

The Tower House School Charitable Foundation
(A Company Limited by Guarantee)

Incorporated in England and Wales No. 03345004
Registered Charity No. 1068844

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

For the year ended

31 August 2023

The Tower House School Charitable Foundation

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for the year ended 31 August 2023

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The Tower House School Charitable Foundation

TRUSTEES REPORT

for the year ended 31 August 2023

Trustees	C Pike Mr A Phillips	
Governors	Antony Phillips (CoG) Andy Sutch Prof. Claire Hogg Brian Giffen Tom Hill Sarah Field (Safeguarding) Peter Marr	<i>appointed 15 November 2022</i> <i>appointed 15 November 2022</i> <i>appointed 15 March 2023</i>
Headmaster:	N Lunnon	<i>appointed 01 September 2023</i>
Bursar & Clerk to Governors:	H Ali	<i>appointed 30 January 2023</i>
Company registered number:	03345004	
Charity registered number:	1068844	
Registered Office:	188 Sheen Lane East Sheen London SW14 8LF	
Bankers:	National Westminster Bank 341 Upper Richmond Road West East Sheen London SW14 8QP	
Auditors:	Moore Kingston Smith LLP 9 Appold Street Floor 6 London EC2A 2AP	
Investment Managers:	Rathbone Brothers Plc 8 Finsbury Circus London EC2M 7AZ	

The Tower House School Charitable Foundation

TRUSTEES' REPORT (continued)

for the year ended 31 August 2023

OBJECTIVES AND ACTIVITIES

Tower House School's aim as an educational charity for children is to benefit the public by providing a first-class education independent of the State system. We are a mixed ability school and we aim for the highest quality of academic tuition and the development of wider sporting, artistic, musical, and social skills in all our pupils. We offer an environment where each pupil can develop and fulfil his potential, in order to help build self-confidence and inculcate a lifelong desire to contribute to the wider community. Objectives are set up in accordance with the whole school development plan.

The Foundation has continued seeking to act as a good citizen in the local community and elsewhere. The school maintains a close liaison between parents/guardians, teachers, the governing body as well as other local charities/organisations that can benefit from the school's facilities.

In setting our objectives and planning our activities, our Governors give full weight to the Charity Commission's guidance on public benefit in the context of charities such as Tower House.

Ongoing and future objectives of the school are to:-

- Maintain the schools' same high level of academic performance and sports achievements with the present 10:1 pupil/teacher ratio. Ensuring all leavers attend their senior schools of choice.
- Expand the teaching of Performing Arts and extend performances and opportunity to participate to the wider community.
- Maintain the expertise of teaching staff, with succession-planning and continual professional development – staff professional development through externally provided courses and by professional learning teams set up 'in house'.
- Continue to develop and resource the Special Educational Needs Department to ensure the appropriate level of support for both the talented and gifted and those with specific learning difficulties.
- To embed a scheme of work which addresses the pupils' wellbeing. Such a scheme to be integrated into the PSHE curriculum and its efficacy measured using a pupil survey in due course. To embed a full and comprehensive Relationships and Sex Education (RSE) curriculum. Consultation with parents of the same and feedback acted upon. Staff and boys to receive awareness training of equality and diversity aspects – staff also to receive awareness training on unconscious bias.
- To further expand the PSHE provision by increasing the number of timetabled slots per week. This will allow deeper study/discussion of the topics already in the scheme and also allow for the introduction of new topics such as economic literacy.
- Further develop the extensive Residential Trip Programme allowing pupils to experience different lifestyles and traditions, to face challenges and to see how in the future they may be able to contribute to the different aspects of society.

The Tower House School Charitable Foundation

TRUSTEES' REPORT (continued)

for the year ended 31 August 2023

- Further develop liaison with environmental agencies to enable voluntary work to be carried out in the community.
- Facilitate wider community access to the school's facilities and staff expertise.
- Fully explore the possibility of Tower House teachers sharing their skills and expertise with local state sector schools.
- Continue to develop and resource the Sports Department, and extend the opportunity for boys to experience a wide range of Sports and Physical Development. To invest heavily in swimming tuition for the younger age groups by utilising the new purpose-built training pool which has been built locally.
- To further invest in Assessment strategies for Senior School and Junior School – these should include an investment in online assessment models leading to standardized scores for national comparison. Please see Annex 1 for CAT4 results for Years 4 & 6 (2023)
- Further increase the numbers of boys learning musical instruments and participating in ensembles – including specialist ensembles such as 'woodwind'. This year over 100 boys participated in extracurricular music lessons, ensembles and groups.

The Governors are mindful of the need to consider activities for the wider Public Benefit, although the priority is still to ensure that pupils already at the school should be able to continue and complete their education at the School. They continue to keep abreast of legal developments, taking particular note of any guidance on general public benefit issued by the Charity Commission. The Governors continue to consider ways to benefit the wider community within the financial constraints affecting the school, and resources/facilities available.

As part of the education of its pupils the school encourages them to offer service and philanthropy as part of the privileged education that they enjoy.

This includes arranging fund raising for local, national and international charities which in the past year has raised a combined figure of £8,121 distributed to the following charities: -

Parkinsons
Ruth Strauss
RSPCA
Sealife Trust
Allergy UK
Heartbeat

In addition to the various fund-raising activities the school organises, the older boys also enjoy a close relationship with various environmental agencies, particularly The Friends of Palewell Common and The Friends of Richmond Park.

In the autumn term food baskets are distributed to the Richmond Food Bank. Local residential homes/day centre residents are frequently invited into the school to enjoy music recitals and

The Tower House School Charitable Foundation

TRUSTEES' REPORT (continued)

for the year ended 31 August 2023

other drama/musical events.

The school hall is made available to local charities such as Members of East Sheen Society (MESS), East Sheen Choir groups and to a local nursery to hold their Nativity play. A wide variety of afterschool and holiday clubs run throughout the year and are where possible open to children in the local area. These include:- sports, art, pottery, drama, film making.

The governors are continuing to identify ways in which they can make the facilities available to the local community and particularly to under privileged children and groups. The Governors are looking forward to letting out the new multipurpose hall to groups within the community, once completed.

Key Management Personnel

The key management personnel of the school are made up as follows:-

Trustees

Charles Pike

Antony Phillips (appointed 20/6/22)

Governors

Andy Sutch

Prof. Claire Hogg

Brian Giffen

Antony Phillips (appointed 20/6/22)

Tom Hill

Sarah Field

Peter Marr (appointed 15/03/23)

Senior Management Team (SMT)

Neil Lunnon – Headmaster (from 01/09/23)

Gregory Evans – Headmaster (to 31/08/23)

Huma Ali – Bursar & Clerk to Governors (from 30/01/23)

Alison Pomfret - Bursar & Clerk to Governors (to 29/01/23)

Ben Peyton – Deputy Head

Kerry Hogan – Head of Junior School

Edmund Orme - Director of Studies

The Trustees and Governors are responsible for the overall management of Tower House School. Governors have the legal responsibility for ensuring that the school complies fully with the law, is solvent and complies with all the financial regulations for charities as well as with Independent School Inspectorate (ISI), and Early Years Foundation Stage (EYFS) regulations. The school should be run in accordance with its charitable objects, including public benefit. Governors set the school's vision, ethos, and direction, regularly review the school's performance against targets and monitor the risks to which the charity is exposed. They are responsible for ensuring that proper measures are taken by the school to mitigate all risks, by

The Tower House School Charitable Foundation

TRUSTEES' REPORT (continued)

for the year ended 31 August 2023

safer recruitment and child protection, compliance with health and safety and appropriate insurance. They are responsible for the Trustee structure. Governors have a duty to keep in mind the interests of pupils, staff and parents as well as those of the community. The Board of Governors meet formally at least 3 times per year. Governors also have specific responsibilities, such as safeguarding and child protection, special educational needs, health and safety, education, and inclusion. This aids Governors to attain an in-depth knowledge of issues affecting the school within their area of responsibility. They can also create links with the relevant staff in school. Governors are welcome and encouraged to visit the school at any time to observe lessons or audit their area of responsibility. Relevant training for governors is promoted and provided. The trustees and governors give their time voluntarily and are not remunerated.

Selection, Appointment, and Induction of Governors

Governors are responsible for the selection, safe recruitment, and appointment of new Governors. The aim is to achieve a balanced board, with individuals with an educational, legal, business, financial, property and marketing backgrounds. All Governors complete a selection process, which requires the submission of a CV, a meeting with a senior Governor and a meeting with the Head. Every Governor has an enhanced DBS check. Each appointment is made/ratified by the full Board for period of 3 years. The school arranges for all new governors to receive a thorough induction in child safeguarding and in the compliance and fiduciary duties of governance. New Governors visit the school in order to meet the key personalities and to gain an insight into the curriculum and to meet groups of pupils.

All new Governors receive a briefing pack on appointment that contains:

- The Governing Instrument
- List of fellow Governors and their contact details
- Dates of meetings for the ensuing year
- Minutes of most recent meetings
- AGBIS/ISC "Guidelines for Governors"
- School staff list
- The School Development Plan
- The School's Risk Register
- The School's Conflict of Interest Policy
- The School Calendar and list of functions
- A list of School policies
- The most recent school accounts
- Statement of governor responsibilities
- Conflicts of interest policy
- Staff handbook
- School prospectus
- Declaration of interest form
- Declaration of eligibility form

The Tower House School Charitable Foundation

TRUSTEES' REPORT (continued)

for the year ended 31 August 2023

Management and Remuneration

The day-to-day management of the school is delegated to the Head, Deputy Head and Bursar, supported by the other members of the Senior Management Team. All members of the Senior Management Team are placed on the appropriate scale point of the Tower House School leadership pay scale, which is derived from the IAPS (Independent Prep Schools Association) Guide to Salaries. The remuneration for the Head and Bursar is reviewed annually by the governing body. The Head and Bursar review the pay for the other members of the SMT annually. Delivery of the School's charitable vision and purpose is primarily dependent upon key management personnel and as is the case with most schools, staff costs are the largest single element of our charitable expenditure.

Review of Achievements and Performance

ISI Focused Compliance and Educational Quality Inspection June 2023 - the school is extremely proud to have secured EXCELLENT in all parts of the Inspection and rated EXCELLENT overall.

The school has invested heavily in further education qualifications studied by staff; these include an MA in Advance Educational Practice (UCL), a Senior Leaders Masters Degree Apprenticeship, (Salford), a Senior Leaders Masters Degree Apprenticeship (Coventry), a Primary Education Foundation Degree (St Mary's) and a Level 5 Diploma in HR Management, CIPD (Chartered Institute of Personnel and Development).

The Tower House School Charitable Foundation

TRUSTEES' REPORT (continued)

for the year ended 31 August 2023

Academic Success

Once again, all Year 8 pupils achieved places at their chosen schools. These include both boarding and day schools, in the area and further afield. 100% success rate at Common Entrance. Five pupils were awarded scholarships by his chosen senior school (3 sports, 1 music, 1 drama).

DESTINATION SCHOOLS - SEPTEMBER 2023

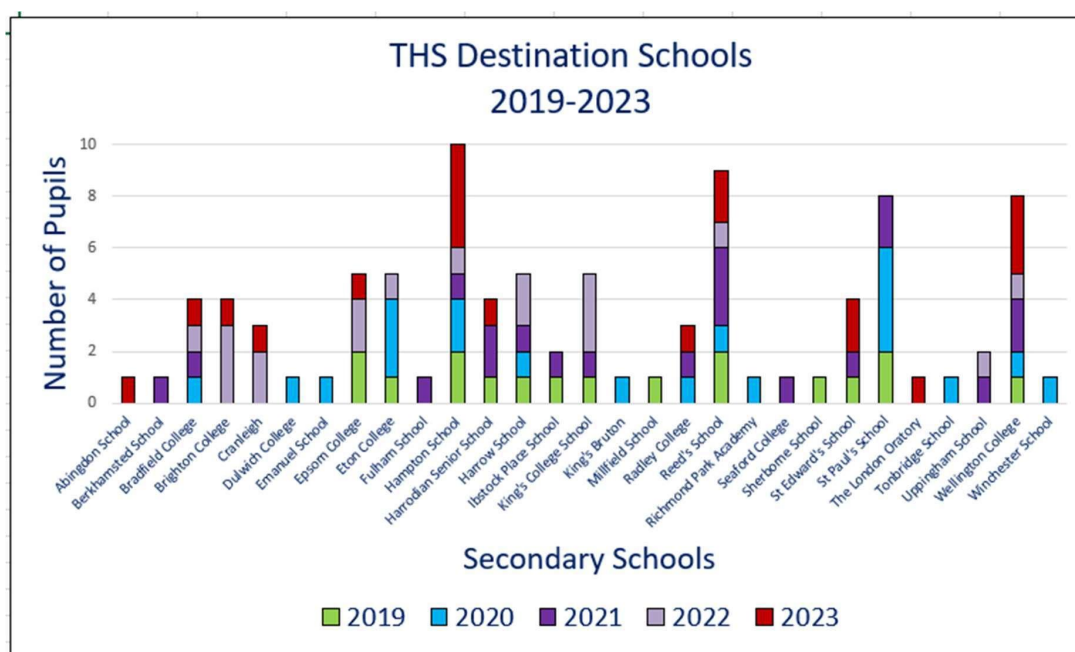
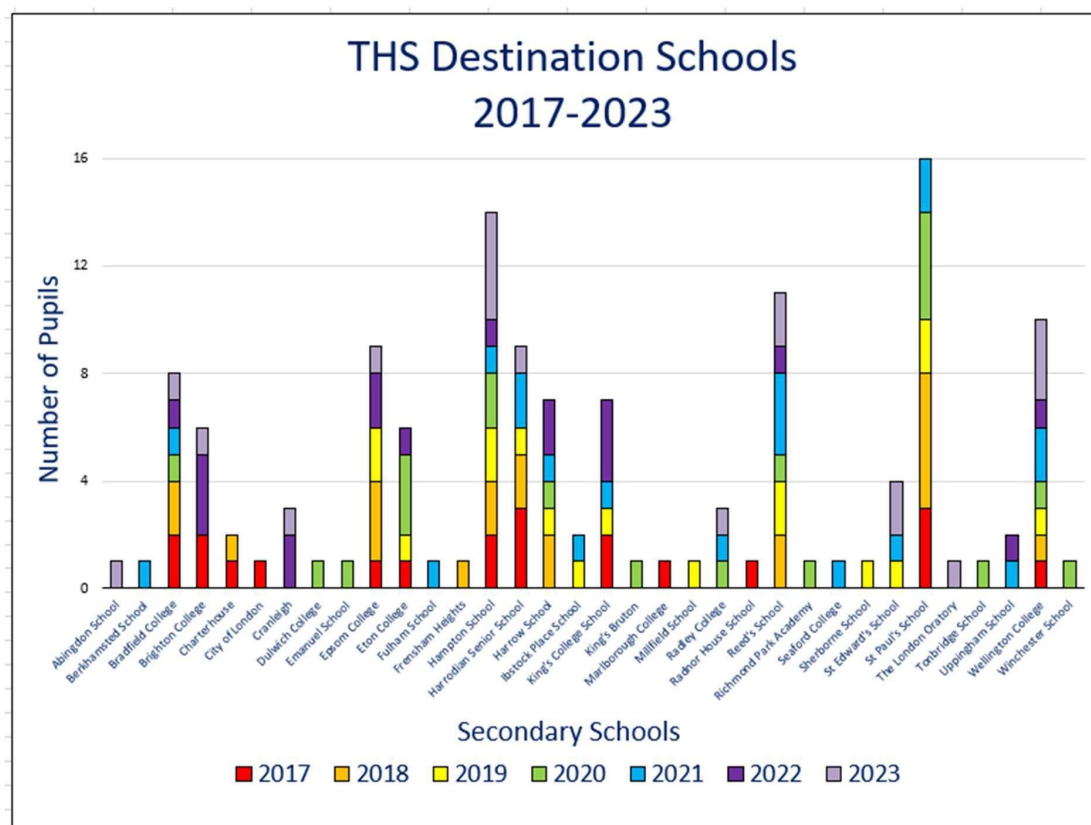
SCHOOL	SCHOLARSHIPS
Wellington College	
Reed's School	Sports Scholarship
Brighton College	
London Oratory	Music Scholarship
Cranleigh School	
Wellington College	
St Edward's Oxford	
Reed's School	
Hampton School	
St Edward's Oxford	
Hampton School	Sports Scholarship
Hampton School	Sports Scholarship
Epsom College	
Radley College	
Bradfield College	Drama Scholarship
Harrodian School	
Wellington College	
Hampton School	
Abingdon School	

Total of 53 offers to 11 different schools for this cohort of 19 boys.

The Tower House School Charitable Foundation

TRUSTEES' REPORT (continued)

for the year ended 31 August 2023



The Tower House School Charitable Foundation

TRUSTEES' REPORT (continued)

for the year ended 31 August 2023

Sports and Fitness

Sporting achievements have been numerous this year; with excellent results in all three main sports (Football, Rugby and Cricket). Specialist professional sports coaches have continued to be utilised for both Rugby and Cricket, with great success. A biennial cricket tour to Barbados serves to provide a fantastic experience to Tower House pupils, whilst also opportunity to donate cricketing equipment to their hosts. Three of our pupils received the offer of a Sports Scholarship from his chosen senior school.

Music

Music continues to develop under the guidance of a dynamic Director of Music. The Senior Choir now accounts for 80% of the pupils who are eligible to join and they have enjoyed performing for the School community and beyond. The recent addition of a guitar ensemble shows the diversity of musical talents and potential performances. One of our Year 8 pupils was awarded a Music Scholarship by his senior school.

The Arts (including the performing arts)

Art throughout the school is in rude health. There is an inclusive exhibition every year with a variety of age groups represented. There is a newly formed, but prolific, pottery club – all ceramic art works are fired in the school's own kiln.

Drama productions continue to set new standards and this year THS performed a brilliant production of Braveheart. High standards do not preclude inclusivity – on average, 80% of pupils who are eligible to audition will be given parts in the play. This year one boy in Year 8 was awarded a Drama Scholarship by his chosen senior school.

Projected plans for the future:

To appoint a successor to Gregory Evans as Head of Tower House School. The Governors appointed Neill Lunnion as incoming Head for September 2023.

To improve facilities to both develop the educational experience for pupils and to retain and attract the highest calibre of staff.

Development of the newly acquired site adjacent to the school began at the end of the summer term 2021. Now fully completed the new development provides 4 new state of the art teaching rooms, a multipurpose sports hall/theatre and a much-improved playground area.

Plans to develop and repurpose vacated spaces in 188 Sheen Lane. There are plans to increase access to ICT, Music Technology and Science, as well as increase the size of the school library.

The Tower House School Charitable Foundation

TRUSTEES' REPORT (continued)

for the year ended 31 August 2023

Fees, Bursaries and Hardship Fund

The fees are inclusive of all residential and curriculum related trips costs and also lunch, to ensure that the highly beneficial trips and excursions are open to all.

To assist the school to attract and retain high calibre staff, we offer a fees discount scheme to staff that enrol their children at our school. The Governors of Tower House School are committed to broadening access to the school by offering to eligible parents/guardians means-tested financial support with the payment of school's fees. Bursaries may be awarded in the form of a discount of up to 100% on tuition fees payable, depending on the financial, compassionate, or other pertinent circumstances of applicants. For transparency, all applications are assessed by an independent agency who are experienced in administering bursary applications for the independent sector.

Bursary awards are subject to repeat testing of parental means each year and may be varied upwards or downwards, depending on parental circumstances, compassionate or other pertinent considerations.

Requests for financial support usually fall into two categories:

- New applicants to the school, where a place has been offered but parents/guardians are unable to fund the tuition fees.
- Existing pupils where a change in parents/guardians' circumstances has resulted in difficulty in meeting tuition fees and may result in the child being withdrawn part way through a stage of education.

Information provided by the school alerting the parents/guardians of potential pupils to the possibility of gaining means-tested financial support with the payment of school's fees is included in:

- The school prospectus.
- The school website.
- The local press by means of advertisements.

Awards 2022-23

Fee reduction for staff with children at Tower House School	£24,701
Financial support for parents/guardians with children at Tower House School	£8,384
	Total £33,085

The Tower House School Charitable Foundation

TRUSTEES' REPORT (continued)

for the year ended 31 August 2023

Principal Risks and Uncertainties

Category	Description	Control Procedures
Operational	Safeguarding Issue	<p>All staff DBS checked, together with strict Safer Recruitment procedures (Head, Deputy Head, Chair of Governors and Safeguarding Governor all trained in safer recruitment)</p> <p>All staff attend Child Protection Level 2 training at least once every 3 years DSL and Deputy DSL attend Level 3 training course every 2 years</p> <p>All visitors escorted and badged Access through front door via intercom CCTV coverage throughout exterior areas of premises All unscheduled visitors challenged Encourage culture of awareness in all site staff, including facilities and security to challenge children leaving the site. Lockdown procedures developed and practiced</p> <p>Whistle blowing procedure</p>
Legal and Regulatory	Non-compliance leading to serious inspection and press issues	<p>Dedicated Compliance Manager to audit current regulatory compliance and ensure that all processes are adhered to</p> <p>Responsibility for all areas of School operations assigned to individual SMT members</p> <p>Information sources identified and monitored</p> <p>Policies and practices regularly updated with rolling reviews at all school staff meetings</p> <p>Governor's review and agree major changes to regulatory Policies each term.</p>
Competition	The opening of a free school or primary school in the area	<p>Maintenance of high standards of curricular and extra-curricular provision together with continuous improvement of facilities (e.g. 4 new classroom and multipurpose hall) Profile and understand beneficiary needs</p> <p>Use marketplace analysis to establish future funding requirements and/or threats to business</p> <p>Strategic marketing, publication of the schools excellent ISI Inspection report, and constant high performance of our boys in all areas of education; academic, music, sport, drama</p>

The Tower House School Charitable Foundation

TRUSTEES' REPORT (continued)

for the year ended 31 August 2023

Operational	Cyber Attack/Data Breach	<p>The school, once again, has successfully completed the annual renewal and subscription process for the CyberEssentials accreditation. To help mitigate and manage the risk in data protection and the threat of a cyber attack.</p> <p>5 controls within the CyberEssentials Scheme are designed to protect the school against cyber-attacks and guard the internet connection, devices, data, and services. The scheme is designed to protect charities against 80% of the most common cyber-attacks, which can impact charities of all sizes.</p> <p>Weekly backups of all data are taken, encrypted, and kept offsite as a precaution against data loss/damage.</p>
Financial	Global Economic Forces	<p>The current economic downturn and increase in the cost of energy, due in the most part to the war in Ukraine, has created an additional risk for the school, as it has to most areas of life. The general cost of living crisis could affect pupil numbers and the school's operational costs.</p> <p>The school has taken steps to maintain pupil numbers by appointing a Marketing and Communications Manager; and the school has fixed energy tariffs at an affordable level. The Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks via The Risk Register. The management of risk and the flexibility of the school to react was tried and tested successfully, during the recent Pandemic. The Governors have a policy of ensuring the school has sufficient reserves to withstand a severe downturn in income. The Governors believe that on this basis the School can continue to meet its on going obligations and liabilities for the foreseeable future and is therefore a going concern.</p>

The Tower House School Charitable Foundation

TRUSTEES' REPORT (continued)

for the year ended 31 August 2023

Financial Revenue and Reserves

The financial statements for the year ended 31 August 2023 are set out in the the pages following this report. Including the Statement of Financial Activities and the Balance Sheet. The Trustees are of the opinion that the balance sheet position is satisfactory.

The principal funding source is the parents of the children it educates. All income of the school is applied for educational purposes, in line with its Objectives.

During the year income amounted to £2,935,539 (2022 £2,982,277), a decrease of 1.5%. Expenditure this year amounted to £2,875,102 (2022 £2,568,693), an increase of 11.9%, which has enabled the School to continue to provide the high level of education to pupils, and to continue to provide the excellent extra-curricular activities that are included in the tuition fees and therefore available to all, e.g. educational residential trips to support the learning of; French, Geography, History, Science, Sport and personal development/confidence building.

After taking into account unrealized capital losses in the Trustees' investment portfolio of £16,271 (2022 £219,159) overall the charity made a surplus of £42,288 (2022 £194,425) which will be used to fund future capital works and maintain and develop the School's buildings, to ensure the School can continue to operate at full of near full capacity for the foreseeable future.

Teachers Pension Scheme

Despite the huge increase in the employer's contribution rate from September 2019 the school continues to be a member of the Teachers' Pension Scheme (TPS). As yet, none of the school's immediate competitors have pulled out and moved to an alternative scheme. Membership of the TPS is still viewed as a strong recruitment tool. The Governors are monitoring the sector closely as the move for schools to withdraw from the scheme gains momentum.

Reserves Policy

Primarily reserves are held to enable the continuity of services and activities that we undertake. Reserves are held for the following reasons:

- to handle any sudden reduction in income
- to handle fluctuations in the market value of the investment portfolio
- to cover for other key risks crystalizing resulting in unplanned expenditure
- to take advantage of unexpected opportunities

In considering the level of reserves that should be held, we test the policy level against various scenarios to ensure adequate levels of reserves are held. The Trustees review what an adequate level of reserves is regularly. Currently set level of free reserves at £500k. At the year end the School held £6,542,848 (2022 £6,545,240) in unrestricted reserves.

The Tower House School Charitable Foundation

TRUSTEES' REPORT (continued)

for the year ended 31 August 2023

Investment Policy

The school has an investment portfolio managed by one of the UK's leading investment managers; Rathbones Investment Management. Surplus funds are transferred to expand the portfolio when sufficient funds have accrued in the school's bank account to warrant a long-term approach to investment. The objectives of the school's investment policy are to ensure the creation of sufficient income and capital growth to enable funds to be used for the continued improvement of education of children and major capital projects, such as the development of the recently acquired 190 Sheen Lane site. The current valuation of these funds is £835,562 (2022 £827,404). Investment Income for this year is £12,982 (2022 £42,892). The Board reviews the portfolio regularly and the investment manager is invited to present to the Board annually.

The Tower House School Charitable Foundation

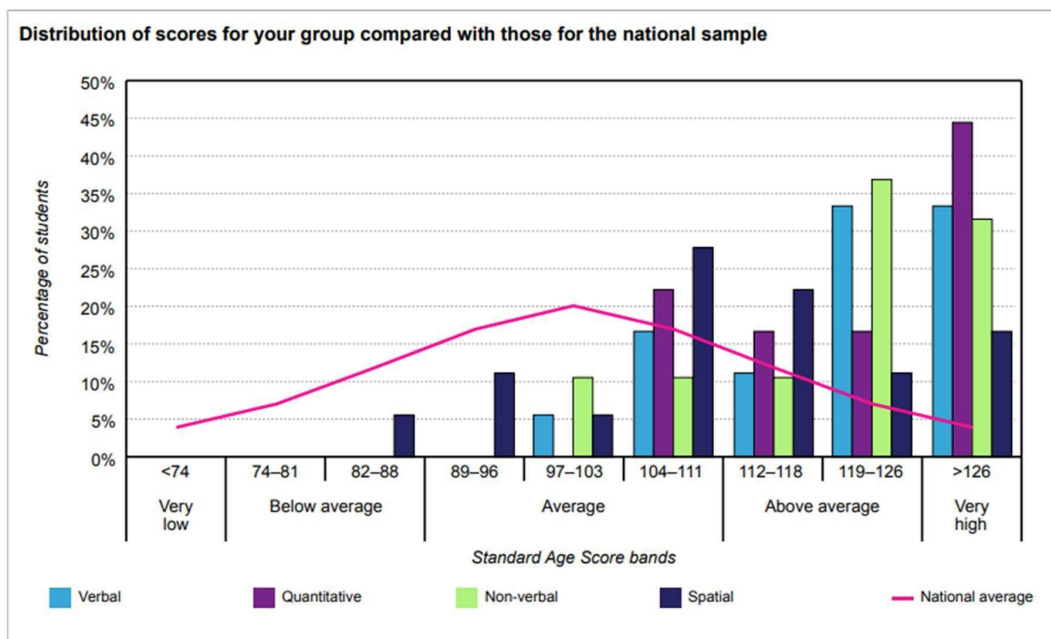
TRUSTEES' REPORT (continued)

for the year ended 31 August 2023

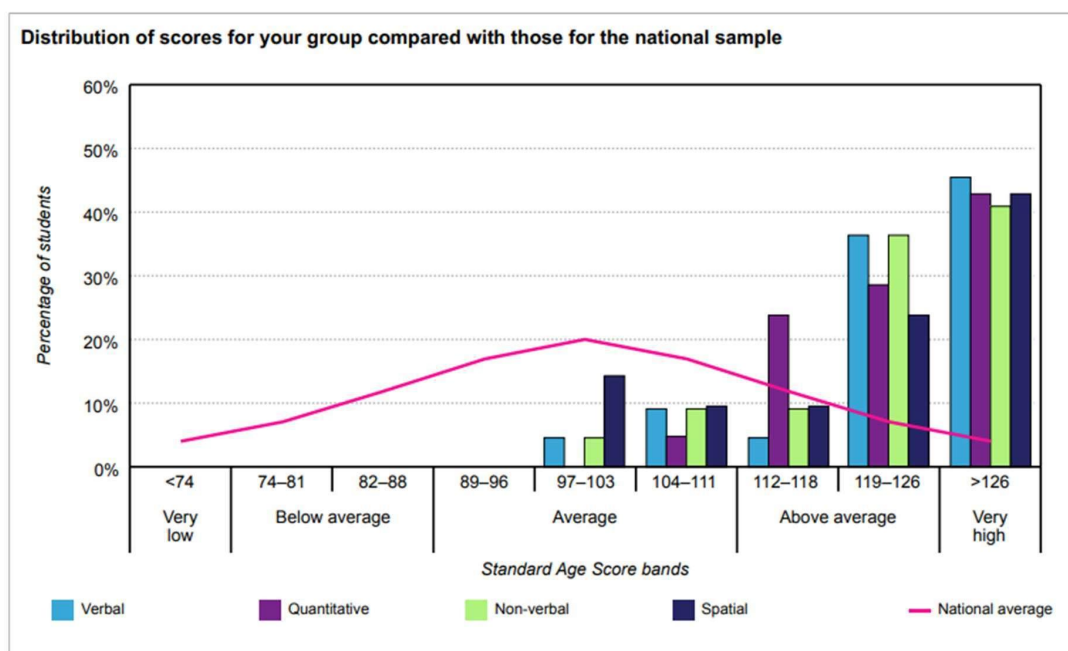
Annex 1: Achieved scores shifted markedly to the right of national average 'bell curve'.

CAT4 results for THS pupils (2022) compared against national average.

Year 4 (2023)



Year 6 (2023)



The Tower House School Charitable Foundation

TRUSTEES' REPORT (continued)

for the year ended 31 August 2023

Trustees responsibilities' statement

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained 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 trustees 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.

Disclosure of information to auditors

In so far as the Trustees are aware:

there is no relevant audit information of which the charity's auditors are unaware; and the Trustees 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.

This report has been prepared in accordance with the provisions applicable to companies entitled to small companies exemption.

On behalf of the board

A Phillips

Trustee

Date:

The Tower House School Charitable Foundation

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TOWER HOUSE SCHOOL CHARITABLE FOUNDATION

for the year ended 31 August 2023

Opinion

We have audited the financial statements of The Tower House School Charitable Foundation ('the company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, 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 Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual 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

The Tower House School Charitable Foundation

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TOWER HOUSE SCHOOL CHARITABLE FOUNDATION (continued)

for the year ended 31 August 2023

form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
the trustees' annual report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' annual report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate

The Tower House School Charitable Foundation

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TOWER HOUSE SCHOOL CHARITABLE FOUNDATION (continued)

for the year ended 31 August 2023

the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Tower House School Charitable Foundation

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TOWER HOUSE SCHOOL CHARITABLE FOUNDATION (continued)

for the year ended 31 August 2023

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

The Tower House School Charitable Foundation

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TOWER HOUSE SCHOOL CHARITABLE FOUNDATION (continued)

for the year ended 31 August 2023

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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

The Tower House School Charitable Foundation

STATEMENT OF FINANCIAL ACTIVITIES

(including the income and expenditure statement)

for the year ended 31 August 2023

	Notes	Unrestricted £	Restricted funds £	Total 2023 £	Total 2022 £
INCOME FROM:					
Charitable Activities					
School fees	3	2,802,816	-	2,802,816	2,762,653
Other educational income	4	46,616	24,083	70,699	96,839
Other income					
Other trading income		4,362	-	4,362	-
Investments					
Investment Income	5	12,982	-	12,982	42,892
Voluntary sources					
Grants and donations	6	-	44,680	44,680	79,893
Total income and endowments		2,866,776	68,763	2,935,539	2,982,277
EXPENDITURE ON:					
Costs of raising funds					
Investment Management	7	6,061	-	6,061	12,759
Interest and other costs		28,136	-	28,136	17,139
Charitable activities					
Education	7	2,816,822	24,083	2,840,905	2,538,795
Total expenditure	7	2,851,019	24,083	2,875,102	2,568,693
Net operating income/(expenditure)		15,757	44,680	60,437	413,584
Pension Provision change		-	-	-	-
Other Profit or Loss on sale of assets/property		(1,878)	-	(1,878)	-
Net gain/(loss) on investments	12	(16,271)	-	(16,271)	(219,159)
Net income/(expenditure)		(2,392)	44,680	42,288	194,425
Transfer between funds		-	-	-	-
Net movement in funds		(2,392)	44,680	42,288	194,425
Fund balances brought forward		6,545,240	-	6,545,240	6,350,815
Fund balances carried forward	17	6,542,848	44,680	6,587,528	6,545,240

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The accompanying notes form part of these financial statements.

The Tower House School Charitable Foundation

BALANCE SHEET

as at 31 August 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	11	7,062,458	6,390,411
Investments	12	835,562	827,404
		7,898,020	7,217,815
CURRENT ASSETS			
Debtors	13	130,142	57,978
Cash at bank and in hand		778,480	1,580,178
		908,622	1,638,156
CREDITORS: Amounts falling due within one year	14	(802,135)	(863,699)
NET CURRENT ASSETS		106,487	774,457
TOTAL ASSETS LESS CURRENT LIABILITIES		8,004,507	7,992,272
CREDITORS: Amounts falling due after more than one year	15	(1,416,979)	(1,447,032)
NET ASSETS		6,587,528	6,545,240
FUNDS			
Restricted funds	17	44,680	-
Unrestricted funds	17	6,542,848	6,545,240
		6,587,528	6,545,240

Approved and authorised for issue by the Board of Governors on 25/03/2024 and signed on their behalf by:



Antony Phillips
Chairman of the Board of Governors

The accompanying notes form part of these financial statements.
Company Number: 03345004

The Tower House School Charitable Foundation

CASHFLOW STATEMENT

for the year ended 31 August 2023

CASH FLOW STATEMENT	Notes	2023 £	2022 £
Net cash inflow from operating activities	22	100,643	464,386
Cash flows from investing activities:			
Bank interest received		4,500	406
Dividends received		8,482	42,486
Interest paid		(28,136)	(17,139)
Proceeds from sale of investments		1,118,667	1,369,728
Payments to acquire fixed assets		(789,109)	(2,066,026)
Payments to acquire investments		(1,143,096)	(409,633)
Net cash outflow from investing activities		<u>(828,692)</u>	<u>(1,080,178)</u>
Financing:			
Loans repaid		(73,649)	(92,547)
Net cash outflow from financing activities		<u>(73,649)</u>	<u>(92,547)</u>
Increase/(decrease) in cash		(801,698)	(708,339)
Cash and cash equivalents at the beginning of the reporting period		<u>1,580,178</u>	<u>2,288,517</u>
Cash and cash equivalents at the end of the reporting period		<u><u>778,480</u></u>	<u><u>1,580,178</u></u>

The Tower House School Charitable Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2023

1 ACCOUNTING POLICIES

The Tower House School Charitable Foundation is a company limited by guarantee with registered number 03345004, incorporated and domiciled in England and Wales. Its registered office is 188 Sheen Lane, East Sheen, London, SW14 8LF.

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 GOING CONCERN

The financial statements are prepared on a going concern basis which assumes the school will continue in operation for the foreseeable future. The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The school is dependent on students applying to it and on parents to pay their fees. Long term forecasting of student numbers is difficult but work continues to raise the profile of the school and to maintain and enhance relationships with parents, feeder schools and nurseries and destination schools. In particular the governors have considered the forecasts and projections and have taken account of pressures on fee income, particularly in the light of the current economic uncertainty. After making enquiries the governors have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparation of the financial statements.

1.3 COMPANY LIMITED BY GUARANTEE

The charitable company is limited by guarantee. In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £10 per member of the charity.

The Tower House School Charitable Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2023

1.4 INCOME RECOGNITION

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within the scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective method and dividend and rent income is recognised as the Charity's right to receive payment is established.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

School Fees are recognised within income when they become due. Fees are charged on a termly basis. Fees raised in advance are deferred until the School becomes entitled to the funds.

In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised. Refer to Trustees' report for more information about their contribution.

Income tax recoverable in relation to donation received under Gift Aid or deeds of covenant is recognised at the time of donation.

Income from government or other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable the income will be received and the amount can be reliably measured.

1.5 DONATIONS

Donations received for the general purposes of the school are included as unrestricted funds. Donations restricted by the wishes of the donor or the terms of an appeal are taken to restricted funds.

1.6 EXPENDITURE

All Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is categorised under Expenditure on charitable activities, which includes all costs incurred on furthering objects of the Charity.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at the School.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance costs incurred on the Charity's educational operations, including support costs relating to the governance of the Charity apportioned to charitable activities.

1.7 FUND ACCOUNTING

All funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds are unrestricted funds earmarked by the governors for particular purposes. Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

1.8 FIXED ASSETS AND DEPRECIATION

All fixed assets are used in direct furtherance of the school's objectives. Fixed assets are included in these financial statements at their original cost less depreciation and accumulated impairment losses provided to date. Assets over £1,000 are capitalised.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the costs less estimated residual value of each asset, by equal annual instalments, over their expected useful lives which are considered to be:

Freehold property	2% on reducing balance
Fixtures and fittings	20% on reducing balance

The Tower House School Charitable Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2023

1.09 PENSIONS

The charity contributes to three pension schemes: the Teacher's Pension Scheme, the National Employment Savings Trust and Independent Schools Pension Scheme.

Retirement benefits to employees of the Charity are provided by the Teacher's Pension Scheme ("TPS") and the Independent Schools' Pension Scheme. These are defined benefit schemes and the assets and liabilities are held separately from those of the Charity. Defined contributions retirement benefits to the employees of the Charity are also provided under the National Employment Savings Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of the pensions over employee's working lives with the Charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 19, the TPS is a multi employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period in which they relate.

The Charity participates in the Independent School's Pension Scheme (Note 19). Included in the scheme is an employer's debt which would become payable if the Charity left the scheme and this is explained in Note 19. As a multi-employer scheme within the definitions of FRS 102, none of the assets or liabilities of the scheme are included on the Charity's Balance Sheet. The pension charge represents amounts payable by the Charity to each scheme in respect of the year. Contributions are expensed as they become payable.

1.10 LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities evenly over the period of the lease.

1.11 INVESTMENTS

The charity has equity investments in listed entities. Investments are valued in the balance sheet at their mid-market value at the balance sheet date. Investment management costs are accounted for as incidental costs of the acquisition or disposal where transaction-based, while investment income management costs are charged as expenditure out of the relevant income funds. All gains and losses are taken to the Statement of Financial Activities as they arise.

1.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

The Tower House School Charitable Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2023

1.13 FINANCIAL INSTRUMENTS

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 13, 14 and 15 for the debtor and creditor notes.

1.14 TAXATION

The company is a registered charity and is exempt from taxation as afforded by Section 505 ICTA 1988.

1.15 EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense.

2 KEY ESTIMATES & JUDGEMENTS

In the application of the company's accounting policies, the Council is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 on-going 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 both current and future periods.

In the opinion of the board, the estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Useful economic lives

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property, plant and equipment and note 1.8 for the useful economic lives for each class of asset.

Recoverable value of fee debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 13 for the net carrying amount of the debtors and associated impairment provision.

Deficit pension scheme

The net present value of the calculation for the pension deficit has been based on an estimated percentage based on potential future events.

Investments

Included in investments are judgements made on the value of property and alternative assets.

The Tower House School Charitable Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2023

3 FEE INCOME

The School's activities are carried out within the UK.

The school's fee income comprised:

	2023 £	2022 £
Gross fees	2,835,901	2,798,126
Less: Scholarships, bursaries and discounts	(33,085)	(35,473)
	2,802,816	2,762,653

4 OTHER EDUCATIONAL INCOME

	2023 £	2022 £
Extras and disbursements	4,020	4,280
Registration fees	6,100	6,700
Retained deposits	29,319	52,302
Other income	31,260	33,557
	70,699	96,839

Included within the above is an amount of £24,083 (2022: £24,036) which relates to restricted income.

5 INVESTMENT INCOME

	2023 £	2022 £
Interest received	4,500	406
Dividend income	8,482	42,486
	12,982	42,892

6 DONATIONS AND GRANTS

	2023 £	2022 £
Donations and gifts	44,680	79,893
	44,680	79,893

Included within the above is an amount of £44,680 (2022: £79,893) which relates to restricted income.

The Tower House School Charitable Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2023

7 EXPENDITURE

(a) Costs of Raising Funds	Staff costs (note 8)	Other	Depreciation	Total 2023
	£	£	£	£
Investment Management Fees	-	6,061	-	6,061
Finance Costs	-	28,136	-	28,136
Total Costs of Raising Funds	-	34,197	-	34,197
Charitable expenditure	Staff costs (note 8)	Other	Depreciation	Total 2023
	£	£	£	£
Teaching	1,512,717	165,600	-	1,678,317
Welfare	-	207,464	-	207,464
Premises and Estates	-	177,383	115,184	292,567
Administration	517,392	124,266	-	641,658
Governance	-	20,899	-	20,899
Total Charitable Expenditure	2,030,109	695,612	115,184	2,840,905
Total Expended	2,030,109	729,809	115,184	2,875,102

Included within Staff Costs is an amount of £24,083 (2022: £24,036) relating to restricted expenditure.

Prior year

Costs of Raising Funds	Staff costs (note 8)	Other	Depreciation	Total 2022
	£	£	£	£
Investment Management Fees	-	12,759	-	12,759
Finance	-	17,139	-	17,139
Total Costs of Raising Funds	-	29,898	-	29,898
Charitable expenditure	Staff costs (note 8)	Other	Depreciation	Total 2022
	£	£	£	£
Teaching	1,420,112	171,530	-	1,591,642
Welfare	-	172,024	-	172,024
Premises and Estates	-	110,305	64,225	174,530
Administration	497,810	82,809	-	580,619
Governance	-	19,980	-	19,980
Total Charitable Expenditure	1,917,922	556,648	64,225	2,538,795
Total Expended	1,917,922	586,546	64,225	2,568,693

The Tower House School Charitable Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2023

7 EXPENDITURE (continued)

(b) Other Governance Costs include:	2023 £	2022 £
Auditors' remuneration		
- Audit Fees	16,100	14,808
- under provision from previous year	2,149	-
- Accountancy Fees	2,650	3,192
(c) Administration Costs	2023 £	2022 £
Salaries	443,679	416,978
National Insurance	39,452	39,276
Pension Costs	27,228	37,535
Staff Training	7,033	4,021
Staff travel	460	1,147
Operating Leases	8,518	9,288
IT support	31,020	26,349
Postage and stationery	8,390	8,096
Telephones	7,197	7,256
Marketing and advertising	42,932	12,622
Memberships	6,286	7,018
Inspection costs	5,075	4,679
Legal and Professional Fees	12,150	3,198
Other Administration Costs	1,184	2,001
Bank charges and interest	1,054	1,155
	641,658	580,619

8 STAFF COSTS

	2023 £	2022 £
Wages and salaries	1,495,883	1,430,178
Social security costs	161,636	161,420
Other pension costs	273,076	285,739
Other staff costs	99,514	40,585
	2,030,109	1,917,922

The average monthly number of employees during the year was as follows:

	2023 No.	2022 No.
Teaching	22	22
Welfare	1	1
Support	15	15
	38	38

The Tower House School Charitable Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2023

8 STAFF COSTS (continued)

The number of employees
£60,000 in the year was as follows:

	2023 No.	2022 No.
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£100,001 - £110,000	1	1
	<u>3</u>	<u>3</u>

Pension contributions for the year amounted to £54,383 (2022: £60,361) for the above employees.

Key management personnel include the Governors and the senior executives which are made up of the head, the bursar and the deputy heads. The total pay and benefits received by key management personnel were £511,638 (2022: £501,218).

9 GOVERNORS REMUNERATION AND EXPENSES

There were no Governors' remuneration or other benefits for the year ended 31 August 2023 nor for the year ended 31 August 2022.

No governors were reimbursed any expenditure in the year (2022: £Nil).

10 NET INCOME FOR THE YEAR

	2023 £	2022 £
Net income is stated after charging:		
Depreciation of tangible fixed assets	115,184	64,225
Loan Interest	28,136	17,139
Operating lease rentals – other	25,078	25,650
Auditor's remuneration		
Audit services for the school- current year	16,100	14,808
Audit services for the school- prior year under provision	2,149	-
Non-audit services	2,650	3,192

The Tower House School Charitable Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2023

11 TANGIBLE FIXED ASSETS

	Assets under Construction £	Freehold Property £	Fixtures & Fittings & Motor Vehicles £	Total £
Cost:				
At 1 September 2022	2,536,281	4,084,558	948,039	7,568,878
Additions	771,406	-	17,703	789,109
Disposals	-	-	(2,348)	(2,348)
Transfer	<u>(3,307,687)</u>	<u>3,307,687</u>	<u>-</u>	<u>-</u>
At 31 August 2023	<u>-</u>	<u>7,392,245</u>	<u>963,394</u>	<u>8,355,639</u>
Depreciation:				
At 1 September 2022	-	345,358	833,109	1,178,467
Charge for year	-	89,913	25,271	115,184
Disposals	-	-	(470)	(470)
Transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2023	<u>-</u>	<u>435,271</u>	<u>857,910</u>	<u>1,293,181</u>
Net book value:				
At 31 August 2023	<u>-</u>	<u>6,956,974</u>	<u>105,484</u>	<u>7,062,458</u>
At 1 September 2022	<u>2,536,281</u>	<u>3,739,200</u>	<u>114,930</u>	<u>6,390,411</u>

The freehold property was formerly held at market value, following a professional revaluation performed on 24 August 2011 by Bonsor Penningtons. The Trustees have elected to preserve this value under the transitional provisions to FRS102. In the Trustees opinion, the net book value of the property is indicative of the market value as at 31 August 2020. The property's deemed cost will no longer be subject to revaluation.

Within the cost of freehold property is land totalling £2,135,000 (2022: £2,135,000) which is not depreciated.

The Tower House School Charitable Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2023

12 INVESTMENTS

	Listed investments £	2023 £	2022 £
Cost/valuation At 1 September 2022	827,404	827,404	2,006,658
Additions	1,143,096	1,143,096	409,633
Disposal proceeds	(1,118,667)	(1,118,667)	(1,369,728)
Gains/(Losses) arising on investments	(16,271)	(16,271)	(219,159)
Cost/valuation At 31 August 2023	<u>835,562</u>	<u>835,562</u>	<u>827,404</u>
UK fixed interest	90,074	90,074	-
Overseas fixed interest	22,560	22,560	29,212
UK equities	242,898	242,898	60,801
International equities	337,901	337,901	360,011
Property	25,902	25,902	56,081
Alternative assets	116,227	116,227	321,299
	<u>835,562</u>	<u>835,562</u>	<u>827,404</u>

13 DEBTORS

	2023 £	2022 £
Fees and extras	21,499	1,927
Prepayments and accrued income	108,643	56,051
	<u>130,142</u>	<u>57,978</u>

14 CREDITORS

	2023 £	2022 £
Amounts falling due within one year:		
Bank loan	75,286	86,365
Trade creditors	54,001	186,899
Taxation and social security costs	42,464	42,774
Fee Deposits	19,000	23,000
Fees in advance	536,547	457,299
Other creditors	35,603	31,226
Accruals	39,234	36,136
	<u>802,135</u>	<u>863,699</u>
Deferred income:	2023 £	2022 £
Brought forwards	457,299	445,499
Released in year	(457,299)	(445,499)
Received in year	536,547	457,299
Carried forwards	<u>536,547</u>	<u>457,299</u>

Deferred income relates to schools fees received in advance for the following term.

The Tower House School Charitable Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2023

15 CREDITORS DUE AFTER ONE YEAR

	2023 £	2022 £
Amounts falling due after more than one year:		
Bank loan	1,128,934	1,191,504
Other creditors	28,264	33,742
School fee deposits	259,781	221,786

1,416,979	1,447,032
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	2023 £	2022 £
Movement on loans		
In one year or less	75,286	86,365
Between one and two years	75,286	86,365
Between two and five years	225,859	259,094
After five years	827,789	846,045

1,204,220	1,277,869
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	2023 £	2022 £
Movement on deposits:		
In one year or less	19,000	23,000
Between one and two years	259,781	221,786

278,781	244,786
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The bank loans provided to the Charity by NatWest Bank Plc are secured by a fixed and floating charge over the assets of the Charity, including the properties at 28 Sheen Gate Gardens, 188 Sheen Lane and 190 Sheen Lane, London. The loan is to be repaid over 20 years from 17 February 2017 and interest charges at 1.75% above the base rate on an offset basis.

16 FINANCIAL INSTRUMENTS

	2023 £	2022 £
Carrying amount of financial assets		
Financial assets measured at fair value through profit and loss	835,562	827,404
Debt instruments at amortised cost	130,142	57,978
Carrying amount of financial liabilities		
Measured at amortised cost	1,654,303	1,819,690

for the year ended 31 August 2023

	At 1 September 2022 £	Income £	Expenditure £	Gains/ (losses) & transfers £	At 31 August 2023 £
Unrestricted funds:					
General reserve	6,545,240	2,866,776	(2,851,019)	(18,149)	6,542,848
Restricted funds:					
190 project	-	44,680	-	-	44,680
Extra learning support	-	24,083	(24,083)	-	-
Total restricted	-	68,763	(24,083)	-	44,680
Total funds	6,545,240	2,935,539	(2,875,102)	(18,149)	6,587,528

	At 1 September 2021 £	Income £	Expenditure £	Gains/ (losses) £	At 31 August 2022 £
Unrestricted funds:					
General reserve	6,331,015	2,878,348	(2,544,657)	(119,466)	6,545,240
Restricted funds:					
190 Project	19,800	79,893	-	(99,693)	-
Extra learning support	-	24,036	(24,036)	-	-
Total restricted	19,800	103,929	(24,036)	(99,693)	-
Total funds	6,350,815	2,982,277	(2,568,693)	(219,159)	6,545,240

Extra learning support - grant funding for extra learning support

The Tower House School Charitable Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2023

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2023 Total £
Tangible fixed assets	7,062,458	-	7,062,458
Investments	835,562	-	835,562
Current assets	863,942	44,680	908,622
Current liabilities	(802,135)	-	(802,135)
Long term liabilities	(1,416,979)	-	(1,416,979)
Total net assets	<u>6,542,848</u>	<u>44,680</u>	<u>6,587,528</u>
	Unrestricted funds £	Restricted funds £	2022 Total £
Tangible fixed assets	6,390,411	-	6,390,411
Investments	827,404	-	827,404
Current assets	1,638,156	-	1,638,156
Current liabilities	(863,699)	-	(863,699)
Long term liabilities	(1,447,032)	-	(1,447,032)
Total net assets	<u>6,545,240</u>	<u>-</u>	<u>6,545,240</u>

19 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2023, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 Office equipment	2022 Office equipment
Due within one year	24,380	24,814
Due between two and five years	17,110	42,069
	<u>41,490</u>	<u>66,883</u>

20 RELATED PARTIES

During the year £2,500 was paid to Sutch A Good Idea Ltd for first aid training. This company is owned by the wife of Andy Sutch (Governor). There were no related party transactions during the prior year.

21 CONTINGENT LIABILITY

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

The Tower House School Charitable Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2023

22 NOTES TO THE CASHFLOW STATEMENT

	2023 £	2022 £
Reconciliation of operating result to net cash inflow from operating activities		
Net movement in funds	42,288	194,425
(Gains)/loss on investments	16,271	219,159
Depreciation	115,184	64,225
Bank interest received	(4,500)	(406)
Dividends received	(8,482)	(42,486)
Interest payable	28,136	17,139
(Profit)/Loss on disposal of Fixed Assets	1,878	-
Increase/(Decrease) in creditors	(17,968)	8,645
(Increase)/Decrease in debtors	(72,164)	3,685
	<u>100,643</u>	<u>464,386</u>

Analysis of changes in net debt

	At 1 September 2022	Cash flows	Other non- cash changes	At 31 August 2023
Cash and cash equivalents				
Cash	1,580,178	(801,698)	-	778,480
Overdrafts	-	-	-	-
Cash Equivalents	-	-	-	-
	<u>1,580,178</u>	<u>(801,698)</u>	<u>-</u>	<u>778,480</u>
Borrowings				
Debt due within one year	(86,365)	-	11,079	(75,286)
Debt due after one year	(1,191,504)	73,649	(11,079)	(1,128,934)
	<u>(1,277,869)</u>	<u>73,649</u>	<u>-</u>	<u>(1,204,220)</u>
Total	<u>302,309</u>	<u>(728,049)</u>	<u>-</u>	<u>(425,740)</u>

23 CAPITAL COMMITMENTS

There were no capital commitments at the year end (2022: £217,638)

The Tower House School Charitable Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2023

24 PENSION COMMITMENTS

The charity contributes to three pension schemes: The Teacher's Pension Schemes ("TPS"), the Independent Schools Pension Scheme ("ISPS") and the National Employment Savings Trust ("NEST").

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £248,604 (2022: £285,739) and at the year-end £29,251 (2022: £28,668) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Independent School's Pension

Tower house school limited participates in the ISPS. The ISPS is a multi-employer defined (DB) scheme. The scheme is funded and is contracted out the state scheme.

There are four DBS structures available, namely:

- Final salary with a 1/60th accrual rate
- Final salary with a 1/80th accrual rate
- Career average revalued earnings with a 1/80th accrual rate
- Career average revalued earnings with a 1/120th accrual rate

A defined contribution (DC) benefit structure was made available from 1 September 2013.

An employer can elect to operate different benefit structures for different categories of staff.

Tower House School has elected to operate a Final Salary 1/60th accrual rate benefit scheme for Category A members as at 31 August 2017.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation. Asset values are calculated by reference to market levels. Accrued pension benefits are value by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The Tower House School Charitable Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2023

24 PENSION COMMITMENTS (continued)

During the accounting period the Charity paid a joint contribution rate of 27.3% comprising employer contributions of 20.9% and members contributions of 6.4%.

As at the Balance Sheet date, there was 1 active member of the Scheme. The charity continues to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes and benefits are paid from the total Scheme assets. Accordingly due to the nature of the Scheme, the accounting charge for the period under section 28 of FRS 102 represents the employer contribution payable.

The pension charge in the period amounted to £11,805 (2022: £18,999). The pension cost charge represents the contributions payable by the Charity to the Funds in respect of the year. At year end, there were outstanding contributions of £nil (2022: £nil). The last formal valuation of the Scheme was performed at 30 September 2017 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £110.0 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £37.4million, equivalent to a past service funding level of 75%.

In 2019, the Charity was notified by the Pensions Trust of the estimated employer debt on withdrawal from the LISPS Plan based in the financial position of the Plan as at 30 September 2017. As of this date the estimated employer debt was £272,000. The Charity has also been notified that additional contributions of £3,406 + 3% p.a. will be payable for 13 years from 1 September 2019 in order to eliminate the deficit in the Plan. In accordance with the Charity's accounting policy, this expenditure has been recognised in the accounts.

National Employment Savings Trust

During the year, the Charity made contributions to defined contribution schemes of £15,641 (2022: £12,248) to the National Employment Savings Trust ("NEST")

The amount of pension outstanding at year end is £1,859 (2022: £2,158).