourage the local people to discover the rich heritage of the school building and site. Living our Gospel values of Love, Hope, Faith and Compassion, which lie at the heart of the school's mission, drives us to serve the local community and wider world, in addition to serving each other.

School Development

The 5 year development plan is in place.

The four key pillars are the foundations of all development namely:

- Have a connected community made up of dynamic and inspired staff and pupils
- Unleash the power and potential of all
- Develop innovative spaces
- Have a more sustainable and balanced, earth-friendly environment

And every element of school life (academic, administrative, Business and sustainability and development, development of character, pastoral and school environment, Sixth Form, spiritual life and staff development) is included as we seek to collaboratively build upon where we are and grow as a community.

Digital Infrastructure

The School's IT support continues to be outsourced to CST. The Contract and service agreement will be reviewed during the coming year.

We had three big hardware upgrades over the Summer Break, the first being the Network Switching. This project ran smoothly and has made our Network much quicker, more stable and easier for CST to monitor. The new switches have a ten-year lifespan and are likely to be the last major upgrade to our infrastructure that will be needed in the next few years. Secondly, we upgraded and reduced our printers around the school. The reduced number of printers has allowed us to be more cost-effective and will hopefully lead to a reduction in printing as we seek to be more ecofriendly. Finally, seventy-five PCs in teacher office spaces were replaced with more powerful refurbished models, which are highly cost-effective compared to buying new machines.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2024

CST have produced an updated roadmap for the coming academic year and whilst there are no major recommended infrastructure updates, we do need to plan for the replacement of the PCs in the Computer Rooms around the school (IT1, IT2, IT4 and DT1). The current machines were installed in October 2017 and whilst they are sufficiently powerful for teaching purposes, they are not capable of running Windows 11, which is now in place across the rest of the school. As with the Computers in the staff offices, we will be looking to replace these with much more powerful refurbished models. This will be completed before support for Windows 10 ceases in October 2025.

Following the Governors' Education Committee meeting in October, where offsite web filtering of school devices was discussed, we have decided to roll this out. Initial enquiries have already been made with Smoothwall, our filtering provider, and we believe that it is feasible to have this in place for all school-owned iPads by the end of the Spring Term at the latest.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and Administration

The Farnborough Hill Trust (Farnborough Hill) was incorporated as a private company limited by guarantee on 22 June 1994. Farnborough Hill is a registered charity number 1039443. The Trust includes the Farnborough Hill Bursary, Scholarship and Prize Fund.

The governing documents are the Instrument of Government, approved by the Charity Commission and the Principal Superior of the Institute of Christian Education, and Articles of Association. Where ambiguity arises, the Memorandum and Articles of Association prevail, most recently approved on 25 September 2024.

Governing Body

The Governors who served during the year and to the date of this report are shown on page 1.

The governing documents require that the Board of Governors should consist predominantly of Roman Catholics. It should consist of not less than five and not more than fifteen Governors. The Members can appoint, by a simple majority in a general meeting, any suitable person who is willing to act as a Governor. One third of the Governors retire by rotation at each Annual General Meeting but are eligible for re-election at that meeting.

Governors regularly attend training seminars and courses organised by ISBA, AGBIS and other professional bodies with the aim of keeping up to date with governance, compliance and safeguarding issues. Attendance at relevant INSET training for academic staff is also encouraged and the interaction with academic staff, at such training, is deemed to be of a significant benefit as are the Governors' regular "Learning Walks" to observe the school in action.

Prospective Governors are normally invited to visit the School and undertake an induction programme, attend AGBIS training for new Governors and attend school events and Governors' meetings prior to being nominated for election by the Members of the Trust. On appointment each Governor is given a copy of the Memorandum and Articles of Association and the Instrument of Government, together with any other documentation appropriate at the time.

Organisation

The Board of Governors and its two committees, namely Finance & General Purposes and Education, set out the general policy of the school. The day-to-day affairs of the school are run by the School's Senior Leadership Team. A Bursary sub-committee reviews & authorises applications for Bursaries.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2024

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Objects

Farnborough Hill is an independent Roman Catholic Day School for Girls age 11-18 years and the Headmistress is a member of the Girls' Schools Association and Independent Schools' Association. The School is dedicated to educating the whole person within a happy, caring Christian community where each individual is valued. Girls from all Christian denominations, other faiths and none are welcomed into the School.

The objects of the Farnborough Hill Trust are to advance the Roman Catholic faith by the education of children of all faiths and none in the Christian tradition.

Objectives for the year ahead

- a. To reassess and deliver a broad curriculum.
- b. To maintain healthy recruitment specifically into Year 7 and the Sixth Form and generally throughout the school years.
- c. To build closer links with the wider Farnborough Hill community

Strategies to achieve the year's objectives

Strategies employed to achieve the above objectives include:

- a. Senior Leadership Team (SLT) to review the current curriculum and adjust to meet changing needs to educate the whole person in today's educational climate.
- b. Proactive and detailed project management of the School's estate.
- c. Engage with industry experts to survey all school buildings to produce a School Sustainability Plan.
- d. Putting in place a strategy to more closely involve the wider Farnborough Hill community, past and present.

The Governors and Senior Leadership Team consider that the School should strive to play a full and responsible part in the wider community, so living out our Mission Statement:

Farnborough Hill welcomes all into our community, where we aim to live Christ's Gospel values joyfully and wholeheartedly, forming each individual to fulfil her potential and face the future with wisdom, strength and dignity.

We have continued our charity work with the local community and raised over £15,000 for good causes in addition to non-monetary donations through food and clothing to local charities assisting families in need.

There were 38 Bursary awards made during the year to families who required financial assistance to send their daughters to Farnborough Hill.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2024

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

This is 31st financial year for the Farnborough Hill Trust, the School having been transferred to the Trust by the Institute of Christian Education as a going concern on 1 August 1994. During this year Farnborough Hill has had a roll of 530 pupils. The anticipated roll for 2025 and thereafter is encouraging and the Governors are confident that the School can continue to maintain numbers comfortably in excess of any break-even requirement.

The Bursary and Scholarship funds have been used to good effect this year and continue to be met with support from Unrestricted Funds. Academic scholarships are awarded in Years 7 and 11 for the Sixth Form. Each year the School normally offers to Year 7 entrants a number of major scholarships each worth one fifth of fees and a number of minor scholarships worth one tenth of fees. One of the major scholarships is available only to a Roman Catholic pupil but the remainder are completely unrestricted.

Each year there are also two Music, two Sports and two Art Scholarship awards on offer at Year 7, each worth one fifth of fees. A number of scholarships of up to £3,000 each are awarded annually for the two Sixth Form years.

The Board of Governors wishes to acknowledge the continued generosity of the Sisters of the Institute of Christian Education in making very significant donations to the Scholarship, and in particular the Bursary funds which this year totaled £181,000 (2023 £130,000). These are of immense help in maintaining the Objects and Policy of the School and in assisting Catholic pupils to attend Farnborough Hill when parents could not otherwise afford the fees.

Grant Making Policy

The Governors' policy, in line with that of other independent schools, is to make these awards on the basis of the individual's assessed financial need in the case of bursaries, and educational ability when allocating scholarships and prizes (subject to any particular conditions imposed by the original donor where the award is made out of restricted funds).

This year the total value of bursaries, scholarships and prizes made to the School's pupils amounted to £805,233 (2023: £646,076). This included a total of £181,000 (2023: £130,000) from restricted funds, comprising bursaries £156,000 (2023: £115,000) and scholarships £15,000 (2023: £15,000).

Reserves Policy

The School needs reserves to ensure it can fulfil and complete the charitable obligations and commitments it enters into.

As at 31 July 2024, the total funds of the School were £14,415,226 which included restricted funds of £621,702 and unrestricted funds of £8,398,024 – the bulk of which is represented by the School's fixed assets i.e. its buildings. As with all schools, the School's reserves policy is closely linked to its working capital needs through the year and to its development plan in the medium term. The Governors are aware that it is not always possible for a major new development project to be funded solely from current resources and alternative means of funding may be required. It is also the intention of Governors, successfully in the past, to steadily build up the School's reserves over time from modest annual operating surpluses.

At the end of the financial year the level of freely available reserves, represented by net current assets stood at £2,239,738 (2023: £1,975,252). Unrestricted fund operating costs currently amount to £9,427,988 (2023: £9,043,274) per annum.

In the accounts unrestricted funds relate to the general school funds and restricted funds comprise the Bursary, Scholarship and Prize Funds.

The value of the restricted funds at the end of the year is £621,702 (2023: £546,135). The actual surplus of unrestricted funds over the year's activities was £296,486 (2023: £409,308).

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2024

The School is entirely self-supporting and its funds have been carefully built up over the past 30 years through prudent financial management.

Key Management Pay

The Governors consider the Senior Leadership Team to comprise the key management personnel of the School as they are in charge of directing and controlling, running and operating the School on a day-to-day basis. All Governors give of their time freely and no Governor received remuneration in the year. The fact that there are no related party transactions is disclosed in Note 23 to the financial statements.

The remuneration of the Senior Leadership Team and all staff is reviewed annually. In view of the nature of the organisation, the governing body benchmarks against pay levels in other similar educational organisations.

Investment Policy and Objectives

In accordance with the Charity Commission guidance and powers given in its governing documents, the Charity has delegated the management of its investment portfolio to a specialist adviser who has been instructed to balance capital growth and income in managing its portfolio. The investment manager has completed these aims within current market conditions. Income from listed investments is £19,707 (2023: £12,905) and the market value at the year-end is £662,392 (2023: £586,825), as shown in Note 9 to the financial statements.

Fundraising Practices

Farnborough Hill has not made any fundraising appeals to the general public. Fundraising normally focusses on securing grants and donations from government bodies, registered charities, business links and parents. Our new development manager will explore options with our Alumnae. There has been no outsourced fundraising via professional fundraisers or other third parties. Consequently, the School is not registered with the fundraising regulator and received no fundraising complaints in the year. Parental donations are entirely voluntary.

RISK MANAGEMENT AND PRINCIPAL RISKS

The School has a formal risk management process through which the Senior Leadership Team identifies the major risks to which the organisation may be exposed and has ranked these by likelihood and impact, culminating in a risk control document which is updated on a regular basis. All significant risks, together with current mitigation actions, are reviewed regularly throughout the year by the Governing Body. The Governors are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2024

RISK MANAGEMENT AND PRINCIPAL RISKS (continued)

The principal risks and uncertainties identified by the School are as follows:

Risk identified	Action to mitigate the risk
Fall in pupil numbers	Numbers throughout the recruiting process will be closely monitored and marketing and admissions strategies will be adjusted as required. The School will ensure that it remains an attractive option for future parents both academically and in the provision of excellent facilities
Catastrophic business interruption	Well trialed and tested Emergency Recovery plans are in place supported by comprehensive insurance cover to ensure the continued operation of the school.
Externally imposed financial pressures. (VAT on Fees/Loss of Mandatory Business rate relief)	The school continues to monitor the situation and react to advice and guidance given by relevant bodies. Provision is then considered for inclusion in forecasts and following year budgets. The likely impact of imminent legislation has been factored into forecasts in confirming going concern.
Reputational damage	The school has a well trialed and tested Emergency Recovery plan. A comprehensive suite of risk assessments and policies are in place which mitigates against events that would potentially lead to reputational damage.
Decrease in academic achievement	Ensure continued recruitment of high calibre teaching staff. Maintain attractive pay scales. Continue to provide a welcoming, stimulating, vibrant and well supported work environment.

The risks to which the School is exposed have been considered and steps taken to determine their relative importance. Risks are graded using a traffic light assessment that classifies Major, Average and Minor Risks detailed within the Risk Assessment Plan. The Major Risks, as identified by the Governors, have been reviewed and systems established to mitigate those risks

FUTURE PLANS

Future Plans are detailed within the Long-Term Strategic Plan, which is reviewed regularly by the Board of Governors. Main objectives for the next four years, as previously stated, are as follows:

- a. To provide a broad and balanced curriculum.
- b. To provide enhanced facilities for teaching and learning whilst improving facilities infrastructure and the integrity of the Grade I listed building.
- c. Continue to renew, extend and improve ICT facilities and infrastructure to all pupils and teachers as part of the School's overall ICT strategy.
- d. Monitor trends in Year 7 recruitment and Sixth Form retention and consider implementing further strategies to maintain recruitment and increase retention.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2024

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors 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 company and of the profit or loss of the company for that year. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

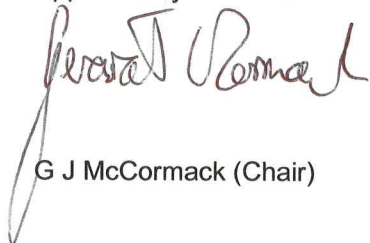
So far as each of the Governors is aware up to the time this report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Governors have taken all steps that 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.

AUDITORS

On 18 November 2024 the company's auditor changed its name from haysmacintyre LLP to HaysMac LLP. A resolution to re-appoint HaysMac LLP will be submitted to the Annual General Meeting.

Approved by the Board on 5 December 2024 and signed on its behalf by



G J McCormack (Chair)

Opinion

We have audited the financial statements of Farnborough Hill Trust for the year ended 31 July 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2024 and of the charitable company's net movement in funds, including the 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 Governors' 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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Governors' Report (which includes the directors' 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 directors' report included within the Governors' 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 Governors' Report (which incorporates the directors' 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 by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors for the financial statements

As explained more fully in the Governors' responsibilities statement (set out on page 10), the Governors (who act as Trustees of Farnborough Hill Trust and 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 Governors 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 Governors 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission, the Independent Schools Inspectorate (ISI) and the statutory safeguarding and child protection guidance issued by the Department for Education (DfE), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Charities SORP (2019), Companies Act 2006 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risk was related to the recognition of voluntary income. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the charity, particularly in relation to the recording of income and processing of payments and payroll, to ensure these were in place throughout the year;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing and testing journal entries made in the year, particularly those made as part of the year end financial reporting process; and
- Challenging assumptions and judgements made by management in their critical accounting estimates which comprise depreciation, bad debt provision, accruals and deferred income.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FARNBOROUGH HILL TRUST

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.



Siobhan Holmes (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditors
Date: 12 December 2024

10 Queen Street Place
London
EC4R 1AG

THE FARNBOROUGH HILL TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**

FOR THE YEAR ENDED 31 JULY 2024

INCOME FROM:	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2024 £	Total 2023 £
Charitable activities						
School fees	4a	8,889,205	-	-	8,889,205	8,761,880
Ancillary trading	2	674,616	-	-	674,616	598,638
Voluntary sources						
Donations		-	181,000	-	181,000	130,000
Charitable trading – rental income		54,068	-	-	54,068	57,084
Investment income	3	68,842	19,707	-	88,549	43,392
Other income		37,744	-	-	37,744	17,398
Total Income		9,724,747	200,707	-	9,925,181	9,608,392
EXPENDITURE ON:						
Raising funds						
Financing costs		916	-	-	916	11,725
Investment management		-	3,724	-	3,724	2,872
		916	3,724	-	4,640	14,597
Charitable activities:						
School operating costs:						
Teaching		5,453,803	-	-	5,453,803	5,583,943
Welfare		31,612	-	-	31,612	36,612
Premises		1,936,626	-	5,500	1,942,126	1,671,805
Support costs of schooling		1,163,304	-	-	1,163,304	1,036,331
Catering, travel and other recharges		841,718	-	-	841,718	705,731
Grants, awards and prizes	4b	-	181,000	-	181,000	130,000
Total expenditure	5	9,427,988	184,724	5,500	9,618,212	9,179,019
Net income before investment gains	7	296,486	15,983	(5,500)	306,969	429,373
Investment gain		-	59,584	-	59,584	9,537
NET MOVEMENT IN FUNDS		296,486	75,567	(5,500)	366,553	438,910
Fund balances at 1 August		8,101,538	546,135	5,401,000	14,048,673	13,609,763
Fund balances at 31 July		8,398,024	621,702	5,395,500	14,415,226	14,048,673

All recognised gains and losses are included in the statement of financial activities.

All operations are continuing.

Full comparative figures for the year ended 31 July 2023 are shown in note 23.

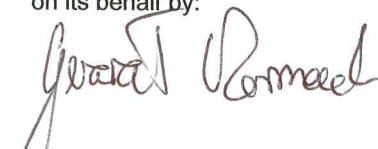
The notes on pages 17 to 30 form part of these financial statements.

BALANCE SHEET

AT 31 JULY 2024

		2024		2023	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8	11,513,096		11,486,596	
Investments	9	662,392		586,825	
			12,175,488		12,073,421
CURRENT ASSETS					
Debtors	10	726,111		251,354	
Cash at bank		11,366,052		3,020,343	
		12,006,651		3,271,697	
CREDITORS: Amounts falling due within one year	11	(4,691,983)		(1,296,445)	
NET CURRENT ASSETS			7,314,668		1,975,252
TOTAL ASSETS LESS CURRENT LIABILITIES			19,490,156		14,048,673
CREDITORS: Amounts falling due after one year	12 13	(5,074,930)		-	
TOTAL NET ASSETS	14		14,415,226		14,048,673
FUNDS					
Restricted funds	16		621,702		546,135
Endowed funds	15		5,395,500		5,401,000
Unrestricted funds	14		8,398,024		8,101,536
TOTAL FUNDS	14		14,415,226		14,048,673

The financial statements were approved and authorised for issue by the Board on 5 December 2024 and were signed below on its behalf by:


G J McCormack
 CHAIR

The notes on pages 17 to 30 form part of these financial statements.

THE FARNBOROUGH HILL TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2024

	Notes	£	2024	£	£	2023	£
NET CASH FLOWS FROM OPERATING ACTIVITIES	21			8,649,163			537,866
CASH FLOWS FROM INVESTING ACTIVITIES							
Payment for tangible assets		(307,179)			(543,430)		
Investment income		19,707			43,392		
Investment additions and movement in cash awaiting investment		(656,171)			(193,307)		
Proceeds from sale of investments		640,189			183,275		
NET CASH USED IN INVESTING ACTIVITIES				(303,454)			(510,070)
Change in cash and cash equivalents in the reporting period				8,345,709			27,796
Cash and cash equivalents at the beginning of period				3,020,343			2,992,547
CASH AND CASH EQUIVALENTS AT THE END OF REPORTING PERIOD				11,366,052			3,020,343

The notes on pages 17 to 30 form part of these financial statements.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2024

1. ACCOUNTING POLICIES

Charity information

The School is a Public Benefit Entity registered in England and Wales as a charity and a company limited by guarantee. It was incorporated on 22 June 1994 (company number: 2941378) and registered as a charity on 15 July 1994 (charity number: 1039443). Its registered office is Farnborough Road, Farnborough, Hampshire, GU14 8AT.

Basis of preparation

The financial statements have been prepared 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 (second edition) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – second edition effective 1 January 2019.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments and leasehold land and buildings.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School 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. The recent announcement of VAT on fees, the removal of mandatory business rate relief and the receding cost of living crisis, coupled with reducing interest rates, are all factored into the budgets. Accordingly, the Governors also consider it appropriate to adopt the going concern basis in preparing the financial statements.

Critical accounting judgements and key sources of estimation or uncertainty

In the application of the accounting policies, Governors are required to make judgements, 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.

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 affects current and future periods.

In the view of the Governors, 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.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2024

1. ACCOUNTING POLICIES (continued)

Investment income

Investment income from equities/shares, bank balances and fixed interest securities is accounted for on an accruals basis.

Donations, legacies, grants and other voluntary income

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to unrestricted funds. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund.

Expenditure

Expenditure is accrued as soon as a liability is considered probable. Expenditure attributable to more than one cost category in the Statement of Financial Activities is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the School's Governors, and all the costs of complying with constitutional and statutory requirements, such as costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Tangible fixed assets

Tangible fixed assets inherited by the School at 1 August 1994 are included at cost being their net book value at that date.

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £1,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £1,000 is capitalised and carried in the balance sheet at historical cost.

Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred. Individual items costing less than £1,000 are normally written off as an expense on acquisition.

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

Leasehold buildings and property investments	- 10 - 50 years
Furniture, fittings and equipment	- 4 - 10 years
Motor Vehicles	- 4 - 10 years
IT equipment	- 2 - 4 years

The gift of the 999-year lease of the School building and grounds in 2003 has been capitalised to comply with the Charities SORP. The asset has been included in the balance sheet at valuation. The trust has adopted the provisions of FRS 15 in respect of this asset and will not revalue it in the future. The land element is depreciated over the life of the lease.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2024

1. ACCOUNTING POLICIES (continued)

Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, to be spent at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Endowed funds represent the depreciated 999-year lease which was gifted to the School during the year ended 31 July 2003. The fund was valued at £5,500,000, less the Deed of Charge principal of £2,000,000. The net figure constituted an expendable endowment of £3,500,000 that was recognised as income in the Statement of Financial Activities under the heading 'Donations' in the year of receipt.

Restricted funds represent amounts donated to the School for specific purposes such as funding building developments, scholarships, seniors' bursaries and prizes.

Pension costs

Retirement benefits to employees of the School are provided through two principal pension schemes. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) The Aviva Pension Trust for Independent Schools (APTIS) is a defined contribution scheme. Contributions payable by the School during the year are included in the pension costs charged in the accounts.
- (b) Other pension costs charged in the accounts for defined contribution schemes represent the contributions payable by the School during the year.

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.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost 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 all creditors except social security and other taxes and provisions.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2024

1. ACCOUNTING POLICIES (continued)

Debtors

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

Creditors and provisions

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

Cash at bank and in hand

Cash at bank and cash 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.

Employee benefits

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

2. ANCILLARY TRADING INCOME	2024 £	2023 £
Catering	283,558	255,458
Coaches	240,176	217,589
Trips	70,307	46,935
Other	80,577	78,656
	<u>674,618</u>	<u>598,638</u>

All ancillary trading income is unrestricted in both years.

3. INVESTMENT INCOME	2024 £	2023 £
School bank interest	68,842	30,487
Restricted fund investment income	19,707	12,905
	<u>88,549</u>	<u>43,392</u>

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2024

4. SCHOOL FEES	2024 £	2023 £
a) School fees comprised:		
School fees	9,459,037	9,261,056
Registration fees	17,901	15,900
Retained deposits	500	1,000
	<u>9,513,438</u>	<u>9,277,956</u>
Less: Bursaries, grants and allowances	(805,233)	(742,574)
	<u>8,708,205</u>	<u>8,631,880</u>
 Scholarships and grants paid for by Restricted Funds	 181,000	 130,000
	<u>8,889,205</u>	<u>8,302,467</u>
 b. Grants, awards and prizes paid by restricted funds consisted of:		
Scholarships	15,000	15,000
Bursaries	166,000	115,000
	<u>181,000</u>	<u>130,000</u>
Scholarships and bursaries paid for by Restricted Funds	<u>181,000</u>	<u>130,000</u>

The above educational awards were made to 119 pupils (2023: 120).

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2024

5. ANALYSIS OF EXPENDITURE

	Staff £	Other £	Depreciation £	2024 Total £
Cost of generating funds:				
Financing costs	-	916	-	916
Investment management	-	3,724	-	3,724
	-	4,640	-	4,640
Charitable activities:				
School operating costs:				
Teaching costs	4,748,464	617,432	87,907	5,453,803
Welfare	29,735	1,866	-	31,621
Premises	473,594	1,275,761	192,771	1,942,146
Support costs	721,655	441,649	-	1,163,314
Catering, travel and other recharges	189,886	651,833	-	841,718
Grants and prizes	-	181,000	-	181,000
	6,163,333	3,174,200	280,678	9,618,212

Comparative information in respect of the preceding period is as follows:

	Staff £	Other £	Depreciation £	2023 Total £
Cost of generating funds:				
Financing costs	-	11,725	-	11,725
Investment management	-	2,872	-	2,872
	-	14,597	-	14,597
Charitable activities:				
School operating costs:				
Teaching costs	4,914,336	627,366	42,240	5,583,942
Welfare	34,712	1,900	-	36,612
Premises	378,675	1,108,646	184,484	1,671,805
Support costs	774,215	262,116	-	1,036,331
Catering, travel and other recharges	138,212	567,119	-	705,731
Grants and prizes	-	130,000	-	130,000
	6,240,150	2,712,144	226,724	9,179,018

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2024

5. ANALYSIS OF EXPENDITURE (continued)

Other support costs of schooling comprise

	2024 £	2023 £
Stationery, equipment and computers	36,195	35,946
Postage and telephone	19,168	8,483
Advertising & marketing	116,371	108,522
Professional fees	213,687	70,554
Subscriptions	18,170	15,082
Governance	24,800	21,760
Other	13,258	1,769
	<u>441,649</u>	<u>262,116</u>

Governance costs includes

	2024 £	2023 £
Audit	24,800	21,760
	<u>24,800</u>	<u>21,760</u>

6. Staff costs

Remuneration	5,165,241	5,074,717
Social security costs	416,197	510,103
Pension contributions	581,896	655,330
	<u>6,163,334</u>	<u>6,240,150</u>

The average number of employees for the year was 76 full time (2023: 77) and 65 part time (2023: 60) of which 57 full time (2023: 57) and 28 part time (2023: 28) were teaching staff. Included within the remuneration figure is £Nil relating to termination payments (2023: £208,554).

The total employee benefits of the key management personnel and the School were £690,921 (2023: £991,368).

	No.	No.
The number of employees whose emoluments exceeded £60,000 were:		
£60,000 - £70,000	12	4
£70,000 - £80,000	1	3
£80,000 - £90,000	3	-
£90,000 - £100,000	1	-
£100,000 - £110,000	-	-
£110,000 - £120,000	-	1
£150,000 - £160,000	-	1
	<u>17</u>	<u>9</u>

All of these higher paid employees (2023: all) are accruing retirement benefits under the defined contribution scheme.

No governors, or any person connected with them, received any remuneration during the year. Expenses for travel and training reimbursed to 1 governors (2023: 3) amounted to £28 (2023: £1,137).

General insurance expense includes professional indemnity and governors liability insurance for a premium of £411 (2023: £411).

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2024

7. NET MOVEMENT IN FUNDS	2024 £	2023 £
Net movement in funds is stated after charging:		
Auditors' remuneration		
- for audit	19,500	19,000
- in relation to accounts preparation	1,500	1,500
Operating lease rental expenditure	178,286	232,196
Depreciation	208,678	226,724

8. TANGIBLE FIXED ASSETS	Leasehold land and buildings	Leasehold Buildings and property improvements	Furniture fittings and motor vehicles equipment	IT Equipment	Total
	£	£	£	£	£
Cost					
At 1 August 2023	5,500,000	8,711,620	1,081,139	695,344	15,988,103
Additions	-	90,334	55,031	161,814	307,179
At 31 July 2024	5,500,000	8,801,954	1,136,170	857,157	16,295,281
Depreciation					
At 1 August 2023	99,000	3,110,382	768,830	523,295	4,501,507
Charge for the year	5,500	174,233	48,547	52,398	280,678
At 31 July 2024	104,500	3,284,616	817,376	575,693	4,782,184
Net Book Value					
At 31 July 2024	5,395,500	5,517,339	318,793	281,465	11,513,097
At 31 July 2023	5,401,000	5,601,238	312,309	172,049	11,486,596

The leasehold land and buildings relates to the gift of a 999-year full repairing lease from the Religious of Christian Education (the freeholder/lessor). The asset has been capitalised in accordance with the requirements of the Charities SORP.

The valuation was carried out by external valuers Christie & Co. (surveyors, valuers and agents) who arrived at an existing use valuation of £5,500,000 based on the current condition as at 5 December 2002.

The Trust has adopted the provisions of FRS15 in respect of the lease and will not revalue it in the future.

9. INVESTMENTS – RESTRICTED FUNDS

	Market Value		Cost	
	2024 £	2023 £	2024 £	2023 £
Listed investments	653,693	584,949	563,302	418,162
Cash awaiting reinvestment	8,703	1,876	8,703	1,876
	662,396	586,825	572,005	420,038

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2024

9. INVESTMENTS – RESTRICTED FUNDS (continued)

Investments listed on a recognised stock exchange including investments and unit trusts:

	2024	2023
	£	£
UK	5,369	166,483
Overseas	648,320	418,466
Cash: UK	8,703	1,876
	<u>662,392</u>	<u>586,825</u>
	2024	2023
	£	£
Market value at 1 August	586,825	567,256
Additions and movements in cash awaiting reinvestment	656,168	193,307
Disposals at opening market value	(640,168)	(183,275)
Gains on investments	59,584	9,537
	<u>662,392</u>	<u>586,825</u>

10. DEBTORS

	2024	2023
	£	£
Fees receivable	69,026	5,146
Prepayments and accrued income	571,572	199,121
Other debtors	85,512	47,087
	<u>726,111</u>	<u>251,354</u>

11. CREDITORS: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	668,343	187,418
Other taxes and social security costs	114,285	123,410
Other creditors	127,053	284,027
Accruals and deferred income	116,952	442,090
Pupil deposits	24,000	259,500
Fees in advance	3,433,625	-
Finance lease creditor	24,964	-
	<u>4,691,983</u>	<u>1,296,445</u>

Deferred income of £33,868 relates to fees paid on account for future terms (2023: £55,821).

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2024

12. CREDITORS: Amounts falling due within one year	2024 £	2023 £
Finance lease	83,181	-
Fees in advance	4,991,749	-
	<u>5,074,930</u>	<u>-</u>

13. Finance lease/Fees in advance maturity

FINANCE LEASE	2024	2023
Due less than one year	24,964	-
Due more than one year	83,181	-
	<u>104,419</u>	<u>-</u>

FEES IN ADVANCE	2024	2023
Assuming the pupils remain in the School, advance fees will apply as follows:		
Due less than one year	3,433,625	-
Due between two and five years	4,972,218	-
Due more than five years	19,530	-
	<u>8,425,372</u>	<u>-</u>

14. ALLOCATION OF CHARITY NET ASSETS

The School's assets are held for the various funds as follows:

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	2024 Total £
Tangible fixed assets	6,117,596	-	5,395,500	11,513,096
Investments	-	662,392	-	662,392
Net current assets	2,280,428	(40,690)	-	2,239,738
	<u>8,398,024</u>	<u>621,702</u>	<u>5,401,000</u>	<u>14,415,226</u>

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2024

COMPARATIVE ALLOCATION OF CHARITY NET ASSETS

	Unrestricted Funds	Restricted Funds	Endowed Funds	2023 Total
	£	£	£	£
Tangible fixed assets	6,085,596	-	5,401,000	11,486,596
Investments	-	586,825	-	586,825
Net current assets	2,015,942	(40,690)	-	1,975,252
	<u>8,101,538</u>	<u>546,135</u>	<u>5,401,000</u>	<u>14,048,654</u>

15. ENDOWMENT FUNDS	Balance 1 August 2023 £	Income £	Expenditure £	Net Investment Gains £	Balance 31 July 2024 £
Endowed funds	<u>5,406,500</u>	<u>-</u>	<u>(5,500)</u>	<u>-</u>	<u>5,395,500</u>

COMPARATIVE ENDOWMENT FUNDS

ENDOWMENT FUNDS	Balance 1 August 2021 £	Income £	Expenditure £	Net Investment Gains £	Balance 31 July 2023 £
Endowed funds	<u>5,412,000</u>	<u>-</u>	<u>(5,500)</u>	<u>-</u>	<u>5,406,500</u>

16. RESTRICTED FUNDS	Balance 1 August 2023 £	Income £	Expenditure £	Net Investment Gains £	Balance 31 July 2024 £
Bursary Fund	389,290	194,982	(168,642)	42,275	457,904
Scholarship Fund	156,845	5,725	(1,082)	17,309	163,798
	<u>546,135</u>	<u>200,707</u>	<u>(184,724)</u>	<u>59,584</u>	<u>621,702</u>

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2024

COMPARATIVE RESTRICTED FUNDS

RESTRICTED FUNDS	Balance 1 August 2021 £	Income £	Expenditure £	Net Investment Gains £	Balance 31 July 2023 £
Bursary Fund	360,406	139,156	(117,038)	6,766	389,290
Scholarship Fund	166,159	3,749	(15,834)	2,771	156,845
	<u>526,565</u>	<u>142,905</u>	<u>(132,872)</u>	<u>9,537</u>	<u>546,135</u>

Restricted funds are employed as follows: -

Bursary Fund: Used for the provision of fee assistance.

Scholarship Fund: Used for scholarships awarded to students.

Prize Fund: Used in recognition of pupils' achievements within the School.

Unrestricted funds are used in the day to day running of the School.

Endowed funds constitute an expendable endowment for the 999-year lease of the School land and buildings.

17. FINANCIAL COMMITMENTS

At 31 July 2024 the School had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2024 £	2023 £	2024 £	2023 £
Within 1 year	70,000	70,000	109,636	83,134
Between 1 and 5 years	280,000	280,000	158,683	128,354
Greater than five years	<u>68,110,000</u>	<u>68,180,000</u>	<u>-</u>	<u>-</u>

18. CAPITAL COMMITMENTS

At 31 July 2024 the School had outstanding contractual commitments for capital expenditure of £Nil (2023: £17,665).

19. CONTINGENT LIABILITIES

The Trustees of The Institute of Christian Education ("ICE/the Lessor/freeholder") gifted the company a 999 year lease over the land and school buildings in 2003. The lease was professionally valued at its existing use value as a school. To protect its interests in ensuring the property continued as a school, the ICE and company also entered into a first legal charge in lieu in August 2003. While drawn up and initially accounted for as a loan with a principal of £2,000,000, it also included reference to an "Additional Sum" which would capture 20% of any market gain over existing use should the property ever be sold for development. This event would also trigger repayment of the "principal". As the land and buildings continue to be used for their existing purpose as a school, the principal sum of £2,000,000 is not repayable and there is no additional sum. As a result, no amounts have been provided in these financial statements.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2024

20. PENSION SCHEME

Defined Contribution Schemes

The School also runs a defined contribution scheme for its non-teaching staff. The School's contributions to the scheme during the year ended 31 July 2024 were £83,235 (2023: £72,020) and at the year-end £Nil (2023: £9,868) was accrued in respect of contributions to the scheme.

The School joined APTIS from 1 September 2023 for teaching staff. The School's contributions to the scheme during the year ended 31 July 2024 were £574,899 (2023: £583,310) and at the year-end £Nil (2023: £72,883) was accrued in respect of contributions to the scheme.

21. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2024 £	2023 £
Net movement in funds	366,553	438,910
Depreciation	280,678	226,724
Increase in debtors	(453,473)	(22,072)
Increase/(decrease) in creditors	8,534,946	(52,767)
Investment income	(19,707)	(43,392)
(Gain) on investment	(59,584)	(9,537)
Net cash inflow from operations	<u>8,649,163</u>	<u>537,866</u>

22. ANALYSIS OF CHANGES IN NET DEBT	2023 £	Cashflows In Year £	Other non cash changes £	2024 £
Cash at bank	3,020,343	8,345,709	-	11,366,052
Debt due within one year	-	-	(24,964)	(24,964)
Debt due after one year	-	(104,109)	24,964	(83,111)
	<u>3,020,343</u>	<u>8,241,600</u>	<u>-</u>	<u>11,261,943</u>

23. RELATED PARTIES

There were no related party transactions in the year (2023: none).

24. TAXATION

The School is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2024

23. STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND TYPE

INCOME FROM:	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2023 £	Total 2022 £
Charitable activities						
School fees	4a	8,761,880	-	-	8,761,880	8,302,467
Ancillary trading	2	598,638	-	-	598,638	529,504
Voluntary sources						
Donations		-	130,000	-	130,000	130,000
Charitable trading – rental income		57,084	-	-	57,084	50,731
Investment income	3	30,487	12,905	-	43,392	12,033
Other income		17,398	-	-	17,398	70,350
Total Income		<u>9,465,487</u>	<u>142,905</u>	<u>-</u>	<u>9,608,392</u>	<u>9,095,085</u>
EXPENDITURE ON:						
Raising funds						
Financing costs		11,725	-	-	11,725	(16,114)
Investment management		-	2,872	-	2,872	3,352
		<u>11,725</u>	<u>2,872</u>	<u>-</u>	<u>14,597</u>	<u>(12,762)</u>
Charitable activities:						
School operating costs:						
Teaching		5,583,943	-	-	5,583,943	5,367,311
Welfare		36,612	-	-	36,612	35,634
Premises		1,666,305	-	5,500	1,671,805	1,653,552
Support costs of schooling		1,036,331	-	-	1,036,331	783,940
Catering, travel and other recharges		705,731	-	-	705,731	590,042
Grants, awards and prizes	4b	-	130,000	-	130,000	130,000
Total expenditure	5	<u>9,040,647</u>	<u>132,872</u>	<u>5,500</u>	<u>9,179,019</u>	<u>8,547,717</u>
Net income before investment gains	7	424,840	10,033	(5,500)	429,373	547,368
Investment gain/(loss)		-	9,537	-	9,537	(25,028)
NET MOVEMENT IN FUNDS		<u>424,840</u>	<u>19,570</u>	<u>(5,500)</u>	<u>438,910</u>	<u>522,340</u>
Fund balances at 1 August		<u>7,676,698</u>	<u>526,565</u>	<u>5,406,500</u>	<u>13,609,763</u>	<u>13,087,423</u>
Fund balances at 31 July		<u><u>8,101,538</u></u>	<u><u>546,135</u></u>	<u><u>5,401,000</u></u>	<u><u>14,048,673</u></u>	<u><u>13,609,763</u></u>

THE FARNBOROUGH HILL TRUST

England & Wales - Charity number 1039443

Accounts

THE FARNBOROUGH HILL TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

Company Number: 2941378
Charity Number: 1039443

THE FARNBOROUGH HILL TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 JULY 2023

The Governors who served throughout the year (unless stated otherwise) were:

Mr G J McCormack *#
Miss H Griffiths #
Mr M Bernard #
Mrs A Berry #
Mr C Fowler-Tutt *+
Dr G Huxford #
Miss N Hills *
Mrs J L Micklethwaite #
Dr H Patel * resigned 15th September 2023
Mr P Smith * resigned 1st December 2022
Mr G Selby* Appointed 30th March 2023

* Member of the Finance and General Purposes Committee

Member of the Education Committee

+ Farnborough Hill representative at the Association of Governing Bodies of Independent Schools

Members of the Trust

Mr M Maher Chair
Sr R O'Looney RCE
Sr E McCormack RCE
Sr C Nagle RCE
Mrs S Buckle
Mr T J Flesher
Mr J B Hull
Mrs C E Hamilton
Mr GJ McCormack

The Head: Mrs Z Ireland (Acting from June 2023)
 Ms A Callaghan BA (Hons) MA PGCE

Address: Farnborough Hill
 Farnborough Road
 Farnborough
 Hampshire GU14 8AT

Bankers: NatWest Bank Plc
 Farnborough & Basingstoke Commercial Centre
 Ground Floor
 200 Fowler Avenue
 IQ Farnborough
 Farnborough
 Hampshire GU14 7JP

Auditors: Haysmacintyre LLP
 10 Queen Street Place
 London EC4R 1AG

Investment Advisers: Coutts & Co
 440 Strand
 London WC2R 0QS

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 JULY 2023

INTRODUCTION

The Governors (or Directors) - who are charity Trustees for the purposes of the Charities Act 2011 - present their annual report in compliance with both that Act and the Companies Act 2006, together with the financial statements prepared under the latter Act, for the year ended 31 July 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and Administration

The Farnborough Hill Trust (Farnborough Hill) was incorporated as a private company limited by guarantee on 22 June 1994. Farnborough Hill is a registered charity number 1039443. The Trust includes the Farnborough Hill Bursary, Scholarship and Prize Fund.

The governing documents are the Instrument of Government, approved by the Charity Commission and the Principal Superior of the Institute of Christian Education, and the Memorandum and Articles of Association. Where ambiguity arises, the Memorandum and Articles of Association prevail.

Governing Body

The Governors who served during the year and to the date of this report are shown on page 1.

The governing documents require that the Board of Governors should consist predominantly of Roman Catholics. It should consist of not less than five and not more than fifteen Governors. The Members can appoint any suitable person who is willing to act as a Governor in a general meeting by a simple majority. One third of the Governors retire by rotation at each Annual General Meeting but are eligible for re-election at that meeting.

Governors regularly attend training seminars and courses organised by ISBA, AGBIS and other professional bodies with the aim of keeping up to date with governance, compliance and safeguarding issues. Attendance at relevant INSET training for academic staff is also encouraged and the interaction with academic staff, at such training, is deemed to be of a significant benefit as are the Governors' regular "Learning Walks" to observe the school in action.

Prospective Governors are normally invited to visit the School and undertake an induction programme, attend AGBIS training for new Governors and attend school events and Governors' meetings prior to being nominated for election by the Members of the Trust. On appointment each Governor is given a copy of the Memorandum and Articles of Association and the Instrument of Government, together with any other documentation appropriate at the time.

Organisation

The Board of Governors and its two committees, namely Finance & General Purposes and Education, set out the general policy of the school. The day-to-day affairs of the school are run by the School's Senior Leadership Team.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Objects

Farnborough Hill is an independent Roman Catholic Day School for Girls age 11 -18 years and the Head is a member of the Girls' Schools Association and Independent School's Association. The School is dedicated to educating the whole person within a happy, caring Christian community where each individual is valued. Girls from all Christian denominations, other faiths and none are welcomed into the School.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2023

Objects

The objects of the Farnborough Hill Trust are to advance the Roman Catholic faith by the education of children of all faiths and none in the Christian tradition.

Objectives for the year ahead

- a. To reassess and deliver a broad curriculum.
- b. To maintain healthy recruitment specifically into Year 7 and the Sixth Form and generally throughout the school years.
- c. To build closer links with the wider Farnborough Hill community

Strategies to achieve the year's objectives

Strategies employed to achieve the above objectives include:

- a. SLT to review the current curriculum and adjust to meet changing needs to educate the whole person in today's educational climate.
- b. Review, update and implement the admissions and marketing plan under the new Director of Admissions guidance.
- c. Proactive and detailed project management of the School's estate.
- d. Engage with industry experts to survey all school buildings to produce a School Sustainability Plan.
- e. Putting in place a strategy to more closely involve the wider Farnborough Hill community, past and present.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

ISI Inspection Update

With the new F23 framework now being put into action, we are preparing for the new framework requirements and will be ready for our next inspection expected around the start of 2025 (as the framework now moves on a three-year cycle, rather than six).

An interesting development is that we will no longer be graded as, 'excellent' for instance, and we will be judged on all regulatory standards to ensure that we meet these. Our goal will be to demonstrate 'significant strength' in key areas as these will provide the foundation of the report. This is a more nuanced approach and one that we are excited about as it allows us, alongside all key stakeholders, to sift through the standards and decide which most align to our mission and to develop a plan on how best to exemplify these.

A level Headlines

- In a cohort of 30 students, two pupils achieved four A* and two further students achieved three A*.
- One student secured four A* or A grades and three further candidates secured three A* or A grades.
- The percentage grade in the cohort was a Grade B+.
- The % of A* - B was 76.1%.
- Computing, History, Maths and Politics achieved all A*s and As
- In addition to the A level results, one student achieved a Merit in her L3 Certificate in Food Science and Nutrition, and another has been shortlisted as a Finalist at the National Cyber Awards for her EPQ on Cyber Security.

GCSE Headlines

- 34.97% of grades were A* equivalent (Grades 9 and 8); 53.49% were graded 9-7.
- Three pupils achieved all Grade 9s.
- Nine further pupils achieved all Grades 9 and 8 and a further 11 pupils got all Grades 9-7.
- 1 pupil achieved a Grade 8 in Further Maths; 1 pupil (Year 10) achieved a Grade 9 in Russian, sat this year; another pupil achieved a Grade 9 in Russian, sat in 2021
- Further Maths, Biology, Physics, Chemistry, History, Geography, and Music all averaged above a grade 7 (7.14 or above).
- The Average Points score was 6.66 and the Average MidYis/Yellis Grade Differential was 0.8.
- 44 Year 9 pupils completed Level 1 and 2 Projects: 27% achieved A*, 59% A, 4% B and 5% C.

Digital Infrastructure

The School's IT support continues to be outsourced to CST. We have reviewed contract delivery through the summer break and maintain a close dialogue to get the best outcome. CST will revise summer actions to include routine health checks before the start of the school year.

We have a number of contracts that are soon due for renewal, including telephony, photocopiers and CST's support. These are currently being investigated and discussed with the relevant parties. We are also awaiting an updated version of CST's roadmap for the network infrastructure which will help us plan for any essential network upgrades that need to take place in the coming year.

Over the summer break all of the Promethean ActivPanel Screens in the classrooms were replaced with updated models because the existing model's leases had expired. All of the teacher iPads were also replaced with more powerful and versatile iPad Air variants.

The larger screens of these iPads should allow for easier marking for teachers as well as being more versatile in the classroom thanks to USB-C connectivity, which means that they can be quickly connected to the boards without having to rely on wi-fi.

The sign in system that was introduced for visitors last term has now been fully implemented for all staff. Lanyards have been produced and sign in locations created around the school. All staff now virtually sign in and out each day which is beneficial for both safeguarding and fire safety.

The iPads for Years 7 were successfully deployed earlier this term and we have built on the lessons learnt last year and increased the training for Year 7 pupils which has led to a much smoother adoption by pupils.

Curriculum and School Life

The curriculum is broad and balanced. Girls in Years 7 and 8 are exposed to up to 17 subjects (not consecutively) before reducing their portfolio to 13 subjects in Year 9, and then reducing further to eight subjects, which translates to 10 GCSEs in Years 10 and 11. From September 2024 pupils will study a core of nine GCSEs with the brighter pupils being able to access an additional one or two GCSEs, providing they meet a criteria and various milestones along the way. In Year 7 pupils are exposed to three modern foreign languages in a carousel in their first half term, following on from the carousel they will choose two MFLs for the remainder of the year, alongside Latin. In Year 8 pupils will then opt for two languages. Year 9, have the choice of continuing with one or two languages including Latin.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2023

In the Sixth Form the School follows a three A level linear model. Furthermore, bi-weekly careers lessons and an EPQ lesson have been embedded into all Lower Sixth students' timetables as well as a coaching programme – Ivy House. All pupils participate in weekly PE lessons and the RE Department has developed an exciting RE curriculum, that involves various service projects that the girls opt into.

As part of our strategy for recruitment and retention we have reviewed and changed the Open Afternoon from the current format. The new format allows parents and pupils to take part in self-guided tours of the school, with the Sixth Form dotted around the school to ensure all visitors move along to the right places. We had 200 people registered for the Open Afternoon (13 October 2023) including 24 families who had not yet registered for the entrance examination for a 2024 intake. The Director of Admissions and Marketing and the Bursar delivered presentations to the Middle Leaders about finance and marketing, to help staff understand the 'why' behind some of our marketing activities. Furthermore, we will be launching Farnborough Hill Fridays: short taster sessions on Friday (early evening) for those who have registered for our entrance exam, with parents being invited to stay in school and relax in the Lafosse centre, meet the SLT and/or take advantage of the upstairs working space. This has been met with enthusiasm by prospective families and also staff.

In the Sixth Form we are keen to increase retention and this will be, along with recruitment the focus of our Governors' strategy day. The leadership team will be surveying past and present pupils to gain a full picture of what activities and extras are popular and those that are now well received in order to make informed decisions. One 'easy fix' is to bring back MacBook's for the Sixth Form, as well as a fixed Head of Year (HOY) 11. The last time we had both (MacBook's and a fixed HOY 11) numbers were in the 40s. We are also targeting external families and 19 families attended the sixth form open afternoon. On a positive note we have 37 in the Lower sixth, and this includes 6 external girls.

School Development

The two-year development plan is now in place.

The four key pillars are the foundations of all development namely:

- Have a connected community made up of dynamic and inspired staff and pupils
- Unleash the power and potential of all
- Develop innovative spaces
- Have a more sustainable and balanced, earth-friendly environment

And every element of school life (academic, administrative, Business and sustainability and development, development of character, pastoral and school environment, Sixth Form, spiritual life and staff development) is included as we seek to collaboratively build upon where we are and grow as a community.

THE SCHOOL AND THE COMMUNITY (PUBLIC BENEFIT)

The Governors and Senior Leadership Team consider that the School should strive to play a full and responsible part in the wider community, so living out our Mission Statement

We have continued our charity work with the local community and raised over £15,000 for good causes in addition to non-monetary donations through food and clothing to local charities assisting families in need.

There were 34 Bursary awards made during the year to families who required financial assistance to send their daughters to Farnborough Hill.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2023

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

This is the 29th financial year for the Farnborough Hill Trust, the School having been transferred to the Trust by the Institute of Christian Education as a going concern on 1 August 1994. During this year Farnborough Hill has had a roll of 555 pupils. The anticipated roll for 2024 and thereafter is encouraging and the Governors are confident that the School can continue to maintain numbers comfortably in excess of any break-even requirement.

The Bursary and Scholarship funds have been used to good effect this year and continue to be met with support from Unrestricted Funds. Academic scholarships are awarded in Years 7 and 11 for the Sixth Form. Each year the School normally offers to Year 7 entrants a number of major scholarships each worth one fifth of fees and a number of minor scholarships worth one tenth of fees. One of the major scholarships is available only to a Roman Catholic pupil but the remainder are completely unrestricted.

Each year there are also two Music, two Sports and two Art Scholarship awards on offer at Year 7, each worth one fifth of fees. A number of scholarships of up to £3,000 each are awarded annually for the two Sixth Form years.

The Board of Governors wishes to acknowledge the continued generosity of the Sisters of the Institute of Christian Education in making very significant donations to the Scholarship, and in particular the Bursary funds which this year, as in 2022 totaled £130,000. These are of immense help in maintaining the Objects and Policy of the School and in assisting Catholic pupils to attend Farnborough Hill when parents could not otherwise afford the fees.

Grant Making Policy

The Governor's policy, in line with that of other independent schools, is to make these awards on the basis of the individual's assessed financial need in the case of bursaries, and educational ability when allocating scholarships and prizes (subject to any particular conditions imposed by the original donor where the award is made out of restricted funds)

This year the total value of bursaries, scholarships and prizes made to the School's pupils amounted to £646,076 (2021: £695,939). This included a total of £130,000 (2022: £130,000) from restricted funds, comprising bursaries £115,000 (2021: £115,000) and scholarships £15,000 (2021: £15,000).

Reserves Policy

The School needs reserves to ensure it can fulfil and complete the charitable obligations and commitments it enters into.

As at 31 July 2023, the total funds of the School were £14,048,673 which included restricted funds of £546,135 and unrestricted funds of £8,101,538 – the bulk of which is represented by the School's fixed assets i.e. its buildings. As with all schools, the School's reserves policy is closely linked to its working capital needs through the year and to its development plan in the medium term. The Governors are aware that it is not always possible for a major new development project to be funded solely from current resources and alternative means of funding may be required. It is also the intention of Governors, successfully in the past, to steadily build up the School's reserves over time from modest annual operating surpluses.

At the end of the financial year the level of freely available reserves, represented by net current assets stood at £1,975,252 (2022: £1,872,617). Unrestricted fund operating costs currently amount to £9,040,647 (2022: £8,408,865) per annum.

In the accounts unrestricted funds relate to the general school funds and restricted funds comprise the Bursary, Scholarship and Prize Funds.

The value of the restricted funds at the end of the year is £546,135 (2022: £526,565). The actual surplus of unrestricted funds over the year's activities was £424,840 (2022: £545,707).

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2023

The School is entirely self-supporting and its funds have been carefully built up over the past 29 years through prudent financial management.

Key Management Pay

The Governors consider the Senior Leadership Team to comprise the key management personnel of the School as they are in charge of directing and controlling, running and operating the School on a day-to-day basis. All Governors give of their time freely and no Governor received remuneration in the year. The fact that there are no related party transactions is disclosed in Note 21 to the accounts.

The remuneration of the Senior Leadership Team and all staff is reviewed annually. In view of the nature of the organisation, the governing body benchmarks against pay levels in other similar educational organisations.

Investment Policy and Objectives

In accordance with the powers given in its governing documents, the Charity has delegated the management of its investment portfolio to a specialist adviser who has been instructed to balance capital growth and income in managing its portfolio. The investment manager has completed these aims within current market conditions. Income from listed investments is £12,905 (2022: £10,513) and the market value at the year-end is £586,825 (2022: £567,256), as shown in Note 9 to the financial statements.

Fundraising Practices

Farnborough Hill has not made any fundraising appeals to the general public. Fundraising normally focusses on securing grants and donations from government bodies, registered charities, business links and parents, but not so far from alumni. However, this latter potential source is an area under active consideration. There has been no outsourced fundraising via professional fundraisers or other third parties. Consequently, the School is not registered with the fundraising regulator and received no fundraising complaints in the year. Parental donations are entirely voluntary.

RISK MANAGEMENT AND PRINCIPAL RISKS

The School has a formal risk management process through which the Senior Leadership Team identifies the major risks to which the organisation may be exposed and has ranked these by likelihood and impact, culminating in a risk control document which is updated on a regular basis. All significant risks, together with current mitigation actions, are reviewed regularly throughout the year by the Governing Body. The Governors are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2023

The principal risks and uncertainties identified by the School are as follows:

Risk identified	Action to mitigate the risk
Fall in pupil numbers	Numbers throughout the recruiting process will be closely monitored and marketing and admissions strategies will be adjusted as required. The School will ensure that it remains an attractive option for future parents both academically and in the provision of excellent facilities.
Catastrophic business interruption	Well trialed and tested Emergency Recovery plans are in place supported by comprehensive insurance cover to ensure the continued operation of the school.
Externally imposed financial pressures. (VAT on Fees/Loss of Mandatory Business rate relief)	The school continues to monitor the situation and react to advice and guidance given by relevant bodies. Provision is then considered for inclusion in forecasts and following year budgets.
Reputational damage	The School has a well trialed and tested Emergency Recovery plan. A comprehensive suite of risk assessments and policies are in place which mitigates against events that would potentially lead to reputational damage.
Decrease in academic achievement	Ensure continued recruitment of high calibre teaching staff. Maintain attractive pay scales. Continue to provide a welcoming, stimulating, vibrant and well supported work environment.

The risks to which the School is exposed have been considered and steps taken to determine their relative importance. Risks are graded using a traffic light assessment that classifies Major, Average and Minor Risks detailed within the Risk Assessment Plan. The Major Risks, as identified by the Governors, have been reviewed and systems established to mitigate those risks.

FUTURE PLANS

Future Plans are detailed within the Long-Term Strategic Plan, which is reviewed regularly by the Board of Governors. Main objectives for the next four years, as previously stated, are as follows:

- a. To provide a broad and balanced curriculum.
- b. To provide enhanced facilities for teaching and learning whilst improving facilities infrastructure and the integrity of the Grade I listed building.
- c. Continue to renew, extend and improve ICT facilities and infrastructure to all pupils and teachers as part of the School's overall ICT strategy.
- d. Monitor trends in Year 7 recruitment and Sixth Form retention and consider implementing further strategies to maintain recruitment and increase retention.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2023

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors 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 company and of the profit or loss of the company for that year. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

So far as each of the Governors is aware up to the time this report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Governors have taken all steps that 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.

AUDITORS

A resolution to re-appoint Haysmacintyre LLP will be submitted to the Annual General Meeting.

Approved by the Board on 7 December 2023 and signed on its behalf by



G J McCormack (Chair)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FARNBOROUGH HILL TRUST

Opinion

We have audited the financial statements of Farnborough Hill Trust for the year ended 31 July 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of the charitable company's net movement in funds, including the 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 Governors' 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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Governors' Report (which includes the directors' 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 directors' report included within the Governors' 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 Governors' Report (which incorporates the directors' 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 by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors for the financial statements

As explained more fully in the Governors' responsibilities statement (set out on page 9), the Governors (who act as Trustees of Farnborough Hill Trust and 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 Governors 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 Governors 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission, the Independent Schools Inspectorate (ISI) and the statutory safeguarding and child protection guidance issued by the Department for Education (DfE), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Charities SORP (2019), Companies Act 2006 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risk was related to the recognition of voluntary income. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the charity, particularly in relation to the recording of income and processing of payments and payroll, to ensure these were in place throughout the year,;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing and testing journal entries made in the year, particularly those made as part of the year end financial reporting process; and
- Challenging assumptions and judgements made by management in their critical accounting estimates which comprise depreciation, bad debt provision, accruals and deferred income.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FARNBOROUGH HILL TRUST

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.



Siobhan Holmes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 25 April 2024

10 Queen Street Place
London
EC4R 1AG

THE FARNBOROUGH HILL TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 JULY 2023

INCOME FROM:	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2023 £	Total 2022 £
Charitable activities						
School fees	4a	8,761,880	-	-	8,761,880	8,302,467
Ancillary trading	2	598,638	-	-	598,638	529,504
Voluntary sources						
Donations		-	130,000	-	130,000	130,000
Charitable trading – rental income		57,084	-	-	57,084	50,731
Investment income	3	30,487	12,905	-	43,392	12,033
Other income		17,398	-	-	17,398	70,350
Total Income		<u>9,465,487</u>	<u>142,905</u>	<u>-</u>	<u>9,608,392</u>	<u>9,095,085</u>
EXPENDITURE ON:						
Raising funds						
Financing costs		11,725	-	-	11,725	(16,114)
Investment management		-	2,872	-	2,872	3,352
		<u>11,725</u>	<u>2,872</u>	<u>-</u>	<u>14,597</u>	<u>(12,762)</u>
Charitable activities:						
School operating costs:						
Teaching		5,583,943	-	-	5,583,943	5,367,311
Welfare		36,612	-	-	36,612	35,634
Premises		1,666,305	-	5,500	1,671,805	1,653,552
Support costs of schooling		1,036,331	-	-	1,036,331	783,940
Catering, travel and other recharges		705,731	-	-	705,731	590,042
Grants, awards and prizes	4b	-	130,000	-	130,000	130,000
Total expenditure	5	<u>9,040,647</u>	<u>132,872</u>	<u>5,500</u>	<u>9,179,019</u>	<u>8,547,717</u>
Net income before investment gains	7	424,840	10,033	(5,500)	429,373	547,368
Investment gain/(loss)		-	9,537	-	9,537	(25,028)
NET MOVEMENT IN FUNDS		<u>424,840</u>	<u>19,570</u>	<u>(5,500)</u>	<u>438,910</u>	<u>522,340</u>
Fund balances at 1 August		<u>7,676,698</u>	<u>526,565</u>	<u>5,406,500</u>	<u>13,609,763</u>	<u>13,087,423</u>
Fund balances at 31 July		<u>8,101,538</u>	<u>546,135</u>	<u>5,401,000</u>	<u>14,048,673</u>	<u>13,609,763</u>

All recognised gains and losses are included in the statement of financial activities.

All operations are continuing.

Full comparative figures for the year ended 31 July 2022 are shown in note 23.

The notes on pages 16 to 29 form part of these financial statements.

BALANCE SHEET

AT 31 JULY 2023

		2023		2022	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8	11,486,596		11,169,890	
Investments	9	586,825		567,256	
			12,073,421		11,737,146
CURRENT ASSETS					
Debtors	10	251,354		229,282	
Cash at bank		3,020,343		2,992,547	
		3,271,697		3,221,829	
CREDITORS: Amounts falling due within one year	11	(1,296,445)		(1,349,212)	
NET CURRENT ASSETS			1,975,252		1,872,617
NET ASSETS	12		14,048,673		13,609,763
FUNDS					
Restricted funds	14		546,135		526,565
Endowed funds	13		5,401,000		5,406,500
Unrestricted funds	12		8,101,538		7,676,698
TOTAL FUNDS	12		14,048,673		13,609,763

The financial statements were approved and authorised for issue by the Board on 7 December 2023 and were signed below on its behalf by:



G J McCormack
CHAIR

The notes on pages 16 to 29 form part of these financial statements.

THE FARNBOROUGH HILL TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2023

	Notes	£	2023	£	£	2022	£
NET CASH FLOWS FROM OPERATING ACTIVITIES	19			537,866			844,525
CASH FLOWS FROM INVESTING ACTIVITIES							
Payment for tangible assets		(543,430)			(1,088,801)		
Proceeds from sale of tangible fixed assets		-			22,021		
Investment income		43,392			12,033		
Investment additions and movement in cash awaiting investment		(193,307)			(423,951)		
Proceeds from sale of investments		183,275			416,794		
NET CASH USED IN INVESTING ACTIVITIES				(510,070)			(1,061,904)
Change in cash and cash equivalents in the reporting period				27,796			(217,379)
Cash and cash equivalents at the beginning of period				2,992,547			3,209,926
CASH AND CASH EQUIVALENTS AT THE END OF REPORTING PERIOD				3,020,343			2,992,547

The notes on pages 16 to 29 form part of these financial statements.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

1. ACCOUNTING POLICIES

Charity information

The School is a Public Benefit Entity registered in England and Wales as a charity and a company limited by guarantee. It was incorporated on 22 June 1994 (company number: 2941378) and registered as a charity on 15 July 1994 (charity number: 1039443). Its registered office is Farnborough Road, Farnborough, Hampshire, GU14 8AT.

Basis of preparation

The financial statements have been prepared 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 (second edition) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – second edition effective 1 January 2019.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments and leasehold land and buildings.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School 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. The recent energy crisis is subsiding, leaving inflation still high, impacting the cost of living. The School is also preparing for the likely changes in taxation proposed by a prospective Labour government. Accordingly, the Governors consider it appropriate to adopt the going concern basis in preparing the financial statements.

Critical accounting judgements and key sources of estimation or uncertainty

In the application of the accounting policies, Governors are required to make judgements, 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.

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 affects current and future periods.

In the view of the Governors, 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.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

1. ACCOUNTING POLICIES (continued)

Investment income

Investment income from equities/shares, bank balances and fixed interest securities is accounted for on an accruals basis.

Donations, legacies, grants and other voluntary income

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to unrestricted funds. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund.

Expenditure

Expenditure is accrued as soon as a liability is considered probable. Expenditure attributable to more than one cost category in the Statement of Financial Activities is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the School's Governors, and all the costs of complying with constitutional and statutory requirements, such as costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Tangible fixed assets

Tangible fixed assets inherited by the School at 1 August 1994 are included at cost being their net book value at that date.

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £1,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £1,000 is capitalised and carried in the balance sheet at historical cost.

Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred. Individual items costing less than £1,000 are normally written off as an expense on acquisition.

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

Leasehold buildings and property investments	- 10 - 50 years
Furniture, fittings and equipment	- 4 - 10 years
Motor Vehicles	- 4 - 10 years
IT equipment	- 2 - 4 years

The gift of the 999-year lease of the School building and grounds in 2003 has been capitalised to comply with the Charities SORP. The asset has been included in the balance sheet at valuation. The trust has adopted the provisions of FRS 15 in respect of this asset and will not revalue it in the future. The land element is depreciated over the life of the lease.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

1. ACCOUNTING POLICIES (continued)

Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, to be spent at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Endowed funds represent the depreciated 999-year lease which was gifted to the School during the year ended 31 July 2003. The fund was valued at £5,500,000, less the Deed of Charge principal of £2,000,000. The net figure constituted an expendable endowment of £3,500,000 that was recognised as income in the Statement of Financial Activities under the heading 'Donations' in the year of receipt.

Restricted funds represent amounts donated to the School for specific purposes such as funding building developments, scholarships, seniors' bursaries and prizes.

Pension costs

Retirement benefits to employees of the School are provided through two principal pension schemes. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) The Aviva Pension Trust for Independent Schools (APTIS) is a defined contribution scheme. Contributions payable by the School during the year are included in the pension costs charged in the accounts.
- (b) Other pension costs charged in the accounts for defined contribution schemes represent the contributions payable by the School during the year.

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.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost 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 all creditors except social security and other taxes and provisions.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

1. ACCOUNTING POLICIES (continued)

Debtors

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

Creditors and provisions

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

Cash at bank and in hand

Cash at bank and cash 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.

Employee benefits

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

2. ANCILLARY TRADING INCOME	2023 £	2022 £
Catering	255,458	235,584
Coaches	217,589	185,565
Trips	46,935	40,194
Other	78,656	68,161
	<u>598,638</u>	<u>529,504</u>

All ancillary trading income is unrestricted in both years.

3. INVESTMENT INCOME	2023 £	2022 £
School bank interest	30,487	1,520
Restricted fund bank and other interest	-	-
Restricted fund investment income	12,905	10,513
	<u>43,392</u>	<u>12,033</u>

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

4. SCHOOL FEES	2023 £	2022 £
a) School fees comprised:		
School fees	9,261,056	8,891,741
Registration fees	15,900	18,800
Retained deposits	1,000	4,500
	<u>9,277,956</u>	<u>8,915,041</u>
Less: Bursaries, grants and allowances	(646,076)	(742,574)
	<u>8,631,880</u>	<u>8,172,467</u>
 Scholarships and grants paid for by Restricted Funds	 130,000	 130,000
	<u>8,761,880</u>	<u>8,302,467</u>
 b. Grants, awards and prizes paid by restricted funds consisted of:		
Scholarships	15,000	15,000
Bursaries	115,000	115,000
	<u>130,000</u>	<u>130,000</u>
Scholarships and bursaries paid for by Restricted Funds	<u>130,000</u>	<u>130,000</u>

The above educational awards were made to 120 pupils (2022: 136).

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

5. ANALYSIS OF EXPENDITURE

	Staff £	Other £	Depreciation £	2023 Total £
Cost of generating funds:				
Financing costs	-	11,725	-	11,725
Investment management	-	2,872	-	2,872
	-	14,597	-	14,597
Charitable activities:				
School operating costs:				
Teaching costs	4,914,336	627,366	42,240	5,583,942
Welfare	34,712	1,900	-	36,612
Premises	378,675	1,108,646	184,484	1,671,805
Support costs	774,215	262,116	-	1,036,331
Catering, travel and other recharges	138,212	567,519	-	705,731
Grants and prizes	-	130,000	-	130,000
	6,240,150	2,712,144	226,724	9,179,018

Comparative information in respect of the preceding period is as follows:

	Staff £	Other £	Depreciation £	2022 Total £
Cost of generating funds:				
Financing costs	-	(16,114)	-	(16,114)
Investment management	-	3,352	-	3,352
	-	(12,762)	-	(12,762)
Charitable activities:				
School operating costs:				
Teaching costs	4,590,451	607,887	168,973	5,367,311
Welfare	32,330	3,304	-	35,634
Premises	401,703	1,084,975	166,874	1,653,552
Support costs	618,095	165,845	-	783,940
Catering, travel and other recharges	117,694	472,348	-	590,042
Grants and prizes	-	130,000	-	130,000
	5,760,273	2,451,597	335,847	8,547,717

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

5. ANALYSIS OF EXPENDITURE (continued)

Other support costs of schooling comprise

	2023 £	2022 £
Stationery, equipment and computers	35,946	31,656
Postage and telephone	8,483	10,150
Advertising & marketing	108,522	62,189
Professional fees	70,554	20,941
Subscriptions	15,082	19,415
Governance	21,760	20,040
Other	1,769	1,454
	<u>262,116</u>	<u>165,845</u>

Governance costs includes

	2023 £	2022 £
Audit	21,760	20,040
	<u>21,760</u>	<u>20,040</u>

6. Staff costs

Remuneration	5,074,717	4,639,019
Social security costs	510,103	494,139
Pension contributions	655,330	627,115
	<u>6,240,150</u>	<u>5,760,273</u>

The average number of employees for the year was 77 full time (2022: 79) and 60 part time (2022: 60) of which 57 full time (2022: 60) and 28 part time (2022: 23) were teaching staff. Included within the remuneration figure is £208,554 relating to termination payments (2022: £nil).

The total employee benefits of the key management personnel and the School were £991,368 (2022: £691,919).

	No.	No.
The number of employees whose emoluments exceeded £60,000 were:		
£60,000 - £70,000	4	3
£70,000 - £80,000	3	2
£80,000 - £90,000	-	1
£100,000 - £110,000	-	1
£110,000 - £120,000	1	-
£150,000 - £160,000	1	-
	<u>1</u>	<u>1</u>

All of these higher paid employees (2022: all) are accruing retirement benefits under the defined contribution scheme.

No governors, or any person connected with them, received any remuneration during the year. Expenses for travel and training reimbursed to 3 governors (2022: 3) amounted to £1,137 (2022: £695).

General insurance expense includes professional indemnity and governors liability insurance for a premium of £411 (2022: £411).

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

7. NET MOVEMENT IN FUNDS	2023 £	2022 £
Net movement in funds is stated after charging:		
Auditors' remuneration		
- for audit	21,000	20,040
- in relation to accounts preparation	1,500	-
Operating lease rental expenditure	232,196	209,544
Depreciation	226,724	335,847

8. TANGIBLE FIXED ASSETS	Leasehold land and buildings	Leasehold Buildings and property improvements	Furniture fittings and motor vehicles equipment	IT Equipment	Total
	£	£	£	£	£
Cost					
At 1 August 2022	5,500,000	8,467,250	905,538	571,885	15,444,673
Additions	-	244,370	175,601	123,459	543,430
At 31 July 2023	5,500,000	8,711,620	1,081,139	695,344	15,988,103
Depreciation					
At 1 August 2022	93,500	2,941,037	739,249	500,997	4,274,783
Charge for the year	5,500	169,345	29,581	22,298	226,724
At 31 July 2023	99,000	3,110,382	768,830	523,295	4,501,507
Net Book Value					
At 31 July 2023	5,401,000	5,601,238	312,309	172,049	11,486,596
At 31 July 2022	5,406,500	5,526,213	166,289	70,888	11,169,890

The leasehold land and buildings relates to the gift of a 999-year full repairing lease from the Religious of Christian Education (the freeholder/lessor). The asset has been capitalised in accordance with the requirements of the Charities SORP.

The valuation was carried out by external valuers Christie & Co. (surveyors, valuers and agents) who arrived at an existing use valuation of £5,500,000 based on the current condition as at 5 December 2002.

The Trust has adopted the provisions of FRS15 in respect of the lease and will not revalue it in the future.

9. INVESTMENTS – RESTRICTED FUNDS

	Market Value		Cost	
	2023 £	2022 £	2023 £	2022 £
Listed investments	584,949	553,917	418,162	390,603
Cash awaiting reinvestment	1,876	13,339	1,876	13,339
	586,825	567,256	420,038	403,942

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

9. INVESTMENTS – RESTRICTED FUNDS (continued)

Investments listed on a recognised stock exchange including investments and unit trusts:

	2023	2022
	£	£
UK	166,483	157,434
Overseas	418,466	396,483
Cash: UK	1,876	13,339
	<u>586,825</u>	<u>567,256</u>
	2023	2022
	£	£
Market value at 1 August	567,256	585,127
Additions and movements in cash awaiting reinvestment	193,307	423,951
Disposals at opening market value	(183,275)	(416,794)
(Losses)/Gains on investments	9,537	(25,028)
	<u>586,825</u>	<u>567,256</u>

10. DEBTORS

	2023	2022
	£	£
Fees receivable	5,146	4,808
Prepayments and accrued income	199,121	214,616
Other debtors	47,087	9,858
	<u>251,354</u>	<u>229,282</u>

11. CREDITORS: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	187,418	458,546
Other taxes and social security costs	123,410	127,852
Other creditors	284,027	186,816
Accruals and deferred income	442,090	307,248
Pupil deposits	259,500	268,750
	<u>1,296,445</u>	<u>1,349,212</u>

Deferred income of £55,821 relates to fees in advance (2022: £15,751).

THE FARNBOROUGH HILL TRUST**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JULY 2023****12. ALLOCATION OF CHARITY NET ASSETS**

The School's assets are held for the various funds as follows:

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	2023 Total £
Tangible fixed assets	6,085,596	-	5,401,000	11,486,596
Investments	-	586,825	-	586,825
Net current assets	2,015,942	(40,690)	-	1,975,252
	<u>8,101,538</u>	<u>546,135</u>	<u>5,401,000</u>	<u>14,048,673</u>

COMPARATIVE ALLOCATION OF CHARITY NET ASSETS

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	2022 Total £
Tangible fixed assets	5,763,390	-	5,406,500	11,169,890
Investments	-	567,256	-	567,256
Net current assets	1,913,308	(40,691)	-	1,872,617
	<u>7,676,698</u>	<u>526,565</u>	<u>5,406,500</u>	<u>13,609,763</u>

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

13. ENDOWMENT FUNDS	Balance 1 August 2022 £	Income £	Expenditure £	Net Investment Gains £	Balance 31 July 2023 £
Endowed funds	5,406,500	-	(5,500)	-	5,401,000

COMPARATIVE ENDOWMENT FUNDS

ENDOWMENT FUNDS	Balance 1 August 2021 £	Income £	Expenditure £	Net Investment Gains £	Balance 31 July 2022 £
Endowed funds	5,412,000	-	(5,500)	-	5,406,500

14. RESTRICTED FUNDS	Balance 1 August 2022 £	Income £	Expenditure £	Net Investment Gains £	Balance 31 July 2023 £
Bursary Fund	360,406	139,156	(117,038)	6,766	389,290
Scholarship Fund	166,159	3,749	(15,834)	2,771	156,845
	526,565	142,905	(132,872)	9,537	546,135

COMPARATIVE RESTRICTED FUNDS

RESTRICTED FUNDS	Balance 1 August 2021 £	Income £	Expenditure £	Net Investment Gains £	Balance 31 July 2022 £
Bursary Fund	358,082	137,459	(117,378)	(17,757)	360,406
Scholarship Fund	186,350	3,054	(15,974)	(7,271)	166,159
	544,432	140,513	(133,352)	(25,028)	526,565

Restricted funds are employed as follows: -

Bursary Fund: Used for the provision of fee assistance.

Scholarship Fund: Used for scholarships awarded to students.

Prize Fund: Used in recognition of pupils' achievements within the School.

Unrestricted funds are used in the day to day running of the School.

Endowed funds constitute an expendable endowment for the 999-year lease of the School land and buildings.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

15. FINANCIAL COMMITMENTS

At 31 July 2023 the School had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2023	2022	2023	2022
	£	£	£	£
Within 1 year	70,000	70,000	109,636	83,134
Between 1 and 5 years	280,000	280,000	158,683	128,354
Greater than five years	68,180,000	68,250,000	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

16. CAPITAL COMMITMENTS

At 31 July 2023 the School had outstanding contractual commitments for capital expenditure of £17,665 (2022: £214,897).

17. CONTINGENT LIABILITIES

The Trustees of The Institute of Christian Education ("ICE/the Lessor/freeholder") gifted the company a 999 year lease over the land and school buildings in 2003. The lease was professionally valued at its existing use value as a school. To protect its interests in ensuring the property continued as a school, the ICE and company also entered into a first legal charge in lieu in August 2003. While drawn up and initially accounted for as a loan with a principal of £2,000,000, it also included reference to an "Additional Sum" which would capture 20% of any market gain over existing use should the property ever be sold for development. This event would also trigger repayment of the "principal". As the land and buildings continue to be used for their existing purpose as a school, the principal sum of £2,000,000 is not repayable and there is no additional sum. As a result, no amounts have been provided in these financial statements.

18. PENSION SCHEME

Defined Contribution Schemes

The School also runs a defined contribution scheme for its non-teaching staff. The School's contributions to the scheme during the year ended 31 July 2023 were £72,020 (2022: £71,425) and at the year-end £9,868 (2022: £7,288) was accrued in respect of contributions to the scheme.

The School joined APTIS from 1 September 2022 for teaching staff. The School's contributions to the scheme during the year ended 31 July 2023 were £583,310 (2022: £555,691) and at the year-end £72,883 (2022: £76,193) was accrued in respect of contributions to the scheme.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

19. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2023 £	2022 £
Net movement in funds	438,910	522,340
Depreciation	226,724	335,847
Increase in debtors	(22,072)	(2,270)
Decrease in creditors	(52,767)	(24,387)
Investment income	(43,392)	(12,033)
(Gain) / loss on investment	(9,537)	25,028
Net cash inflow from operations	<u>537,866</u>	<u>844,525</u>

20. ANALYSIS OF CHANGES IN NET DEBT	2022 £	Change in Year £	2023 £
Cash at bank	<u>2,922,547</u>	<u>27,796</u>	<u>3,020,343</u>

21. RELATED PARTIES

There were no related party transactions in the year (2022: none).

22. TAXATION

The School is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

23. STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND TYPE

INCOME FROM:	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2022 £
Charitable activities					
School fees	4a	8,302,467	-	-	8,302,467
Ancillary trading	2	529,504	-	-	529,504
Voluntary sources					
Donations		-	130,000	-	130,000
Charitable trading – rental income		50,731	-	-	50,731
Investment income	3	1,520	10,513	-	12,033
Other income		70,350	-	-	70,350
Total Income		<u>8,954,572</u>	<u>140,513</u>	<u>-</u>	<u>9,095,085</u>
EXPENDITURE ON:					
Raising funds					
Financing costs		(16,114)	-	-	(16,114)
Investment management		-	3,352	-	3,352
		<u>(16,114)</u>	<u>3,352</u>	<u>-</u>	<u>(12,762)</u>
Charitable activities:					
School operating costs:					
Teaching		5,367,311	-	-	5,367,311
Welfare		35,634	-	-	35,634
Premises		1,648,052	-	5,500	1,653,552
Support costs of schooling		783,940	-	-	783,940
Catering, travel and other recharges		590,042	-	-	590,042
Grants, awards and prizes	4b	-	130,000	-	130,000
Total expenditure	5	<u>8,408,865</u>	<u>133,352</u>	<u>5,500</u>	<u>8,547,717</u>
Net income before investment gains	7	545,707	7,161	(5,500)	547,368
Investment gain/(loss)		-	(25,028)	-	(25,028)
NET MOVEMENT IN FUNDS		<u>545,707</u>	<u>(17,867)</u>	<u>(5,500)</u>	<u>522,340</u>
Fund balances at 1 August (as previously stated)		8,309,557	544,432	2,233,434	11,087,423
Prior year adjustments		(1,178,566)	-	3,178,566	2,000,000
Fund balances at 1 August (as restated)		<u>7,130,991</u>	<u>544,432</u>	<u>5,412,000</u>	<u>13,087,423</u>
Fund balances at 31 July		<u><u>7,676,698</u></u>	<u><u>526,565</u></u>	<u><u>5,406,500</u></u>	<u><u>13,609,763</u></u>

THE FARNBOROUGH HILL TRUST

England & Wales - Charity number 1039443

Accounts

THE FARNBOROUGH HILL TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

Company Number: 2941378
Charity Number: 1039443

THE FARNBOROUGH HILL TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 JULY 2022

The Governors who served throughout the year (unless stated otherwise) were:

Mr G J McCormack *#
Miss H Griffiths #
Mr M Bernard #
Mrs A Berry #
Dr C Chadwick #
Mr C Fowler-Tutt *+
Dr G Huxford # Appointed 2 December 2021
Miss N Hills *
Mrs J L Micklethwaite #
Dr H Patel * Appointed 2 December 2021
Mr P Smith *

* Member of the Finance and General Purposes Committee

Member of the Education Committee

+ Farnborough Hill representative at the Association of Governing Bodies of Independent Schools

Members of the Trust

Mr M Maher Chair
Sr M Dawson RCE
Sr E McCormack RCE
Sr C Nagle RCE
Mrs S Buckle
Mr T J Flesher
Mr J B Hull
Mrs C E Hamilton

The Head: Ms A Callaghan BA (Hons) MA PGCE

Address: Farnborough Hill
Farnborough Road
Farnborough
Hampshire GU14 8AT

Bankers: NatWest Bank Plc
Farnborough & Basingstoke Commercial Centre
Ground Floor
200 Fowler Avenue
IQ Farnborough
Farnborough
Hampshire GU14 7JP

Auditors: Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

Investment Advisers: Coutts & Co
440 Strand
London WC2R 0QS

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 JULY 2022

INTRODUCTION

The Governors (or Directors) - who are charity Trustees for the purposes of the Charities Act 2011 - present their annual report in compliance with both that Act and the Companies Act 2006, together with the financial statements prepared under the latter Act, for the year ended 31 July 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and Administration

The Farnborough Hill Trust (Farnborough Hill) was incorporated as a private company limited by guarantee on 22 June 1994. Farnborough Hill is a registered charity number 1039443. The Trust includes the Farnborough Hill Bursary, Scholarship and Prize Fund.

The governing documents are the Instrument of Government, approved by the Charity Commission and the Principal Superior of the Institute of Christian Education, and the Memorandum and Articles of Association. Where ambiguity arises, the Memorandum and Articles of Association prevail.

Governing Body

The Governors who served during the year and to the date of this report are shown on page 1.

The governing documents require that the Board of Governors should consist predominantly of Roman Catholics. It should consist of not less than five and not more than fifteen Governors. The members can appoint any suitable person who is willing to act as a Governor in a general meeting by a simple majority. One third of the Governors retire by rotation at each Annual General Meeting but are eligible for re-election at that meeting.

Governors regularly attend training seminars and courses organised by ISBA, AGBIS and other professional bodies with the aim of keeping up to date with governance, compliance and safeguarding issues. Attendance at relevant INSET training for academic staff is also encouraged and the interaction with academic staff, at such training, is deemed to be of a significant benefit as are the Governors' regular "Learning Walks" to observe the school in action.

Prospective Governors are normally invited to visit the School and undertake an induction programme, attend AGBIS training for new Governors and attend school events and Governors' meetings prior to being nominated for election by the Members of the Trust. On appointment each Governor is given a copy of the Memorandum and Articles of Association and the Instrument of Government, together with any other documentation appropriate at the time.

Organisation

The Board of Governors and its two committees, namely Finance & General Purposes and Education, set out the general policy of the school. The day to day affairs of the school are run by the School's Senior Leadership Team.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Objects

Farnborough Hill is an independent Roman Catholic Day School for Girls age 11 -18 years and the Head is a member of the Girls' Schools Association and Independent School's Association. The School is dedicated to educating the whole person within a happy, caring Christian community where each individual is valued. Girls from all Christian denominations, other faiths and none are welcomed into the School.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2022

Objects

The objects of the Farnborough Hill Trust are to advance the Roman Catholic faith by the education of children of all faiths in the Christian tradition.

Objectives for the year ahead

- a. To reassess and deliver a broad curriculum.
- b. To maintain healthy recruitment specifically into Year 7 and the Sixth Form and generally throughout the school years.
- c. To minimise the risk of spread of Covid-19.
- d. To develop a comprehensive Estate Decarbonisation Plan.
- e. To build closer links with the wider Farnborough Hill community

Strategies to achieve the year's objectives

Strategies employed to achieve the above objectives include:

- a. SLT to review the current curriculum and adjust to meet changing needs to educate the whole person in today's educational climate.
- b. Review, update and implement the admissions and marketing plan under the new Director of Admissions guidance.
- c. Proactive and detailed project management of the School's estate.
- d. Continuously review the comprehensive school Covid-19 Risk Assessment.
- e. Engage with industry experts to survey all school buildings to produce a School Sustainability Plan.
- f. Putting in place a strategy to more closely involve the wider Farnborough Hill community, past and present.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

ISI Inspection

In March 2022 we had our ISI Focussed Compliance and Quality of Education Inspection visit.

This was a detailed inspection of all aspects of school, both in terms of regulatory compliance and assessing the standard of education experienced at Farnborough Hill.

We were judged to be "Excellent" in all areas of educational provision and entirely compliant. This was a superb validation of all we do at Farnborough hill, each and every day.

A level Headlines

- In a cohort of 35 students, 1 pupil achieved straight A*s; 1 Pupil got 3 A*s and an A (which included A Level Russian from June 2021), 6 achieved 2A* and 1 A, 8 achieved 2 A*s, 16 achieved all A* and A in 3 subjects. The average grade in the cohort was a grade A
- The percentage of A*-B (92.5%) is the highest since 2010 when A*s were introduced, excepting 2020
- Economics, Geography, Music, Latin and RE achieved all A*s and As

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2022

- 20 pupils also completed the EPQ, receiving results in January 2022. 11 pupils achieved A*s, 4 pupils achieved As, 3 pupils achieved Bs and 1 pupil achieved a C. Topics ranged from the rights of parents to refusing immunisation, through the impact of conspiracy theories and the role of women in Ancient Rome. 1 Pupil achieved a Merit in her Level 3 Certificate for Food Science and Nutrition
- 86% gained access to their top choice university. 61% of destinations are Russell Group universities. The School was ranked 48th in the Daily Telegraph League Table of 'Best UK private schools by A-level results.'

GCSE Headlines

- 30% of grades were A* equivalent (Grades 9 and 8); 49% were graded 9-7
- 1 pupil achieved all Grade 9s
- 10 pupils achieved all Grades 9 and 8
- 1 pupil achieved a Grade 8 in Further Maths; 1 pupil (Year 10) achieved a Grade 9 in Russian, sat this year; another pupil achieved a Grade 9 in Russian, sat in 2021
- Expressive and Creative Arts: Music, Drama, DT, Art averaged over a grade A (grade 7) (7.19)
- Music (88%), Geography (72%), DT (75%), History (74%) performed very strongly on a Grade 9-7 metric
- History, Geography, Latin, Greek and Physics all averaged above a grade A (grade 7) (7.17)
- 59 Year 9 pupils completed Level 1 and 2 Projects, all achieving the highest grades.

Digital Infrastructure

The School's IT support continues to be outsourced to CST and whilst we have been happy with their front-line support for their staff on site, we have been in communication with the CEO of CST to discuss further development of the service and the strategic roadmap.

We have recently received the latest draft of our updated roadmap from CST, produced in conjunction with the Director of Digital Infrastructure and this suggests a number of enhancements to our software and infrastructure for us to consider over the coming months including further network upgrades, changes to our telephony solution and IT solutions to enhance our site security and visitor management.

The upgrade to the School's wireless infrastructure scheduled for summer 2022 was unfortunately delayed due to supply chain constraints and has been subject to an increase in cost. However, the hardware has now been ordered and we are currently planning its deployment, with it expected to be in place by September 2023 at the latest. In the meantime, our existing wireless infrastructure has been reconfigured by CST to ensure that it can cope with our increased requirements following the deployment of 1:1 iPads in Years 7 and 8.

The iPads for Years 7, 8 and 9 pupils were successfully deployed earlier this term and both parents and pupils have responded positively to the change to school owned devices and the benefits that this brings from both an administration and classroom management perspective. We have also refitted the Music Department with new iMacs replacing those that were originally implemented when the building was completed in 2013. The new iMacs will future proof the Music Suite and will have a minimum five-year life span.

Curriculum and School Life

The curriculum is broad and balanced. Girls in Years 7 and 8 are exposed to up to 17 subjects (not consecutively) before reducing their portfolio to 13 subjects in Year 9, and then reducing further to eight subjects, which translates to 10 GCSEs in Year 11. All pupils in Years 7 and 8 study two Modern Foreign Languages and later on, in Year 9, have the choice of continuing with one or two languages including Latin.

Our curriculum has been developed this year by our decision to ensure 10% of curriculum time in Years 7 - 11, and 5% in Sixth Form, is spent on RE. This has allowed for an expanded RE curriculum, and opportunities for a wider range of topics and experiences, as well as valuable changes further afield, such as making both History and Geography optional subjects in Year 9, thereby giving pupils more choice in their learning.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2022

In the Sixth Form the School follows a three A level linear model. Furthermore, bi-weekly careers lessons and an EPQ lesson have been embedded into all Lower Sixth students' timetables as well as a coaching programme – Ivy House. All pupils participate in weekly PE lessons and RE initiatives.

The sixth formers have greatly benefitted from our much anticipated and much delayed Lafosse Sixth Form Centre, named in honour of the founder of The RCE religious order, Louis Lafosse. This million-pound plus build is both a collaborative work space, capable of housing the whole Sixth Form, and also a place for relaxation and informality, complete with kitchen facilities.

Development plans go on apace and much remedial work has been completed including refurbishments of elevations, replacement of windows and work to boiler rooms.

We are keen to deliver on the four pillars of our five-year vision which includes a pillar to create inspiring spaces. We are working with external consultants to create a look that has a high pedagogical pedigree to plan and then fit out classrooms and other spaces in school that are true to our aims and brands.

The Old Girls' network has remained supportive and connected to the School, supporting current pupils through careers initiatives and individual mentoring programmes.

In line with the School's aim to develop a coaching approach widely amongst staff to staff, and staff to pupil engagements, coaching training has been rolled out through staff training, and a self-selecting group of teachers under our coaching co-ordinator who is developing this as a key element in our accompaniment of pupils. The essence of the technique is to aid an individual to solve their own problems and therefore increase their sense of control and mastery which is vital for self-growth, rather than for someone else to solve the problems.

As part of our strategy, the School has empowered Middle Leaders. During 2021 CareerWell, independent Career and Talent Management specialists, were engaged to co-design and deliver a Middle Leadership Programme for Farnborough Hill. Using insights and outputs from our own strategic vision coupled with CareerWell's extensive experience and thought leadership, a blend of bespoke content and curated pedagogy-approaches was created to link experiential activity that drives new behaviours with proven and practical learning.

- The objectives of the leadership development programme, which commenced in September 2021, were:
 - Inspire a shared vision for the future and deliver on Farnborough Hill's goals, adopting good practice in the leadership and management of teams
 - Ability to lead people through change and support the wellbeing of staff as well as developing others, introducing agile ways of working
 - Build trust in their roles as leaders
 - Create an empowered organisational environment – drive continuous improvement
 - Achieve a greater understanding of each other and demonstrate higher levels of collaboration and trust across functions
 - Signal and model the behaviours and attitudes consistent with Farnborough Hills' goals and objectives

A questionnaire was completed by participants after the final module in early October and which showed an average overall satisfaction rating of 4.34 out of 5, with 100% of respondents positively rating 'strongly agreeing/agreeing' across all aspects of the programme.

Self-reported pre and post measures of competence and confidence increased from 74% before the Middle Leadership Development Programme, to 85% afterwards.

Two, separate three-hour Senior Leadership Team focus group sessions with expert facilitation by CareerWell, designed to create a safe space and dynamic environment to enable the senior team to discuss periodic feedback reports from the cohort, to identify and understand any potential risks or mis-alignment and to make informed choices and refine action to ensure our strategic goals are met.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2022

School Development

A new more comprehensive two-year School Development Plan is currently being created. The four key pillars are the foundations of all development namely:

- Have a connected community made up of dynamic and inspired staff and pupils
- Unleash the power and potential of all
- Develop innovative spaces
- Have a more sustainable and balanced, earth-friendly environment

And every element of school life is included as we seek to collaboratively build upon where we are and grow as a community.

THE SCHOOL AND THE COMMUNITY (PUBLIC BENEFIT)

The Governors and Senior Leadership Team consider that the School should strive to play a full and responsible part in the wider community, so living out our Mission Statement. Lockdowns and restrictions brought about by the COVID-19 pandemic led to limitations on the ability to provide in-person activities and support particularly in the first part of the academic year. Furthermore, post lockdown, and in order to assist local junior and prep schools catch up with their swimming curriculum, the School has extensively opened up its pool free of charge. We are always working to extend our links with the community further.

We also continued our charity work with the local community and raised over £11,000 for good causes in addition to non-monetary donations through food and clothing to local charities assisting families in need.

There were 50 Bursary awards made during the year to families who required financial assistance to send their daughters to Farnborough Hill.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

This is the 27th financial year for the Farnborough Hill Trust, the School having been transferred to the Trust by the Institute of Christian Education as a going concern on 1 August 1994. During this year Farnborough Hill has had a roll of 563 pupils. The anticipated roll for 2023 and thereafter is good and the Governors are confident that the School can continue to maintain numbers comfortably in excess of any break-even requirement.

The Bursary and Scholarship funds have been used to good effect this year and continue to be met with support from Unrestricted Funds. Academic scholarships are awarded in Years 7 and 11 for the Sixth Form. Each year the School normally offers to Year 7 entrants a number of major scholarships each worth one fifth of fees and a number of minor scholarships worth one tenth of fees. One of the major scholarships is available only to a Roman Catholic pupil but the remainder are completely unrestricted.

Each year there are also two Music, two Sports and two Art Scholarship awards on offer at Year 7, each worth one fifth of fees. A number of scholarships of up to £3,000 each are awarded annually for the two Sixth Form years.

The Board of Governors wishes to acknowledge the continued generosity of the Sisters of the Religious of Christian Education in making very significant donations to the Scholarship, and in particular the Bursary funds which this year, as in 2021 totalled £130,000. These are of immense help in maintaining the Objects and Policy of the School and also in assisting Catholic pupils to attend Farnborough Hill when parents could not otherwise afford the fees. In a further act of generosity £36,616 has been received in the year which will be put to similarly appropriate use.

Grant Making Policy

This year the total value of bursaries, scholarships and prizes made to the School's pupils amounted to £584,021 (2021: £695,939). This included a total of £130,000 (2021: £130,000) from restricted funds, comprising bursaries £115,000 (2021: £115,000) and scholarships £15,000 (2021: £15,000).

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2022

Reserves Policy

The School needs reserves to ensure it can fulfil and complete the charitable obligations and commitments it enters into.

As at 31 July 2022, the total funds of the School were £13,609,763 which included restricted funds of £526,565 and unrestricted funds of £7,676,698 – the bulk of which is represented by the School's fixed assets i.e. its buildings. As with all schools, the School's reserves policy is closely linked to its working capital needs through the year and to its development plan in the medium term. As noted earlier, the School successfully completed the £1.2m building and furnishing of the Las Fosse sixth form centre. The Governors are aware that it is not always possible for a major new development project to be funded solely from current resources and alternative means of funding may be required. It is also the intention of Governors, successfully in the past, to steadily build up the School's reserves over time from modest annual operating surpluses.

As explained in note 20 the financial statements include two prior year adjustment amounts, the first removes a long term creditor of £2,000,000 and discloses it as a contingent liability as there is no probability at this time that the liability will crystallise; and secondly to correct a misclassification of accumulated depreciation between endowed and unrestricted funds.

At the end of the financial year the level of freely available reserves, represented by net current assets stood at £1,872,617 (2021: £2,063,339). Unrestricted fund operating costs currently amount to £8,408,865 (2021: £7,940,508) per annum.

In the accounts unrestricted funds relate to the general school funds and restricted funds comprise the Bursary, Scholarship and Prize Funds.

The value of the restricted funds at the end of the year is £526,565 (2021: £544,432). The actual surplus of unrestricted funds over the year's activities was £545,707 (2021: £449,193).

The School is entirely self-supporting and its funds have been carefully built up over the past 27 years through prudent financial management.

Key Management Pay

The Governors consider the Senior Leadership Team to comprise the key management personnel of the School as they are in charge of directing and controlling, running and operating the School on a day to day basis. All Governors give of their time freely and no Governor received remuneration in the year. The fact that there are no related party transactions is disclosed in Note 21 to the accounts.

The remuneration of the Senior Leadership Team and all staff is reviewed annually. In view of the nature of the organisation, the governing body benchmarks against pay levels in other similar educational organisations.

Investment Policy and Objectives

In accordance with the powers given in its governing documents, the Charity has delegated the management of its investment portfolio to a specialist adviser who has been instructed to balance capital growth and income in managing its portfolio. The investment manager has completed these aims within current market conditions. Income from listed investments is £10,513 (2021: £8,316) and the market value at the year-end is £567,256 (2021: £585,127), as shown in Note 9 to the financial statements.

Fundraising Practices

Farnborough Hill has not made any fundraising appeals to the general public during the years of the pandemic. Fundraising normally focusses on securing grants and donations from government bodies, registered charities, business links and parents, but not so far from alumni. However, this latter potential source is an area under active consideration. There has been no outsourced fundraising via professional fundraisers or other third parties. Consequently, the School is not registered with the fundraising regulator and received no fundraising complaints in the year. Parental donations are entirely voluntary.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2022

RISK MANAGEMENT AND PRINCIPAL RISKS

The School has a formal risk management process through which the Senior Leadership Team identifies the major risks to which the organisation may be exposed and has ranked these by likelihood and impact, culminating in a risk control document which is updated on a regular basis. All significant risks, together with current mitigation actions, are reviewed regularly throughout the year by the Governing Body. The Governors are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

The principal risks and uncertainties identified by the School are as follows:

Risk identified	Action to mitigate the risk
Significant outbreak of Covid-19 throughout the School.	Comprehensive risk assessment continuously reviewed to ensure all required measures are in place to minimise spread of Covid-19. Detailed plans in place to deliver remote and blended curriculum.
Fall in pupil numbers	Numbers throughout the recruiting process will be closely monitored and marketing and admissions strategies will be adjusted as required. The School will ensure that it remains an attractive option for future parents both academically and in the provision of excellent facilities.
Catastrophic business interruption	Well trialled and tested Emergency Recovery plans are in place supported by comprehensive insurance cover to ensure the continued operation of the school.
Externally imposed financial pressures.	The school continues to monitor the situation and react to advice and guidance given by relevant bodies. Provision is then considered for inclusion in in year forecasts and following year budgets.
Reputational damage	The School has a well trialled and tested Emergency Recovery plan. A comprehensive suite of risk assessments and policies are in place which mitigates against events that would potentially lead to reputational damage.
Decrease in academic achievement	Ensure continued recruitment of high calibre teaching staff. Maintain attractive pay scales. Continue to provide a welcoming, stimulating, vibrant and well supported work environment.

The risks to which the School is exposed have been considered and steps taken to determine their relative importance. Risks are graded using a traffic light assessment that classifies Major, Average and Minor Risks detailed within the Risk Assessment Plan. The Major Risks, as identified by the Governors, have been reviewed and systems established to mitigate those risks.

FUTURE PLANS

Future Plans are detailed within the Long-Term Strategic Plan, which is reviewed regularly by the Board of Governors. Main objectives for the next four years, as previously stated, are as follows:

- a. To provide a broad and balanced curriculum.
- b. To provide enhanced facilities for teaching and learning whilst improving facilities infrastructure and the integrity of the Grade I listed building.
- c. Continue to renew, extend and improve ICT facilities and infrastructure to all pupils and teachers as part of the School's overall ICT strategy.
- d. Monitor trends in Year 7 recruitment and Sixth Form retention and consider implementing further strategies to maintain recruitment and increase retention.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2022

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as Trustees of Farnborough Hill Trust and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors 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 company and of the profit or loss of the company for that year. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

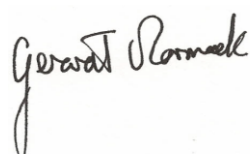
So far as each of the Governors is aware up to the time this report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Governors have taken all steps that 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.

AUDITORS

A resolution to re-appoint Haysmacintyre LLP will be submitted to the Annual General Meeting.

Approved by the Board on 1 December 2022 and signed on its behalf by



G J McCormack (Chair)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FARNBOROUGH HILL TRUST

Opinion

We have audited the financial statements of Farnborough Hill Trust for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2022 and of the charitable company's net movement in funds, including the 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 Governors' 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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Governors' Report (which includes the directors' 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 directors' report included within the Governors' 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 Governors' Report (which incorporates the directors' 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 by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors for the financial statements

As explained more fully in the Governors' responsibilities statement (set out on page 9), the Governors (who act as Trustees of Farnborough Hill Trust and 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 Governors 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 Governors 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission, the Independent Schools Inspectorate (ISI) and the statutory safeguarding and child protection guidance issued by the Department for Education (DfE), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Charities SORP (2019), Companies Act 2006 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risk was related to the recognition of voluntary income. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the charity, particularly in relation to the recording of income and processing of payments and payroll, to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing and testing journal entries made in the year, particularly those made as part of the year end financial reporting process; and
- Challenging assumptions and judgements made by management in their critical accounting estimates which comprise depreciation, bad debt provision, accruals and deferred income.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FARNBOROUGH HILL TRUST

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.



Siobhan Holmes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 11 January 2023

10 Queen Street Place
London
EC4R 1AG

THE FARNBOROUGH HILL TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 JULY 2022

INCOME FROM:	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2022 £	Total 2021 £
Charitable activities						
School fees	4a	8,302,467	-	-	8,302,467	7,934,054
Ancillary trading	2	529,504	-	-	529,504	295,399
Voluntary sources						
Donations		-	130,000	-	130,000	130,000
Charitable trading – rental income		50,731	-	-	50,731	28,551
Investment income	3	1,520	10,513	-	12,033	8,668
Other income		70,350	-	-	70,350	131,345
Total Income		<u>8,954,572</u>	<u>140,513</u>	<u>-</u>	<u>9,095,085</u>	<u>8,528,017</u>
EXPENDITURE ON:						
Raising funds						
Financing costs		(16,114)	-	-	(16,114)	24,416
Investment management		-	3,352	-	3,352	2,970
		<u>(16,114)</u>	<u>3,352</u>	<u>-</u>	<u>(12,762)</u>	<u>27,386</u>
Charitable activities:						
School operating costs:						
Teaching		5,367,311	-	-	5,367,311	5,132,525
Welfare		35,634	-	-	35,634	33,788
Premises		1,648,052	-	5,500	1,653,552	1,530,230
Support costs of schooling		783,940	-	-	783,940	889,755
Catering, travel and other recharges		590,042	-	-	590,042	408,959
Grants, awards and prizes	4b	-	130,000	-	130,000	130,000
Total expenditure	5	<u>8,408,865</u>	<u>133,352</u>	<u>5,500</u>	<u>8,547,717</u>	<u>8,152,643</u>
Net income before investment gains	7	545,707	7,161	(5,500)	547,368	375,374
Investment gain/(loss)		-	(25,028)	-	(25,028)	88,077
NET MOVEMENT IN FUNDS		<u>545,707</u>	<u>(17,867)</u>	<u>(5,500)</u>	<u>522,340</u>	<u>463,451</u>
Fund balances at 1 August (as previously stated)		8,309,557	544,432	2,233,434	11,087,423	10,623,972
Prior year adjustments	20	(1,178,566)	-	3,178,566	2,000,000	2,000,000
Fund balances at 1 August (as restated)		<u>7,130,991</u>	<u>544,432</u>	<u>5,412,000</u>	<u>13,087,423</u>	<u>12,623,972</u>
Fund balances at 31 July		<u><u>7,676,698</u></u>	<u><u>526,565</u></u>	<u><u>5,406,500</u></u>	<u><u>13,609,763</u></u>	<u><u>13,087,423</u></u>

All recognised gains and losses are included in the statement of financial activities.

All operations are continuing.

Full comparative figures for the year ended 31 July 2021 are shown in note 23.

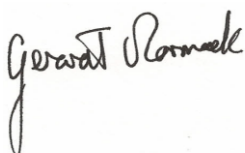
The notes on pages 16 to 30 form part of these financial statements.

BALANCE SHEET

AT 31 JULY 2022

		2022		2021 (as restated)	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8	11,169,890		10,438,957	
Investments	9	567,256		585,127	
			11,737,146		11,024,084
CURRENT ASSETS					
Debtors	10	229,282		227,012	
Cash at bank		2,992,547		3,209,926	
		3,221,829		3,436,938	
CREDITORS: Amounts falling due within one year	11	(1,349,212)		(1,373,599)	
NET CURRENT ASSETS			1,872,617		2,063,339
NET ASSETS	12		13,609,763		13,087,423
FUNDS					
Restricted funds	13		526,565		544,432
Endowed funds (restated)	12		5,406,500		5,412,000
Unrestricted funds	12		7,676,698		7,130,991
TOTAL FUNDS	12		13,609,763		13,087,423

The financial statements were approved and authorised for issue by the Board on 1 December 2022 and were signed below on its behalf by:



G J McCormack
CHAIR

The notes on pages 16 to 30 form part of these financial statements.

THE FARNBOROUGH HILL TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2022

	Notes	£	2022	£	£	2021	£
NET CASH FLOWS FROM OPERATING ACTIVITIES	18			844,525			802,425
CASH FLOWS FROM INVESTING ACTIVITIES							
Payment for tangible assets		(1,088,801)			(387,691)		
Proceeds from sale of tangible fixed assets		22,021			-		
Investment income		12,033			8,668		
Investment additions and movement in cash awaiting investment		(423,951)			(385,668)		
Proceeds from sale of investments		416,794			335,862		
NET CASH USED IN INVESTING ACTIVITIES				(1,061,904)			(428,829)
Change in cash and cash equivalents in the reporting period				(217,379)			373,596
Cash and cash equivalents at the beginning of period				3,209,926			2,836,330
CASH AND CASH EQUIVALENTS AT THE END OF REPORTING PERIOD				2,992,547			3,209,926

The notes on pages 16 to 30 form part of these financial statements.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

1. ACCOUNTING POLICIES

Charity information

The School is a Public Benefit Entity registered in England and Wales as a charity and a company limited by guarantee. It was incorporated on 22 June 1994 (company number: 2941378) and registered as a charity on 15 July 1994 (charity number: 1039443). Its registered office is Farnborough Road, Farnborough, Hampshire, GU14 8AT.

Basis of preparation

The financial statements have been prepared 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 (second edition) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – second edition effective 1 January 2019.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments and leasehold land and buildings.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School 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. The School has managed its finances and resources soundly during the Covid-19 pandemic and is well placed going forward. Accordingly, the Governors also consider it appropriate to adopt the going concern basis in preparing the financial statements.

Critical accounting judgements and key sources of estimation or uncertainty

In the application of the accounting policies, Governors are required to make judgements, 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.

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 affects current and future periods.

In the view of the Governors, 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.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2022

1. ACCOUNTING POLICIES (continued)

Investment income

Investment income from equities/shares, bank balances and fixed interest securities is accounted for on an accruals basis.

Donations, legacies, grants and other voluntary income

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to unrestricted funds. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund. Other income includes Furlough grant income received from the government in relation to Covid-19.

Expenditure

Expenditure is accrued as soon as a liability is considered probable. Expenditure attributable to more than one cost category in the Statement of Financial Activities is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the School's Governors, and all the costs of complying with constitutional and statutory requirements, such as costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Tangible fixed assets

Tangible fixed assets inherited by the School at 1 August 1994 are included at cost being their net book value at that date.

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £1,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £1,000 is capitalised and carried in the balance sheet at historical cost.

Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred. Individual items costing less than £1,000 are normally written off as an expense on acquisition.

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

Leasehold buildings and property investments	- 10 - 50 years
Furniture, fittings and equipment	- 4 - 10 years
Motor Vehicles	- 4 - 10 years
IT equipment	- 2 - 4 years

The gift of the 999-year lease of the School building and grounds in 2003 has been capitalised to comply with the Charities SORP. The asset has been included in the balance sheet at valuation. The trust has adopted the provisions of FRS 15 in respect of this asset and will not revalue it in the future. The land element is depreciated over the life of the lease.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2022

1. ACCOUNTING POLICIES (continued)

Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, to be spent at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Endowed funds represent the depreciated 999-year lease which was gifted to the School during the year ended 31 July 2003. The fund was valued at £5,500,000, less the Deed of Charge principal of £2,000,000. The net figure constituted an expendable endowment of £3,500,000 that was recognised as income in the Statement of Financial Activities under the heading 'Donations' in the year of receipt. As a result of the Prior Year Adjustment set out in note 20, the Deed of Charge principal deduction has been reversed.

Restricted funds represent amounts donated to the School for specific purposes such as funding building developments, scholarships, seniors' bursaries and prizes.

Pension costs

Retirement benefits to employees of the School are provided through two principal pension schemes. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable. The School exited this defined benefit pension scheme on 31 August 2021. All affected staff have moved to a defined contribution scheme.
- (b) The Aviva Pension Trust for Independent Schools (APTIS) is a defined contribution scheme. Contributions payable by the School during the year are included in the pension costs charged in the accounts.
- (c) Other pension costs charged in the accounts for defined contribution schemes represent the contributions payable by the School during the year.

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.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2022

1. ACCOUNTING POLICIES (continued)

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost 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 all creditors except social security and other taxes and provisions.

Debtors

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

Creditors and provisions

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

Cash at bank and in hand

Cash at bank and cash 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.

Employee benefits

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

2. ANCILLARY TRADING INCOME	2022 £	2021 £
Catering	235,584	101,368
Coaches	185,565	140,618
Trips	40,194	1,683
Other	68,161	51,730
	<u>529,504</u>	<u>295,399</u>
All ancillary trading income is unrestricted in both years.		
3. INVESTMENT INCOME	2022 £	2021 £
School bank interest	1,520	352
Restricted fund bank and other interest	-	-
Restricted fund investment income	10,513	8,316
	<u>12,033</u>	<u>8,668</u>

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2022

4. SCHOOL FEES	2022 £	2021 £
a) School fees comprised:		
School fees	8,891,741	8,645,282
Registration fees	18,800	18,700
Retained deposits	4,500	2,423
	<u>8,915,041</u>	<u>8,666,405</u>
Less: Bursaries, grants and allowances	(742,574)	(862,351)
	<u>8,172,467</u>	<u>7,804,054</u>
 Scholarships and grants paid for by Restricted Funds	 130,000	 130,000
	<u>8,302,467</u>	<u>7,934,054</u>
 b. Grants, awards and prizes paid by restricted funds consisted of:		
Scholarships	15,000	15,000
Bursaries	115,000	115,000
	<u>130,000</u>	<u>130,000</u>
Scholarships and bursaries paid for by Restricted Funds	<u>130,000</u>	<u>130,000</u>

The above educational awards were made to 136 pupils (2021: 143).

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2022

5. ANALYSIS OF EXPENDITURE

	Staff £	Other £	Depreciation £	2022 Total £
Cost of generating funds:				
Financing costs	-	(16,114)	-	(16,114)
Investment management	-	3,352	-	3,352
	-	(12,762)	-	(12,762)
Charitable activities:				
School operating costs:				
Teaching costs	4,590,451	607,887	168,973	5,367,311
Welfare	32,330	3,304	-	35,634
Premises	401,703	1,084,975	166,874	1,653,552
Support costs	618,095	165,845	-	783,940
Catering, travel and other recharges	117,694	472,348	-	590,042
Grants and prizes	-	130,000	-	130,000
	5,760,273	2,451,597	335,847	8,547,717

Comparative information in respect of the preceding period is as follows:

	Staff £	Other £	Depreciation £	2021 Total £
Cost of generating funds:				
Financing costs	-	24,416	-	24,416
Investment management	-	2,970	-	2,970
	-	27,386	-	27,386
Charitable activities:				
School operating costs:				
Teaching costs	4,523,663	582,447	26,415	5,132,525
Welfare	32,513	1,275	-	33,788
Premises	385,434	953,876	190,920	1,530,230
Support costs	691,851	197,904	-	889,755
Catering, travel and other recharges	134,755	274,204	-	408,959
Grants and prizes	-	130,000	-	130,000
	5,768,216	2,167,092	217,335	8,152,643

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2022

5. ANALYSIS OF EXPENDITURE (continued)

Other support costs of schooling comprise

	2022 £	2021 £
Stationery, equipment and computers	31,656	34,825
Postage and telephone	10,150	13,487
Advertising & marketing	62,189	65,775
Professional fees	20,941	42,129
Subscriptions	19,415	18,489
Governance	20,040	22,834
Other	1,454	365
	<u>165,845</u>	<u>197,904</u>

Governance costs includes

	2022 £	2021 £
Audit	20,040	20,040
Additional fees in relation to the prior year audit	-	2,794
	<u>20,040</u>	<u>22,834</u>

6. Staff costs

Remuneration	4,639,019	4,668,904
Social security costs	494,139	486,836
Pension contributions	627,115	612,476
	<u>5,760,273</u>	<u>5,768,216</u>

The average number of employees for the year was 79 full time (2021: 82) and 60 part time (2021: 52) of which 60 full time (2021: 61) and 23 part time (2021: 23) were teaching staff. Included within the remuneration figure is £nil relating to termination payments (2021: £66,333).

The total employee benefits of the key management personnel and the School were £691,919 (2021: £701,395).

	No.	No.
The number of employees whose emoluments exceeded £60,000 were:		
£60,000 - £70,000	3	2
£70,000 - £80,000	2	2
£80,000 - £90,000	1	1
£90,000 - £100,000	-	-
£100,000 - £110,000	1	1
	<u>7</u>	<u>6</u>

All of these higher paid employees (2021: all) are accruing retirement benefits under the defined contribution scheme. Contributions totalled £77,025 (2021: £68,882).

No governors, or any person connected with them, received any remuneration during the year. Expenses for travel and training reimbursed to 3 governors (2021: 9) amounted to £695 (2021: £290).

General insurance expense includes professional indemnity and governors liability insurance for a premium of £411 (2021: £360).

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2022

7. NET MOVEMENT IN FUNDS	2022 £	2021 £
Net movement in funds is stated after charging:		
Auditors' remuneration		
- for audit	20,040	20,040
- in relation to prior year	-	2,794
Operating lease rental expenditure	209,544	218,856
Depreciation	335,847	217,355

8. TANGIBLE FIXED ASSETS	Leasehold land and buildings	Leasehold Buildings and property improvements	Furniture fittings and motor vehicles equipment	IT Equipment	Total
	£	£	£	£	£
Cost					
At 1 August 2021	5,500,000	7,527,744	1,186,716	524,928	14,739,388
Additions	-	939,506	102,338	46,957	1,088,801
Disposals	-	-	(383,516)	-	(383,516)
At 31 July 2022	5,500,000	8,467,250	905,538	571,885	15,444,673
Depreciation					
At 1 August 2021 (as restated, see note 21)	88,000	2,792,648	1,070,874	348,909	4,300,431
Charge for the year	5,500	148,389	29,870	152,088	335,847
Released on disposals	-	-	(361,495)	-	(361,495)
At 31 July 2022	93,500	2,941,037	739,249	500,997	4,274,783
Net Book Value					
At 31 July 2022	5,406,500	5,526,213	166,289	70,888	11,169,890
At 31 July 2021 (as restated)	5,412,000	4,735,096	115,842	176,019	10,438,957

The leasehold land and buildings relates to the gift of a 999-year full repairing lease from the Religious of Christian Education (the freeholder/lessor). The asset has been capitalised in accordance with the requirements of the Charities SORP.

The valuation was carried out by external valuers Christie & Co. (surveyors, valuers and agents) who arrived at an existing use valuation of £5,500,000 based on the current condition as at 5 December 2002.

The Trust has adopted the provisions of FRS15 in respect of the lease and will not revalue it in the future.

9. INVESTMENTS – RESTRICTED FUNDS

	Market Value		Cost	
	2022 £	2021 £	2022 £	2021 £
Listed investments	553,917	578,997	390,603	427,986
Cash awaiting reinvestment	13,339	6,130	13,339	6,130
	567,256	585,127	403,942	434,116

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2022

9. INVESTMENTS – RESTRICTED FUNDS (continued)

Investments listed on a recognised stock exchange including investments and unit trusts:

	2022 £	2021 £
UK	157,434	238,130
Overseas	396,483	340,867
Cash: UK	13,339	6,130
	<u>567,256</u>	<u>585,127</u>
	2022 £	2021 £
Market value at 1 August	585,127	447,245
Additions and movements in cash awaiting reinvestment	423,951	389,414
Disposals at opening market value	(416,794)	(339,609)
(Losses)/Gains on investments	(25,028)	88,077
	<u>567,256</u>	<u>585,127</u>

10. DEBTORS

	2022 £	2021 £
Fees receivable	4,808	21,728
Prepayments and accrued income	214,616	199,259
Other debtors	9,858	6,025
	<u>229,282</u>	<u>227,012</u>

11. CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	458,546	340,749
Other taxes and social security costs	127,852	119,228
Other creditors	186,816	138,562
Accruals and deferred income	307,248	503,310
Pupil deposits	268,750	271,750
	<u>1,349,212</u>	<u>1,373,599</u>

Deferred income of £15,751 relates to fees in advance (2021: £16,755).

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2022

12. ALLOCATION OF CHARITY NET ASSETS

The School's assets are held for the various funds as follows:

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	2022 Total £
Tangible fixed assets	5,763,390	-	5,406,500	11,169,890
Investments	-	567,256	-	567,256
Net current assets	1,933,308	(40,691)	-	1,872,617
	<u>7,676,698</u>	<u>526,565</u>	<u>5,406,500</u>	<u>13,609,763</u>

COMPARATIVE ALLOCATION OF CHARITY NET ASSETS (AS RESTATED)

	Unrestricted Funds (as restated) £	Restricted Funds £	Endowed Funds (as restated) £	2021 Total £
Tangible fixed assets	5,026,957	-	5,412,000	10,438,957
Investments	-	585,127	-	585,127
Net current assets	2,104,034	(40,695)	-	2,063,339
	<u>7,130,991</u>	<u>544,432</u>	<u>5,412,000</u>	<u>13,087,423</u>

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2022

13. RESTRICTED FUNDS	Balance 1 August 2021 £	Income £	Expenditure £	Net Investment Gains £	Balance 31 July 2022 £
Bursary Fund	358,082	137,459	(117,378)	(17,757)	360,406
Scholarship Fund	186,350	3,054	(15,974)	(7,271)	166,159
	<u>544,432</u>	<u>140,513</u>	<u>(133,352)</u>	<u>(25,028)</u>	<u>526,565</u>

COMPARATIVE RESTRICTED FUNDS

RESTRICTED FUNDS	Balance 1 August 2020 £	Income £	Expenditure £	Net Investment Gains £	Balance 31 July 2021 £
Bursary Fund	284,002	135,155	(115,677)	54,602	358,082
Scholarship Fund	165,843	3,161	(16,129)	33,475	186,350
Prize Fund	1,164	-	(1,164)	-	-
	<u>451,009</u>	<u>138,316</u>	<u>(132,970)</u>	<u>88,077</u>	<u>544,432</u>

Restricted funds are employed as follows: -

Bursary Fund: Used for the provision of fee assistance.

Scholarship Fund: Used for scholarships awarded to students.

Prize Fund: Used in recognition of pupils' achievements within the School.

Unrestricted funds are used in the day to day running of the School.

Endowed funds constitute an expendable endowment for the 999-year lease of the School land and buildings.

14. FINANCIAL COMMITMENTS

At 31 July 2022 the School had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2022 £	2021 £	2022 £	2021 £
Within 1 year	70,000	70,000	83,134	138,874
Between 1 and 5 years	280,000	280,000	128,354	191,244
Greater than five years	<u>68,250,000</u>	<u>68,320,000</u>	<u>-</u>	<u>20,263</u>

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2022

15. CAPITAL COMMITMENTS

At 31 July 2022 the School had outstanding contractual commitments for capital expenditure of £214,897 (2021: £1,013,585).

16. CONTINGENT LIABILITIES

The Trustees of The Institute of Christian Education ("ICE/the Lessor/freeholder") gifted the company a 999 year lease over the land and school buildings in 2003. The lease was professionally valued at its existing use value as a school. To protect its interests in ensuring the property continued as a school, the ICE and company also entered into a first legal charge in lieu in August 2003. While drawn up and initially accounted for as a loan with a principal of £2,000,000, it also included reference to an "Additional Sum" which would capture 20% of any market gain over existing use should the property ever be sold for development. This event would also trigger repayment of the "principal". As the land and buildings continue to be used for their existing purpose as a school, the principal sum of £2,000,000 is not repayable and there is no additional sum. As a result, no amounts have been provided in these financial statements.

17. PENSION SCHEME

The School participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff until 31 August 2021. The pension charge for the year includes contributions payable to the TPS of £nil (2021: £61,821) and at the year-end £nil (2021 - £nil) was accrued in respect of contributions to this scheme.

Following consultation with staff, the School left the scheme on 31 August 2021. The School joined the Aviva Pension Scheme for Independent Schools (APTIS) from 1 September 2021.

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 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 FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2022

17. PENSION OBLIGATIONS (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 2021 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 2021, 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 2021 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.

Defined Contribution Schemes

The School also runs a defined contribution scheme for its non-teaching staff. The School's contributions to the scheme during the year ended 31 July 2022 were £71,425 (2021: £71,008) and at the year-end £7,288 (2021: £7,117) was accrued in respect of contributions to the scheme.

The School joined APTIS from 1 September 2021 for teaching staff. The School's contributions to the scheme during the year ended 31 July 2022 were £555,691 (2021: £478,417) and at the year-end £76,193 (2021: £72,096) was accrued in respect of contributions to the scheme.

18. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2022 £	2021 £
Net movement in funds	522,340	463,453
Depreciation	335,847	217,335
Increase in debtors	(2,270)	(6,644)
(Decrease)/increase in creditors	(24,387)	225,026
Investment income	(12,033)	(8,668)
(Gain) / loss on investment	25,028	(88,077)
Net cash inflow from operations	<u>844,525</u>	<u>802,425</u>

19. ANALYSIS OF CHANGES IN NET DEBT	2021 £	Change in Year £	2022 £
Cash at bank	<u>3,209,926</u>	<u>(217,379)</u>	<u>2,922,547</u>

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2022

20. PRIOR YEAR ADJUSTMENT

The Governors have reviewed the legal charge during the year and as a result, the company has recorded the prior year adjustment described in note 16 and as analysed below to correct the previous understanding of the liability in this regard by derecognising the loan and increasing the endowment as the loan had been offset against this fund.

In addition, following a review of fixed assets, it was identified that there had been a misclassification of depreciation being incorrectly applied to endowed land and building assets as opposed to unrestricted leasehold buildings and property improvement assets. Therefore, an adjustment has been made to reallocate this accumulated depreciation between endowed and unrestricted assets and funds. This has also been adjusted below:

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total Funds £
Reconciliation of funds 2021:				
Fund balances at 31 July 2021 (as previously stated)	8,309,557	544,432	2,233,434	11,087,423
Prior year adjustment loan	-	-	2,000,000	2,000,000
Prior year adjustment depreciation	(1,178,566)		1,178,566	-
Fund balances at 1 July 2021	7,130,991	544,432	5,412,000	13,087,423
Reconciliation of funds 2020:				
Fund balances at 31 July 2020 (as previously stated)	7,860,364	451,009	2,312,599	10,623,972
Prior year adjustment loan	-	-	2,000,000	2,000,000
Prior year adjustment depreciation	(1,178,566)		1,178,566	-
Fund balances at 31 July 2020	6,681,798	451,009	5,491,165	12,623,972

21. RELATED PARTIES

There were no related party transactions in the year (2021: none).

22. TAXATION

The School is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2022

23. STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND TYPE

INCOME FROM:	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2021 £
Charitable activities					
School fees	4	7,934,054	-	-	7,934,054
Ancillary trading	2	295,399	-	-	295,399
Voluntary sources					
Donations		-	130,000	-	130,000
Charitable trading – rental income		28,551	-	-	28,551
Investment income	3	352	8,316	-	8,668
Other income		131,345	-	-	131,345
Total Income		<u>8,389,701</u>	<u>138,316</u>	<u>-</u>	<u>8,528,017</u>
EXPENDITURE ON:					
Raising funds					
Financing costs		24,416	-	-	24,416
Investment management		-	2,970	-	2,970
		<u>24,416</u>	<u>2,970</u>	<u>-</u>	<u>27,386</u>
Charitable activities:					
School operating costs:					
Teaching		5,132,525	-	-	5,132,525
Welfare		33,788	-	-	33,788
Premises		1,451,065	-	79,165	1,530,230
Support costs of schooling		889,755	-	-	889,755
Catering, travel and other recharges		408,959	-	-	408,959
Grants, awards and prizes	4b	-	130,000	-	130,000
Total expenditure	5	<u>7,940,508</u>	<u>132,970</u>	<u>79,165</u>	<u>8,152,643</u>
Net income before investment gains	5	449,193	5,346	(79,165)	375,374
Investment loss		-	88,077	-	88,077
NET MOVEMENT IN FUNDS		<u>449,193</u>	<u>93,423</u>	<u>(79,165)</u>	<u>463,451</u>
Fund balances at 1 August (as previously stated)		7,860,364	451,009	2,312,599	10,623,972
Prior year adjustments	20	(1,178,566)	-	3,178,566	2,000,000
Fund balances at 1 August (as restated)		<u>6,681,798</u>	<u>451,009</u>	<u>5,491,165</u>	<u>12,623,972</u>
Fund balances at 31 July (as restated)		<u><u>7,130,991</u></u>	<u><u>544,432</u></u>	<u><u>5,412,000</u></u>	<u><u>13,087,423</u></u>

THE FARNBOROUGH HILL TRUST

England & Wales - Charity number 1039443

Accounts

THE FARNBOROUGH HILL TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

Company Number: 2941378
Charity Number: 1039443

THE FARNBOROUGH HILL TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 JULY 2021

The Governors who served throughout the year (unless stated otherwise) were:

Mr T J Flesher *#	Chair (Resigned 3 December 2020)
Mr G J McCormack *#	Chair (Appointed 3 December 2020)
Miss H Griffiths #	Deputy Chair (Appointed 3 December 2020)
Mr M Bernard #	
Mrs A Berry #	
Dr C Chadwick #	
Mr C Fowler-Tutt *+	
Miss N Hills *	
Mr P Smith *	
Mrs J Windeatt #	

* Member of the Finance and General Purposes Committee

Member of the Education Committee

+ Farnborough Hill representative at the Association of Governing Bodies of Independent Schools

Members of the Trust

Mr M Maher	Chair
Sr M Dawson RCE	
Sr E McCormack RCE	
Sr C Nagle RCE	
Mrs S Buckle	
Mr T J Flesher	(Appointed 3 December 2020)
Mr J B Hull	
Mrs C E Hamilton	

The Head:

Mrs A Neil BA (Hons) MA PGCE

Clerk to the Governors & Bursar:

Cdr M Robertson BSc (Hons)

Address:

Farnborough Hill
Farnborough Road
Farnborough
Hampshire GU14 8AT

Bankers:

NatWest Bank Plc
Farnborough & Basingstoke Commercial Centre
Ground Floor
200 Fowler Avenue
IQ Farnborough
Farnborough
Hampshire GU14 7JP

Auditors:

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

Investment Advisers:

Coutts & Co
440 Strand
London WC2R 0QS

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 JULY 2021

INTRODUCTION

The Governors (or Directors) - who are charity Trustees for the purposes of the Charities Act 2011 - present their annual report in compliance with both that Act and the Companies Act 2006, together with the financial statements prepared under the latter Act, for the year ended 31 July 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and Administration

The Farnborough Hill Trust (Farnborough Hill) was incorporated as a private company limited by guarantee on 22 June 1994. Farnborough Hill is a registered charity number 1039443. The Trust includes the Farnborough Hill Bursary, Scholarship and Prize Fund.

The governing documents are the Instrument of Government, approved by the Charity Commission and the Principal Superior of the Institute of Christian Education, and the Memorandum and Articles of Association. Where ambiguity arises, the Memorandum and Articles of Association shall prevail.

Governing Body

The Governors who served during the year are shown on page 1.

The Board of Governors should consist predominantly of Roman Catholics. In total, it should consist of not less than five and not more than fifteen Governors. The Trustees/members can appoint any suitable person who is willing to act as a Governor in a general meeting by a simple majority. One third of the Governors retire by rotation at each Annual General Meeting but are eligible for re-election at that meeting.

Governors regularly attend training seminars and courses organised by ISBA, AGBIS and other professional bodies with the aim of keeping up to date with governance, compliance and safeguarding issues. Attendance at relevant INSET training for academic staff is also encouraged and the interaction with academic staff, at such training, is deemed to be of a significant benefit.

Prospective Governors are normally invited to visit the School and undertake an induction programme, attend AGBIS training for new Governors and attend school events and Governors' meetings prior to being nominated for election by the Members of the Trust. On appointment each Governor is given a copy of the Memorandum and Articles of Association and the Instrument of Government, together with any other documentation appropriate at the time.

Organisation

The Board of Governors and its two committees, namely Finance & General Purposes and Education, set out the general policy of the school. The day to day affairs of the school are run by the School's Senior Leadership Team.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Objects

Farnborough Hill is an independent Roman Catholic Day School for Girls age 11 -18 years and the Head is a member of the Girls' Schools Association and Independent School's Association. The School is dedicated to educating the whole person within a happy, caring Christian community where each individual is valued. Girls from all Christian denominations, other faiths and none are welcomed into the School.

FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2021

Objects

The objects of the Farnborough Hill Trust are to advance the Roman Catholic faith by the education of children of all faiths in the Christian tradition.

Objectives for the year ahead

- a. To continue to deliver a broad curriculum throughout the ongoing Covid-19 pandemic.
- b. To maintain healthy recruitment into Year 7 and the Sixth Form.
- c. To complete the Sixth Form Quad project by April 2022.
- d. To minimise the risk of spread of Covid-19.
- e. To develop a comprehensive Estate Decarbonisation Plan.

Strategies to achieve the year's objectives

Strategies employed to achieve the above objectives include:

- a. SLT to continuously review onsite, remote and blended teaching provision to ensure that opportunities are maximised and risks minimised.
- b. Review, update and implement the admissions and marketing plan.
- c. Proactive and detailed project management alongside the School's Surveyors, ProMission.
- d. Implement and continuously review the comprehensive school Covid-19 Risk Assessment.
- e. Engage with industry experts to survey all school buildings to produce a School Sustainability Plan.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

In a year when pupils lost the opportunity to put their learning to the test through traditional examinations, credit must be given to the industry and indomitable spirit of this year's candidates for their outstanding results.

Teacher Assessed Grades (TAGs) at Farnborough Hill were based on between five and eight pieces of evidence per subject that comprised a combination of formal assessments sat under high levels of control and additional evidence to support a professional judgment of the standard at which the pupils were working. After a rigorous internal quality assurance process, involving SLT, the SENDCo and HODs, all our grades were accepted by the examination boards, which acknowledged the School achieved compliance in terms of the processes we had followed.

The staff worked tremendously hard, gathering data, ensuring that access arrangements and special consideration were given due account, assimilating the regulations and recording their evidence and rationale for awarding grades. This included quality assurance processes to mitigate the risk of bias such as 'blind marking' all of the May 2021 assessments, and departmental discussion of factors that can affect objectivity such as the 'halo effect'. Additionally, analysis of the TAGs reference to ethnicity, religion and SEND showed that there was no evidence of any bias and that pupils in these categories were being awarded results in line with the rest of the cohort.

The 2021 Public Examination series was a team effort from the School community, performed 'wholeheartedly'. In the end, while the system of continual assessment undoubtedly played to the strengths of our pupils, the grades achieved were hard-earned and awarded by the School with integrity.

A level Headlines

- Six students achieved straight A*s
- The average grade in the cohort was a Grade A
- All students studying Classical Civilisation, Latin, Computing and D&T achieved A*s.
- Of the nine students studying English Literature, eight achieved an A* and one a grade A
- In a cohort of 39 students, 10 achieved two A*s and at least one A grade and 22 students achieved all A* or A grades
- Destinations: 94% of applicants gained access to their first-choice university with 77% of university destinations within the Russell Group

GCSE grades were equally creditable:

GCSE Headlines

- The average grade was a Grade 7 (the equivalent of a Grade A)
- Three pupils achieved all Grade 9s
- 20 pupils achieved all Grade 9s and 8s (the equivalent of an A*)
- 39 pupils achieved all Grades 9 to 7 (the equivalent of straight A*s and As)
- Standout subjects were: Music, Computer Science, Greek, History and Latin, where all entrants achieved an average score of higher than a Grade 8
- The average grade in all three Separate Sciences (Biology, Chemistry, Physics) was a Grade 8. This achievement was matched by Religious Studies, Geography, Food Preparation and Nutrition, English Language and ICT
- All five Music GCSE pupils achieved a Grade 9 or 8

The number of girls involved in Project Qualifications continues to be significant. 72 girls in Year 9 completed either the Level 1 or Level 2 qualification last academic year, with impressive results: 70% A* - A. One member of the Upper Sixth submitted an EPQ in the June session, receiving an A grade, whilst 20 members of the current Upper Sixth have submitted for the November deadline.

The School's IT support was outsourced to CST who provide support in depth and breadth for this critical capability area. Work already completed includes a major upgrade of IT systems involving the replacement of servers and the complete restructuring of the School's IT network. This has made systems faster, more resilient and future proof. As this year progresses the School will be working with CST to develop the School's IT Roadmap for the next 5 years and this will include the rollout of iPads to all Year Groups from September 2022 and preparation to upgrade the School's wireless infrastructure to manage the additional devices. The School will be relying less on local storage as the remaining file shares are moved to the Cloud. Alongside this the IT Support Team will continue to facilitate blended learning and virtual events for as long as is needed in response to the ongoing pandemic.

The curriculum, as it stands, is broad and balanced. Girls in Years 7 and 8 are exposed to up to 17 subjects (not consecutively) before reducing their portfolio to 13 subjects in Year 9, and then reducing further to eight subjects, which translates to 10 GCSEs in Year 11. Additionally, the curriculum remains the same in terms of content and configuration. However, as ever, developments and initiatives are being taken forward.

FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2021

In the Sixth Form the School follows a three A level linear model. Furthermore, bi-weekly careers lessons and an EPQ lesson have been embedded into all Lower Sixth students' timetables as well as a coaching programme – Ivy House.

Initiatives in the Sixth Form include increasing the opportunities for leadership and responsibility. For instance, further increasing the prestige and reach of the Junior Leadership Team (JLT) and inviting Sixth Formers to support activities and duties more fully. The School is also working hard to develop outreach and aims to continue with a partnership with other independent schools to support the candidates applying to Oxbridge.

The return to School in March made a real difference to all aspects of the School's life, including the Spiritual life on the Hill. Our seven CAFOD Young Leaders in the Lower Sixth launched the 'Walk for Water' campaign with a unique Farnborough Hill twist. The initiative aimed to raise awareness about people in developing countries who must walk great distances in order to collect clean water. The campaign encouraged participants to walk 10,000 steps each day in solidarity with those who must walk long distances for water and encouraged participants to raise money so that CAFOD could build sources for clean water in communities in need. This campaign raised awareness, encouraged staff and pupils to get walking outdoors, and raised funds for CAFOD.

The School has commenced a significant capital project which will see a Grade I listed glass covered quadrangle area converted from a locker room into a modern and vibrant Sixth Form Common Room. This work commenced in March 2021 and will be completed by Easter 2022. The conversion will place the Sixth Form in the centre of the School from which the Sixth Formers can play a more central part in the leadership of the School. Further works undertaken include the refurbishment of the rear of the Old House, the Chapel Corridor toilets and the replacement of the Chapel corridor roof.

The Old Girls' network has remained supportive and connected to the School, even throughout the pandemic, when Old Girls have not been able to visit the School in person.

Throughout the pandemic many Old Girls have assisted with supplies for vulnerable Old Girls and their families. In School we have been keeping a 'vulnerable list' and engaging with these Old Girls and relatives on a regular basis. Current pupils have been corresponding with those on the list and some 'penpal' relationships have been established.

A second virtual Old Girl reunion has been held on Facebook which has currently been viewed by over 1100 Old Girls online. With over 2100 members of the closed Facebook page the School is now taking forward a Business Networking Hub and the mentoring of current pupils (predominantly Sixth Form) which takes place throughout the School's Careers programme.

In line with the School's aim to develop a coaching approach widely amongst staff to staff, and staff to pupil engagements coaching training is now being rolled out. The essence of the technique is to aid an individual to solve their own problems and therefore increase their sense of control and mastery which is vital for self-growth, rather than for someone else to solve problems, but in actuality render impotent the individual with the challenge.

As part of our strategy, the School is keen to empower Middle Leaders. The objective is for them to feel an increased level of autonomy and purpose as well as understanding their impact on role-models and agenda setters. A programme has been designed by a consultancy to facilitate this. All HODs, HOYs and several other staff that hold responsibility for an area within the School are participating.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2021

THE SCHOOL AND THE COMMUNITY (PUBLIC BENEFIT)

The Governors and Senior Leadership Team consider that the School should strive to play a full and responsible part in the wider community, so living out our Mission Statement. Lockdowns and restrictions brought about by the COVID-19 pandemic led to limitations on the ability to provide in-person activities and support. However, the School developed "The Hive", which brought together over 100 Year 6 pupils from 50 primary schools for an eight-week series of virtual lessons, aimed at fostering friendships and supporting learning. Additionally, pupils and students wrote to lonely and vulnerable members of the local community to ease feelings of isolation during lockdown. Post lockdown, and in order to assist local junior and prep schools catch up with their swimming curriculum, the School has extensively opened up its pool free of charge. We are always working to extend our links with the community further.

We also continued our charity work with the local community and raised over £5,000 for good causes in addition to non-monetary donations through food and clothing to local charities assisting families in need.

There were 62 Bursary awards made during the year to families who required financial assistance to send their daughters to Farnborough Hill.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

This is the 26th financial year for the Farnborough Hill Trust, the School having been transferred to the Trust by the Institute of Christian Education as a going concern on 1 August 1994. During this year Farnborough Hill has had a roll of 570 pupils. The anticipated roll for 2022 and thereafter is good and the Governors are confident that the School can continue to maintain numbers well in excess of the break-even requirement.

The Bursary and Scholarship funds have been used to good effect this year and continue to be met with support from Unrestricted Funds. Academic scholarships are awarded in Years 7 and 11 for the Sixth Form. Each year the School normally offers to Year 7 entrants a number of major scholarships each worth one fifth fees and a number of minor scholarships worth one tenth of fees. One of the major scholarships is available only to Roman Catholic pupils but the remainder are unrestricted.

Each year there is also one Music, one Sports and one Arts & Design scholarship award on offer at Year 7, each worth one fifth of fees. A number of scholarships of up to £3,000 are awarded annually for the two Sixth Form years.

The Board of Governors wishes to acknowledge the continued generosity of the Sisters of the Religious of Christian Education in making very significant donations to the Scholarship, and in particular the Bursary funds. These are of immense help in maintaining the Objects and Policy of the School and also in assisting Catholic pupils to attend Farnborough Hill where parents could not otherwise afford the fees.

Grant Making Policy

This year the total value of bursaries, scholarships and prizes made to the School's pupils amounted to £695,939 (2020: £706,309). This included a total of £130,000 (2020: £130,000) from restricted funds, comprising bursaries £115,000 (2020: £115,000) and scholarships £15,000 (2020: £15,000).

The Governors' policy, in line with that of other independent schools, is to make these awards on the basis of the individual's assessed financial need in the case of bursaries, and academic ability when allocating scholarships and prizes (subject to any particular conditions imposed by the original donor where the award is made out of restricted funds).

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2021

Reserves Policy

The School needs reserves to ensure it can fulfil and complete the charitable obligations and commitments it enters into.

As at 31 July 2021, the total funds of the School were £11,087,423 which included restricted funds of £544,432 and unrestricted funds of £8,309,557 – the bulk of which is represented by the School's fixed assets i.e. its buildings. As with all schools, the School's reserves policy is closely linked to its working capital needs through the year and to its development plan in the medium term. The Governors are aware that it is not always possible for a major new development project to be funded solely from current resources and alternative means of funding may be required. It is also the intention of Governors to steadily to build up the School's reserves from modest annual operating surpluses over time.

At the end of the financial year the level of freely available reserves stood at £2,063,339 (2020: £1,908,126). Unrestricted fund operating costs currently amount to £7,940,508 (2020: £7,851,455) per annum.

In the accounts the unrestricted funds relate to the general school funds and the restricted funds comprise the Bursary, Scholarship and Prize Funds.

The value of the restricted funds at the end of the year is £544,432 (2020: £451,009). The actual surplus of unrestricted funds over the year's activities was £449,193 (2020: £204,411).

The School is entirely self-supporting and its funds have been carefully built up over the past 25 years through prudent financial management.

Key Management Pay

The Governors consider the Senior Leadership Team to comprise the key management personnel of the School as they are in charge of directing and controlling, running and operating the School on a day to day basis. All Governors give of their time freely and no Governor received remuneration in the year. Details of related party transactions are disclosed in Note 21 to the accounts.

The remuneration of the Senior Leadership Team and all staff is reviewed annually. In view of the nature of the organisation, the governing body benchmarks against pay levels in other similar educational organisations.

Investment Policy and Objectives

In accordance with the powers given in its governing document, the Charity has delegated the management of its investment portfolio to a specialist adviser and has instructed them to balance capital growth and income in managing its portfolio. The investment manager has completed these aims within current market conditions. Income from listed investments is £8,316 (2020: £9,271) and the market value at the year-end is £585,127 (2020: £447,245), as shown in Note 9 to the financial statements.

Fundraising Practices

Farnborough Hill has not made any fundraising appeals to the general public during the year of the pandemic. Fundraising focusses on securing grants and donations from government bodies, registered charities, business links and parents, but not so far from alumni. There has been no outsourced fundraising via professional fundraisers or other third parties. Consequently, the School is not registered with the fundraising regulator and received no fundraising complaints in the year. Parental donations are entirely voluntary.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2021

RISK MANAGEMENT AND PRINCIPAL RISKS

The School has a formal risk management process through which the Senior Leadership Team identifies the major risks to which the organisation may be exposed and has ranked these by likelihood and impact, culminating in a risk control document which is updated on a regular basis. All significant risks, together with current mitigation actions, are reviewed regularly throughout the year by the Governing Body. The Governors are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

The principal risks and uncertainties identified by the School are as follows:

Risk identified	Action to mitigate the risk
Significant outbreak of Covid-19 throughout the School.	Comprehensive risk assessment continuously reviewed to ensure all required measures are in place to minimise spread of Covid-19. Detailed plans in place to deliver remote and blended curriculum.
Fall in pupil numbers	Numbers throughout the recruiting process will be closely monitored and marketing and admissions strategies will be adjusted as required. The School will ensure that it remains an attractive option for future parents both academically and in the provision of excellent facilities.
Catastrophic business interruption	Well trialled and tested Emergency Recovery plan in place supported by comprehensive insurance cover to ensure the continued operation of the school.
Externally imposed financial pressures.	The school continues to monitor the situation and react to advice and guidance given by relevant bodies. Provision will be considered within the budget.
Reputational damage	The School has a well trialled and tested Emergency Recovery plan. A comprehensive suite of risk assessments and policies are in place which mitigates against events that would potentially lead to reputational damage.
Decrease in academic achievement	Ensure continued recruitment of high calibre teaching staff. Maintain attractive pay scales. Continue to provide a welcoming, stimulating, vibrant and well supported work environment.

The risks to which the School is exposed have been considered and steps taken to determine their relative importance. Risks are graded using a traffic light assessment that classifies Major, Average and Minor Risks as detailed within the Risk Assessment Plan. The Major Risks, as identified by the Governors, have been reviewed and systems established to mitigate those risks.

FUTURE PLANS

Future Plans are detailed within the Long-Term Strategic Plan, which is reviewed regularly by the Board of Governors. Main objectives for the next four years, as previously stated, are as follows:

- a. To provide a broad and balanced curriculum.
- b. To provide enhanced facilities for teaching and learning whilst improving facilities infrastructure and the integrity of the Grade I listed building.
- c. Continue to renew, extend and improve ICT facilities and infrastructure to all pupils and teachers as part of the School's overall ICT strategy.
- d. Monitor trends in Year 7 recruitment and Sixth Form retention and consider implementing further strategies to maintain recruitment and increase retention.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2021

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as Trustees of Farnborough Hill Trust and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

- there is no relevant audit information of which the company's auditors are unaware; and
- the Governors have taken all steps that 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.

AUDITORS

A resolution to re-appoint Haysmacintyre LLP will be submitted to the Annual General Meeting.

Approved by the Board on 2 December 2021 and signed on its behalf by



Mr G J McCormack (Chair)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FARNBOROUGH HILL TRUST

Opinion

We have audited the financial statements of Farnborough Hill Trust for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of the charitable company's net movement in funds, including the 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 Governors' 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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Governors' Report (which includes the directors' 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 directors' report included within the Governors' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FARNBOROUGH HILL TRUST

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 Governors' Report (which incorporates the directors' 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 by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors for the financial statements

As explained more fully in the Governors' responsibilities statement (set out on page 9), the Governors (who act as Trustees of Farnborough Hill Trust and 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 Governors 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 Governors 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission, the Independent Schools Inspectorate (ISI) and the statutory safeguarding and child protection guidance issued by the Department for Education (DfE), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Charities SORP (2019), Companies Act 2006 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risk was related to the recognition of voluntary income. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the charity, particularly in relation to the recording of income and processing of payments and payroll, to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing and testing journal entries made in the year, particularly those made as part of the year end financial reporting process; and
- Challenging assumptions and judgements made by management in their critical accounting estimates which comprise depreciation, bad debt provision, accruals and deferred income.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FARNBOROUGH HILL TRUST

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.



Siobhan Holmes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date 15 December 2021

10 Queen Street Place
London
EC4R 1AG

THE FARNBOROUGH HILL TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**

FOR THE YEAR ENDED 31 JULY 2021

INCOME FROM:	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2021 £	Total 2020 £
Charitable activities						
School fees	4	7,934,054	-	-	7,934,054	7,531,664
Ancillary trading	2	295,399	-	-	295,399	363,125
Voluntary sources						
Donations		-	130,000	-	130,000	130,000
Charitable trading – rental income		28,551	-	-	28,551	24,261
Investment income	3	352	8,316	-	8,668	17,012
Other income		131,345	-	-	131,345	129,075
Total Income		<u>8,389,701</u>	<u>138,316</u>	<u>-</u>	<u>8,528,017</u>	<u>8,195,137</u>
EXPENDITURE ON:						
Raising funds						
Financing costs		24,416	-	-	24,416	(42,914)
Investment management		-	2,970	-	2,970	3,169
		<u>24,416</u>	<u>2,970</u>	<u>-</u>	<u>27,386</u>	<u>(39,745)</u>
Charitable activities:						
School operating costs:						
Teaching		5,132,525	-	-	5,132,525	5,143,144
Welfare		33,788	-	-	33,788	33,446
Premises		1,451,065	-	79,165	1,530,230	1,412,344
Support costs of schooling		889,755	-	-	889,755	893,035
Catering, travel and other recharges		408,959	-	-	408,959	491,561
Grants, awards and prizes	4b	-	130,000	-	130,000	130,000
Total expenditure	5	<u>7,940,508</u>	<u>132,970</u>	<u>79,165</u>	<u>8,152,643</u>	<u>8,063,785</u>
Net income before investment gains	7	449,193	5,346	(79,165)	375,374	131,352
Investment gain/(loss)		-	88,077	-	88,077	(28,777)
NET MOVEMENT IN FUNDS		<u>449,193</u>	<u>93,423</u>	<u>(79,165)</u>	<u>463,451</u>	<u>102,575</u>
Fund balances at 1 August		<u>7,860,364</u>	<u>451,009</u>	<u>2,312,599</u>	<u>10,623,972</u>	<u>10,521,397</u>
Fund balances at 31 July		<u><u>8,309,557</u></u>	<u><u>544,432</u></u>	<u><u>2,233,434</u></u>	<u><u>11,087,423</u></u>	<u><u>10,623,972</u></u>

All recognised gains and losses are included in the statement of financial activities.

All operations are continuing.

Full comparative figures for the year ended 31 July 2020 are shown in note 23.

The notes on pages 16 to 29 form part of these financial statements.

BALANCE SHEET

AT 31 JULY 2021

	Notes	£	2021 £	£	2020 £	£
FIXED ASSETS						
Tangible assets	8	10,438,957			10,268,601	
Investments	9	585,127			447,245	
				11,024,084		10,715,846
CURRENT ASSETS						
Debtors	10	227,012			220,369	
Cash at bank		3,209,926			2,836,330	
		3,436,938			3,056,699	
CREDITORS: Amounts falling due within one year	11	(1,373,599)			(1,148,573)	
NET CURRENT ASSETS				2,063,339		1,908,126
TOTAL ASSETS LESS CURRENT LIABILITIES				13,087,423		12,623,972
CREDITORS: Amounts falling due after more than one year	12		(2,000,000)			(2,000,000)
NET ASSETS	13		11,087,423			10,623,972
FUNDS						
Restricted funds	14		544,432			451,009
Endowed funds	13		2,233,434			2,312,599
Unrestricted funds	13		8,309,557			7,860,364
TOTAL FUNDS	13		11,087,423			10,623,972

The financial statements were approved and authorised for issue by the Board on 2nd December 2021 and were signed below on its behalf by:



Mr G J McCormack
CHAIR

The notes on pages 16 to 29 form part of these financial statements.

THE FARNBOROUGH HILL TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2021

	Notes	£	2021	£	£	2020	£
NET CASH FLOWS FROM OPERATING ACTIVITIES	19			811,093			509,158
CASH FLOWS FROM INVESTING ACTIVITIES							
Payment for tangible assets		(387,691)			(102,008)		
Proceeds from sale of tangible fixed assets		-			549		
Investment additions and movement in cash awaiting investment		(385,668)			(185,341)		
Proceeds from sale of investments		335,862			179,243		
NET CASH USED IN INVESTING ACTIVITIES				(437,497)			(107,557)
Change in cash and cash equivalents in the reporting period				373,596			401,601
Cash and cash equivalents at the beginning of period				2,836,330			2,434,729
CASH AND CASH EQUIVALENTS AT THE END OF REPORTING PERIOD				3,209,926			2,836,330

The notes on pages 16 to 29 form part of these financial statements.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

1. ACCOUNTING POLICIES

Charity 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 22 June 1994 (company number: 2941378) and registered as a charity on 15 July 1994 (charity number: 1039443). Its registered office is Farnborough Road, Farnborough, Hampshire, GU14 8AT.

Basis of preparation

The financial statements have been prepared 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 (second edition) 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 2020.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments and leasehold land and buildings.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School 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. The School has managed its finances and resources soundly during the Covid-19 pandemic and is well placed going forward. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

Critical accounting judgements and key sources of estimation or uncertainty

In the application of the accounting policies, Governors are required to make judgements, 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.

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 Governors, 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.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

1. ACCOUNTING POLICIES (continued)

Investment income

Investment income from equities/shares, bank balances and fixed interest securities is accounted for on an accruals basis.

Donations, legacies, grants and other voluntary income

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to unrestricted funds. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund. Other income includes Furlough grant income received from the government in relation to Covid-19.

Expenditure

Expenditure is accrued as soon as a liability is considered probable. Expenditure attributable to more than one cost category in the Statement of Financial Activities is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the School's Governors, and all the costs of complying with constitutional and statutory requirements, such as costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Tangible fixed assets

Tangible fixed assets inherited by the School at 1 August 1994 are included at cost being their net book value at that date.

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £1,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £1,000 is capitalised and carried in the balance sheet at historical cost.

Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred. Individual items costing less than £1,000 are normally written off as an expense on acquisition.

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

Leasehold buildings and property investments	- 10 - 50 years
Furniture, fittings and equipment	- 4 - 10 years
Motor Vehicles	- 4 - 10 years
IT equipment	- 2 - 4 years

The gift of the 999-year lease of the School building and grounds in 2003 has been capitalised to comply with the Charities SORP. The asset has been included in the balance sheet at valuation. The trust has adopted the provisions of FRS 15 in respect of this asset and will not revalue it in the future. The land element is depreciated over the life of the lease.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

1. ACCOUNTING POLICIES (continued)

Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, to be spent at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Endowed funds represent the 999-year lease which was gifted to the School during the year ended 31 July 2003. The fund was valued at £5,500,000, less the soft loan of £2,000,000. The net figure constituted an expendable endowment of £3,500,000 that was recognised as income in the Statement of Financial Activities under the heading 'Donations' in the year of receipt.

Restricted funds represent amounts donated to the School for specific purposes such as funding building developments, scholarships, seniors' bursaries and prizes.

Pension costs

Retirement benefits to employees of the School are provided through two principal pension schemes. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable. The School exited this defined benefit pension scheme on 31 August 2020. All affected staff have moved to a defined contribution scheme.
- (b) The Aviva Pension Trust for Independent Schools (APTIS) is a defined contribution scheme. Contributions payable by the School during the year are included in the pension costs charged in the accounts.
- (c) Other pension costs charged in the accounts for defined contribution schemes represent the contributions payable by the School during the year.

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.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

1. ACCOUNTING POLICIES (continued)

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost 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 all creditors except social security and other taxes and provisions.

Debtors

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

Creditors and provisions

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

Cash at bank and in hand

Cash at bank and cash 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.

Employee benefits

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

2. ANCILLARY TRADING INCOME	2021 £	2020 £
Catering	101,368	206,559
Coaches	140,618	107,389
Trips	1,683	37,622
Other	51,730	11,555
	<u>295,399</u>	<u>363,125</u>

All ancillary trading income is unrestricted in both years.

3. INVESTMENT INCOME	2021 £	2020 £
School bank interest	352	7,741
Restricted fund bank and other interest	-	2
Restricted fund investment income	8,316	9,269
	<u>8,668</u>	<u>17,012</u>

Of the above, £8,316 relates to restricted income (2020: £9,289).

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

4. SCHOOL FEES	2021 £	2020 £
a) School fees comprised:		
School fees	8,645,282	8,251,838
Registration fees	18,700	20,500
Retained deposits	2,423	527
	<u>8,666,405</u>	<u>8,272,865</u>
Less: Bursaries, grants and allowances	(862,351)	(871,201)
	<u>7,804,054</u>	<u>7,401,664</u>
 Scholarships and grants paid for by Restricted Funds	 130,000	 130,000
	<u>7,934,054</u>	<u>7,531,664</u>
 b. Grants, awards and prizes paid by restricted funds consisted of:		
Scholarships	15,000	15,000
Bursaries	115,000	115,000
	<u>130,000</u>	<u>130,000</u>
Scholarships and bursaries paid for by Restricted Funds	<u>130,000</u>	<u>130,000</u>

The above educational awards were made to 143 pupils (2020: 145).

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

5. ANALYSIS OF EXPENDITURE

	Staff £	Other £	Depreciation £	2021 Total £
Cost of generating funds:				
Financing costs	-	24,416	-	24,416
Investment management	-	2,970	-	2,970
	-	27,386	-	27,386
Charitable activities:				
School operating costs:				
Teaching costs	4,523,663	582,447	26,415	5,132,525
Welfare	32,513	1,275	-	33,788
Premises	385,434	953,876	190,920	1,530,230
Support costs	691,851	197,904	-	889,755
Catering, travel and other recharges	134,755	274,204	-	408,959
Grants and prizes	-	130,000	-	130,000
	5,768,216	2,167,092	217,335	8,152,643

Comparative information in respect of the preceding period is as follows:

	Staff £	Other £	Depreciation £	2020 Total £
Cost of generating funds:				
Financing costs	-	(42,914)	-	(42,914)
Investment management	-	3,169	-	3,169
	-	(39,745)	-	(39,745)
Charitable activities:				
School operating costs:				
Teaching costs	4,634,468	483,788	24,888	5,143,144
Welfare	31,404	2,042	-	33,446
Premises	414,375	806,261	191,708	1,412,344
Support costs	648,793	244,242	-	893,035
Catering, travel and other recharges	126,816	364,745	-	491,561
Grants and prizes	-	130,000	-	130,000
	5,855,856	1,991,333	216,596	8,063,785

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

5. ANALYSIS OF EXPENDITURE (continued)

Other support costs of schooling comprise

	2021 £	2020 £
Stationery, equipment and computers	34,825	24,297
Postage and telephone	13,487	16,877
Advertising	65,775	110,431
Professional fees	42,129	53,852
Subscriptions	18,489	17,086
Governance	22,834	19,060
Other	365	2,639
	<u>197,904</u>	<u>244,242</u>

Governance costs includes

	2021 £	2020 £
Audit	20,040	15,500
Additional fees in relation to the prior year audit	2,794	3,560
	<u>22,834</u>	<u>19,060</u>

6. Staff costs

Remuneration	4,668,904	4,576,673
Social security costs	486,836	479,105
Pension contributions	612,476	800,078
	<u>5,768,216</u>	<u>5,855,856</u>

The average number of employees for the year was 82 full time (2020: 84) and 52 part time (2020: 51) of which 61 full time (2020: 60) and 23 part time (2020: 27) were teaching staff. Included within the remuneration figure is £66,333 relating to termination payments (2020: £nil).

The total employee benefits of the key management personnel and the School were £701,395 (2020: £678,708).

	No.	No.
The number of employees whose emoluments exceeded £60,000 were:		
£60,000 - £70,000	2	4
£70,000 - £80,000	2	1
£80,000 - £90,000	1	1
£90,000 - £100,000	-	1
£100,000 - £110,000	1	-
	<u>1</u>	<u>1</u>

All of these higher paid employees (2020: 2) are accruing retirement benefits under the defined contribution scheme. Contributions this year totalled £68,882 (2020: £15,714).

No governors, or any person connected with them, received any remuneration during the year. Expenses for travel and training reimbursed to governors amounted to £290 (2020: £1,633).

During the year the School obtained, within its general insurance, professional indemnity and governors liability insurance for a premium of £360 (2020: £360).

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

7. NET MOVEMENT IN FUNDS	2021 £	2020 £
Net movement in funds is stated after charging:		
Auditors' remuneration		
- for audit	20,040	15,500
- in relation to prior year	2,794	3,560
Depreciation	217,355	216,596

8. TANGIBLE FIXED ASSETS	Leasehold land and buildings	Leasehold Buildings and property improvements	Furniture fittings and motor vehicles equipment	IT Equipment	Total
	£	£	£	£	£
Cost					
At 1 August 2020	5,500,000	7,180,719	1,175,340	495,638	14,351,697
Additions	-	347,025	11,376	29,290	387,691
Disposals	-	-	-	-	-
At 31 July 2021	5,500,000	7,527,744	1,186,716	524,928	14,739,388
Depreciation					
At 1 August 2020	1,187,401	1,517,121	1,039,202	339,372	4,083,096
Charge for the year	79,165	96,961	31,672	9,537	217,335
Released on disposals	-	-	-	-	-
At 31 July 2021	1,266,566	1,614,082	1,070,874	348,909	4,300,431
Net Book Value					
At 31 July 2021	4,233,434	5,913,662	115,842	176,019	10,438,957
At 31 July 2020	4,312,599	5,663,598	136,138	156,266	10,268,601

The leasehold land and buildings relates to the gift of a 999-year full repairing lease from the Religious of Christian Education (the freeholder/lessor). The asset has been capitalised in accordance with the requirements of the Charities SORP.

The valuation was carried out by external valuers Christie & Co. (surveyors, valuers and agents) who arrived at an existing use valuation of £5,500,000 based on the current condition as at 5 December 2002.

The Trust has adopted the provisions of FRS15 in respect of the lease and will not revalue it in the future.

9. INVESTMENTS – RESTRICTED FUNDS

	Market Value		Cost	
	2021 £	2020 £	2021 £	2020 £
Listed investments	578,997	437,369	427,986	316,500
Cash awaiting reinvestment	6,130	9,876	6,130	9,876
	585,127	447,245	434,116	326,376

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

9. INVESTMENTS – RESTRICTED FUNDS (continued)

Investments listed on a recognised stock exchange including investments and unit trusts:

	2021	2020
	£	£
UK	238,130	161,930
Overseas	340,867	275,439
Cash: UK	6,130	9,876
	<u>585,127</u>	<u>447,245</u>
	2021	2020
	£	£
Market value at 1 August	447,245	469,923
Additions and movements in cash awaiting reinvestment	389,414	196,099
Disposals at opening market value	(339,609)	(190,000)
(Losses)/Gains on investments	88,077	(28,777)
	<u>585,127</u>	<u>447,245</u>

10. DEBTORS

	2021	2020
	£	£
Fees receivable	21,728	96,322
Prepayments and accrued income	199,259	80,182
Other debtors	6,025	43,865
	<u>227,012</u>	<u>220,369</u>

11. CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	340,749	92,697
Other taxes and social security costs	119,228	110,958
Other creditors	138,562	159,586
Accruals and deferred income	503,310	532,332
Pupil deposits	271,750	253,000
	<u>1,373,599</u>	<u>1,148,573</u>

Deferred income of £16,755 relates to fees in advance (2020: £65,370).

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

12. CREDITORS: Amounts falling due after one year	2021 £	2020 £
Deed of charge	2,000,000	2,000,000
	<u>2,000,000</u>	<u>2,000,000</u>

As part of the agreement to gift a 999-year lease in 2003 of the School premises, the lessor created a soft loan by way of a Deed of Charge.

The loan is interest free and non-repayable except by mutual agreement unless and until either a development gain arises within the first 20 years or the earlier occurrence of any mortgage foreclosure by the lessor.

13. ALLOCATION OF CHARITY NET ASSETS

The School's assets are held for the various funds as follows:

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	2021 Total £
Tangible fixed assets	6,205,523	-	4,233,434	10,438,957
Investments	-	585,127	-	585,127
Net current assets	2,104,034	(40,695)	-	2,063,339
Long term liabilities	-	-	(2,000,000)	(2,000,000)
	<u>8,309,557</u>	<u>544,432</u>	<u>2,233,434</u>	<u>11,087,423</u>

COMPARATIVE ALLOCATION OF CHARITY NET ASSETS

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	2020 Total £
Tangible fixed assets	5,956,002	-	4,312,599	10,268,601
Investments	-	447,245	-	447,245
Net current assets	1,904,362	3,764	-	1,908,126
Long term liabilities	-	-	(2,000,000)	(2,000,000)
	<u>7,860,364</u>	<u>451,009</u>	<u>2,312,599</u>	<u>10,623,972</u>

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

14. RESTRICTED FUNDS	Balance 1 August 2020 £	Income £	Expenditure £	Net Investment Gains £	Balance 31 July 2021 £
Bursary Fund	284,002	135,155	(115,677)	54,602	358,082
Scholarship Fund	165,843	3,161	(16,129)	33,475	186,350
Prize Fund	1,164	-	(1,164)	-	-
	<u>451,009</u>	<u>138,316</u>	<u>(132,970)</u>	<u>88,077</u>	<u>544,432</u>

COMPARATIVE RESTRICTED FUNDS

RESTRICTED FUNDS	Balance 1 August 2019 £	Income £	Expenditure £	Net Investment Gains £	Balance 31 July 2020 £
Bursary Fund	287,363	120,746	(116,968)	(7,139)	284,002
Scholarship Fund	185,172	18,510	(16,201)	(21,638)	165,843
Prize Fund	1,149	15	-	-	1,164
	<u>473,684</u>	<u>139,271</u>	<u>(133,169)</u>	<u>(28,777)</u>	<u>451,009</u>

Restricted funds are employed as follows: -

Bursary Fund: Used for the provision of fee assistance.

Scholarship Fund: Used for scholarships awarded to students.

Prize Fund: Used in recognition of pupils' achievements within the School.

Unrestricted funds are used in the day to day running of the School.

Endowed funds constitute an expendable endowment for the 999-year lease of the School land and buildings.

15. FINANCIAL COMMITMENTS

At 31 July 2021 the School had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2021 £	2020 £	2021 £	2020 £
Within 1 year	70,000	70,000	138,874	130,611
Between 1 and 5 years	280,000	280,000	191,244	197,779
Greater than five years	<u>68,320,000</u>	<u>68,390,000</u>	<u>20,263</u>	<u>-</u>

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

16. CAPITAL COMMITMENTS

At 31 July 2021 the School had outstanding contractual commitments for capital expenditure of £1,013,585 (2020: £nil).

17. CONTINGENT LIABILITIES

Under the terms of the lease of the School premises, in the event of a development gain arising, the lessor is entitled to an additional sum of 20% of the net gain if it arises within the perpetuity period of 20 years from the date of release of the principal charge referred to in Note 12.

18. PENSION SCHEME

The School participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff until 31 August 2020. The pension charge for the year includes contributions payable to the TPS of £61,821 (2020: £723,845) and at the year-end £nil (2020 - £90,121) was accrued in respect of contributions to this scheme.

Following consultation with staff, the School left the scheme on 30 August 2020. The School joined the Aviva Pension Scheme for Independent Schools (APTIS) from 1 September 2020.

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 2020, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2020. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68% of salary.

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 2020. 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 2020 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2021, and closed to responses on 11 October 2021.

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 2020 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 FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

18. PENSION OBLIGATIONS (continued)

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

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

Defined Contribution Schemes

The School also runs a defined contribution scheme for its non-teaching staff. The School's contributions to the scheme during the year ended 31 July 2021 were £71,008 (2020: £75,002) and at the year-end £7,117 (2020: £7,672) was accrued in respect of contributions to the scheme.

The School joined APTIS from 1 September 2020 for teaching staff. The School's contributions to the scheme during the year ended 31 July 2021 were £478,417 (2020: £nil) and at the year-end £72,096 (2020: nil) was accrued in respect of contributions to the scheme.

19. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2021 £	2020 £
Net movement in funds	463,453	102,023
Depreciation	217,335	216,596
Increase in debtors	(6,644)	(3,006)
Increase in creditors	225,026	164,768
(Gain) / loss on investment	(88,077)	28,777
Net cash inflow from operations	<u>811,093</u>	<u>509,158</u>

20. ANALYSIS OF CHANGES IN NET DEBT	2020 £	Change in Year £	2021 £
Cash at bank	<u>2,836,330</u>	<u>373,596</u>	<u>3,209,926</u>

21. RELATED PARTIES

There were no related party transactions in the year (2020: none).

22. TAXATION

The School is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

THE FARNBOROUGH HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2021

23. STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND TYPE

INCOME FROM:	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2020 £
Charitable activities					
School fees	4	7,531,664	-	-	7,531,664
Ancillary trading	2	363,125	-	-	363,125
Voluntary sources					
Donations		-	130,000	-	130,000
Charitable trading – rental income		24,261	-	-	24,261
Investment income	3	7,741	9,271	-	17,012
Other income		129,075	-	-	129,075
Total Income		<u>8,055,866</u>	<u>139,271</u>	<u>-</u>	<u>8,195,137</u>
EXPENDITURE ON:					
Raising funds					
Financing costs		(42,914)	-	-	(42,914)
Investment management		-	3,169	-	3,169
		<u>(42,914)</u>	<u>3,169</u>	<u>-</u>	<u>(39,745)</u>
Charitable activities:					
School operating costs:					
Teaching		5,143,144	-	-	5,143,144
Welfare		33,446	-	-	33,446
Premises		1,333,183	-	79,161	1,412,344
Support costs of schooling		893,035	-	-	893,035
Catering, travel and other recharges		491,561	-	-	491,561
Grants, awards and prizes	4b	-	130,000	-	130,000
Total expenditure	5	<u>7,851,455</u>	<u>133,169</u>	<u>79,161</u>	<u>8,063,785</u>
Net income before investment gains	7	204,411	6,102	(79,161)	131,352
Investment loss		-	(28,777)	-	(28,777)
NET MOVEMENT IN FUNDS		<u>204,411</u>	<u>(22,675)</u>	<u>(79,161)</u>	<u>102,575</u>
Fund balances at 1 August		<u>7,655,953</u>	<u>473,684</u>	<u>2,391,760</u>	<u>10,521,397</u>
Fund balances at 31 July		<u><u>7,860,364</u></u>	<u><u>451,009</u></u>	<u><u>2,312,599</u></u>	<u><u>10,623,972</u></u>