

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.

THE FARNBOROUGH HILL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2023

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	<u>424,840</u>	<u>10,033</u>	<u>(5,500)</u>	<u>429,373</u>	<u>547,368</u>
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>-</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>