

THE KINGHAM HILL TRUST

England & Wales · Charity number 1076618

Details

Other names KINGHAM HILL SCHOOL, OAK HILL THEOLOGICAL COLLEGE

Status Registered

Legal form Charitable company

Company number [00365812](#)

Registered 1999-07-16

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: (1) TO ADVANCE IN ACCORDANCE WITH THE PROTESTANT AND EVANGELICAL FAITH UNDERSTOOD AS SET OUT IN ARTICLE 9.2 OF THE ARTICLES OF ASSOCIATION OF THE CHARITY ("THE CHRISTIAN FAITH") THE PHYSICAL, MENTAL AND SPIRITUAL EDUCATION OF CHILDREN RESIDENT IN THE UNITED KINGDOM OR ELSEWHERE BY HELPING THEM TO A START IN LIFE, ESPECIALLY THOSE CHILDREN WHO ARE IN NEED OF A BOARDING SCHOOL EDUCATION THROUGH DEFICIENCIES IN THEIR ECONOMIC, SOCIAL OR FAMILY CIRCUMSTANCES, OR OWING TO THEIR PARTICULAR EDUCATIONAL OR SPIRITUAL REQUIREMENTS PROVIDED THAT SPECIAL REGARD SHALL BE PAID TO THE NEEDS OF SUCH CHILDREN WHOSE PARENTS OR GUARDIANS ARE OF MODEST MEANS; (1) TO TRAIN MEN OR WOMEN FOR ORDINATION OR OTHER MINISTRIES IN THE CHURCH OF ENGLAND OR OTHER PROTESTANT DENOMINATIONS IN ACCORDANCE WITH THE CHRISTIAN FAITH PROVIDED THAT SPECIAL REGARD SHALL BE PAID TO THE NEEDS OF THOSE OF MODEST MEANS; AND (3) OTHERWISE TO ADVANCE EDUCATION IN ACCORDANCE WITH THE CHRISTIAN FAITH

Activities: To train men and women for ordination or other ministries in the Church of England or other Protestant denominations at Oak Hill College. To advance the physical, mental and spiritual education of children and to otherwise advance education, in accordance with the Christian Faith

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Religious Activities
- **Who:** Children/young People, Other Defined Groups

Geography

- **Area of benefit:** UNITED KINGDOM OR ELSEWHERE
- Northern Ireland
- Scotland
- Barnet
- Oxfordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£12,805,000	£27,665,000	£25,488,000	203
2024-07-31	£13,018,000	£13,436,000	£40,138,000	157
2023-07-31	£12,603,000	£12,573,000	£40,110,000	185
2022-07-31	£13,510,000	£12,743,000	£40,224,000	192
2021-07-31	£11,047,000	£10,868,000	£39,836,000	198

Trustees

Name	Role	Appointed
Simon Humphrey Westland Pilcher	Chair	2012-03-13
CAROLINE MARGARET PELLEREAU		2017-07-05
Jeremy David Bruce Anderson		2014-03-21
KEITH ALEXANDER MARCHAND EDMUNDS		2020-03-27
Keith Basil Civval		2024-05-22
Neil Anthony Powell		2024-10-07

THE KINGHAM HILL TRUST

England & Wales - Charity number 1076618

Accounts

THE KINGHAM HILL TRUST

Company No. 00365812
Charity No 1076618

Report and financial statements
for the year ended
31 July 2025

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Company information

Trustees	Mr S.H.W. Pilcher (Chair) Mr J.D.B. Anderson, CBE Mr. N.C.J. Bewes (Resigned 20 Aug 2025) Mr. K.B. Civval Mr. K.A.M. Edmunds Mrs. C.M. Pellereau Dr. N.A. Powell (Appointed 7 Oct 2024)
Secretary	Mrs. Fiona J. Edwards
Registered office	Oak Hill College Chase Side London N14 4PS
Auditors	Moore Kingston Smith LLP Chartered Accountants and Registered Auditors 9 Appold Street London, EC2A 2AP
Bankers	Barclays Bank PLC Wytham Court 11 West Way Oxford, OX2 0JB CCLA Investment Management Ltd 1 Angel Lane London, EC4R 3AB. National Westminster Bank PLC 1 Town Hall Buildings Bridge Street Banbury Oxon, OX16 5JS
Solicitors	Veale Wasborough Vizards LLP Narrow Quay House Narrow Quay Bristol, BS1 4QA Stone King LLP 13 Queen Square Bath, BA1 2HJ
Investment Managers	Rathbones Group Plc 30 Gresham Street London EC2V 7QN

Report of the Trustees for the year ended 31 July 2025

The Kingham Hill Trust ("the Trust") was brought into being and is sustained by the grace of our Heavenly Father, the Almighty God. He brought the work of the Trust into being through Charles Edward Baring Young and has sustained it through the challenges of many generations of staff and trustees; the Trustees look to Him for direction and provision for the future. The Trust is governed by its Memorandum & Articles of Association adopted by Special Resolution on 14 December 2021 and continues the work of the unincorporated charity known as The Kingham Hill Trust which was originally established by a Trust Deed dated 16 December 1912 and amended by subsequent Deeds and Orders of Court. The Trust is registered as a company limited by guarantee no. 00365812 and as charity no. 1076618. The Trustees of the Kingham Hill Trust ("the Trustees") are in no doubt that the Trust is a public benefit entity and set out later in this report details of the relevant activities at both Oak Hill College and Kingham Hill School.

Objects and activities

The principal objects of the Trust are: -

- To advance in accordance with the Protestant and Evangelical Faith understood as set out in Article 17 of the Articles of Association of the Charity ("the Christian Faith") the physical, mental and spiritual education of children resident in the United Kingdom or elsewhere by helping them to a start in life, especially those children who are in need of a boarding education through deficiencies in their economic, social or family circumstances, or owing to their particular educational or spiritual requirements providing that special regard should be paid to the needs of such children whose parents or guardians are of modest means;
- To train men and women for ordination or other ministries in the Church of England or other Protestant denominations in accordance with the Christian Faith provided that special regard shall be paid to the needs of those of modest means; and
- Otherwise to advance education in accordance with the Christian Faith.

In pursuance of these objects the Trust has operated Kingham Hill School ("KHS"), a co-educational boarding and day school for children aged 11 to 18, and continues to operate Oak Hill College ("the College"), an evangelical theological college accredited by the Church of England and also serving other protestant denominations.

Strategic report

Achievements, performance and review of activities

Following the receipt of approval from the Department for Education, on 31 July 2025 KHS (including all properties at the site, both residential and non-residential) was transferred as a gift to the Dean Close Foundation ("DCF") from the Trust. This was the culmination of a process that began in February 2024 when the Warden of DCF first approached the Head of KHS proposing that KHS might join DCF, thus strengthening each organisation. DCF is a family of schools (to this point comprising one senior school and several prep schools, a pre-prep, and several nurseries) with a similarly clear commitment to the gospel of the Lord Jesus to that in the Trust's Objects.

Over a period of 15 months, careful thought was given by the Trustees to the possible transaction, with the focus being on how to give KHS the best possible future, both educationally, financially and spiritually. During this period the incoming Labour Government announced and implemented VAT on school fees and removed the exemption of schools from business rates, piling pressure on parents and schools alike. The Trustees concluded that KHS had much to offer to DCF, and in particular to Dean Close Senior School given both the similarities between the organisations and their respective strengths and capabilities. Educationally there is great opportunity for mutual benefit as teachers can learn from and support one another across the two senior schools.

There is opportunity for further benefit to pupils through collaboration in co-curricular activities. Operationally, being part of a larger operation will reap efficiencies and improvements, as well as giving opportunities to staff to excel and develop. Spiritually, the same commitment to the gospel of the Lord Jesus means that the Founder's vision for the children at KHS to meet Jesus is well protected through this transaction. In conversations with DCF, the Trustees gained confidence that the distinctive ethos of KHS would be maintained.

Report of the Trustees for the year ended 31 July 2025 (continued)

The Trustees concluded that the future prospects of KHS would best be served by this transaction, and that this was the best way of achieving the Trust's Charitable Objects. They also concluded that the best way forward was to give all assets at the school to DCF (who in turn agreed to take on responsibility for outstanding debts and lease obligations at the school). The transfer of assets coupled with a working capital donation to the DCF as part of the transfer gave rise to an exceptional charge of £14.2m in the year (note 25).

This transfer was conducted with extensive due diligence by both parties, including legal, financial, and governance reviews. Formal permission from the Charity Commission was not required due to the closeness of the Charitable Objects.

Following the transfer, KHS is now known formally as Dean Close Kingham Hill School. Three former governors of KHS (including two of the Trustees) have, since completion, become trustees of DCF. At KHS, a Head's Advisory Council ("HAC") has been established, chaired by a DCF trustee and including a number of former KHS governors. The HAC will have oversight of the implementation of the charitable objectives, as well as academic results, co-curricular activities and, crucially, the health and wellbeing of all pupils and staff.

The non-school assets and liabilities of the Trust, including those of the College, remain with the Trust. The result of the transaction is that while the Trust's assets (both financial assets and those comprising property) are reduced, the scale of the Trust's operations is also reduced. The Trustees believe that the resources left are sufficient to support the ongoing work at the College, and trust that they will in addition be in a position to provide support to pupils at KHS, with an eye in particular on the Founder's Pupil programme. Going forward, thought will be given by the Trustees to the optimum make-up of their body (number; skills; background and knowledge / association).

The overall loss for the year for the Trust (before the exceptional charge) was £437k (2024 gain – £28k), this being after net investment gains of £219k (2024 - £445k). Net funds at the year-end were £25.5 million (2024 - £40.1 m).

Kingham Hill School ("KHS")

During the year KHS welcomed some 330 pupils from across the UK and around the world. KHS was a very busy and productive place throughout the 2024-2025 academic year, with all pupils making significant contributions to the life of the school in their classes, sporting activities, music, drama and a wide range of co-curricular activities. Academic results were again strong, with 79% of 6th formers achieving results of Grades A*-B. At GCSE, 55% achieved Grades 9-6. The pass rate for BTEC and CTEC courses was 100%. More than 80% of the Upper Sixth leavers gained places at their first choice of further work or study.

The Christian life of the school continues to go from strength to strength. Christian Unions remain very well attended and a number of pupils attended both Easter and Summer Christian Youth Camps. Bible Breakfasts remain popular in boarding houses. A very successful Events week was held in the Lent Term.

The Independent Schools Inspectorate ("ISI") visited KHS in November 2024, a normal part of the three-yearly inspection cycle. In the somewhat bald language of the inspection reports, ISI concluded that all relevant standards were met.

During the year, KHS was able to provide £532K in means-tested bursaries for those who would otherwise not be able to afford the cost of school fees. In addition, the Trustees have provided grants to enable KHS to offer a Founder's Pupil place to a new Sixth Form pupil from September 2025.

The impact of the government's decision to introduce VAT on school fees on 1st of January 2025 has been keenly felt throughout the sector and at KHS. A number of families have made the difficult decision to remove their children from KHS, to seek places in maintained schools. The Trustees believe that KHS is better placed to weather the storm as part of the Dean Close Foundation, but times ahead are likely to remain tough.

Report of the Trustees for the year ended 31 July 2025 (continued)

Oak Hill College (“the College”)

In line with the Trust’s charitable objectives, 20 new students were welcomed to the College in September 2024, 18 at undergraduate level and 2 at postgraduate level (with a further 1 internal postgraduate admission). These students came from a variety of backgrounds and denominations (Anglican and Independent), and the majority intend to enter full-time Christian ministry in due course. The College also welcomed back 50 returning students, giving a student body of 70 in total.

September 2024 saw the fourth year of operation of the Access Bursary Scheme. The bursaries are designed to provide financial support for prospective students from groups which are currently under-represented within the College community. During the 24/25 academic year, 8 new full-time bursaries and 3 part-time bursaries were awarded, along with those to 11 full-time and 6 part-time returning students. The Trustees are very grateful to the donors who enable these bursaries to be awarded.

During the year, the College was successful in its bid to obtain validation through Durham University and the Common Awards programme. The Trustees are thankful for the considerable work across the College in putting together the replacement programmes for the current offerings, as well as building two new programmes – the Foundation Award and the MA in Contemporary Christian Leadership. A Programme Director for the MA in Contemporary Christian Leadership has been appointed, and an encouraging number of people have registered for the first year of the programme. A Programme Director for the Foundation Award has also been appointed and is using his expertise in digital pedagogy to build the asynchronous and online nature of the Foundation Award.

Throughout the year, the College has been working on delivering the Vision for Growth, to expand the College’s programmes and increase access to them. The Leadership Team has been restructured with Matthew Sleeman as Vice Principal and Tim Ward as Vice Principal (Teaching and Learning). A new appraisal system for staff was put in place, and for all staff their objectives were set to align with the College goals arising from the Vision for Growth. To help the college address some challenges over previous years and be better able to deliver the vision for growth, the Leadership Team and Council commissioned a review of organisational health, conducted by an external reviewer. Every staff member contributed, and the review highlighted the “upward trajectory” of the college, while also pointing out a number of areas that, while not shared by everyone, were felt important to address for the long-term wellbeing and flourishing of the College community.

Student feedback continues to be regularly reviewed. The Chair and Vice-Chair of the Student Committee attend and report to College Council meetings and regularly meet with members of the Leadership Team to ensure that the student perspective is reflected both in strategic planning and in the day-to-day life of the College. Student feedback on both the formal teaching programmes and campus life has remained very positive throughout the year, as has the feedback on the process of moving to Durham and Common Awards.

The College’s operational deficit (before donations and excluding bursary payments) for the year amounted to £408k. Donations exceeded the operational deficit, enabling a surplus of £107k for the year.

The College continues to face significant challenges, because of a national decrease in the number of those going forward for ordained ministry in the Church of England, and because of changing demands and competition in theological training more widely. However, the Trustees remain very grateful to God, to the College’s generous supporters, and to the students and staff for the way in which the College and its community have been able to operate during this period. The Vision for Growth and the new offerings that underpin it provide an exciting way ahead. The College remains committed to providing the very best formation and learning experience that it can for the next generation of students, so that they, in turn, can spread the message of our Lord Jesus Christ to the nations.

At the College, the principal risks relate to the financial impacts of changes in the Service Level Agreement with the Church of England, low student numbers, and the financial dependency on a few major donors. The College leadership and Chair of Council maintain a regular dialogue with the relevant officers within the Church of England, and a report of their activity in this field is a standing item for the Principal’s report to Council. Efforts are being made to broaden the financial supporter base. New programmes have been validated for the 2025 entry to widen the College’s appeal. Progress will be monitored against the strategic plan.

Report of the Trustees for the year ended 31 July 2025 (continued)

Reserves

The reserves held by the Trust are set out in detail in Note 24 to the financial statements. At 31 July 2025 the Trust had general reserves of £11.2m, (2024 - £12.6m); these are largely represented by the Trust's listed investments and investment cash valued at £7.9m (2024 - £8.9m) which are held primarily for the purposes of generating income and to provide a financial backstop in the event of adverse events.

The Trustees recognise the need to maintain and enhance the value of the investment portfolio in real terms in order to provide on-going capital requirements from time to time. Under the Memorandum of Association, the Trustees are permitted to use capital as well as revenue reserves to fund any shortfalls of net income. Although operational deficits and the ability to respond to unexpected occurrences can be funded by drawdowns of capital from the investment portfolio, a 5% p.a. limit, set by the Trustees, on the spending of the investments on ordinary activities has been in place for some time.

Rathbones Group has the management of the Trust's investment portfolio. An investment policy is in place that governs the management of the Trust's investment portfolio, and this is reviewed annually. The Trustees view the risk profile to be appropriate for the current environment.

Principal risks and uncertainties

The Trustees are required to produce a statement of policy on risk identification and management, and this involves identifying the types of risks the Trust faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. This process is monitored by the Trustees annually and takes into account assessment of future uncertainties such as the supply of students at the College and the impact on parents of VAT on school fees. The separate nature of KHS and College means that each has its own risk register which is reviewed regularly by the Board of Governors or College Council with the appropriate report going to Trustees.

Governance

The Trustees normally meet formally three times in the year to review the activities of the College and KHS in relation to the terms of the Trust. However, this year they met eight times to work together on the plans for KHS in relation to DCF, to ensure they were paying close attention to their charitable objects.

Trustees have been recruited typically after having served as members of the College Council or of the KHS Board of Governors and this year Neil Powell, a serving Council member, has joined the Board of Trustees.

The Trustees have delegated responsibility for most of the operational requirements to the Council of the College and Board of Governors of KHS, with regular reporting requirements to enable the Trustees to continue their oversight and responsibilities. Trustees are supplied with minutes of all meetings of the College Council, the KHS Board of Governors and their related Finance and General Purposes Committees.

Systems for measuring key performance indicators are in operation at both KHS and the College and reports are presented to every meeting of both KHS Governors and College Council. The Trust employs various professional organisations to ensure that processes, procedures and policies are developed which reflect the ever-changing statutory environment in which charities must operate. Trustees are supplied with information relating to these necessary changes on a regular basis.

At both KHS and the College, safeguarding is taken very seriously. Each of the KHS Board of Governors and the College Council have designated safeguarding leads. Both institutions have an appropriate safeguarding policy in place together with a complaints policy and a whistleblowing process.

Report of the Trustees for the year ended 31 July 2025 (continued)

The salaries of the senior management personnel at both KHS and the College are subject to scrutiny by the relevant Finance & General Purposes Committee, acting as the Remuneration Committees. At the College salaries are set with reference to the Church of England standard Lichfield scale, enhanced for additional duties. At KHS, salaries have been determined by comparison with pay at other independent schools, again with appropriate enhancements for additional levels of responsibility.

The Trustees continue to pray for the College Principal, Revd James Robson, the Chair of the College Council, the leadership team and the staff who serve alongside them. The Trustees also continue to pray for the Kingham Hill School as it joins the Dean Close Foundation.

Trustees' responsibilities for the financial statements

The Trustees (who are also directors of The Kingham Hill Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements the trustees are required to:

- select suitable accounting principles and then apply them consistently.
- comply with applicable accounting standards including FRS 102, subject to any material departures therefrom being disclosed and explained in the financial statements.
- make judgments and estimates that are reasonable and prudent.
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Public Benefit

The Trustees regularly review all the activities of the Trust and consider how these contribute to the aims and objectives set by the charity's objects and confirm that they have complied with the duty in s.17 Charities Act 2011 by referencing their review to the Charity Commission's published guidance on public benefit under that Act. The Trustees are bound by the terms of the Trust to ensure that all the Trust's activities clearly express the evangelical Christian convictions of the Founder. In shaping objectives for the year and planning activities, the Trustees have considered the charity commission guidance on public benefit, including the guidance on public benefit: running a charity (PB2).

The College provides public benefit by: advancing religion through providing ministers who have been taught to a high level in one of the UK's major religious traditions, including in areas pertaining to public concern such as safeguarding and the protection of at-risk individuals and; by advancing education through providing ministers to serve their local communities (many of which are disadvantaged) who have been taught to a tertiary level of education. General bursaries are provided that make the College affordable and accessible to many of our students, but it also provides bursaries that are designed to provide financial support for prospective students from groups which are currently under-represented within the College community.

Report of the Trustees for the year ended 31 July 2025 (continued)

KHS provides public benefit both to the local community and others by advancing both religion and education. The Founder's Pupils scheme also fulfils the Founder's vision by providing a boarding education to pupils from a disadvantaged background and for those who would benefit greatly from a Kingham education.

It provides this benefit through:

- the provision of scholarships and means tested bursaries which in 2025 amounted to £532k (2024: £570k).
- the Founder's Pupils programme which provides assistance to pupils who would benefit from a boarding education, as envisaged by Charles Edward Baring Young, the Trust's founder.
- providing curriculum enrichment for a number of local schools through invitations to School enrichments weeks activities and a series of science, art, music and modern foreign language events
- Kingham Hill School community service programme whereby pupils take part in weekly activities such as helping the elderly, litter clearance and other projects.
- Kingham Hill School Leisure (KHL) enables the use of the school swimming pool, gym, astroturf, tennis courts, squash court and Sports Centre by the community, in addition to a number of local schools.
- fee concessions of 14.9% (2024 - 13.4%) of gross fee income.
- loan of School vehicles to local charities.
- community use of facilities for holiday camps, sports clubs, local voluntary groups

Fundraising

Fundraising requests are limited to alumni of KHS and the College, to specific trusts and to churches with a similar Christian ethos to that of the Trust; there has not been any fundraising from the general public. No complaint has been received about the Trust's fundraising efforts and Trust development staff work within The Code of Fundraising Practice.



S.H.W. Pilcher (Chair of Trustees)

27 November 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KINGHAM HILL TRUST

Opinion

We have audited the financial statements of The Kingham Hill Trust ('the company') for the year ended 31 July 2025 which comprise the Statement of Financial Activities, 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 July 2025 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KINGHAM HILL TRUST

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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report 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 strategic report or 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;
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KINGHAM HILL TRUST

- 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KINGHAM HILL TRUST

- 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.

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.

Moore Kingston Smith LLP

Date: 22 December 2025

Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
9 Appold Street
London
EC2A 2AP

Statement of financial activities for the year ended 31 July 2025

	Note	Unrestricted funds 2025 £'000	Restricted funds 2025 £'000	Total funds 2025 £'000	Total funds 2024 £'000
Income					
Donations	2	565	415	980	912
Income from charitable activities	3	9,434	-	9,434	9,696
Income from other trading activities	4	1,989	-	1,989	1,948
Investment income	5	386	16	402	463
Total income		12,374	431	12,805	13,018
Expenditure					
Cost of raising funds	6	96	-	96	211
Expenditure on charitable activities	7	13,026	117	13,143	12,926
Interest payable		222	-	222	299
Exceptional Item	25	14,119	85	14,204	-
Total expenditure		27,463	202	27,665	13,436
Total income less total expenditure		(15,089)	229	(14,860)	(417)
Net investment gains	14	219	-	219	445
Net income/(expenditure) for the year		(14,870)	229	(14,641)	28
Transfers	24	415	(415)	-	-
Net movement in funds for the year		(14,455)	(186)	(14,641)	28
Reconciliation of funds					
Total funds brought forward	24	39,693	445	40,138	40,110
Total funds carried forward	24	25,238	259	25,497	40,138

Balance Sheet as at 31 July 2025

	Note	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Fixed assets					
Tangible assets	13		15,780		33,963
Investments	14		7,887		8,878
			23,667		42,841
Current assets					
Stock	15	1		14	
Debtors	16	247		951	
Cash at bank and in hand		2,670		3,811	
		2,918		4,777	
Creditors: amounts falling due within one year	17	(1,097)		(3,436)	
Net current assets			1,821		1,340
Total assets less current liabilities			25,488		44,181
Creditors: amounts falling due after more than one year	18		-		(4,044)
Net assets			25,488		40,138
Reserves					
Unrestricted income funds	24		25,229		39,693
Restricted income funds	24		259		445
Total charity funds			25,488		40,138

Company Registration Number: 00365812

The financial statements were approved by the trustees and authorised for issue on 27 November 2025 and signed on their behalf by:




S.H.W. Pilcher

K.B Civval

Trustee

Trustee

Statement of Cash Flows for the year ended 31 July 2025

Reconciliation of net expenditure for the year to net cash flows from operating activities	2025 £'000	2024 £'000
Net expenditure for the year before investments	(14,642)	(417)
Depreciation	973	955
Transfer of tangible fixed assets*	18,023	25
Decrease/(increase) in stock	13	11
Decrease/(increase) in debtors	704	(312)
(Decrease)/increase in creditors	(2,516)	(477)
Return on investments	(621)	(172)
Net cash inflow /(outflow) from operating activities	1,934	(387)
Cash flows from investing activities		
Dividends and interest received	402	172
Purchases of tangible fixed assets	(811)	(974)
Sale proceeds of tangible fixed assets	-	7
Purchases of fixed asset investments	(2,424)	(998)
Sales of fixed asset investments	2,458	812
Net cash (outflow) from investing activities	(375)	(982)
Cash flows from financing activities		
Proceeds from bank loan	-	(322)
Repayment of bank loan **	(3,875)	-
Proceeds from FIA cash receipts	-	1,610
Repayment of finance lease funding	-	(2)
Net cash (outflow)/inflow from financing activities	(3,875)	1,285
Change in cash and cash equivalents in the reporting period	(2,316)	(83)
Cash and cash equivalents at the beginning of the reporting period	5,839	5,922
Cash and cash equivalents at the end of the reporting period	3,523	5,839
Cash and cash equivalents consist of:		
Investment cash	853	2,029
Cash	2,670	3,811
	3,523	5,839

Analysis of changes in net debt	At 01/08/24 £'000	Cashflows £'000	Non-cash £'000	At 31/07/25 £'000
Cash	5,839	(2,316)	-	3,523
Loans due within one year	(557)	578	-	21
Loans due after more than one year	(3,298)	3,277	-	(21)
	1,984	1,539	-	3,523

*This relates to the transfer of the School assets to Dean Close Foundation – see note 25 for full details.

** This relates to the repayment of the loan as part of the transfer – see notes 22 and 25 for full details.

Notes to the financial statements for the year ended 31 July 2025

1. Accounting policies

Basis of accounting

The Trust is a charitable company, incorporated in England and Wales and limited by guarantee. The financial statements are prepared in accordance with: FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102), the Companies Act 2006 and other applicable accounting standards in the UK. As the Trust is a public benefit entity as defined by FRS 102 the accounts have also been prepared in accordance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (FRS 102 SORP) and the Charities Act 2011.

As explained in the Report of the Trustees, the Kingham Hill Trust gifted the Kingham Hill School to Dean Close Foundation (see note 25 to these financial statements). As well as the significant non-financial benefits (as explained in the Report of the Trustees), the School's own financial position and future are now significantly strengthened by being part of a multi-school Trust due to economies of scale and purchasing power that come with being part of a multi-school Trust. In doing so, the Kingham Hill Trust has also strengthened its own financial position, as the related bank loans were fully repaid, and the potential exposure to funding future forecast deficits arising from lower pupil numbers, partly due to the impact of VAT on school fees, was removed.

As a result, the Trustees have reassessed the going concern basis of the Trust, excluding the financial considerations of Kingham Hill School. Despite the modest forecast deficit position of Oak Hill College, arising from low student numbers, the Trustees, having considered the financial implications of the College's Vision for Growth, and the overall financial position of the Trust, have concluded that The Kingham Hill Trust has adequate resources to continue operations for the foreseeable future. Accordingly, it remains appropriate to prepare the Trust's financial statements on a going concern basis. The Trustees have also ensured that, as at the date of the signing off the financial statements, there are no material uncertainties which need to be reflected within these financial statements.

The accounts are prepared in sterling, which is the functional currency of the company, rounded to the nearest thousand pounds. The principal accounting policies which have been applied consistently throughout the year are set out below.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates ruling on the date of each transaction. The value of investments and cash deposits awaiting investment are translated at the rates ruling at the end of the accounting period.

Income

Income is recognised when there is entitlement to the funds, the receipt is probable, and the amount can be measured reliably. Income from charitable activities represents fees invoiced to third parties for tuition and similar educational activities. They are stated net of bursaries and other fee remissions provided out of the Trust's unrestricted funds, which are disclosed elsewhere in the notes to the financial statements but include fee bursaries provided from restricted funds. Income from other trading activities includes rent receivable from students and staff together with lettings to third parties. Investment income represents dividends and interest received during the year on the investment portfolio held by the Trust.

Dividends and interest receivable

Dividends and interest are included in the accounts on the basis of the date such income is received by the Trust's investment managers with the exception of fixed interest securities where income is accounted for on an accruals basis.

Notes to the financial statements for the year ended 31 July 2025

Expenditure

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT which cannot be recovered. Charitable resources expended are analysed under seven headings. All costs are specifically allocated to one of the categories and no costs are apportioned between them.

Leases

Rentals payable on operating leases are recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Retirement benefits

The costs of retirement benefits provided to employees of the Trust through two multi-employer defined benefit pension schemes are accounted for as if these were defined contribution schemes as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The Trust's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable. In addition, a liability is recognised as at the date of the Statement of financial position for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

The Trust makes normal contributions on behalf of the teachers at Kingham Hill School to the Department of Education and Employment Teachers Pension Agency. The scheme is a defined benefit scheme, and the contributions are charged as an unrestricted expense in the Trust's accounts as they fall due for payment.

Taxation

The Trust, being a registered charity, is exempt from taxation on its income and capital gains to the extent that they are applied for charitable purposes.

Tangible fixed assets and depreciation

All tangible fixed assets held by the Trust are for charitable purposes and are shown in the Statement of financial position at cost or valuation less accumulated depreciation. All assets costing more than £1,000 are capitalised, those costing less being written off in the year of acquisition unless they form part of a larger project.

The Trust has adopted the transitional provisions of FRS 15 "Tangible fixed assets" and has not updated the last valuation of freehold land and buildings. Freehold land and buildings are stated at professional valuation using the depreciated replacement cost or open market value based at 31 July 1999. Expenditure from that date has been capitalised at cost, including, where appropriate interest and other borrowing costs incurred up to the date of practical completion.

Depreciation is provided evenly on the cost (or valuation where appropriate) of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Upon completion, new buildings are depreciated to write off the cost over 50 years unless otherwise stated. Buildings are depreciated over 50 years or the period of the lease (if shorter). No depreciation is provided on freehold land. Additions to buildings are depreciated over 50 years.

The principal annual rates used for other assets are:

I.T. equipment	33%
Equipment, fixtures & fittings	15%
Motor vehicles	25%
Other machinery	25%

Listed Investments

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the accounting period.

Stock

Stocks are valued at the lower of cost and estimated net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on the estimated sales price.

Notes to the financial statements for the year ended 31 July 2025

Cash and cash equivalents

These include cash at banks and in hand and short-term deposits with a maturity date of three months or less.

Financial assets

The Trust has elected to apply the provisions of FRS 102 Section 11 'basic financial instruments' and Section 12 'Other financial instruments' issues to all of its financial instruments.

Financial assets are recognised in the company's Statement of financial position when the company becomes party to the contractual provisions of the instrument. They are classified into specified categories; the classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets classified as fair value through profit or loss are measured at fair value.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest is recognised by applying the effective interest rate except for short term receivables where the recognition of interest would be immaterial. The effective interest rate is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at the end of each accounting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected with the impairment being recognised in profit or loss.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

Basic financial liabilities are initially measured at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value. Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method with interest expense recognised on an effective yield basis. The effective yield basis is a method of calculating the amortised costs of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition. Financial liabilities are derecognised when and only when the company's obligations are discharged, cancelled or reach expiration.

Fund accounting

Funds held by the charity are either:

Unrestricted funds

These are funds which can be used in accordance with the Trust's objects at the discretion of the trustees. Such funds include both Capital and Revaluation reserves, the combined amount of which represents the Trust's investment in land and buildings; these monies are not available to support operating activities or:

Restricted funds

These funds represent monies given to the Trust for specific purposes. They include benefactions for future development at both Oak Hill College and Kingham Hill School, a bursary fund to assist students at the College and funds to support certain educational activities at both College and School.

Notes to the financial statements for the year ended 31 July 2025

Critical accounting estimates and judgments

In the application of the company's accounting policies, Trustees are 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 revision occurs, should only affect that period, or in the period in which the revision occurs and future periods if relevant. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

Useful economic lives

The annual depreciation charge for buildings, plant, fixtures, and motor vehicles is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates based on technological advancement, future investment, economic utilisation, and the physical condition of the assets. Note 13 gives the carrying amount of the relevant assets and Note 1 details the useful economic life 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, factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. Note 16 gives details of the net carrying amount of debtors and the associated impairment provision.

Analysis of pupil deposits

Deposits held in respect of pupils in Years 7 to 9 are presumed to be repayable after more than one year while deposits held for pupils in subsequent years are treated as being repayable within one year.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any untaken holiday entitlements are recognised in the period in which the employees' services are received. Termination benefits are recognised immediately as an expense once the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Provisions

Provisions have been made for post-employment benefits. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period in which such determination is made.

		2025	2024
	Note	£'000	£'000
2. Donations			
Restricted to development	8/9	24	29
Restricted to bursaries	8/9	371	374
Restricted to educational purposes	8/9	20	76
Unrestricted	8/9	565	433
		<u>980</u>	<u>912</u>
3. Income from charitable activities			
Kingham Hill School	8	8,696	9,070
Oak Hill College	9	738	626
		<u>9,434</u>	<u>9,696</u>

Notes to the financial statements for the year ended 31 July 2025

4. Income from other trading activities			
Kingham Hill School	8	890	909
Oak Hill College	9	<u>1,099</u>	<u>1,039</u>
		<u>1,989</u>	<u>1,948</u>
5. Investment income			
Income from listed investments		194	216
Restricted interest receivable	8/9	16	18
Unrestricted interest receivable	8/9	<u>192</u>	<u>229</u>
		<u>402</u>	<u>463</u>
6. Cost of raising funds			
Development office			
Kingham Hill School	8	64	180
Investment management fees		<u>32</u>	<u>31</u>
		<u>96</u>	<u>211</u>
7. Expenditure on charitable activities			
Kingham Hill School unrestricted	8	9,934	9,925
Kingham Hill School restricted	8	91	95
Oak Hill College restricted	9	26	-
Oak Hill College unrestricted	9	2,809	2,645
Governance administration costs		<u>283</u>	<u>261</u>
		<u>13,143</u>	<u>12,926</u>

Notes to the financial statements for the year ended 31 July 2025

8. Discontinued Operations - Kingham Hill School

On 31st July 2025 Kingham Hill School (including all properties at the site, both residential and non-residential) were transferred as a gift to the Dean Close Foundation (DCF) from Kingham Hill Trust. See note 25 for more detail.

	2025	2024
	£'000	£'000
Income		
Fees	10,222	10,485
Less: Bursaries & concessions	(1,526)	(1,415)
	<u>8,696</u>	<u>9,070</u>
Rental income	208	191
Investment income	45	75
Restricted donations	33	95
Unrestricted donations	5	4
Unrestricted other income	682	717
	<u>9,669</u>	<u>10,152</u>
Total income		
Expenditure		
Cost of generating funds		
Development	64	180
	<u>64</u>	<u>180</u>
Charitable expenditure		
Academic	4,764	4,383
Restricted academic	91	95
Administrative		
Staff costs	392	483
Insurance costs	117	100
IT and office costs	183	213
Legal and professional	239	136
Bank charges	9	15
Other costs	19	6
	<u>959</u>	<u>953</u>
Total administrative costs		
Marketing	51	195
Transport	280	282
Premises	1,291	1,350
Leisure centre	182	180
Catering	900	875
Domestic	470	489
Depreciation	613	636
Finance costs	222	299
Other	424	582
	<u>10,247</u>	<u>10,319</u>
Total charitable expenditure		
Total expenditure	<u>10,311</u>	<u>10,499</u>
Total income less total expenditure	(642)	(347)
Transfers	-	-
	<u>-</u>	<u>-</u>
Net movement in funds	<u>(642)</u>	<u>(347)</u>
Net assets of Kingham Hill School	<u>-</u>	<u>12,923</u>

Notes to the financial statements for the year ended 31 July 2025

	2025 £'000	2024 £'000
9. Oak Hill College		
Income		
Church of England SLA funding	439	179
Student fees	726	632
Less: Bursaries	(427)	(366)
	<u>738</u>	<u>445</u>
Rental income	996	908
Restricted donations	382	384
Unrestricted donations	560	429
Restricted investment income	16	18
Unrestricted investment income	147	154
Joint appointments	-	2
Other income	103	131
	<u>2,942</u>	<u>2,650</u>
Total income		
Expenditure		
Charitable expenditure		
Academic costs	844	857
Restricted academic	26	-
Administrative costs		
Staff costs	229	231
Insurance costs	42	44
IT and office costs	44	68
Legal and professional	51	44
Bank charges	3	2
Other costs	56	61
	<u>425</u>	<u>450</u>
Total Administrative Costs	425	450
Admissions and Marketing costs	238	136
Catering costs	129	137
Household costs	108	104
Premises costs	704	547
Depreciation	361	414
	<u>2,835</u>	<u>2,645</u>
Total charitable expenditure	2,835	2,645
Total expenditure	<u>2,835</u>	<u>2,645</u>
Total income less total expenditure	107	5
Transfers	-	-
	<u>107</u>	<u>5</u>
Net movement in funds		
	<u>107</u>	<u>5</u>
Net assets of Oak Hill College	<u>19,651</u>	<u>19,544</u>

Notes to the financial statements for the year ended 31 July 2025

10. Auditors' remuneration	2025	2024
	£'000	£'000
Auditors' remuneration		
Audit fees	55	46
Other advice	1	3
Previous year overprovision	(2)	8
	<hr/>	<hr/>
Total auditors' remuneration	54	57
	<hr/>	<hr/>
11. Employees and payroll	2025	2024
	No.	No.
Average monthly number of employees:		
Kingham Hill School	166	157
Oak Hill College	35	34
Governance	2	2
	<hr/>	<hr/>
	203	193
	<hr/>	<hr/>
	2025	2024
	£'000	£'000
Staff costs:		
Wages and salaries	5,798	5,636
Social security costs	586	542
Other pension costs	748	618
	<hr/>	<hr/>
	7,132	6,796
	<hr/>	<hr/>
	2025	2024
	£'000	£'000
Other pension costs comprise		
Defined benefit schemes	-	324
Defined contribution scheme	744	293
	<hr/>	<hr/>
	744	617
	<hr/>	<hr/>

Seven employees earned more than £60k during the accounting period (2024: five), one in the band £120k - £130k, one in the band £80k-£90k and five in the band £60k - £70k.

None of the above employees were a member of a defined benefit pension scheme into which the Trust made contributions on the employee's behalf (2024: none).

Key management personnel include the Trustees and members of the senior management teams. The Trustees received no remuneration during the accounting period (2024: £Nil). There were 11 members of the senior management teams during the year (2024: 11) whose aggregate pay and benefits amounted to £914k (2024: £750k). Employer's pension contributions for the senior management teams were £98k (2024: £94k).

There were 6 (2024: 6) members of the senior management teams who were provided with rent-free accommodation in order to enable them to undertake specific duties at both school and college.

There were four termination payments were made during the year of £59k (2024: £ 105k for three payments).

Notes to the financial statements for the year ended 31 July 2025

Pension schemes

Certain employees are members of one of three different defined benefit schemes. Clergy are members of the Church of England Funded Pension Scheme, teachers are members of the Teachers' Pension Scheme, and certain other employees are members of the Church of England Defined Benefits Scheme Section of the Church Workers' Pension Fund.

Teachers' Pension Scheme (TPS)

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £246k (2024 - £293k) and at the year-end £nil (2024 - £22k) 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%.

Church of England Funded Pension Scheme (CEFPS)

Oak Hill College participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the responsible bodies. Each participating responsible body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific responsible body and also that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year £35k (2024: £27k).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out as at 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.
- RPI inflation of 3.6% p.a. (and pension increases consistent with this).
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards.
- Increase in pensionable stipends in line with CPIH.
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Notes to the financial statements for the year ended 31 July 2025

Following the finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the scheme was fully funded. The deficit recovery contribution under the recovery plan in force at each 31st of December were as follows:

31 December 2021	7.1%
31 December 2022	nil
31 December 2023	nil
31 December 2024	nil

An interim reduction to the deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2023 and 31 December 2024 is nil. The movement in the balance sheet liability over 2023 and over 2024 is set out in the table below.

	31-12- 24	31- 12- 23
	£'000	£'000
		0
Balance sheet liability at 1 August	-	7
Deficit contributions paid	-	(4)
Interest cost (recognised in SoFA)	-	-
Remaining charge* (recognised in SoFA)	-	(3)
Balance sheet liability at 31 December	<u>-</u>	<u>-</u>

* Comprises change in agreed deficit recovery plan and change in discount rate between year-ends.

The legal structure of the scheme is such that if another Responsible Body fails, the Responsible Body could become responsible for paying a share of that Responsible Body's pension liabilities.

Church Workers Pension Fund (CWPF)

Oak Hill College participates in the Defined Benefits Scheme (DBS) section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the employer and other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Both sections of the Pension Builder Scheme are classified as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors. There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is a multi-employer scheme as described in S.28 of FRS 102. It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. No pensions costs were charged to the SoFA in the year as contributions (2024: £nil) or deficit payments (2024: £nil)

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice

Notes to the financial statements for the year ended 31 July 2025

versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m, and this was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £11.3m. The next actuarial valuation was due at 31st of December 2022 (yet to be published)

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	Dec 24	Dec 23	Dec 22
Discount rate	0%	0%	0%

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities.

12. Transactions involving trustees and related parties

Travel, subsistence and training expenditure paid on behalf of or reimbursed to trustees amounted to £0.04k (2024 £0.01k). Total aggregated donations received from Trustees and related parties during the accounting period amounted to £360k (2024: 270k). This amount disclosed is gross of Gift Aid received on the donations of £65k (2024: £67.5k).

13. Tangible fixed assets

Cost or valuation	Freehold Land and buildings £'000	Fixtures, Fittings and Equipment £'000	Motor vehicles £'000	Assets held held for sale £'000	Total £'000
At 1 August 2024	41,856	7,162	249	-	49,267
Additions	469	302	2	9	782
Transfers	(2,799)	1,869	-	930	-
Disposals	(20,865)	(5,822)	(184)	-	(26,871)
At 31 July 2025	18,661	3,511	67	939	23,178
Depreciation					
At 1 August 2024	8,953	6,108	213	-	15,274
Charged for the year	636	323	12	2	973
Transfers	(1,818)	1,773	-	45	-
Released on disposal	(3,558)	(5,118)	(173)	-	(8,849)
At 31 July 2025	4,213	3,086	52	47	7,398
Net book value					
At 31 July 2025	14,447	425	15	892	15,780
At 31 July 2024	32,903	1,055	5	-	33,963

Notes to the financial statements for the year ended 31 July 2025

The trust was in the process of disposing of one of its properties, 186 Chase Side. The sale completed after the balance sheet date. See note 21 for more information. The freehold land and buildings were revalued at 31 July 1999 on the basis of their depreciated replacement cost and open market value by Weatherall Green and Smith, Chartered Surveyors. As allowed by accounting standards, this valuation has been used as deemed cost going forward and the Trust has not adopted a policy of valuation for its tangible fixed assets.

If the properties had not been revalued, they would have been included in the balance sheet at the following amounts:

	2025	2024
	£'000	£'000
Cost	7,837	22,488
Depreciation	<u>(2,614)</u>	<u>(6,822)</u>
	<u>5,223</u>	<u>15,666</u>

4. Fixed asset investments

	2025	2024
	£'000	£'000
Investments (at market value) are represented by:		
Fixed interest securities and managed securities	1,326	2,210
Equity shares	<u>5,708</u>	<u>4,639</u>
	7,034	6,849
Cash Deposits	<u>853</u>	<u>2,029</u>
	<u>7,887</u>	<u>8,878</u>

No individual holding is considered material in the context of the overall portfolio

Investment Comprise:

UK Fixed interest	390	842
Overseas Fixed Interest	445	435
Equities and Unit Trusts	6,199	5,572
Short Term Deposits	<u>853</u>	<u>2,029</u>
	<u>7,887</u>	<u>8,878</u>

Valuation at start of the year	6,849	6,218
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Movements in the year:

Purchases at Market value b/f	2,424	997
Sales at proceeds	(2,458)	(812)
Realised gains on revaluation	<u>219</u>	<u>445</u>
Valuation at end of the year	<u>7,034</u>	<u>6,849</u>

Notes to the financial statements for the year ended 31 July 2025

15. Stock

	2025 £'000	2024 £'000
Raw materials and consumables	-	13
Goods for resale	1	1
	<u>1</u>	<u>1</u>
	<u>1</u>	<u>14</u>

16. Debtors

	2025 £'000	2024 £'000
Fees	39	675
Less: provision for doubtful debts	-	(123)
	<u>39</u>	<u>552</u>
Prepayments and accrued income	151	250
Other debtors	57	149
	<u>247</u>	<u>952</u>
Provision for doubtful debts		
At 1 August	(123)	(114)
Further provisions	(78)	(37)
Amounts recovered	10	18
Amounts written off	(191)	10
	<u>-</u>	<u>(123)</u>
At 31 July	<u>-</u>	<u>(123)</u>

17. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Deposits received in advance	23	1,928
Trade creditors	62	364
Other creditors	872	237
Other taxation and social security	34	86
Bank loan (see Note 23)	-	578
Accruals and deferred income	106	243
	<u>1,097</u>	<u>3,436</u>
	<u>1,097</u>	<u>3,436</u>

Included in Other creditors above is £32k (2024 - £22k) in respect of the company's defined contribution pension plans and £825k in respect of the fair value settlement to Dean Close Foundation for transfer of the school assets. There are no accrued deposits included in this year's accounts (2024: £95k)

Notes to the financial statements for the year ended 31 July 2025

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

	2025	2024
	£'000	£'000
Deposits received in advance	-	746
Bank Loan (see note 22)	-	3,298
	-	4,044

19. Analysis of net funds

	Tangible assets £'000	Investments £'000	Net current assets £'000	Total £'000
Unrestricted				
Revaluation	10,435	-	-	10,435
Capital	3,564	-	-	3,564
General	1,781	7,887	1,571	11,239
Total unrestricted	15,780	7,887	1,571	25,238
Restricted				
Oak Hill College	-	-	259	259
Net funds	15,780	7,887	1,830	25,497

20. Operating leases

At 31 July 2025 the Company had no outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows. All leases were novated over on disposal of the business

	2025 £'000	2024 £'000
Expiring within one year		68
Expiring within two to five years	-	83
	-	151
Lease payments recognised in expenditure	90	59

21. Post Balance sheet events

On 5th September 2025, the Trust completed the sale of its freehold property located at 186 Chase Side, London, for £1,565k, and net sale proceeds of £1,536k. The carrying amount of the property at 31 July 2025 was £892k as shown in note 13 to these financial statements. The gain on disposal of £644k will be recognised in the financial statements for the year ending 31 July 2026.

Notes to the financial statements for the year ended 31 July 2025

22. Bank loan

The bank loan was repaid on 31 July 2025 (note 25)

	2025	2024
	£'000	£'000
Within 1 year	-	303
Within 2-5 years	-	1,432
Over 5 years	-	2,140
	<hr/>	<hr/>
	-	3,875
	<hr/>	<hr/>

23. Capital commitments

As at 31 July 2025 the College had £25k of capital commitments approved and not accrued (2024: School £138k)

Notes to the financial statements for the year ended 31 July 2025

24. Reserves

	Unrestricted income funds			Total Unrestricted funds £'000	Restricted income funds		Total restricted funds £'000	Total funds £'000
	Revaluation reserve £'000	Capital reserve £'000	General reserve £'000		Oak Hill College £'000	Kingham Hill School £'000		
At 1 August 2024	16,895	10,217	12,581	39,693	302	143	445	40,138
Income	-	-	12,374	12,374	398	33	431	12,804
Expenditure	-	-	(27,472)	(27,472)	(26)	(176)	(202)	(27,674)
Investment gains/(losses)	-	-	219	219	-	-	-	219
Transfers (see below)	-	(228)	643	415	(415)	-	(415)	-
Merger (note25)	(6,460)	(6,425)	12,885	-	-	-	-	-
Net movement in funds	(6,460)	(6,653)	(1,351)	(14,464)	(43)	(143)	(186)	(14,651)
At 31 July 2025	10,435	3,564	11,230	25,229	259	-	259	25,488
At 1 August 2023	16,895	10,381	12,416	39,692	270	148	418	40,110
Income	-	-	12,522	12,522	401	95	496	13,018
Expenditure	-	-	(13,341)	(13,341)	-	(95)	(95)	(13,436)
Investment gains/(losses)	-	-	445	445	-	-	-	445
Transfers (see below)	-	(164)	538	374	(370)	(4)	(374)	-
Net movement in funds	-	(164)	165	1	32	(4)	27	28
At 31 July 2024	16,895	10,217	12,581	39,693	302	143	445	40,138

Notes to the financial statements for the year ended 31 July 2025

Designated, restricted and endowment funds.

The Revaluation and Capital reserves in total reflect the amount of reserves committed to land and buildings. The Oak Hill College restricted income funds are for certain academic costs, the provision of bursaries and future development of the site. In respect of bursaries, £415k (2024: - £370k) was transferred from restricted funds to general reserve to cover bursaries granted during the year. The Kingham Hill School restricted income funds are for certain educational purposes (Founder's pupils and the provision of additional sports, music and arts equipment) and future development of the site.

25. Merger/Discontinued operations

On the 31st of July the assets, liabilities and business of Kingham Hill School were transferred to the Dean Close Foundation.

<u>Assets and liabilities transferred at NBV</u>		<u>Reconciliation in Reserves</u>	
	£'000		£'000
Tangible fixed assets	(17,991)	Revaluation Reserves	6,460
Stock	(18)	Capital Reserves	6,425
Debtors	(563)	Unrestricted Reserves	4,777
Operating Cash	(275)	Bank Loan Repaid	<u>(3,543)</u>
Current Liabilities	648		
Creditors > 1 yr	452		
Restricted Reserves	85		
Bank Loan Repaid	3,543	Reduction in Unrestricted Reserves	<u>14,119</u>
Reduction in Unrestricted Reserves	14,119		
Total	<u>-</u>		

THE KINGHAM HILL TRUST

England & Wales - Charity number 1076618

Accounts

THE KINGHAM HILL TRUST

Company No. 00365812
Charity No 1076618

Report and financial statements
for the year ended
31 July 2024

The Kingham Hill Trust

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The Kingham Hill Trust

Company information

Trustees	Mr S.H.W. Pilcher (Chairman) Mr J.D.B. Anderson, CBE Mr. N.C.J. Bewes Mr. K.B. Civval (appointed 22 May 24) Mr. K.A.M. Edmunds Mrs. C.M. Pellereau Dr. N.A. Powell (appointed 7 Oct 24)
Secretary	Mrs. Fiona J. Edwards
Registered office	Kingham Hill School Kingham Chipping Norton Oxon, OX7 6TH
Auditors	Moore Kingston Smith LLP Chartered Accountants and Registered Auditors 9 Appold Street London, EC2A 2AP
Bankers	Barclays Bank PLC Wytham Court 11 West Way Oxford, OX2 0JB CCLA Investment Management Ltd 1 Angel Lane London, EC4R 3AB. National Westminster Bank PLC 1 Town Hall Buildings Bridge Street Banbury Oxon, OX16 5JS
Solicitors	Stone King LLP 13 Queen Square Bath, BA1 2HJ Veale Wasborough Vizards LLP Narrow Quay House Narrow Quay Bristol, BS1 4QA
Investment Managers	Investec Wealth & Investment Limited 30 Gresham Street London, EC2V 7QN

The Kingham Hill Trust

Report of the Trustees for the year ended 31 July 2024

The Kingham Hill Trust was brought into being and is sustained by the grace of our Heavenly Father, the Almighty God. He brought the work of the Trust into being through Charles Edward Baring Young and has sustained it through the challenges of many generations of staff and trustees; the Trustees look to Him for direction and provision for the future. The Kingham Hill Trust is governed by its Memorandum & Articles of Association adopted by Special Resolution on 14 December 2021 and continues the work of the unincorporated charity known as The Kingham Hill Trust which was originally established by a Trust Deed dated 16 December 1912 and amended by subsequent Deeds and Orders of Court. The Kingham Hill Trust is registered as a company limited by guarantee no. 00365812 and as charity no. 1076618. The Trustees are in no doubt that the Trust is a public benefit entity and set out later in this report details of the relevant activities at both Oak Hill College and Kingham Hill School.

Objects and activities

The principal objects of the Trust are: -

- To advance in accordance with the Protestant and Evangelical Faith understood as set out in Article 17 of the Articles of Association of the Charity (“the Christian Faith”) the physical, mental and spiritual education of children resident in the United Kingdom or elsewhere by helping them to a start in life, especially those children who are in need of a boarding education through deficiencies in their economic, social or family circumstances, or owing to their particular educational or spiritual requirements providing that special regard should be paid to the needs of such children whose parents or guardians are of modest means;
- To train men and women for ordination or other ministries in the Church of England or other Protestant denominations in accordance with the Christian Faith provided that special regard shall be paid to the needs of those of modest means; and
- Otherwise to advance education in accordance with the Christian Faith.

In pursuance of these objects the Trust operates Kingham Hill School, a co-educational boarding and day school for children aged 11 to 18, and Oak Hill College, an evangelical theological college accredited by the Church of England and also serving other protestant denominations.

Strategic report

Achievements, performance and review of activities

The overall gain for the year was £28k (2023 losses – £114k), this being after net investment gains of £445k (2023 losses - £140k). Net funds at the year-end were £40.1 million (2023 - £40.1 million).

Oak Hill College

In line with the Trust’s charitable objectives, 23 new students were welcomed to the College in September 2023, 21 at undergraduate level and 2 at postgraduate level (with a further 2 internal postgraduate admissions). These students came from a variety of backgrounds and denominations (Anglican and Independent) and the majority intend to enter full-time Christian ministry in due course. The College also welcomed back 54 returning students giving a student body of 77 in total.

September 2023 saw the third year of operation for our Access Bursary Scheme. The Bursaries are designed to provide financial support for prospective students from groups which are currently under-represented within the college community. During the 23/24 academic year we were able to award 9 new full-time bursaries and 2 part-time bursaries, along with 8 full-time and 2 part-time returning students. The College is very grateful to the donors who enable these bursaries to be awarded.

Revd Dr James Robson joined the College as Principal in the autumn of 2023. In addition, Jonny Reid joined as Director of Engagement in June 2024.

This year we were informed that Middlesex University was ending its relationship as Validating partner with a number of institutions, including Oak Hill. The College Council, following the recommendation of the executive leadership of the college, decided to seek validation through Durham University and the Common Awards

The Kingham Hill Trust

programme, with the change happening from September 2025 entry. This has brought considerable work across the College, but it has also provided significant opportunity for new offerings. As well as providing pathways similar to the current offerings, we are seeking validation for two new programmes: a Foundation Award, to act as a ramp into further studies or as a foundation for ongoing Christian service; and an MA in Contemporary Christian Leadership. This latter offering is an exciting opportunity to bring in Christian leaders who have been serving for a number of years, to support them by providing an opportunity to develop and grow in their role and as the world develops around them. The new programme is currently undergoing validation but have already been granted permission to begin advertising the new Durham awards.

The new Leadership Team at the College has been working on a new Vision for Growth, to expand the College's programmes and increase access to them. We are also introducing a new appraisal system for staff, which will align College goals arising from the Vision for Growth and personal objectives. This appraisal system will help colleagues see how their roles engage with and contribute to the Vision for Growth and ensure the good communication channels and personal development that are vital for organisational health.

Student feedback continues to be regularly reviewed. The Chair and Vice-Chair of the Student Committee attend and report to College Council meetings and regularly meet with members of the Leadership Team to ensure that the student perspective is reflected both in strategic planning and in the day-to-day life of the College. Student feedback on both the formal teaching programmes and campus life has remained very positive throughout the year. Feedback from the students has been built into the formation of the Durham offerings.

The operational deficit (before donations) for the year amounted to £445k. Donations exceeded the operational deficit, enabling a surplus of £3k, which results in a stable cash position and robust reserves.

The College continues to face significant challenges, because of a national decrease in the number of those going forward for ordained ministry in the Church of England, and because of changing demands and competition in theological training more widely. However, the College remains very grateful to God, to its generous supporters, and to the students and staff for the way in which the College and its community have been able to operate during this period. The Vision for Growth and the new offerings that underpin it provide a potentially exciting way ahead. The College remains committed to providing the very best formation and learning experience that it can for the next generation of students, so that they in turn can spread the message of our Lord Jesus Christ to the Nations.

At the College the principal risks relate to the potential departure of the Church of England from a biblically orthodox understanding of human sexuality, ceasing to be a preferred Church of England training institution, a trend away from full-time residential training, and the financial dependency on a few major donors.

The College leadership and Chair of Council maintain a regular dialogue with the relevant officers within the National Church and a report of their activity in this field is a standing item for the Principal's report to Council. Efforts are being made to broaden the financial supporter base. New programmes are being validated for 2025 entry to widen the appeal. Progress will be monitored against the strategic plan.

Kingham Hill School

During the course of the academic year from September 2023 to July 2024 the school was inspected twice by the Independent Schools' Inspectorate (ISI) and, on both occasions, was found to be fully compliant with all relevant legislation, most notably the Independent Schools Standards Regulations and the National Minimum Standards for Boarding. Both inspection reports are available on the school's website. The second inspection was a Material Change Inspection which saw the school successfully apply to the DfE to have its maximum number of pupils increased from 370 to 405.

Since January 2024 the Trust has been working closely with Cairneagle, a firm of Management and Change consultants with a wealth of experience in the independent school sector. Interim reports were received from Cairneagle in May 2024 with the final reports expected later in the summer. The brief given to Cairneagle was to guide and support the Governors and Senior Leadership Team towards a sustainable economic future for the school, not least in the face of the expected change in Government which came to pass on 4th July 2024 and the

The Kingham Hill Trust

introduction of 20% VAT on independent school fees as well as the loss of Business Rate Relief. The school will continue to work closely with Cairneagle as it seeks to develop a sustainable cost base for the future. Linked to this the school undertook a consultation process to restructure the existing Admissions, Marketing and Development team in order to allow the school to devote more resources to the recruitment of new pupils, especially international boarders. The school began the school year with 348 pupils and ended the academic year with 349 pupils.

In June 2024 the school was awarded the Wellbeing Award for Schools which was developed by the National Children's Bureau with Optimus Education. This award focuses on changing the long-term culture of the whole school. Using an evidence-based framework to drive change, it will enable the school to deliver staff and pupil wellbeing, review our staff training, and revise our policies. This award will ensure that mental health and wellbeing sit at the heart of our school life. In conjunction with this award, a key member of staff has become a Mental Health First Aid trainer and is developing other staff.

The life of the school Chapel remains central to the work and mission of the school. The core pastoral team (i.e., chaplaincy, houseparents and senior pastoral staff) and all governors are committed Christians. Beyond Chapel both junior and senior Christian Unions are very well attended and smaller events (for example, voluntary "Bible Breakfasts") take place in the boarding houses. The annual "events week" was well-attended, with a range of speakers from within and without the school community. Most weeks a minibus full of pupils choose to attend the morning service at St Mary's Church Chipping Norton and to be involved with the church's Youth Group. This gives pupils the opportunity to be in an ordinary church family.

The school had another busy but successful public exam season with pupils sitting GCSE, A Level and Vocational qualifications. This year saw the pupils achieve 40% A* and A grades in the 6th form and 36% 9-7 grades at GCSE. The school was delighted that 88% of this year's University applicants gained places at their first-choice University, which reflects the excellent support and care provided by the team who guide University applications.

Kingham Hill remains one of only two British curriculum schools in the UK that offer an especially tailored American Program and it is now the only such school that can offer places to boarding pupils. This Program was developed a little over fifteen years ago in conjunction with the US State Department. The school is fully accredited to offer a US high school diploma alongside a British education. This accreditation is with the Middle States Association of Colleges and Schools Commissions on Elementary and Secondary Schools (MSA-CES) and is recognised by the US Department of Education. Each year we celebrate the achievements of our US and Canadian pupils with a North American style Graduation Programme and celebration with families and friends of the Graduands.

The school is up to date with all regulatory and compliance requirements. The Annual Review of Safeguarding was received and approved by the Governing Body. The school provides a counselling service which has been effectively and helpfully used by the pupils.

Reserves

The reserves held by the Trust are set out in detail in Note 26 to the financial statements. At 31 July 2024 the Trust had general reserves of £12.5m, (2023 - £12.4m); these are largely represented by the Trust's listed investments and investment cash valued at £8.8m (2023 - £8.1m) which are held primarily for the purposes of generating income and to provide a financial backstop in the event of adverse events at either School or College.

The Trustees recognise the need to maintain and enhance the value of the investment portfolio in real terms in order to provide on-going capital requirements from time to time. Under the Memorandum of Association, the Trustees are permitted to use capital as well as revenue reserves to fund any shortfalls of net income. Although operational deficits and the ability to respond to unexpected occurrences can be funded by drawdowns of capital from the investment portfolio, a 5% p.a. policy limit on the spending of the investments on ordinary activities has been in place for some time.

Investec Wealth and Investment Ltd has the management of the Trust's investment portfolio. An investment policy is in place that governs the management of the Trust's investment portfolio, and this is reviewed annually. The Trustees view the risk profile to be appropriate for the current environment.

The Kingham Hill Trust

Principal risks and uncertainties

The Trustees are required to produce a statement of policy on risk identification and management, and this involves identifying the types of risks the Trust faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. This process is monitored by the Trustees annually and takes into account assessment of future uncertainties such as the supply of students at the College and the impact on parents of VAT on School fees. The separate nature of School and College means that each has its own risk register which is reviewed regularly by the Board of Governors or College Council with the appropriate report going to Trustees.

Both School and College continue to develop and update policies relevant to their spheres of operation; they include safeguarding, health and safety, whistle blowing and financial procedures policies.

Governance

The Trustees meet formally three times in the year to review the activities of the College and the School in relation to the terms of the Trust, paying close attention to the Founder's intentions, working together to keep both the College and the School loyal to his wishes. Both institutions continue to carry out the Objects of the Trust and the Trustees are constantly seeking ways for them to operate in an increasingly effective and relevant way. To this end, work is continuing on major strategic reviews at both College and School.

Trustees are recruited typically after having served as members of the College Council or of the School Board of Governors. Prospective Trustees will generally have served on one or more of the various establishments' sub-committees, and therefore already have good background knowledge of the charity's activities. In May a new Trustee, Keith Civval was recruited to join the School Board as Chair of Finance and General Purposes committee. Neil Powell, already a College Council member has also been appointed as a Trustee.

The Trust employs various professional organisations to ensure that processes, procedures and policies are developed which reflect the ever-changing statutory environment in which charities must operate. Trustees are supplied with information relating to these necessary changes on a regular basis.

The Trustees have delegated responsibility for most of the operational requirements to the Council of the College and Board of Governors of the School, with regular reporting requirements to enable the Trustees to continue their oversight and responsibilities. Trustees are supplied with minutes of all meetings of the College Council, the School Board of Governors and their related Finance and General Purposes Committees.

Systems for measuring key performance indicators are in operation at both School and College. They include performance against financial targets, compliance, academic standards, high quality of teaching, admissions, and staff development. Reports are presented to every meeting of both School Governors and College Council.

At both School and College, safeguarding is taken very seriously and safeguarding leads are allocated from the School Board of Governors and also the College Council. Both institutions have an appropriate safeguarding policy in place but also complaints policies and whistleblowing process.

The salaries of the senior management personnel at both School and College are subject to scrutiny by the relevant Finance & General Purposes Committee, acting as the Remuneration Committees. At Oak Hill College salaries are set with reference to the Church of England standard Lichfield scale, enhanced for additional duties. At Kingham Hill School salaries are determined by comparison with pay at other local independent schools, again with appropriate enhancements for additional levels of responsibility,

The Trustees continue to pray for the College President, Revd James Robson, and the Headmaster of the School, Peter Last, for the staff who serve alongside them, as well as for the Chair of the College Council, the Chair of the School Governors, and their respective teams.

The Kingham Hill Trust

Trustees' responsibilities for the financial statements

The Trustees (who are also directors of The Kingham Hill Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements the trustees are required to:

- select suitable accounting principles and then apply them consistently.
- comply with applicable accounting standards including FRS 102, subject to any material departures therefrom being disclosed and explained in the financial statements.
- make judgments and estimates that are reasonable and prudent.
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Public Benefit

The Trustees regularly review all the activities of the Trust and consider how these contribute to the aims and objectives set by the charity's objects and confirm that they have complied with the duty in s.17 Charities Act 2011 by referencing their review to the Charity Commission's published guidance on public benefit under that Act. The Trustees are bound by the terms of the Trust to ensure that all the Trust's activities clearly express the evangelical Christian convictions of the Founder. In shaping our objectives for the year and planning our activities, the Trustees have considered the charity commission guidance on public benefit, including the guidance on public benefit: running a charity (PB2). Oak Hill College and Kingham Hill School are both educational establishments but are quite different from each other. The public benefit is therefore expressed in ways which reflect both the similarities and the differences.

The College provides public benefit by: advancing religion through providing ministers who have been taught to a high level in one of the UK's major religious traditions, including in areas pertaining to public concern such as safeguarding and the protection of at-risk individuals and; by advancing education through providing ministers to serve their local communities (many of which are disadvantaged) who have been taught to a tertiary level of education. General bursaries are provided that make the College affordable and accessible to many of our students, but it also provides Access Bursaries that are designed to provide financial support for prospective students from groups which are currently under-represented within the College community.

The School provides public benefit both to the local community and others by advancing both religion and education. The Founder's Pupils scheme also fulfils the Founder's vision by providing a boarding education to pupils from a disadvantaged background and for those who would benefit greatly from a Kingham education.

It provides this benefit through:

- the provision of scholarships and means tested bursaries which in 2024 amounted to £570k (2023: £614k).
- the Founder's Pupils programme which provides assistance to pupils who would benefit from a boarding education, as envisaged by Charles Edward Baring Young, the Trust's founder.
- providing curriculum enrichment for a number of local schools through invitations to School enrichments weeks activities and a series of science, art, music and modern foreign language events

The Kingham Hill Trust

- Kingham Hill School community service programme whereby pupils take part in weekly activities such as helping the elderly, litter clearance and other projects.
- Kingham Hill School Leisure (KHL) enables the use of the school swimming pool, gym, astroturf, tennis courts, squash court and Sports Centre by the community, in addition to a number of local schools.
- fee concessions of 13.1% of gross fee income are provided.
- loan of School vehicles to local charities.
- community use of facilities for holiday camps, sports clubs, local voluntary groups

Fundraising

Fundraising requests are limited to alumni of School and College, to specific trusts and, to churches with a similar Christian ethos to that of the Trust; there has not been any fundraising from the general public. No complaint has been received about the Trust's fundraising efforts and Trust development staff work within The Code of Fundraising Practice.

Future plans

As set out above, both the School and the College face different challenges at this time. The Trustees are thankful that we have a heavenly Father who delights to hear our prayers and who can achieve more than we can ever ask or imagine. We are thankful too that we have an outstanding leadership team at each of the School and the College, that we are blessed with adequate financial reserves to tide us through difficult times and that we have ample liquidity in the event of adverse trading conditions. The Trustees remain of the view that KHT (and each of the School and the College) are going concerns.



S.H.W. Pilcher (Chair of Trustees)
28 November 2024

The Kingham Hill Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KINGHAM HILL TRUST

Opinion

We have audited the financial statements of The Kingham Hill Trust ('the company') for the year ended 31 July 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 July 2024 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 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

The Kingham Hill Trust

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 strategic report or 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;
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

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

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.

The Kingham Hill Trust

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.

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.

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.

Moore Kingston Smith LLP

Date 12 December 2024

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

9 Appold Street
London
EC2A 2AP

The Kingham Hill Trust

Statement of financial activities for the year ended 31 July 2024

	Note	Unrestricted funds 2024 £'000	Restricted funds 2024 £'000	Total funds 2024 £'000	Total funds 2023 £'000
Income					
Donations	2	434	478	912	1,022
Income from charitable activities	3	9,696	-	9,696	9,582
Income from other trading activities	4	1,948	-	1,948	1,730
Investment income	5	445	18	463	269
Total income		12,522	496	13,018	12,603
Expenditure					
Cost of raising funds	6	211	-	211	166
Expenditure on charitable activities	7	12,831	95	12,926	12,170
Interest payable	23	299	-	299	237
Total expenditure		13,341	95	13,436	12,573
Total income less total expenditure		(818)	401	(417)	30
Net investment gains/(losses)	14	445	-	445	(144)
Net income for the year		(373)	401	28	(114)
Transfers	26	374	(374)	-	-
Net movement in funds for the year		1	27	28	(114)
Reconciliation of funds					
Total funds brought forward	26	39,692	418	40,110	40,224
Total funds carried forward	26	39,693	445	40,138	40,110

All activities are continuing operations of the Trust. There were no recognised gains or losses during the year other than those reported above.

The Kingham Hill Trust

Statement of financial position for the year ended 31 July 2024

	Note	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Fixed assets					
Tangible assets	13		33,963		34,040
Investments	14		<u>8,878</u>		<u>8,087</u>
			42,841		42,127
Current assets					
Stock	15	14		25	
Debtors	16	952		641	
Cash at bank and in hand		<u>3,811</u>		<u>4,053</u>	
		4,777		4,719	
Creditors: amounts falling due within one year	17	<u>(3,436)</u>		<u>(2,857)</u>	
Net current assets			<u>1,340</u>		<u>1,863</u>
Total assets less current liabilities			44,181		43,990
Creditors: amounts falling due after more than one year	18		<u>(4,044)</u>		<u>(3,880)</u>
Net assets			<u>40,138</u>		<u>40,110</u>
Reserves					
Unrestricted income funds	26		39,693		39,692
Restricted income funds	26		<u>445</u>		<u>418</u>
Total charity funds			<u>40,138</u>		<u>40,110</u>

Company Registration Number: 00365812

The financial statements were approved by the trustees and authorised for issue on 28 November 2024 and signed on their behalf by:



S.H.W. Pilcher
Trustee



K.B. Civval
Trustee

The Kingham Hill Trust

Reconciliation of net income for the year to net cash flows from operating activities	2024 £'000	2023 £'000
Net income for the year before investments	(417)	32
Depreciation	955	1,072
Loss on sale of tangible fixed assets	25	-
Decrease/(increase) in stock	11	19
Decrease/(increase) in debtors	(312)	7
(Decrease)/increase in creditors	(477)	871
(increase)/decrease in provision	-	(7)
Return on investments	(172)	(60)
Net cash inflow from operating activities	(387)	1,934
Cash flows from investing activities		
Dividends and interest received	172	60
Purchases of tangible fixed assets	(974)	(382)
Sale proceeds of tangible fixed assets	7	-
Purchases of fixed asset investments	(998)	(4,239)
Sales of fixed asset investments	812	4,122
Net cash inflow/(outflow) from investing activities	(982)	(439)
Cash flows from financing activities		
Proceeds from bank loan	(322)	-
Repayment of bank loan	-	(312)
Proceeds from FIA cash receipts	1,610	-
Repayment of finance lease funding	(2)	(9)
Net cash (outflow)/inflow from financing activities	1,285	(321)
Change in cash and cash equivalents in the reporting period	(83)	1,174
Cash and cash equivalents at the beginning of the reporting period	5,922	4,749
Cash and cash equivalents at the end of the reporting period	5,839	5,922
Cash and cash equivalents consist of:		
Investment cash	2,029	1,869
Cash	3,811	4,053
	5,839	5,920

Analysis of changes in net debt	At 01/08/23 £'000	Cashflows £'000	Non-cash £'000	At 31/07/24 £'000
Cash	5,922	(83)	-	5,839
Loans due within one year	(552)	(5)	-	(557)
Loans due after more than one year	(3,645)	347	-	(3,298)
Finance lease obligations	(2)	2	-	-
	1,723	261	-	1,984

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2024

1. Accounting policies

Basis of accounting

The Trust is a charitable company, incorporated in England and Wales and limited by guarantee. The financial statements are prepared in accordance with: FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102), the Companies Act 2006 and other applicable accounting standards in the UK. As the Trust is a public benefit entity as defined by FRS 102 the accounts have also been prepared in accordance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (FRS 102 SORP) and the Charities Act 2011.

The financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of certain fixed assets. The Trustees have assessed whether the use of the going concern basis is appropriate, especially in the light of increased costs, (VAT, removal of charitable business rate and increased Employers National Insurance), and are confident that this remains appropriate.

The Trust has considerable financial flexibility given the significant portfolio of property assets that are not critical to the operation of either School or College and is further blessed by its investment portfolio and cash assets which are available to underpin the Trust's operations, as needed. The results of their enquiries have allowed Trustees to conclude that there is a reasonable expectation that the Trust has adequate resources to continue in operation for the foreseeable future and that, accordingly, it is appropriate to continue to adopt the going concern basis in the preparation of the Trust's financial statements. Trustees have also ensured that, as at the date of the signing-off of the accounts, there are no material uncertainties which need to be reflected within these accounts.

The accounts are prepared in sterling, which is the functional currency of the company, rounded to the nearest thousand pounds. The principal accounting policies which have been applied consistently throughout the year are set out below. All activities which are included in the "Statement of financial activities" relate to continuing operations.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates ruling on the date of each transaction. The value of investments and cash deposits awaiting investment are translated at the rates ruling at the end of the accounting period.

Income

Income is recognised when there is entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

Income from charitable activities represents fees invoiced to third parties for tuition and similar educational activities. They are stated net of bursaries and other fee remissions provided out of the Trust's unrestricted funds, which are disclosed elsewhere in the notes to the financial statements but include fee bursaries provided from restricted funds.

Income from other trading activities includes rent receivable from students and staff together with lettings to third parties. Investment income represents dividends and interest received during the year on the investment portfolio held by the Trust.

The Kingham Hill Trust

1. Accounting policies (continued)

Dividends and interest receivable

Dividends and interest are included in the accounts on the basis of the date such income is received by the Trust's investment managers with the exception of fixed interest securities where income is accounted for on an accruals basis.

Expenditure

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT which cannot be recovered. Charitable resources expended are analysed under seven headings. All costs are specifically allocated to one of the categories and no costs are apportioned between them.

Leases

Rentals payable on operating leases are recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Retirement benefits

The costs of retirement benefits provided to employees of the Trust through two multi-employer defined benefit pension schemes are accounted for as if these were defined contribution schemes as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The Trust's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable. In addition, a liability is recognised as at the date of the Statement of financial position for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

The Trust makes normal contributions on behalf of the teachers at Kingham Hill School to the Department of Education and Employment Teachers Pension Agency. The scheme is a defined benefit scheme, and the contributions are charged as an unrestricted expense in the Trust's accounts as they fall due for payment.

Taxation

The Trust, being a registered charity, is exempt from taxation on its income and capital gains to the extent that they are applied for charitable purposes.

Tangible fixed assets and depreciation

All tangible fixed assets held by the Trust are for charitable purposes and are shown in the Statement of financial position at cost or valuation less accumulated depreciation. All assets costing more than £1,000 are capitalised, those costing less being written off in the year of acquisition unless they form part of a larger project.

The Trust has adopted the transitional provisions of FRS 15 "Tangible fixed assets" and has not updated the last valuation of freehold land and buildings. Freehold land and buildings are stated at professional valuation using the depreciated replacement cost or open market value based at 31 July 1999. Expenditure from that date has been capitalised at cost, including, where appropriate interest and other borrowing costs incurred up to the date of practical completion.

Depreciation is provided evenly on the cost (or valuation where appropriate) of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Upon completion, new buildings are depreciated to write off the cost over 50 years unless otherwise stated. Buildings are depreciated over 50 years or the period of the lease (if shorter). No depreciation is provided on freehold land. Additions to buildings are depreciated over 50 years.

The principal annual rates used for other assets are:

I.T. equipment	33%
Equipment, fixtures & fittings	15%
Motor vehicles	25%
Other machinery	25%

Assets which reach the end of their estimated useful lives are generally scrapped and therefore removed from the fixed asset register.

The Kingham Hill Trust

1. Accounting policies (continued)

Listed Investments

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the accounting period.

Stock

Stocks are valued at the lower of cost and estimated net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on the estimated sales price.

Cash and cash equivalents

These include cash at banks and in hand and short-term deposits with a maturity date of three months or less.

Financial assets

The Trust has elected to apply the provisions of FRS 102 Section 11 'basic financial instruments' and Section 12 'Other financial instruments' issues to all of its financial instruments.

Financial assets are recognised in the company's Statement of financial position when the company becomes party to the contractual provisions of the instrument. They are classified into specified categories; the classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets classified as fair value through profit or loss are measured at fair value.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment.

Interest is recognised by applying the effective interest rate except for short term receivables where the recognition of interest would be immaterial. The effective interest rate is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at the end of each accounting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected with the impairment being recognised in profit or loss.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

Basic financial liabilities are initially measured at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value. Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method with interest expense recognised on an effective yield basis. The effective yield basis is a method of calculating the amortised costs of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition. Financial liabilities are derecognised when and only when the company's obligations are discharged, cancelled or reach expiration.

The Kingham Hill Trust

1. Accounting policies (continued)

Fund accounting

Funds held by the charity are either:

Unrestricted funds

These are funds which can be used in accordance with the Trust's objects at the discretion of the trustees. Such funds include both Capital and Revaluation reserves, the combined amount of which represents the Trust's investment in land and buildings; these monies are not available to support operating activities or:

Restricted funds

These funds represent monies given to the Trust for specific purposes. They include benefactions for future development at both Oak Hill College and Kingham Hill School, a bursary fund to assist students at the College and funds to support certain educational activities at both College and School.

Critical accounting estimates and judgments

In the application of the company's accounting policies Trustees are 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 revision occurs, should only affect that period, or in the period in which the revision occurs and future periods if relevant. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

Useful economic lives

The annual depreciation charge for buildings, plant, fixtures, and motor vehicles is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates based on technological advancement, future investment, economic utilisation, and the physical condition of the assets. Note 13 gives the carrying amount of the relevant assets and Note 1 details the useful economic life 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 factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. Note 16 gives details of the net carrying amount of debtors and the associated impairment provision.

Analysis of pupil deposits

Deposits held in respect of pupils in Years 7 to 9 are presumed to be repayable after more than one year while deposits held for pupils in subsequent years are treated as being repayable within one year.

Employee benefits

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

The cost of any untaken holiday entitlements are recognised in the period in which the employees' services are received.

Termination benefits are recognised immediately as an expense once the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Provisions

Provisions have been made for post-employment benefits. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period in which such determination is made.

The Kingham Hill Trust

2. Donations

		2024	2023
	Note	£'000	£'000
Restricted to development	8/9	29	30
Restricted to bursaries	8/9	374	292
Restricted to educational purposes	8/9	76	8
Unrestricted	8/9	433	692
		<u>912</u>	<u>1,022</u>

3. Income from charitable activities

Kingham Hill School	8	9,070	8,883
Oak Hill College	9	626	699
		<u>9,696</u>	<u>9,582</u>

4. Income from other trading activities

Kingham Hill School	8	909	751
Oak Hill College	9	1,039	979
		<u>1,948</u>	<u>1,730</u>

5. Investment income

Income from listed investments		216	190
Restricted interest receivable	8/9	18	10
Unrestricted interest receivable	8/9	229	69
		<u>463</u>	<u>269</u>

6. Cost of raising funds

Development Office Kingham Hill School	8	180	137
Investment Management		31	29
		<u>211</u>	<u>166</u>

7. Expenditure on charitable activities

Kingham Hill School unrestricted	8	9,925	9,510
Kingham Hill School restricted	8	95	92
Oak Hill College unrestricted	9	2,645	2,504
Strategic planning costs		132	-
Governance administration costs		129	64
		<u>12,926</u>	<u>12,170</u>

The Kingham Hill Trust

8. Kingham Hill School Income	2024 £'000	2023 £'000
Fees	10,485	10,346
Less: Bursaries & concessions	(1,415)	(1,463)
	<u>9,070</u>	<u>8,883</u>
Rental income	191	168
Investment income	75	19
Restricted donations	95	95
Unrestricted donations	4	104
Inter-trust Grants		41
Unrestricted other income	<u>717</u>	<u>583</u>
Total income	<u>10,152</u>	<u>9,893</u>
Expenditure		
Cost of generating funds		
Development	<u>180</u>	<u>137</u>
Charitable expenditure		
Academic	4,383	4,000
Restricted academic	95	92
Administrative		
Staff costs	483	403
Insurance costs	100	75
IT and office costs	213	192
Legal and professional	136	113
Bank Charges	15	12
Other costs	<u>6</u>	<u>8</u>
Total administrative costs	953	804
Marketing	195	158
Transport	282	276
Premises	1,350	1,798
Leisure centre	180	144
Catering	875	819
Domestic	489	463
Depreciation	636	649
Finance costs	299	237
Other	<u>582</u>	<u>399</u>
Total charitable expenditure	<u>10,319</u>	<u>9,839</u>
Total expenditure	<u>10,499</u>	<u>9,976</u>
Total income less total expenditure	(347)	(83)
Net movement in funds	<u>(347)</u>	<u>(83)</u>
Net assets of Kingham Hill School	<u>12,923</u>	<u>13,456</u>

The Kingham Hill Trust

9. Oak Hill College	2024	2023
Income	£'000	£'000
Church of England SLA funding	179	-
Fees	632	947
Less: Bursaries	(366)	(250)
	<u>445</u>	<u>697</u>
Rental income	908	920
Restricted donations	384	234
Unrestricted donations	429	588
Restricted investment income	18	10
Unrestricted investment income	154	50
Joint appointments	2	2
Other income	131	59
Total income	<u>2,650</u>	<u>2,560</u>
Expenditure		
Charitable expenditure		
Academic cost	857	791
Administrative costs		
Staff costs	231	235
Insurance costs	44	25
IT and office costs	68	57
Legal and professional	44	47
Bank Charges	2	3
Other costs	<u>61</u>	<u>58</u>
Total administrative costs	450	423
Admission and Marketing costs	136	136
Catering costs	137	133
Household costs	104	100
Premises costs	547	494
Depreciation	<u>414</u>	<u>425</u>
Total charitable expenditure	<u>2,645</u>	<u>2,504</u>
Total expenditure	<u>2,645</u>	<u>2,504</u>
Total income less total expenditure	5	56
Net movement in funds	<u>5</u>	<u>56</u>
Net assets of Oak Hill College	<u>19,544</u>	<u>19,540</u>

The Kingham Hill Trust

10. Auditors' remuneration

	2024	2023
	£'000	£'000
Auditors' remuneration		
Audit fees	46	37
Other advice	3	2
Previous year under accrual	8	5
	<hr/>	<hr/>
Total auditors' remuneration	57	44
	<hr/>	<hr/>

11. Employees and payroll

	2024	2023
	No.	No.
Average monthly number of employees		
Kingham Hill School	157	150
Oak Hill College	34	33
Governance	2	2
	<hr/>	<hr/>
	193	185
	<hr/>	<hr/>

	2024	2023
	£'000	£'000
Staff costs		
Wages and salaries	5,636	4,950
Social security costs	542	483
Other pension costs	618	619
	<hr/>	<hr/>
	6,796	6,052
	<hr/>	<hr/>

Other pension costs comprise	2024	2023
	£'000	£'000
Defined benefit schemes	324	285
Defined contribution scheme	293	334
	<hr/>	<hr/>
	617	619
	<hr/>	<hr/>

Five employees earned more than £60k during the accounting period (2023: five), one in the band £100k - £110k, one in the band £70-£80k and three in the band £60k - £70k (2023: four).

None of the above employees were a member of a defined benefit pension scheme into which the Trust made contributions on the employee's behalf. (2023: one)

Key management personnel include the Trustees and members of the senior management teams. The Trustees received no remuneration during the accounting period (2023: £Nil). There were 11 members of the senior management teams during the year (2023: 11) whose aggregate pay and benefits amounted £675k (2023: £593k). Employer's pension contributions for the senior management teams were £98k (2023: £94k).

There were 6 (2023: 6) members of the senior management teams who were provided with rent-free accommodation in order to enable them to undertake specific duties at both school and college.

There were three termination payments were made during the year of £105k (2023: £ nil)

The Kingham Hill Trust

11. Employees and pension costs (continued)

Pension schemes

Certain employees are members of one of three different defined benefit schemes. Clergy are members of the Church of England Funded Pension Scheme, teachers are members of the Teachers' Pension Scheme, and certain other employees are members of the Church of England Defined Benefits Scheme Section of the Church Workers' Pension Fund.

Teachers' Pension Scheme (TPS)

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £293k (2023 - £250k) and at the year-end £22k (2023 - £27k) 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%.

Church of England Funded Pension Scheme (CEFPS)

Oak Hill College participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit scheme. Kingham Hill School no longer has members in the scheme and has fully paid any obligations due during the previous financial year. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the responsible bodies. Each participating responsible body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific responsible body and also that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year £27k (2023: £29k) plus the figures shown in the table on the next page as being recognised in the SoFA, giving a total charge of £29k for 2024 (2023 charge: £29k)

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out as at 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.
- RPI inflation of 3.6% p.a. (and pension increases consistent with this).
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards.
- Increase in pensionable stipends in line with CPIH.

The Kingham Hill Trust

11. Employees and pension costs (continued)

- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following the finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the scheme was fully funded. The deficit recovery contribution under the recovery plan in force at each 31st of December were as follows:

31 December 2021 7.1%

31 December 2022 nil

31 December 2023 nil

An interim reduction to the deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2023 is nil. The movement in the balance sheet liability over 2022 and over 2023 is set out in the table below.

	31-12-23	31-12-22
	£'000	£'000
Balance sheet liability at 1 August	-	7
Deficit contributions paid	-	(4)
Interest cost (recognised in SoFA)	-	-
Remaining charge* (recognised in SoFA)	-	(3)
Balance sheet liability at 31 December 2022	-	-

* Comprises change in agreed deficit recovery plan and change in discount rate between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

As at December	2023	2022	2021
Discount rate pa	n/a	n/a	0.0%
Price inflation pa	n/a	n/a	n/a
Increase to total pensionable payroll pa	n/a	n/a	-1.5%

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities.

Church Workers Pension Fund (CWPF)

Oak Hill College participates in the Defined Benefits Scheme (DBS) section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the employer and other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classis and a cash balance section known as Pension Builder 2014.

The Kingham Hill Trust

Both sections of the Pension Builder Scheme are classified as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors. There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is a multi-employer scheme as described in S.28 of FRS 102. It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. No pensions costs were charged to the SoFA in the year as contributions (2023: £nil) or deficit payments (2023: £nil)

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and this was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £11.3m. The next actuarial valuation was due at 31st of December 2022 (yet to be published)

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability.

The movement in the provision is set out below:

	2023 £'000	2022 £'000
Balance sheet liability at 1 August 2022	-	-
Deficit contributions paid	-	-
Interest cost (recognised in SoFA)	-	-
Remaining charge* (recognised in SoFA)	-	-
Balance sheet liability at 31 December 2023	-	-

* Comprises change in agreed deficit recovery plan and change in discount rate between years-ended December

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	Dec 23	Dec 22	Dec 21
Discount rate	0%	0%	0%

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities.

12. Transactions involving trustees and related parties

Travel, subsistence and training expenditure paid on behalf of or reimbursed to trustees amounted to £0.01 (2023 - £0.1). Total aggregated donations received from Trustees and related parties during the accounting period amounted to £270k (2023: £409k). This amount disclosed is gross of Gift Aid received on the donations of £67.5k (2023: £71k).

The Kingham Hill Trust

13. Tangible fixed assets

	Freehold land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
Cost or valuation	£'000	£'000	£'000	£'000
At 1 August 2023	41,358	6,761	240	48,358
Additions	498	435	41	974
Transfers	-	-	-	-
Disposals	-	(34)	(32)	(66)
	<u>41,856</u>	<u>7,162</u>	<u>249</u>	<u>49,267</u>
Depreciation				
At 1 August 2023	8,260	5,823	236	14,318
Charged for the year	694	318	10	1,021
Transfers	-	-	-	-
Released on disposal	-	(34)	(32)	(66)
	<u>8,953</u>	<u>6,108</u>	<u>213</u>	<u>15,274</u>
Net book value				
At 31 July 2024	<u>32,903</u>	<u>1,055</u>	<u>5</u>	<u>33,963</u>
At 31 July 2023	<u>33,099</u>	<u>937</u>	<u>4</u>	<u>34,040</u>

The freehold land and buildings were revalued at 31 July 1999 on the basis of their depreciated replacement cost and open market value by Weatherall Green and Smith, Chartered Surveyors. As allowed by accounting standards, this valuation has been used as deemed cost going forward and the Trust has not adopted a policy of valuation for its tangible fixed assets.

If the properties had not been revalued they would have been included in the balance sheet at the following amounts:

	2024	2023
	£'000	£'000
Cost	22,488	21,751
Depreciation	<u>(6,822)</u>	<u>(6,749)</u>
	<u>15,666</u>	<u>15,002</u>

The Kingham Hill Trust

14. Fixed asset investments

	2024 £'000	2023 £'000
Investments (at market value) are represented by:		
Fixed interest securities	1,277	1,034
Managed Funds	933	1,098
Equity shares	4,639	4,086
	<u>6,849</u>	<u>6,218</u>
Cash Deposits	2,029	1,869
	<u>8,878</u>	<u>8,087</u>

No individual holding is considered material in the context of the overall portfolio

Investment Comprise:

UK Fixed interest	842	450
Overseas Fixed Interest	435	584
Equities and Unit Trusts	5,572	5,184
Short Term Deposits	2,029	1,869
	<u>8,878</u>	<u>8,087</u>

Valuation at 31 st July 2023	6218	6,245
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Movements in the year:

Purchases at cost	997	4,239
Sales at proceeds	(812)	(4,122)
Unrealised Gain/(Losses)	445	(144)
	<u>6,849</u>	<u>6,218</u>

Valuation at 31 July 2024	<u>6,849</u>	<u>6,218</u>
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15. Stock

	2024 £'000	2023 £'000
Raw materials and consumables	13	24
Goods for resale	1	1
	<u>14</u>	<u>25</u>

The Kingham Hill Trust

16. Debtors

	2024 £'000	2023 £'000
Fees	675	493
Less provision for doubtful debts	<u>(123)</u>	<u>(114)</u>
	552	379
Prepayments and accrued income	250	201
Other debtors	<u>150</u>	<u>62</u>
	<u>952</u>	<u>642</u>
Provision for doubtful debts		
At 1 August	(114)	(108)
Further provisions	(37)	(57)
Amounts recovered	18	51
Amounts written off	<u>10</u>	<u>-</u>
At 31 July	<u>(123)</u>	<u>(114)</u>

17. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Fees and Deposits received in advance	1,928	1,229
Trade creditors	364	514
Other creditors	237	206
Other taxation and social security	86	81
Bank loan (see Note 23)	578	552
Finance lease funding (see Note 25)	-	2
Accruals and deferred income	<u>243</u>	<u>273</u>
	<u>3,436</u>	<u>2,857</u>

Included in Other creditors above is £22k (2023 - £28k) in respect of the company's defined contribution pension plans.

Included within accruals is £95k for deposits (currently £33k) (2023 - £154k)

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

	2024 £'000	2023 £'000
Deposits received in advance	746	234
Bank Loan (see note 23)	<u>3,298</u>	<u>3,646</u>
	4,044	3,880
	<u>4,044</u>	<u>3,880</u>

The Kingham Hill Trust

19. Provisions for liabilities

	2024 £'000	2023 £'000
At 1 August 2023	-	7
Deficit payments	-	(7)
Deficit interest	-	-
Other movement	-	-
	<u>-</u>	<u>-</u>
At 31 July 2024	<u>-</u>	<u>-</u>

The provision reflects the Trust's estimated share of the deficits of the Church Workers Pension Scheme and the Church of England Funded Pension Scheme (see Note 11).

20. Analysis of net funds

	Tangible assets £'000	Investments £'000	Net current assets/ (liabilities) £'000	Creditors due after one year & provisions £'000	Total £'000
Unrestricted					
Revaluation	16,895	-	-	-	16,895
Capital	10,217	-	-	-	10,217
General	6,407	8,878	1,340	(4,044)	12,581
Restricted					
Oak Hill College	-	-	302	-	302
Kingham Hill School	-	-	143	-	143
	<u>33,519</u>	<u>8,878</u>	<u>1,785</u>	<u>(4,044)</u>	<u>40,138</u>
Net funds	<u>33,519</u>	<u>8,878</u>	<u>1,785</u>	<u>(4,044)</u>	<u>40,138</u>

21. Operating leases

At 31 July 2024 the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows

	2024 £'000	2023 £'000
Motor vehicles and office equipment	-	-
Expiring within one year	68	55
Expiring within two to five years	83	89
	<u>151</u>	<u>144</u>
Lease payments recognised in expenditure	<u>59</u>	<u>27</u>

In September 2015 the Trust entered into an agreement with Biomass Heat Projects Ltd (BHP) for the supply of biomass energy. The Trust granted BHP a 20-year lease at a peppercorn rent over land at Kingham Hill School, upon which BHP constructed a boiler house which contains a biomass boiler and fuel storage. The present value of the building and equipment at the end of the lease cannot be determined and accordingly has not been included in the accounts. At the end of the lease the building and equipment become the property of the Trust.

In December 2015 a Deed of Novation transferred the lease and contract to Aggregated Micro Power (AMO) Heat plc. The contract for the supply of biomass energy is for the same 20-year period as the lease. The price of energy is calculated by a fixed formula which has inflation and the Biomass Fuel index as constituent parts.

The Kingham Hill Trust

22. Post Balance sheet events

There were no reportable post balance sheet events.

23. Bank loan

The bank loan is secured under a legal charge over Kingham Hill School and its associated assets, with the original agreement resulting in the final repayment due January 2034. With the rise in interest rates the Trust has increased its repayments to £312k, which with interest totals £578K (2023: £552k) per annum, payable in four instalments to repay the loan ahead of the original timescale. Interest has been charged at 2% p.a. over base rate.

The capital part of the loan is repayable as below:

	2024	2023
	£'000	£'000
Within 1 year	303	277
Within 2 – 5 years	1,432	1,333
Over 5 years	2,040	2,588
	<u>3,875</u>	<u>4,198</u>

24. Finance lease

	2024	2023
	£'000	£'000
Within 1 year	-	2
Within 1 – 2 years	-	-
	<u>-</u>	<u>2</u>

25. Capital commitments

As at 31 July 2024 the school had £138k of capital commitments approved and not accrued (2023: nil)

The Kingham Hill Trust

26. Reserves

	Unrestricted income funds			Restricted income funds			Total funds £'000	
	Revaluation reserve £'000	Capital reserve £'000	General reserve £'000	Total Unrestricted funds £'000	Oak Hill College £'000	Kingham Hill School £'000		Total restricted funds £'000
At 1 August 2023	16,895	10,381	12,416	39,692	270	148	418	40,110
Income	-	-	12,522	12,522	401	95	496	13,018
Expenditure	-	-	(13,341)	(13,341)	-	(95)	(95)	(13,436)
Investment gains/(losses)	-	-	445	445	-	-	-	445
Transfers (see below)	-	164	538	374	(370)	(4)	(374)	-
Depreciation on revalued assets	-	-	-	-	-	-	-	-
Net movement in funds	-	(164)	165	1	32	(4)	27	28
As at July 2024	16,895	10,217	12,581	39,693	302	143	445	40,138
				Total			Total	
	Revaluation reserve	Capital reserve	General reserve	Unrestricted funds	Oak Hill College	Kingham Hill School	restricted funds	Total funds
At 1 August 2022	16,895	11,118	11,741	39,754	326	144	470	40,224
Income	-	-	12,263	12,263	244	-	244	12,507
Expenditure	-	-	(12,481)	(12,481)	-	-	-	(12,481)
Investment gains/(losses)	-	-	(144)	(144)	-	4	4	(140)
Transfers (see below)	-	(737)	1,037	300	(300)	-	(300)	0
Depreciation on revalued assets	-	-	-	-	-	-	-	-
Net movement in funds	-	(737)	675	(62)	(56)	4	(52)	(114)
At 31 July 2023	16,895	10,381	12,416	39,692	270	148	418	40,110

The transfer from capital reserves reflects the movement in net book value of freehold buildings within tangible fixed assets.

Transfers from Kingham Hill Trust unrestricted funds comprised £4k (2023 - £(40.5)k) to Kingham Hill School General reserves for the pursuit of various capital and income generating projects.

Designated, restricted and endowment funds.

The Revaluation and Capital reserves in total reflect the amount of reserves committed to land and buildings. The Oak Hill College restricted income funds are for certain academic costs, the provision of bursaries and future development of the site. In respect of bursaries, £370k (2023: - £2k) was transferred from restricted funds to general reserve to cover bursaries granted during the year. The Kingham Hill School restricted income funds are for certain educational purposes (Founder's pupils and the provision of additional sports, music and arts equipment) and future development of the site.

THE KINGHAM HILL TRUST

England & Wales - Charity number 1076618

Accounts

THE KINGHAM HILL TRUST

Company No. 00365812

Charity No 1076618

Report and financial statements

for the year ended

31 July 2023

The Kingham Hill Trust

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The Kingham Hill Trust

Company information

Trustees	Mr. S.H.W. Pilcher (Chairman) Mr. J.D.B. Anderson, CBE Mr. N.C.J. Bewes Mr. K.A.M. Edmunds Mrs. C.M. Pellereau
Secretary	Mrs. Fiona J Edwards
Registered office	Kingham Hill School Kingham Chipping Norton Oxon OX7 6TH
Auditors	Moore Kingston Smith LLP Chartered Accountants and Registered Auditors 9 Appold Street London EC2A 2AP
Bankers	Barclays Bank PLC Wytham Court 11 West Way Oxford OX2 0JB National Westminster Bank PLC 1 Town Hall Buildings Bridge Street Banbury Oxon OX16 5JS
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ
Investment managers	Investec Wealth & Investment Limited 30 Gresham Street London EC2V 7QN

The Kingham Hill Trust

Report of the Trustees for the year ended 31 July 2023

The Kingham Hill Trust was brought into being and is sustained by the grace of our Heavenly Father, the Almighty God. He brought the work of the Trust into being through Charles Edward Baring Young and has sustained it through the challenges of many generations of staff and trustees; the Trustees look to Him for direction and provision for the future.

The Kingham Hill Trust is governed by its Memorandum & Articles of Association adopted by Special Resolution on 14 December 2021 and continues the work of the unincorporated charity known as The Kingham Hill Trust which was originally established by a Trust Deed dated 16 December 1912 and amended by subsequent Deeds and Orders of Court. The Kingham Hill Trust is registered as a company limited by guarantee no. 00365812 and as charity no. 1076618. The Trustees are in no doubt that the Trust is a public benefit entity and set out later in this report details of the relevant activities at both Oak Hill College and Kingham Hill School.

Objects and activities

The principal objects of the Trust are: -

- To advance in accordance with the Protestant and Evangelical Faith understood as set out in Article 17.1 of the Articles of Association of the Charity (“the Christian Faith”) the physical, mental and spiritual education of children resident in the United Kingdom or elsewhere by helping them to a start in life, especially those children who are in need of a boarding education through deficiencies in their economic, social or family circumstances, or owing to their particular educational or spiritual requirements providing that special regard should be paid to the needs of such children whose parents or guardians are of modest means;
- To train men and women for ordination or other ministries in the Church of England or other Protestant denominations in accordance with the Christian Faith provided that special regard shall be paid to the needs of those of modest means; and
- Otherwise to advance education in accordance with the Christian Faith.

In pursuance of these objects the Trust operates Kingham Hill School, a co-educational boarding and day school for children aged 11 to 18, and Oak Hill College, an evangelical theological college accredited by the Church of England and also serving other protestant denominations.

Strategic report

Achievements, performance and review of activities

The overall deficit for the year was £114k (2022 – surplus £388k), this being after net investment losses of £144k (2022 losses - £379k). Net funds at the year-end were £40.1 million (2022 - £40.2 million).

Oak Hill College

In line with the Trust’s charitable objectives, 29 new students were welcomed to the College in September 2022, 26 at undergraduate level and 3 at postgraduate level (with a further 2 internal postgraduate admissions and 1 internal transfer onto the College’s integrated undergraduate Master’s programme, the MTheol). These students came from a variety of backgrounds and denominations (Anglican and Independent) and the majority intend to enter full-time Christian ministry in due course. The College also welcomed back 57 returning students giving a student body of 89 in total.

September 2022 saw the second year of operation for our Access Bursary Scheme. The Bursaries are designed to provide financial support for prospective students from groups which are currently under-represented within the college community. During the 22/23 academic year we were able to award 4 new full-time bursaries, along with 6-full time and 4 part-time returning students. The long-term goal is to reach 10 part-time and 10 full-time students a year by these means and thereby to foster long-term, sustained growth in the diversity of the student body; at the same time, the College is looking at other adjustments which may be helpful in order to facilitate the most positive learning experience possible for all students - for example, further enhancement of the College’s learning skills support programme and aspects of academic/pastoral care. The College is very grateful to the donors who enable these bursaries to be awarded.

The Kingham Hill Trust

In April we announced that Revd Dr James Robson would succeed Revd Jonathan Jukes as the Principal of the college in the autumn of 2023. We are very grateful to Johnny for his leadership of the college, especially through covid, and the advances made under his leadership.

Other changes at leadership level during the year included the departure of the Director of Operations & Finance (Mr Grant Farrant) and one of the Vice-Principals (Dr David Shaw). All have moved to pastures new, following the call on their lives by the Lord and we are grateful for their many years of faithful and sacrificial service to the College.

In addition to Revd Dr James Robson, we welcomed the new Director of Operations & Finance (Mrs Helen Archer-Smith) to serve alongside continuing Vice Principal (Revd Dr Matthew Sleeman). The new Principal will formulate his new Leadership Team for the start of the new calendar year January 2024 but, in the meantime, the College is grateful for the faithful service of two interim members of the Leadership Team (Revd Dr Tim Ward and Dr Mathew Bingham). We look forward to Revd Dr Robson continuing to develop our strategy and diversifying how we can serve the church in the UK and further afield.

The new Leadership Team at the College will review the mission, vision, goals and objectives of the College. This continues to be worked on in conjunction with the College Council, with external input and stakeholder engagement as a key part of the process.

The Council has undertaken an effectiveness review and has implemented various actions as a result, including a nominations committee to ensure that steps continue to be made to widen the diversity of the Council itself.

Student feedback continues to be regularly reviewed. The Chair and Vice Chair of the Student Committee attend College Council meetings and regularly meet with members of the Leadership Team to ensure that the student perspective is reflected in both strategic planning and in the day-to-day life of the College. Student feedback on both the formal teaching programmes and campus life has remained positive throughout the year.

The operational deficit (before donations) for the year amounted to £516k. Donations exceeded the operational deficit, enabling a surplus of £56k, which results in a stable cash position and robust reserves.

The College continues to face significant challenges, because of a national decrease in the number of those going forward for ordained ministry in the Church of England, and because of changing demands and competition in theological training. However, the College remains very grateful to God, to its generous supporters, and to the students and staff for the way in which the College and its community have been able to operate during this period. The College remains committed to providing the very best formation and learning experience that it can for the next generation of students, so that they in turn can spread the message of our Lord Jesus Christ to the Nations.

Kingham Hill School

After a rigorous selection process in the Autumn of 2022 the governors appointed Mr Pete Last, who has over 30 years' experience of working in education, as the new Head Teacher. Pete and Debs arrived in April 2023 and are already making a real impact in the school.

Following the successful compliance reinspection by ISI in October 2022 the school is continuing to work on ensuring that all pupils feel welcome and accepted. Recent initiatives include a full review of the Equipped to Flourish programme and an increased focus on the wellbeing of both staff and pupils. The school is currently working towards a nationally regarded wellbeing award for schools.

Numbers at the school remain healthy, but there has been a reduction in boarders. This is partly as a result of the initial failure of the inspection in 2021, which temporarily stopped the school from awarding visas to overseas pupils, but also due to the current cost of living crisis and changes to the boarding market. Much work has been done by the school's leadership team to address this issue including reaching out to more agents and new overseas pupil recruitment trips.

The Kingham Hill Trust

The chapel remains central to the work and mission of the school. The core pastoral team (i.e., chaplaincy, houseparents and senior pastoral staff) and all governors are committed Christians. Beyond Chapel both junior and senior Christian Unions are well attended and smaller events (for example "bible breakfasts") take place in the boarding houses. The annual "events week", with a team from Lymington Rushmore Holidays, was well-attended.

A notable area of growth has been in the school's links with St Mary's Church Chipping Norton. This gives pupils the opportunity to be in an ordinary church family. A regular group attend Sunday services and join in with the St Mary's youth group.

In a year when Universities and exam boards stated that results will be adjusted down, Kingham Hill School celebrated a record set of A level results. With over 25% of results at A* or equivalent and 51% at A* - A. Despite the significant disruption to their education due to COVID 19 during the years leading up to their final GCSE exams the percentage of grades from 7-9 remained consistently high at 44%, with a number of pupils achieving a clean sweep of 8s and 9s in all of their subjects.

Kingham Hill remains one of only two British curriculum schools in the UK that offer an especially tailored American Program. This was developed a little over fifteen years ago in conjunction with the US State Department. The school is fully accredited to offer a US high school diploma alongside a British education. This accreditation is with the Middle States Association of Colleges and Schools Commissions on Elementary and Secondary Schools (MSA-CES) and is recognised by the US Department of Education.

The school is up to date with all regulatory and compliance requirements. The Annual Review of Safeguarding was received and approved by the Governing Body. The school provides a counselling service which has been effectively and helpfully used by the pupils.

Reserves

The reserves held by the Trust are set out in detail in Note 26 to the financial statements. At 31 July 2023 the Trust had general reserves of £12.4m, (2022 - £11.7m); these are largely represented by the Trust's listed investments and investment cash valued at £8.1m (2022 - £7.1m) which are held primarily for the purposes of generating income and to provide a financial backstop in the event of adverse events at either School or College. Operational deficits and the ability to respond to unexpected occurrences are funded by drawdowns of capital from the investment portfolio.

Trustees decided in 2009 to set a policy limit on the investment drawdown of 5% p.a. At the time it was recognised that difficulties at both College and School might entail this limit being exceeded in the short term by quite substantial margins. Covid resulted in a reduction in pupil numbers at the School and thus reduced resources were available to support the necessary investment in buildings and people. The Trustees agreed to provide funding of up to £500k for capital expenditure and revenue enhancing projects, £75k of which was spent in 2021 and £194k was spent in 2022 and £41k spent in 2022/23.

Under the Memorandum of Association, the Trustees are permitted to use capital as well as revenue reserves to fund any shortfalls of net income. They may also accumulate reserves in order to permit growth of the investment portfolio and to fund capital expenditure.

The Trustees recognise the need to maintain and enhance the value of the investment portfolio in real terms in order to provide on-going capital requirements from time to time. As prudent Trustees, they have indicated the need to conserve and develop capital in the short term and avoid significant calls on capital. There is an established, rolling and tightly controlled programme of refurbishing the boarding houses at the School. The Trust does not support or allow capital developments to progress without the required funding being in place.

The Trustees decided that it would be appropriate to build towards free central reserves (i.e. excluding those used by School and College) of £8m, represented by an investment portfolio of an equal amount.

The Kingham Hill Trust

Investec Wealth and Investment Ltd has management over the whole of the Trust's investment portfolio which at the year end, including investment cash, stood at £8.1m. An investment policy is in place that governs the management of the Trust's investment portfolio and this is reviewed regularly. The Trustees view the risk profile to be appropriate for the current environment.

Principal risks and uncertainties

The Trustees are required to produce a statement of policy on risk identification and management, and this has been done. To support this action, the Trustees follow a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the Trust faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. This process is monitored by the Trustees annually. The separate nature of School and College means that each has its own risk register which is reviewed annually by the Board of Governors or College Council with the appropriate report going to Trustees.

Apart from the previously mentioned reserves policy, Trustees review the investment policy annually. Both School and College continue to develop and update policies relevant to their spheres of operation; they include safeguarding, health and safety, whistle blowing and anti-bribery.

For the School the principal risks are considered to be the lack of unrestricted income, adverse publicity, the school's status in relation to its regulators, future tax policy by an incoming government and a challenging economic outlook which may squeeze the budgets of those sending children to the School. There is tight control of both capital and revenue expenditure so that reserves can be replenished. There are also the Trust's free reserves which could be used in part to support the School. Adverse publicity is carefully monitored by Trustees, supported by the marketing department, with PR advice being sought in the event of a particular issue. The Critical Incident Plan has measures to manage adverse publicity.

At the College the principal risks relate to the potential departure of the Church of England from a biblically orthodox understanding of human sexuality, ceasing to be a preferred Church of England training institution, a trend away from full-time residential training, and the financial dependency on a very few major donors.

The College leadership and Chair of Council maintain a regular dialogue with the relevant officers within the National Church and a report of their activity in this field is a standing item for his report to Council. Strenuous efforts are being made to broaden the financial supporter base. Progress will be monitored against the strategic plan.

Governance

The Trustees regularly review the activities of the College and the School in relation to the terms of the Trust, paying close attention to the Founder's intentions, working together to keep both the College and the School loyal to his wishes. Both institutions continue to carry out the Objects of the Trust and the Trustees are constantly seeking ways for them to operate in an increasingly effective and relevant way. To this end, work is continuing on major strategic reviews at both College and School. Trustees also review the overall governance of the Trust, and a major external review of governance has been completed. Implementation of the report's recommendations was delayed by Covid restrictions but are now being progressed.

Trustees are recruited typically after having served as members of the College Council or of the School Board of Governors. Prospective Trustees will generally have served on one or more of the various establishments' sub-committees, and therefore already have good background knowledge of the charity's activities.

Trustees continue to meet formally three times in the year, either online or in person. The Trust employs various professional organisations to ensure that processes, procedures and policies are developed which reflect the ever-changing statutory environment in which charities must operate. Trustees are supplied with information relating to these necessary changes on a regular basis.

The Kingham Hill Trust

The Trustees have delegated responsibility for most of the operational requirements to the Council of the College and Board of Governors of the School, with regular reporting requirements to enable the Trustees to continue their oversight and responsibilities. The School Governors, and the College Council are served by their own Finance & General Purposes committees and Trustees are supplied with minutes of all meetings of the College Council, the School Board of Governors and their related Finance and General Purposes Committees.

Systems for measuring key performance indicators are in operation at both School and College. They include performance against financial targets, compliance, academic standards, high quality of teaching, admissions, and staff development. Reports are presented to every meeting of both School Governors and College Council.

The salaries of the senior management personnel at both School and College are subject to scrutiny by the relevant Finance & General Purposes Committee, acting as the Remuneration Committees. At Oak Hill College salaries are set with reference to the Church of England standard Lichfield scale, enhanced for additional duties. At Kingham Hill School salaries are determined by comparison with pay at other local independent schools, again with appropriate enhancements for additional levels of responsibility,

At both School and College safeguarding is taken very seriously. Both institutions have an appropriate safeguarding policy and at the School no offer of employment is made without clearance from the Disclosure and Barring Service. Both institutions also have an appropriate complaints policy and whistleblowing process.

The Trustees continue to pray for the College President, Revd James Robson, and the Headmaster of the School, Peter Last, for the staff who serve alongside them, as well as for the Chair of the College Council, the Chair of the School Governors, and their respective teams.

Trustees' responsibilities for the financial statements

The Trustees (who are also directors of The Kingham Hill Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements the trustees are required to:

- select suitable accounting principles and applied them consistently.
- comply with applicable accounting standards including FRS 102, subject to any material departures therefrom being disclosed and explained in the financial statements.
- make judgments and estimates that are reasonable and prudent.
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Public Benefit

The Trustees regularly review all the activities of the Trust and consider how these contribute to the aims and objectives set by the charity's objects and confirm that they have complied with the duty in s.17 Charities Act 2011 by referencing their review to the Charity Commission's published guidance on public benefit under that Act. The Trustees are bound by the terms of the Trust to ensure that all the Trust's activities clearly express the evangelical Christian convictions of the Founder.

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In shaping our objectives for the year and planning our activities, the Trustees have considered the charity commission guidance on public benefit, including the guidance on public benefit: running a charity (PB2)

Oak Hill College and Kingham Hill School are both educational establishments but are quite different from each other. The public benefit is therefore expressed in ways which reflect both the similarities and the differences. For the College, Trustees set out a broad vision of public benefit while for the School the focus is on specific pupils and projects within the local community, without including the longer term wider public benefit provided by former pupils serving their communities once they have left the School.

The College provides public benefit by: advancing religion through providing ministers who have been taught to a high level in one of the UK's major religious traditions, including in areas pertaining to public concern such as safeguarding and the protection of at-risk individuals and; by advancing education through providing ministers to serve their local communities (many of which are disadvantaged) who have been taught to a tertiary level of education. General bursaries are provided that make the College affordable and accessible to many of our students, but it also provides Access Bursaries that are designed to provide financial support for prospective students from groups which are currently under-represented within the college community.

The School provides public benefit both to the local community and others by advancing both religion and education. The Founder's Pupils scheme also fulfils the Founder's vision by providing a boarding education to pupils from a disadvantaged background and who would benefit greatly from a Kingham education.

It provides this benefit through:

- the provision of scholarships and means tested bursaries which in 2023 amounted to £614k (2022: £607k).
- the Founder's Pupils programme which provides assistance to pupils who would benefit from a boarding education, as envisaged by Charles Edward Baring Young, the Trust's founder
- providing curriculum enrichment for a number of local schools through invitations to School enrichments weeks activities and a series of science, art, music and modern foreign language events
- Kingham Hill School community service programme whereby pupils take part in weekly activities such as helping the elderly, litter clearance and other projects.
- Kingham Hill School Leisure (KHL) enables the use of the school swimming pool and gym by the community, in addition to a number of local schools.
- Fee concessions of 14.1% of gross fee income are provided
- Loan of School vehicles to local charities.
- Community use of facilities for holiday camps, sports clubs, local voluntary groups

Fundraising

The Trust does not use the services of a professional fundraiser. Fundraising requests are limited to alumni of school and college, to specific trusts and, to churches with a similar Christian ethos to that of the Trust; there has not been any fundraising from the general public. No complaint has been received about the Trust's fundraising efforts and Trust development staff work within The Code of Fundraising Practice.

The Trust is mindful of the need to protect vulnerable people and others from unreasonable intrusion on privacy, from persistent approaches or undue pressure to give. Accordingly, communications are only made with those people who have opted in to receive them.

Future plans

As set out above, both the School and the College face different challenges at this time. The Trustees are thankful that we have a heavenly Father who delights to hear our prayers and who can achieve more than we can ever ask or imagine. We are thankful too that we have an outstanding leadership team at each of the School and the College, that we are blessed with adequate financial reserves to tide us through difficult times and that we have ample liquidity in the event of adverse trading conditions. The Trustees remain of the view that KHT (and each of the School and the College) are going concerns.

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Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

Audit information

So far as each of the trustees at the time the trustees' report is approved is aware:

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

This annual report was approved by the Trustees of the charity on 29 November 2023. The Strategic report, which forms part of the Report of the Trustees, is approved by the Trustees in their capacity as directors in Company Law of the charity.



S.H.W. Pilcher (Chair of Trustees)
30 November 2023

The Kingham Hill Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KINGHAM HILL TRUST

Opinion

We have audited the financial statements of The Kingham Hill Trust ('the company') 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 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 July 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 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

The Kingham Hill Trust

- the strategic report 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 strategic report or 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;
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

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

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.

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- 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.

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.

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.

Moore Kingston Smith LLP

Date 9 February 2024

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

9 Appold Street
London
EC2A 2AP

The Kingham Hill Trust

Statement of financial activities for the year ended 31 July 2023

	Note	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Income					
Donations	2	692	330	1,022	973
Income from charitable activities	3	9,582	-	9,582	9,281
Income from other trading activities	4	1,730	-	1,730	1,463
Investment Income	5	259	10	269	169
Total Income		12,263	340	12,603	11,886
Expenditure					
Cost of raising funds	6	166	-	166	161
Expenditure on charitable activities	7	12,078	92	12,170	10,845
Interest payable	23	237	-	237	113
Total expenditure		12,481	92	12,573	11,119
Total income less total expenditure		(218)	248	30	767
Net investment (losses/gains)	14	(144)	-	(144)	(379)
Net income for the year		(362)	248	(114)	388
Transfers	26	300	(300)	-	-
Net movement in funds for the year		(62)	(52)	(114)	388
Reconciliation of funds					
Total funds brought forward	26	39,754	470	40,224	39,836
Total funds carried forward	26	39,692	418	40,110	40,224

All activities are continuing operations of the Trust. There were no recognised gains or losses during the year other than those reported above.

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Statement of financial position for the year ended 31 July 2023

	Note	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Fixed assets					
Tangible assets	13		34,040		34,732
Investments	14		8,087		7,141
			<u>42,127</u>		<u>41,873</u>
Current assets					
Stock	15	25		44	
Debtors	16	642		689	
Cash at bank and in hand		<u>4,053</u>		<u>3,853</u>	
		4,720		4,586	
Creditors: amounts falling due within one year	17	<u>(2,857)</u>		<u>(1,951)</u>	
Net current assets			<u>1,863</u>		<u>2,635</u>
Total assets less current liabilities			43,990		44,508
Creditors: amounts falling due after more than one year	18		(3,880)		(4,277)
Provision for liabilities	19		-		(7)
Net assets			<u>40,110</u>		<u>40,224</u>
Reserves					
Unrestricted income funds	26		39,692		39,754
Restricted income funds	26		418		470
Total charity funds			<u>40,110</u>		<u>40,224</u>

Company Registration Number: 00365812

The financial statements were approved by the trustees and authorised for issue on 30 November 2023 and signed on their behalf by:



S.H.W. Pilcher
Trustee



K.A.M Edmunds
Trustee

The Kingham Hill Trust

Reconciliation of net income for the year to net cash flows from operating activities	2023	2022		
	£'000	£'000		
Net income for the year before investments	30	767		
Depreciation	1072	1,255		
Loss on sale of tangible fixed assets	-	-		
Decrease/(increase) in stock	19	(26)		
Decrease/(increase) in debtors	7	(240)		
Increase/(decrease) in creditors	871	(259)		
(Increase)/decrease in provision	(7)	(203)		
Returns on investments	(60)	(164)		
Net cash inflow from operating activities	1,932	1,130		
Cash flows from investing activities				
Dividends and interest received	60	167		
Purchases of tangible fixed assets	(382)	(508)		
Sale proceeds of tangible fixed assets	-	-		
Purchases of fixed asset investments	(4239)	(1,059)		
Unrealised gain/(loss) on investments	-	-		
Sales of fixed asset investments	4,122	718		
Net cash inflow/(outflow) from investing activities	(439)	(682)		
Cash flows from financing activities				
Proceeds from bank loan	-	-		
Repayment of bank loan	(312)	(281)		
Inter trust grant	-	-		
Repayment of finance lease funding	(8)	(7)		
Net cash inflow/(outflow) from financing activities	(320)	(288)		
Change in cash and cash equivalents in the reporting period	1,173	160		
Cash and cash equivalents at the beginning of the reporting period	4,749	4,588		
Cash and cash equivalents at the end of the reporting period	5,922	4,748		
Cash and cash equivalents consist of:				
Investment cash	1,869	896		
Cash	4,053	3,853		
	5,922	4,748		
Analysis of changes in net debt	At 1/08/22	Cashflows	Non-cash	At 1/07/23
	£'000	£'000	£'000	£'000
Cash	4,749	1,171	-	5,920
Loans due within one year	(469)	-	(83)	(552)
Loans due after more than one year	(4,041)	-	396	(3,645)
Finance lease obligations	(9)	-	7	(2)
	230	1,171	320	1,721

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2023

1. Accounting policies

Basis of accounting

The Trust is a charitable company, incorporated in England and Wales and limited by guarantee. The financial statements are prepared in accordance with: FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102), the Companies Act 2006 and other applicable accounting standards in the UK. As the Trust is a public benefit entity as defined by FRS 102 the accounts have also been prepared in accordance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (FRS 102 SORP) and the Charities Act 2011.

The financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of certain fixed assets. The Trustees have assessed whether the use of the going concern basis is appropriate, especially in the light of the current recession, cost of living issues and increased interest rate that have an effect on the cost of borrowing, and have considered various scenarios which might cast doubt on the ability of the Trust to continue as a going concern. Such scenarios have included significantly fewer pupils and students, increased costs and the effect of that on product quality, and the impact of a reduction in donations received. Trustees have made these assessments for a period of at least one year from the date of approval of the financial statements and have considered forecasts and projections. In addition, the bank loan is subject to certain covenants, regularly reviewed, and the repayment terms are set out in Note 23. The Trustees believe that the bank would be prepared to renegotiate or waive certain covenants should this be necessary in the context of the Trust's circumstances. Should the need arise, the trustees would use the investment portfolio to repay the loan. The results of their enquiries have allowed Trustees to conclude that there is a reasonable expectation that the Trust has adequate resources to continue in operation for the foreseeable future and that, accordingly, it is appropriate to continue to adopt the going concern basis in the preparation of the Trust's financial statements. Trustees have also ensured that, as at the date of the signing-off of the accounts, there are no material uncertainties which need to be reflected within these accounts.

The accounts are prepared in sterling, which is the functional currency of the company, rounded to the nearest thousand pounds. The principal accounting policies which have been applied consistently throughout the year are set out below. All activities which are included in the "Statement of financial activities" relate to continuing operations.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates ruling on the date of each transaction. The value of investments and cash deposits awaiting investment are translated at the rates ruling at the end of the accounting period.

Income

Income is recognised when there is entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

Income from charitable activities represents fees invoiced to third parties for tuition and similar educational activities. They are stated net of bursaries and other fee remissions provided out of the Trust's unrestricted funds, which are disclosed elsewhere in the notes to the financial statements but include fee bursaries provided from restricted funds.

Income from other trading activities includes rent receivable from students and staff together with lettings to third parties. Investment income represents dividends and interest received during the year on the investment portfolio held by the Trust.

The Kingham Hill Trust

1. Accounting policies (continued)

Dividends and interest receivable

Dividends and interest are included in the accounts on the basis of the date such income is received by the Trust's investment managers with the exception of fixed interest securities where income is accounted for on an accruals basis.

Expenditure

Expenditure is included in the Statement of financial activities on an accruals basis, inclusive of any VAT which cannot be recovered. Charitable resources expended are analysed under seven headings. All costs are specifically allocated to one of the categories and no costs are apportioned between them.

Leases

Rentals payable on operating leases are recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Retirement benefits

The costs of retirement benefits provided to employees of the Trust through two multi-employer defined benefit pension schemes are accounted for as if these were defined contribution schemes as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The Trust's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable. In addition, a liability is recognised as at the date of the Statement of financial position for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

The Trust makes normal contributions on behalf of the teachers at Kingham Hill School to the Department of Education and Employment Teachers Pension Agency. The scheme is a defined benefit scheme, and the contributions are charged as an unrestricted expense in the Trust's accounts as they fall due for payment.

Taxation

The Trust, being a registered charity, is exempt from taxation on its income and capital gains to the extent that they are applied for charitable purposes.

Tangible fixed assets and depreciation

All tangible fixed assets held by the Trust are for charitable purposes and are shown in the Statement of financial position at cost or valuation less accumulated depreciation. All assets costing more than £1,000 are capitalised, those costing less being written off in the year of acquisition unless they form part of a larger project.

The Trust has adopted the transitional provisions of FRS 15 "Tangible fixed assets" and has not updated the last valuation of freehold land and buildings. Freehold land and buildings are stated at professional valuation using the depreciated replacement cost or open market value based at 31 July 1999. Expenditure from that date has been capitalised at cost, including, where appropriate interest and other borrowing costs incurred up to the date of practical completion.

Depreciation is provided evenly on the cost (or valuation where appropriate) of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Upon completion, new buildings are depreciated to write off the cost over 50 years unless otherwise stated. Buildings are depreciated over 50 years or the period of the lease (if shorter). No depreciation is provided on freehold land. Additions to buildings are depreciated over 50 years.

The principal annual rates used for other assets are:

I.T. equipment	33.33%
Equipment, fixtures & fittings	15%
Motor vehicles	25%
Other machinery	25%

Assets which reach the end of their estimated useful lives are generally scrapped and therefore removed from the fixed asset register

The Kingham Hill Trust

1. Accounting policies (continued)

Listed Investments

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the accounting period

Stock

Stocks are valued at the lower of cost and estimated net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on the estimated sales price.

Cash and cash equivalents

These include cash at banks and in hand and short-term deposits with a maturity date of three months or less.

Financial assets

The Company has elected to apply the provisions of FRS 102 Section 11 'Basic financial instruments' and Section 12 'Other financial instruments' issues to all of its financial instruments.

Financial assets are recognised in the company's Statement of financial position when the company becomes party to the contractual provisions of the instrument. They are classified into specified categories; the classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets classified as fair value through profit or loss are measured at fair value.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'Loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment.

Interest is recognised by applying the effective interest rate except for short term receivables where the recognition of interest would be immaterial. The effective interest rate is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at the end of each accounting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected with the impairment being recognised in profit or loss.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

Basic financial liabilities are initially measured at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value. Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method with interest expense recognised on an effective yield basis. The effective yield basis is a method of calculating the amortised costs of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition. Financial liabilities are derecognised when and only when the company's obligations are discharged, cancelled or reach expiration.

The Kingham Hill Trust

1. Accounting policies (continued)

Fund accounting

Funds held by the charity are either:

Unrestricted funds

These are funds which can be used in accordance with the Trust's objects at the discretion of the trustees. Such funds include both Capital and Revaluation reserves, the combined amount of which represents the Trust's investment in land and buildings; these monies are not available to support operating activities or:

Restricted funds

These funds represent monies given to the Trust for specific purposes. They include benefactions for future development at both Oak Hill College and Kingham Hill School, a bursary fund to assist students at the College and funds to support certain educational activities at both College and School.

Critical accounting estimates and judgments

In the application of the company's accounting policies Trustees are 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 revision occurs, should only affect that period, or in the period in which the revision occurs and future periods if relevant. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

Useful economic lives

The annual depreciation charge for buildings, plant, fixtures, and motor vehicles is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates based on technological advancement, future investment, economic utilisation, and the physical condition of the assets. Note 13 gives the carrying amount of the relevant assets and Note 1 details the useful economic life 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 factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. Note 16 gives details of the net carrying amount of debtors and the associated impairment provision.

Analysis of pupil deposits

Deposits held in respect of pupils in Years 7 to 9 are presumed to be repayable after more than one year while deposits held for pupils in subsequent years are treated as being repayable within one year.

Employee benefits

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

The cost of any untaken holiday entitlements are recognised in the period in which the employees' services are received.

Termination benefits are recognised immediately as an expense once the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Provisions

Provisions have been made for post-employment benefits. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period in which such determination is made.

The Kingham Hill Trust

2. Donations

	Note	2023 £'000	2022 £'000
Restricted to development	8/9	30	14
Restricted to bursaries	8/9	292	199
Restricted to educational purposes	8/9	8	19
Unrestricted	8/9	692	741
		<u>1,022</u>	<u>973</u>

3. Income from charitable activities

Kingham Hill School	8	8,883	8,332
Oak Hill College	9	699	949
		<u>9,582</u>	<u>9,281</u>

4. Income from other trading activities

Kingham Hill School	8	751	505
Oak Hill College	9	979	958
		<u>1,730</u>	<u>1,463</u>

5. Investment income

Income from listed investments		190	160
Restricted interest receivable	8/9	10	1
Unrestricted interest receivable	8/9	69	7
		<u>269</u>	<u>168</u>

6. Cost of raising funds

Development Office Kingham Hill School	8	137	131
Oak Hill College	9	29	30
		<u>166</u>	<u>161</u>

7. Expenditure on charitable activities

Kingham Hill School unrestricted	8	9,510	8,325
Kingham Hill School restricted	8	92	64
Oak Hill College unrestricted	9	2,504	2,352
Governance administration costs		64	104
		<u>12,170</u>	<u>10,845</u>

The Kingham Hill Trust

8. Kingham Hill School

	2023	2022
	£'000	£'000
Income		
Fees	10,346	9,809
Less: Bursaries & concessions	(1,463)	(1,477)
	<u>8,883</u>	<u>8,332</u>
Rental income	168	149
Investment Income	19	3
Restricted donations	95	39
Unrestricted donations	104	102
Inter trust grants	41	194
Unrestricted other income	583	356
	<u>9,893</u>	<u>9,175</u>
Total income		
Expenditure		
Cost of generating funds		
Development	137	131
	<u>137</u>	<u>131</u>
Charitable expenditure		
Academic	4,000	3,841
Restricted academic	92	64
Administrative		
Staff Costs	403	324
Insurance Costs	75	66
IT and office costs	192	174
Legal and professional	113	119
Bank Charges	13	12
Other Costs	8	5
	<u>804</u>	<u>700</u>
Total administrative costs	804	700
Marketing	158	142
Transport	276	240
Premises	1,798	1,182
Leisure centre	144	136
Catering	819	734
Domestic	463	451
Depreciation	649	753
Other	399	146
	<u>9,602</u>	<u>8,389</u>
Total charitable expenditure	9,602	8,389
Finance costs	237	113
	<u>9,976</u>	<u>8,633</u>
Total expenditure		
Total income less total expenditure	(83)	542
Transfers	-	-
	<u>(83)</u>	<u>542</u>
Net movement in Funds		
Net assets of Kingham Hill School	<u>13,456</u>	<u>13,539</u>

The Kingham Hill Trust

9. Oak Hill College

	2023	2022
	£'000	£'000
Income		
Student Fees	947	1084
Less: Bursaries	(250)	(147)
	<u>697</u>	<u>937</u>
Rental income	920	945
Restricted donations	234	193
Unrestricted donations	588	639
Restricted investment income	10	1
Unrestricted investment income	50	4
Joint appointments	2	12
Other income	59	13
	<u>2,560</u>	<u>2,744</u>
Total income		
	<u>2,560</u>	<u>2,744</u>
Expenditure		
Charitable expenditure		
Academic costs	791	620
Administrative		
Staff Costs	235	235
Insurance Costs	25	23
IT and office costs	57	100
Legal and professional	47	62
Bank Charges	3	3
Other Costs	58	25
	<u>425</u>	<u>448</u>
Total administrative costs		
Marketing costs	136	137
Catering costs	133	73
Household costs	100	74
Premises costs	494	495
Depreciation	425	505
	<u>2,504</u>	<u>2,352</u>
Total charitable expenditure		
	<u>2,504</u>	<u>2,352</u>
Total expenditure		
	<u>2,504</u>	<u>2,352</u>
Total income less total expenditure	56	392
Transfers	-	-
	<u>56</u>	<u>392</u>
Net movement in Funds		
	<u>56</u>	<u>392</u>
Net assets of Oak Hill College	<u>19,541</u>	<u>19,485</u>

The Kingham Hill Trust

10. Auditors' remuneration

	2023 £'000	2022 £'000
Auditors' remuneration		
Audit fees	37	33
Other advice	2	2
Previous year under accrual	5	-
	<hr/>	<hr/>
Total auditors' remuneration	44	35

11. Employees and payroll

	2023 No.	2022 No.
Average monthly number of employees		
Kingham Hill School	150	154
Oak Hill College	33	36
Governance	2	2
	<hr/>	<hr/>
	185	192

	2023 £'000	2022 £'000
Staff costs		
Wages and salaries	4,950	4,578
Social security costs	483	435
Other pension costs	619	602
	<hr/>	<hr/>
	6,052	5,615

Other pension costs comprise

	2023 £'000	2022 £'000
Defined benefit schemes	285	418
Defined contribution scheme	334	184
	<hr/>	<hr/>
	619	602

Five employees earned more than £60k during the accounting period (2022:two), one in the band £90k - £100k (2022: one) and four in the band £60k - £70k (2022: 1).

One of the above employees was a member of a defined benefit pension scheme into which the Trust made contributions on the employee's behalf of £19k (2022: nil)

Key management personnel include the Trustees and members of the senior management teams. The Trustees received no remuneration during the accounting period (2022: £Nil). There were 11 members of the senior management teams during the year (2022: 11) whose aggregate pay and benefits amounted £752k (2022: £767k). Employer's pension contributions for the senior management teams were £94k (2022: £98k).

There were 6 (2022: 6) members of the senior management teams who were provided with rent-free accommodation in order to enable them to undertake specific duties at both school and college.

There were no termination payments were made during the year (2022: payments totalling £116k for 3).

The Kingham Hill Trust

11. Employees and pension costs (continued)

Pension schemes

Certain employees are members of one of three different defined benefit schemes. Clergy are members of the Church of England Funded Pension Scheme, teachers are members of the Teachers' Pension Scheme, and certain other employees are members of the Church of England Defined Benefits Scheme Section of the Church Workers' Pension Fund.

Teachers' Pension Scheme (TPS)

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £250k (2022 - £455k) and at the year-end £27k (2022 - £31k) 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%.

Church of England Funded Pension Scheme (CEFPS)

Oak Hill College participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit scheme. Kingham Hill School no longer has members in the scheme and has fully paid any obligations due during the previous financial year. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the responsible bodies. Each participating responsible body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific responsible body and also that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2023: £29k, 2022: £7k) plus the figures shown in the table on the next page as being recognised in the SoFA, giving a total charge of £29k for 2023 (2022 charge: £7k)

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.
- RPI inflation of 3.6% p.a. (and pension increases consistent with this).
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards.

The Kingham Hill Trust

11. Employees and pension costs (continued)

- Increase in pensionable stipends in line with CPIH.
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following the 31 December 2018 valuation, a deficit recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

	Jan 2018 to Dec 2020	Jan 2021 to Dec 2022
% of pensionable stipends		
Deficit repair contributions	11.9	7.1

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	31-12-22 £'000	31-12-21 £'000
Balance sheet liability at 1 August	7	14
Deficit contributions paid	(4)	(7)
Interest cost (recognised in SoFA)	-	-
Remaining charge* (recognised in SoFA)	(3)	-
Balance sheet liability at 31 December 2022	<u>-</u>	<u>7</u>

* Comprises change in agreed deficit recovery plan and change in discount rate between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

As at December	2022	2021	2020
Discount rate pa	n/a	0.0%	0.2%
Price inflation pa	n/a	n/a	3.1%
Increase to total pensionable payroll pa	n/a	-1.5%	1.6%

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities.

Church Workers Pension Fund (CWPF)

Oak Hill College participates in the Defined Benefits Scheme (DBS) section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the employer and other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classis and a cash balance section known as Pension Builder 2014.

The Kingham Hill Trust

11. Employees and pension costs (continued)

Both sections of the Pension Builder Scheme are classified as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors. There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is a multi-employer scheme as described in S.28 of FRS 102. It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. No pensions costs were charged to the SoFA in the year as contributions (2022: £46k) or deficit payments (2022: £101k)

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and this was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £11.3m. The next actuarial valuation was due at 31st of December 2022 (yet to be published)

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability.

The movement in the provision is set out below:

	2022	2021
	£'000	£'000
Balance sheet liability at 1 August 2021	-	192,000
Deficit contributions paid	-	(46,000)
Interest cost (recognised in SoFA)	-	1,000
Remaining charge* (recognised in SoFA)	-	(147,000)
Balance sheet liability at 31 December 2021	-	-

* Comprises change in agreed deficit recovery plan and change in discount rate between years-ended December

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	Dec 22	Dec 21	Dec 20
Discount rate	0.0%	0.4%	1.3%

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities.

12. Transactions involving trustees and related parties

Travel, subsistence and training expenditure paid on behalf of or reimbursed to trustees amounted to £0.01 (2022 - £0.8). Total aggregated donations received from Trustees and related parties during the accounting period amounted to £409k (2022: £456k). This amount disclosed is gross of Gift Aid received on the donations of £71k (2022: £89k).

The Kingham Hill Trust

13. Tangible fixed assets

Cost or valuation	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
At 1 August 2022	41,062	6,675	245	47,982
Additions	98	284	-	382
Transfers	198	(198)	-	-
Disposals	-	-	(5)	(5)
	<u>41,358</u>	<u>6,761</u>	<u>240</u>	<u>48,358</u>
At 31 July 2023	41,358	6,761	240	48,358
Depreciation				
At 1 August 2022	7,658	5,353	239	13,250
Charged for the year	597	475	2	1,074
Transfers	5	(5)	-	0
Released on disposal	-	-	(5)	(5)
	<u>8,260</u>	<u>5,823</u>	<u>236</u>	<u>14,319</u>
At 31 July 2023	8,260	5,823	236	14,319
Net book value				
At 31 July 2023	<u>33,098</u>	<u>938</u>	<u>4</u>	<u>34,040</u>
At 31 July 2022	<u>33,404</u>	<u>1,322</u>	<u>6</u>	<u>34,732</u>

The net carrying value of tangible fixed assets includes £20k (2022: £20k) in respect of an asset held under a finance lease. The lease is for 5 years from December 2018 with interest at 24.8% and is repayable by 20 quarterly instalments. The depreciation charge in respect of this asset amounted to £5k (2022: £5k).

The freehold land and buildings were revalued at 31 July 1999 on the basis of their depreciated replacement cost and open market value by Weatherall Green and Smith, Chartered Surveyors. As allowed by accounting standards, this valuation has been used as deemed cost going forward and the Trust has not adopted a policy of valuation for its tangible fixed assets.

If the properties had not been revalued they would have been included in the balance sheet at the following amounts:

	£'000
Cost	21,751
Depreciation	<u>(6,749)</u>
Net book value	
At July 2023	<u>15,002</u>
At July 2022	<u>14,706</u>

The Kingham Hill Trust

14. Fixed asset investments

	2023 £'000	2022 £'000
Investments (at market value) are represented by:		
Fixed interest securities	1,034	1,720
Managed Funds	1,098	1,173
Equity shares	4,086	3,352
	<u>6,218</u>	<u>6,245</u>
Cash Deposits	1,869	896
	<u>8,087</u>	<u>7,141</u>

No individual holding is considered material in the context of the overall portfolio

Investment Comprise:

UK Fixed interest	450	1,222
Overseas Fixed Interest	584	498
Equities and Unit Trusts	5,184	4,525
Short Term Deposits	1,869	896
	<u>8,087</u>	<u>7,141</u>

Opening Balance

Cost at 1 August 2022	5,827	5,445
Cumulative unrealised gain/(loss) at 1 August 2021	418	838
	<u>6,245</u>	<u>6,283</u>

Valuation at 1 August 2022

Movements in the year:

Purchases at cost	4,239	1,059
Sales at proceeds	(4,122)	(718)
Realised losses on revaluation	(144)	(379)

Valuation at 31 July 2023

Closing balance:

Cost at 31 July 2023		6,183
Cumulative unrealised gain at 31 July 2023		35
		<u>6,218</u>

15. Stock

	2023 £'000	2022 £'000
Raw materials and consumables	24	40
Goods for resale	1	4
	<u>25</u>	<u>44</u>

The Kingham Hill Trust

16. Debtors

	2023 £'000	2022 £'000
Fees	493	445
Less provision for doubtful debts	(114)	(108)
	<u>379</u>	<u>337</u>
Prepayments and accrued income	201	277
Other debtors	62	75
	<u>642</u>	<u>689</u>
Provision for doubtful debts		
At 1 August	(108)	(212)
Further provisions	(57)	
Amounts recovered	51	104
Amounts written off		
	<u>(114)</u>	<u>(108)</u>
At 31 July		

17. Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Deposits received in advance	1,229	237
Trade creditors	514	295
Other creditors	206	259
Other taxation and social security	81	113
Bank loan (see Note 23)	552	469
Finance lease funding (see Note 25)	2	9
Accruals and deferred income	273	569
	<u>2,857</u>	<u>1,951</u>

Included in Other creditors above is £28k (2021 - £30k) in respect of the company's defined contribution pension plans.

Included with Accruals and deferred income is £154k (2021 - £383k) for fees paid in advance.

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

	2023 £'000	2022 £'000
Deposits received in advance	234	234
Finance lease funding (see Note 24)	-	2
Bank Loan (see note 23)	3,646	4,041
	<u>3,880</u>	<u>4,277</u>

The Kingham Hill Trust

19. Provisions for liabilities

	2023 £'000	2022 £'000
At 1 August 2022	7	210
Deficit payments	(7)	(57)
Deficit interest	-	1
Other movement	-	(147)
	<u>-</u>	<u>(147)</u>
At 31 July 2023	<u>-</u>	<u>7</u>

The provision reflects the Trust's estimated share of the deficits of the Church Workers Pension Scheme and the Church of England Funded Pension Scheme (see Note 11).

20. Analysis of net funds

	Tangible assets £'000	Investments £'000	Net current assets/ (liabilities) £'000	Creditors due after one year & provisions £'000	Total £'000
Unrestricted					
Revaluation	16,895	-	-	-	16,895
Capital	10,381	-	-	-	10,381
General	6,764	8,087	1,445	(3,880)	12,416
Restricted					
Oak Hill College	-	-	270	-	270
Kingham Hill School	-	-	148	-	148
	<u>34,040</u>	<u>8,087</u>	<u>1,863</u>	<u>(3,880)</u>	<u>40,110</u>
Net funds	<u>34,040</u>	<u>8,087</u>	<u>1,863</u>	<u>(3,880)</u>	<u>40,110</u>

21. Operating leases

At 31 July 2021 the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows

	2023 £'000	2022 £'000
Motor vehicles and office equipment		
Expiring within one year	55	54
Expiring within two to five years	89	136
	<u>144</u>	<u>190</u>
Lease payments recognised in expenditure	<u>27</u>	<u>52</u>

In September 2015 the Trust entered into an agreement with Biomass Heat Projects Ltd (BHP) for the supply of biomass energy. The Trust granted BHP a 20-year lease at a peppercorn rent over land at Kingham Hill School, upon which BHP constructed a boiler house which contains a biomass boiler and fuel storage. The present value of the building and equipment at the end of the lease cannot be determined and accordingly has not been included in the accounts. At the end of the lease the building and equipment become the property of the Trust.

In December 2015 a Deed of Novation transferred the lease and contract to Aggregated Micro Power (AMO) Heat plc. The contract for the supply of biomass energy is for the same 20-year period as the lease. The price of energy is calculated by a fixed formula which has inflation and the Biomass Fuel index as constituent parts.

The Kingham Hill Trust

22. Post Balance sheet events

There were no reportable post balance sheet events.

23. Bank loan

The bank loan is secured under a legal charge over Kingham Hill School and its associated assets. The original loan agreement included fixed thrice annual instalments over the life of the loan at £136k per instalment with the final repayment in January 2034. As the impact of Covid-19 became apparent It was agreed that the first repayment would be postponed from April 2020 until January 2021 with the final instalment due in September 2034. With the rise in interest rates the Trust has increased its repayments to £552K per year to repay the loan within the original timescale. Interest has been charged at 2% p.a. over base rate.

The loan is repayable as under:

	2023	2022
	£'000	£'000
Within 1 year	552	469
Within 2 – 5 years	2,207	1,876
Over 5 years	1,439	2,165
	<u>4,198</u>	<u>4,510</u>

24 Finance lease

	2023	2022
	£'000	£'000
Within 1 year	2	9
Within 1 – 2 years	-	2
	<u>2</u>	<u>11</u>

25. Capital commitments

As at 31 July 2023 there were no capital commitments approved and not accrued (2022:£139k).

The Kingham Hill Trust

26. Reserves

Unrestricted income funds

Restricted income funds

	Unrestricted income funds			Restricted income funds			Total funds £'000	Total funds £'000
	Revaluation reserve £'000	Capital reserve £'000	General reserve £'000	Total Unrestricted funds £'000	Oak Hill College £'000	Kingham Hill School £'000		
At 1 August 2022	16,895	11,118	11,741	39,754	326	144	470	40,224
Income	-	-	12,263	12,263	244	-	244	12,507
Expenditure	-	-	(12,481)	(12,481)	-	-	-	(12,481)
Investment gains/(losses)	-	-	(144)	(144)	-	4	4	(140)
Transfers (see below)	-	(737)	1,037	300	(300)	-	(300)	0
Depreciation on revalued assets	-	-	-	-	-	-	-	-
Net movement in funds	-	(737)	675	(62)	(56)	4	(52)	(114)
As at July 2023	16,895	10,381	12,416	39,692	270	148	418	40,110
	Revaluation reserve £'000	Capital reserve £'000	General reserve £'000	Total Unrestricted funds £'000	Oak Hill College £'000	Kingham Hill School £'000	Total restricted funds £'000	Total funds £'000
At 1 August 2021	16,895	11,715	10,710	39,320	345	171	516	39,836
Income	-	-	11,653	11,653	195	38	233	11,886
Expenditure	-	-	(11,054)	(11,054)	-	(65)	(65)	(11,119)
Investment gains/(losses)	-	-	(379)	(379)	1	-	1	(378)
Transfers (see below)	-	(597)	811	214	(215)	-	(215)	(1)
Depreciation on revalued assets	-	-	-	-	-	-	-	-
Net movement in funds	-	(597)	1,031	434	(19)	(27)	(46)	388
At 31 July 2022	16,895	11,118	11,741	39,754	326	144	470	40,224

The transfer from capital reserves reflects the movement in net book value of freehold buildings within tangible fixed assets.

Transfers from Kingham Hill Trust unrestricted funds comprised £(40.5)k (2022 - £194k) to Kingham Hill School General reserves for the pursuit of various capital and income generating projects. This has been shown as grant income for Kingham Hill School.

Designated, restricted and endowment funds.

The Revaluation and Capital reserves in total reflect the amount of reserves committed to land and buildings. The Oak Hill College restricted income funds are for certain academic costs, the provision of bursaries and future development of the site. The Kingham Hill School restricted income funds are for certain educational purposes (Founder's pupils and the provision of additional sports, music and arts equipment) and future development of the site.

THE KINGHAM HILL TRUST

England & Wales - Charity number 1076618

Accounts

THE KINGHAM HILL TRUST

Company No. 00365812

Charity No 1076618

Report and financial statements

for the year ended

31 July 2022

The Kingham Hill Trust

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The Kingham Hill Trust

Company information

Trustees	Mr S.H.W. Pilcher (Chairman) Mr J.D.B. Anderson, CBE Mr. N.C.J. Bewes Mr. K.A.M. Edmunds The Rev. R Marsden (resigned 31/08/2022) Mrs. C.M. Pellereau
Secretary	Fiona J Edwards
Registered office	Kingham Hill School Kingham Chipping Norton Oxon OX7 6TH
Auditors	Moore Kingston Smith LLP Chartered Accountants and Registered Auditors 9 Appold Street London EC2A 2AP
Bankers	Barclays Bank PLC Wytham Court 11 West Way Oxford OX2 0JB National Westminster Bank PLC 1 Town Hall Buildings Bridge Street Banbury Oxon OX16 5JS
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ
Investment managers	Investec Wealth & Investment Limited 30 Gresham Street London EC2V 7QN

The Kingham Hill Trust

Report of the Trustees for the year ended 31 July 2022

The Trustees present their report for the year ended 31 July 2022

The Kingham Hill Trust was brought into being and is sustained by the grace of our Heavenly Father, the Almighty God. He brought the work of the Trust into being through Charles Baring-Young and has sustained it through the challenges of many generations of staff and trustees; the Trustees look to Him for direction and provision for the future.

The Kingham Hill Trust is governed by its Memorandum & Articles of Association adopted by Special Resolution on 14 December 2021 and continues the work of the unincorporated charity known as The Kingham Hill Trust which was originally established by a Trust Deed dated 16 December 1912 and amended by subsequent Deeds and Orders of Court. The Kingham Hill Trust is registered as a company limited by guarantee no. 00365812 and as charity no. 1076618. The Trustees are in no doubt that the Trust is a public benefit entity and set out later in this report details of the relevant activities at both Oak Hill College and Kingham Hill School.

Objects and activities

The principal objects of the Trust are: -

- To advance in accordance with the Protestant and Evangelical Faith understood as set out in Article 17.1 of the Articles of Association of the Charity ("the Christian Faith") the physical, mental and spiritual education of children resident in the United Kingdom or elsewhere by helping them to a start in life, especially those children who are in need of a boarding education through deficiencies in their economic, social or family circumstances, or owing to their particular educational or spiritual requirements providing that special regard should be paid to the needs of such children whose parents or guardians are of modest means;
- To train men and women for ordination or other ministries in the Church of England or other Protestant denominations in accordance with the Christian Faith provided that special regard shall be paid to the needs of those of modest means; and
- Otherwise to advance education in accordance with the Christian Faith.

In pursuance of these objects the Trust operates Kingham Hill School, a co-educational boarding and day school for children aged 11 to 18, and Oak Hill College, an evangelical theological college accredited by the Church of England and also serving other protestant denominations.

Strategic report

Achievements, performance and review of activities

The overall surplus for the year was £490k (2021 - £948k), this being after net investment losses of £379k (2021 gains - £769k). Net funds at the year-end were £40.2 million (2021 - £39.8 million).

Oak Hill College

In line with the Trust's charitable objectives, 33 new students were welcomed to the College in September 2021, 30 at undergraduate level and 3 at postgraduate level (with a further 4 internal postgraduate admissions and 2 internal transfers onto the College's integrated undergraduate Master's programme, the MTheol). These students came from a variety of backgrounds and denominations (Anglican and Independent) and the majority intend to enter full-time Christian ministry in due course. The college also welcomed back 69 returning students giving a student body of 108 in total.

September 2021 also saw the first intake from the Access Bursary Scheme, designed to provide financial support for prospective students from groups which are currently under-represented within the college community: the long-term goal is to reach 10 part-time and 10 full-time students a year by these means and thereby to foster long-term, sustained growth in the diversity of the student body; at the same time, the college is looking at other adjustments which may be helpful in order to facilitate the most positive learning experience possible for all students - for example, further enhancement of the College's learning skills support programme and aspects of academic/pastoral care.

The Kingham Hill Trust

Report of the Trustees for the year ended 31 July 2022 (continued)

Further investment in audio-visual equipment to teaching rooms enabled synchronous teaching in the classroom and on Zoom to be maintained as a continued response to the Covid pandemic. This setup was designed such that students in the room and on Zoom could both see and hear each other throughout each teaching session, and this 'hybrid' system allowed students and staff to migrate between the room and Zoom, as necessary (for example, for the purposes of shielding or self-isolation). The Covid Working Group continued to meet throughout the year to monitor the college's response to the pandemic, with the Group meeting for the final time in June 2022.

At leadership level, the President (Revd Johnny Juckes), the Director of Operations & Finance (Mr Grant Farrant) and the two Vice-Principals (Dr David Shaw and Revd Dr Matthew Sleeman) have been reviewing the mission, vision, goals and objectives of the College recognising that, as the college emerges from the Covid pandemic, this is a key time to review the future strategy. This continues to be worked on in conjunction with the College Council, with external input and stakeholder engagement as a key part of the process.

The Council has undertaken an effectiveness review and has implemented various actions as a result, including a nominations committee to ensure that steps continue to be made to widen the diversity of the Council itself. During the past year, the College welcomed Rachel Steeden onto Council, a solicitor with 16 years' experience advising private clients and charities, who works in-house with the Stewardship Philanthropy Services team to help generous Christians give effectively.

Oak Hill underwent two routine but nonetheless significant quality assurance processes during the year. In February 2022, the College carried out a Postgraduate Programmes Review with colleagues from Middlesex University, as a result of which all four postgraduate awards were re-validated for the full six-year period. Amongst the outcomes of the review were a number of commendations, one of which related to the steps taken by the College to ensure the continued provision of a positive learning experience for students. In March 2022, the College underwent its six-yearly Periodic External Review with the Church of England. The outcome of the review has now been published on the Church of England website. The College is grateful to the reviewers for their preparation, visits, and subsequent report writing. Amongst other comments they remarked that "Oak Hill College occupies a unique position in ministerial training for the Church of England, providing high quality formation in the evangelical protestant tradition." The report outlines the areas covered by the review, making a series of commendations and helpful recommendations; the College is now, reflecting on the report and considering how best to implement its recommendations.

Student feedback continues to be regularly reviewed. The Chair and Vice Chair of the Student Committee attend College Council meetings and regularly meet with members of the Leadership Team to ensure that the student perspective is reflected in both strategic planning and in the day-to-day life of the College. Student feedback on both the formal teaching programmes and campus life has remained positive throughout the year, despite the enormous challenges that Covid (and its aftermath) has continued to present. For example, in the 2022 National Student Survey, 86% of respondents recorded overall satisfaction with their programme of study (compared with 76% for the HE sector as a whole); 91% agreed that they were able to access the resources they needed for their learning; and 96% indicated that they had felt part of a community during the year.

In financial terms the operational deficit (before donations) for the year amounted to £293k, which was a 50% improvement from the prior year, which in itself was a 33% improvement from the year before that. Donations exceeded the operational deficit, enabling a surplus of £392k, which results in a stable cash position and reasonably robust reserves.

The College continues to face significant challenges, because of the ongoing effects of the Covid pandemic, and because of changing demands and competition in theological training. However, the College remains very grateful to God, to its generous supporters, and to the students and staff for the way in which the College and its community have been able to operate during this challenging period. The College remains committed to providing the very best formation and learning experience that it can for the next generation of students.

The Kingham Hill Trust

Report of the Trustees for the year ended 31 July 2022 (continued)

Kingham Hill School

Despite the ongoing impact of Covid, pupil numbers for September 2021 were 345, which was an increase on the previous year. This included both UK and international students, together with military families (both those from the UK and the US), with over half boarding. The School continues to draw its entry from a wide range and number of schools but with a steady feed derived from a small number of local primary and preparatory schools, with which close relationships are fostered.

The use of the Sports Centre, opened in January 2020, had been restricted by the impact of Covid but is now used not just by the School, but by external organisations and individuals, for climbing, badminton, squash, cricket and tennis. The Fitness Suite and Swimming Pool, whilst equally useful to the School, are also used by the local community for swimming classes and aqua sport for all ages. The Astroturf pitches and external tennis courts remain popular with local sports groups, outside of the school day.

The old Sports Hall has been converted into a Performing Arts Centre post the lifting of Covid restrictions and has rejuvenated the Performing Arts life of the school. In November (delayed due to Covid), a pupil-directed production was held, which was followed in June by a very successful musical performance of Jekyll and Hyde. The space is used on a daily basis for drama, dance and music lessons, including choirs, bands and orchestras. The old changing rooms are in the process of conversion to music practice rooms.

In October 2021, the Independent Schools Inspectorate (ISI) visited to carry a focused compliance (FCI) and educational quality (EQI) inspection.

The EQI reports on the quality of the School's work, and focuses on two key outcomes – the achievement of the pupils, including their academic development, and the personal development of pupils. The School was rated 'excellent', in both these key outcomes. Inspectors commented that "pupils have excellent attitudes to learning and a clear understanding of the teaching strategies used to support their progress", finding that "pupils' knowledge, skills and understanding are excellent". Perhaps most hearteningly, they identified that "pupils care for each other and their community as a result of them living out the School's clearly defined Christian ethos", finding that boarders in particular "act caringly and responsibly to each other regardless of age, race and background".

However, in the Focused Compliance Inspection (FCI), the inspectors identified a number of Action Points that the School was required to address in order to achieve compliance with the standards. The School is absolutely committed to addressing the issues and is pleased to report that in October 2022 the School was judged as being compliant. It continues to focus on ways it can improve yet further, for the benefit of all pupils.

In accordance with the Founder's vision and the objects of the Trust, the Christian ethos of the School remains central. Chapel and the proclamation of the gospel are at the heart of what the school does. The core pastoral team (i.e., chaplaincy, houseparents and senior pastoral staff) and all governors are committed evangelical Christians. This year we welcomed a new chaplain who has already made an excellent contribution to the life of the whole school, particularly as it has responded to the Inspection.

The school's particular mission is to serve the needy after the example of Jesus Christ and to bring the gospel to individuals who would not normally receive the opportunities (spiritual and educational) that such a school provides. Kingham Hill is committed to modelling and nurturing Christian discipleship for staff and pupils and partnering together with them in the work of the gospel whilst welcoming all.

The Head, Rev. Nick Seward, stepped down in summer 2022 after 14 years, and the Trustees and Governors are hugely grateful for his leadership throughout that time. The Board of Governors plan to appoint a new Head for Sept 2023 who will continue to build on the extraordinary gains made in recent years and are very grateful to Magnus Eyles who is Acting Head in the interim period. During his tenure Nick led a transformational change of the School, launching a 2020 Vision shortly after his arrival. Pupil numbers rose by over 50%, a significant deficit was turned into surplus, and academic standards were revolutionised. From the position of 'poor relation' amongst its competitors, KHS achieved a regular place in the top 5% of national value-added tables, with well over half of public exam grades at A and A*, and this in a non-selective school.

The Kingham Hill Trust

Report of the Trustees for the year ended 31 July 2022 (continued)

In his final year the School was 11th nationally of coeducational boarding schools for A Level results. The basis of this success was a personal initiative in his postgraduate work on professional learning culture, and the cognitive science behind teaching, which was embedded in a developmental and collegial way with teaching staff over a period of several years. Central to his love for KHS was a shared Christian faith with the Founder, and his heart to offer a home to children from backgrounds of need.

The entire staff body (both teaching and support) remain a valuable part of the School community, serving it faithfully and efficiently. The School is up to date with all regulatory and compliance requirements. The Annual Review of Safeguarding was received and approved by the Governing Body. The School has provided a counselling service which has been effectively and helpfully used by the pupils.

Reserves

The reserves held by the Trust are set out in detail in Note 26 to the financial statements. At 31 July 2022 the Trust had general reserves of £11.7m, (2021 - £10.7m); these are largely represented by the Trust's listed investments and investment cash valued at £7.6m (2021 - £8.0m) which are held primarily for the purposes of generating income and to provide a financial backstop in the event of adverse events at either School or College. Operational deficits and the ability to respond to unexpected occurrences are funded by drawdowns of capital from the investment portfolio.

Trustees decided in 2009 to set a policy limit on the investment drawdown of 5% p.a. At the time it was recognised that difficulties at both College and School might entail this limit being exceeded in the short term by quite substantial margins. In 2022 the drawdown was 3.8% (2021 – 2.11%). Covid resulted in a reduction in pupil numbers at the School and thus reduced resources were available to support the necessary investment in buildings and people. The Trustees agreed to provide funding of up to £500k for capital expenditure and revenue enhancing projects, £75k of which was spent in 2021 and £194k was spent in 2022.

Under the Memorandum of Association, the Trustees are permitted to use capital as well as revenue reserves to fund any shortfalls of net income. They may also accumulate reserves in order to permit growth of the investment portfolio and to fund capital expenditure.

The Trustees recognise the need to maintain and enhance the value of the investment portfolio in real terms in order to provide on-going capital requirements from time to time. As prudent Trustees, they have indicated the need to conserve and develop capital in the short term and avoid significant calls on capital. There is an established, rolling and tightly controlled programme of refurbishing the boarding houses at the School. The Trust does not support or allow capital developments to progress without the required funding being in place.

The Trustees decided that it would be appropriate to build towards free central reserves (i.e. excluding those used by School and College) of £8m, represented by an investment portfolio of equal amount. Using conservative rates of return, in the absence of any further benefactions and in the expectation that further investment in both School and College will be necessary, Trustees expect their target to be achieved over the next two to three years.

Investec Wealth and Investment Ltd has management over the whole of the Trust's investment portfolio which at the year end, including investment cash, stood at £7.6m.

Principal risks and uncertainties

The Trustees are required to produce a statement of policy on risk identification and management, and this has been done to an established standard. To support this action, the Trustees follow a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the Trust faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. This process is monitored by the Trustees annually.

The Kingham Hill Trust

Report of the Trustees for the year ended 31 July 2022 (continued)

The separate nature of School and College means that each has its own risk register which is reviewed annually by the Board of Governors or College Council with the appropriate report going to Trustees.

Apart from the previously mentioned reserves policy, Trustees review the investment policy annually. Both School and College continue to develop and update policies relevant to their spheres of operation; they include safeguarding, health and safety, whistle blowing and anti-bribery.

For the School the principal risks are considered to be the lack of unrestricted income, adverse publicity, the school's status in relation to its regulators, and a challenging economic outlook which may squeeze the budgets of those sending children to the School. The former is being addressed by tight control of both capital and revenue expenditure so that reserves can be replenished. There are also the Trust's free reserves which could be used in part to support the School. Adverse publicity is carefully monitored by Trustees, supported by the marketing department, with PR advice being sought in the event of a particular issue. The Critical Incident Plan has measures to manage adverse publicity. Recent events have highlighted the risks that the school faces in relation to the school's regulators and have brought a renewed focus from both management and the governing board on this topic. The School's ability to withstand an adverse economic environment is strengthened by the material increase in the pupil roll from September 2022, reflecting the excellence of the academic and pastoral offering.

At the College the principal risks are perceived to be ceasing to be a preferred Church of England training institution and the financial dependency on a very few major donors. For the former, the College President maintains a regular dialogue with the relevant officers within the National Church and a report of his activity in this field is a standing item for his report to Council. Strenuous efforts are being made to broaden the financial supporter base. Progress will be monitored against the strategic plan.

Governance

The Trustees regularly review the activities of the College and the School in relation to the terms of the Trust, paying close attention to the Founder's intentions, working together to keep both the College and the School loyal to his wishes. Both institutions clearly continue to carry out the Objects of the Trust and the Trustees are constantly seeking ways for them to operate in an increasingly effective and relevant way. To this end, work is continuing on major strategic reviews at both College and School. Trustees also review the overall governance of the Trust, and a major external review of governance has been completed. Implementation of the report's recommendations was delayed by Covid restrictions but are now being progressed.

Trustees are recruited typically after having served as members of the College Council or of the School Board of Governors. Prospective Trustees will generally have served on one or more of the various establishments' sub-committees, and therefore already have good background knowledge of the charity's activities.

Trustees have met formally four times in the year, either online or in person, and there will in future continue to be at least three meetings each year. New or prospective trustees are supplied with copies of the Trust's Memorandum and Articles of Association, a history of the Trust, the previous year's financial statements and any further information they particularly request. Trustees are made aware of available training opportunities and are encouraged to develop their governance skills by attending appropriate courses.

The Trust employs various professional organisations to ensure that processes, procedures and policies are developed which reflect the ever-changing statutory environment in which charities must operate. Trustees are supplied with information relating to these necessary changes on a regular basis.

The Trustees have delegated responsibility for most of the operational requirements to the Council of the College and Board of Governors of the School, with regular reporting requirements to enable the Trustees to continue their oversight and responsibilities. The School Governors, and the College Council are served by their own Finance & General Purposes committees and Trustees are supplied with minutes of all meetings of the College Council, the School Board of Governors and their related Finance and General Purposes Committees.

The Kingham Hill Trust

Report of the Trustees for the year ended 31 July 2022 (continued)

The Executive Committee is currently comprised of the School-based Trustees and a Governor (who is not a Trustee) and was re-started in October 2021 after the Independent Schools Inspection and has continued to meet as necessary.

Systems for measuring key performance indicators are in operation at both School and College. They include: performance against financial targets, compliance, academic standards, high quality of teaching, admissions, and staff development. Reports are presented to every meeting of both School Governors and College Council.

The salaries of the senior management personnel at both School and College are subject to scrutiny by the relevant Finance & General Purposes Committee, acting as the Remuneration Committees. At Oak Hill College salaries are set with reference to the Church of England standard Lichfield scale, enhanced for additional duties. At Kingham Hill School salaries are determined by comparison with pay at other local independent schools, again enhanced for additional levels of responsibility,

At both School and College safeguarding is taken very seriously. Both institutions have an appropriate safeguarding policy and at the School no offer of employment is made without clearance from the Disclosure and Barring Service. Both institutions also have an appropriate complaints policy and whistleblowing process.

The Trustees continue to pray for the College President, the Rev. Jonathan Jukes, and the Acting Headmaster of the School, Magnus Eyles, for the staff who serve alongside them, as well as for the Chair of the College Council, the Chair of the School Governors, and their respective teams.

Trustees' responsibilities for the financial statements

The Trustees (who are also directors of The Kingham Hill Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements the trustees are required to:

- select suitable accounting principles and applied them consistently.
- comply with applicable accounting standards including FRS 102, subject to any material departures therefrom being disclosed and explained in the financial statements.
- make judgments and estimates that are reasonable and prudent.
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Public Benefit

The Trustees regularly review all the activities of the Trust and consider how these contribute to the aims and objectives set by the charity's objects and confirm that they have complied with the duty in s.17 Charities Act 2011 by referencing their review to the Charity Commission's published guidance on public benefit under that Act. The Trustees are bound by the terms of the Trust to ensure that all the Trust's activities clearly express the evangelical Christian convictions of the Founder. In shaping our objectives for the year and planning our activities, the Trustees have considered the charity commission guidance on public benefit, including the guidance on public benefit: running a charity (PB2)

The Kingham Hill Trust

Report of the Trustees for the year ended 31 July 2022 (continued)

Oak Hill College and Kingham Hill School are both educational establishments but are quite different from each other. The public benefit is therefore expressed in ways which reflect both the similarities and the differences. For the College, Trustees set out a broad vision of public benefit while for the School the focus is on specific projects within the local community, without including the longer term wider public benefit provided by former pupils serving their communities once they have left the School.

The College provides public benefit by: advancing religion through providing ministers who have been taught to a high level in one of the UK's major religious traditions, including in areas pertaining to public concern such as safeguarding and the protection of at-risk individuals and; by advancing education through providing ministers to serve their local communities (many of which are disadvantaged) who have been taught to a tertiary level of education. General bursaries are provided that make the College affordable and accessible to many of our students but it also provides Access Bursaries that are designed to provide financial support for prospective students from groups which are currently under-represented within the college community.

The School provides public benefit both to the local community and others by advancing both religion and education. The Founder's Pupils scheme also fulfils the Founder's vision by providing a boarding education to pupils from a disadvantaged background and who would benefit greatly from a Kingham education.

It provides this benefit through:

- the provision of scholarships and means tested bursaries which in 2022 amounted to £607k (2021: £656k).
- the Founder's Pupils programme which provides assistance to pupils who would benefit from a boarding education, as envisaged by Charles Baring Young, the Trust's founder
- providing curriculum enrichment for a number of local schools through invitations to School enrichments weeks activities and a series of science, art, music and modern foreign language events
- Kingham Hill School community service programme whereby pupils take part in weekly activities such as helping the elderly, litter clearance and other projects.
- Kingham Hill School Leisure (KHL) enables the use of the school swimming pool and gym. Raffle prizes of KHL membership are regularly given to local schools and community events.
- Fee concessions of 13.9% of gross fee income are provided (means tested 4.6% and 9.3% non-means tested) as a public benefit to the wider community.
- Loan of School vehicles to local charities.
- Community use of facilities for holiday camps, sports clubs, local voluntary groups

Fundraising

The Trust does not use the services of a professional fundraiser. Fundraising requests are limited to alumni of school and college, to specific trusts and, to churches with a similar Christian ethos to that of the Trust; there has not been any fundraising from the general public. No complaint has been received about the Trust's fundraising efforts and Trust development staff work within The Code of Fundraising Practice.

The Trust is mindful of the need to protect vulnerable people and others from unreasonable intrusion on privacy, from persistent approaches or undue pressure to give. Accordingly, communications are only made with those people who have opted in to receive them.

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year

The Kingham Hill Trust

Report of the Trustees for the year ended 31 July 2022 (continued)

Audit information

So far as each of the trustees at the time the trustees' report is approved is aware:

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

This annual report was approved by the Trustees of the charity on 30 November 2022. The Strategic report, which forms part of the Report of the Trustees, is approved by the Trustees in their capacity as directors in Company Law of the charity.

A handwritten signature in black ink, appearing to read 'S.H.W. Pilcher', written in a cursive style.

S.H.W. Pilcher (Chair of Trustees)

1 December 2022

The Kingham Hill Trust

Independent Auditor's report to the members of the Kingham Hill Trust

Opinion

We have audited the financial statements of The Kingham Hill Trust ('the company') for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 July 2022 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 matter

We draw attention to the trustees' statement on page five, which details the findings from the ISI Inspection of Kingham Hill School in October 2021 and the follow-up review dated October 2022. This confirmed that the School is now compliant with the standards required.

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 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.

The Kingham Hill Trust

Independent Auditor's report (continued)

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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report 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 strategic report or 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.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

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

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.

The Kingham Hill Trust

Independent Auditor's report (continued)

- 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.

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.

The Kingham Hill Trust

Independent Auditor's report (continued)

- 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.

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.

Moore Kingston Smith LLP

Date 22 February 2023

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

9 Appold Street
London
EC2A 2AP

The Kingham Hill Trust

Statement of financial activities for the year ended 31 July 2022

	Note	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	Total funds 2022 £'000	Total funds 2021 £'000
Income					
Donations	2	741	232	973	1,042
Income from charitable activities	3	10,905	-	10,905	9,712
Income from other trading activities	4	1,463	-	1,463	1,139
Government grants					244
Investment income	5	168	1	169	167
Total income		13,277	233	13,510	12,304
Expenditure					
Cost of raising funds	6	161	-	161	140
Expenditure on charitable activities	7	12,405	64	12,469	11,881
Interest payable	23	113		113	104
Total expenditure		12,679	64	12,743	12,125
Total income less total expenditure		598	169	767	179
Net investment (losses)/gains	14	(379)	-	(379)	769
Net income for the year		219	169	388	948
Transfers	26	215	(215)	-	-
Net movement in funds for the year		434	(46)	388	948
Reconciliation of funds					
Total funds brought forward	26	39,320	516	39,836	38,888
Total funds carried forward	26	39,754	470	40,224	39,836

All activities are continuing operations of the Trust. There were no recognised gains or losses during the year other than those reported above.

The Kingham Hill Trust

Statement of financial position for the year ended 31 July 2022

		2022	2022	2021	2021
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		34,732		35,484
Investments:	14		7,141		7,477
			<u>41,873</u>		<u>42,961</u>
Current assets					
Stock	15	44		18	
Debtors	16	689		449	
Cash at bank and in hand		<u>3,853</u>		<u>3,394</u>	
		4,586		3,861	
Creditors: amounts falling due within one year					
	17	<u>(1,951)</u>		<u>(2,097)</u>	
Net current assets					
			<u>2,635</u>		<u>1,764</u>
Total assets less current liabilities					
			44,508		44,725
Creditors: amounts falling due after more than one year					
	18		(4,277)		(4,679)
Provision for liabilities					
	19		(7)		(210)
Net assets					
			<u>40,224</u>		<u>39,836</u>
Reserves					
Unrestricted income funds	26		39,754		39,320
Restricted income funds	26		470		516
Total charity funds					
			<u>40,224</u>		<u>39,836</u>

Company Registration Number: 00365812

The financial statements were approved by the trustees and authorised for issue on 30 November 2022 and signed on their behalf by:



.....
S.H.W. Pilcher
 Trustee



.....
K.A.M Edmunds
 Trustee

The Kingham Hill Trust

Statement of cash flows for the year ended 31 July 2022

Reconciliation of net income for the year		2022	2021	
to net cash flows from operating activities		£'000	£'000	
Net income for the year before investments		767	179	
Depreciation		1,255	1,396	
Loss on sale of tangible fixed assets		-		
Decrease/(increase) in stock		(26)	4	
Decrease/(increase) in debtors		(240)	5	
(Decrease)/increase in creditors		(259)	182	
(increase)/decrease in provision		(203)	(51)	
Return on investments		(164)	(167)	
Net cash inflow from operating activities		1,130	1,548	
Cash flows from investing activities				
Dividends and interest received		167	169	
Purchases of tangible fixed assets		(508)	(396)	
Sale proceeds of tangible fixed assets			-	
Purchases of fixed asset investments		(1,059)	(597)	
Unrealised gain/(loss) on investments				
Sales of fixed asset investments		718	932	
Net cash inflow/(outflow) from investing activities		(682)	108	
Cash flows from financing activities				
Proceeds from bank loan		-	-	
Repayment of bank loan		(281)	(210)	
Repayment of finance lease funding		(7)	(7)	
Net cash (outflow)/inflow from financing activities		(288)	(217)	
Change in cash and cash equivalents in the reporting period				
		161	1,439	
Cash and cash equivalents at the beginning of the reporting period		4,588	3,149	
Cash and cash equivalents at the end of the reporting period				
		4,749	4,588	
Cash and cash equivalents consist of:				
Investment cash		896	1,194	
Cash		3,853	3,394	
		4,749	4,588	
Analysis of changes in net debt				
	At 01/08/21	Cashflows	Non-cash	At 31/07/22
	£'000	£'000	£'000	£'000
Cash	4,588	161	-	4,749
Loans due within one year	(333)		(136)	(469)
Loans due after more than one year	(4,347)	99	207	(4,041)
Finance lease obligations	(17)	8	-	(9)
	(109)	268	71	230

The Kingham Hill Trust

Notes to the financial statements

for the year ended 31 July 2022

1. Accounting policies

Basis of accounting

The Trust is a charitable company, incorporated in England and Wales and limited by guarantee. The financial statements are prepared in accordance with: FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102), the Companies Act 2006 and other applicable accounting standards in the UK. As the Trust is a public benefit entity as defined by FRS 102 the accounts have also been prepared in accordance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (FRS 102 SORP) and the Charities Act 2011.

The financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of certain fixed assets. The Trustees have assessed whether the use of the going concern basis is appropriate, especially in the light of the current recession, cost of living issues and increased interest rate that have an effect on the cost of borrowing, and have considered various scenarios which might cast doubt on the ability of the Trust to continue as a going concern. Such scenarios have included significantly fewer pupils and students, increased costs and the effect of that on product quality, and the impact of a reduction in donations received. Trustees have made these assessments for a period of at least one year from the date of approval of the financial statements and have considered forecasts and projections. In addition, the bank loan is subject to certain covenants, regularly reviewed, and the repayment terms are set out in Note 23. The Trustees believe that the bank would be prepared to renegotiate or waive certain covenants should this be necessary in the context of the Trust's circumstances. Should the need arise, the trustees would use the investment portfolio to repay the loan. The results of their enquiries have allowed Trustees to conclude that there is a reasonable expectation that the Trust has adequate resources to continue in operation for the foreseeable future and that, accordingly, it is appropriate to continue to adopt the going concern basis in the preparation of the Trust's financial statements. Trustees have also ensured that, as at the date of the signing-off of the accounts, there are no material uncertainties which need to be reflected within these accounts.

The accounts are prepared in sterling which is the functional currency of the company, rounded to the nearest thousand pounds. The principal accounting policies which have been applied consistently throughout the year are set out below. All activities which are included in the "Statement of financial activities" relate to continuing operations.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates ruling on the date of each transaction. The value of investments and cash deposits awaiting investment are translated at the rates ruling at the end of the accounting period.

Income

Income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Income from charitable activities represents fees invoiced to third parties for tuition and similar educational activities. They are stated net of bursaries and other fee remissions provided out of the Trust's unrestricted funds, which are disclosed elsewhere in the notes to the financial statements, but include fee bursaries provided from restricted funds. Income from other trading activities includes rent receivable from students and staff together with lettings to third parties.

Investment income represents dividends and interest received during the year on the investment portfolio held by the Trust.

Dividends and interest receivable

Dividends and interest are included in the accounts on the basis of the date such income is received by the Trust's investment managers with the exception of fixed interest securities where income is accounted for on an accruals basis.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2022 (continued)

1. Accounting policies (continued)

Expenditure

Expenditure is included in the Statement of financial activities on an accruals basis, inclusive of any VAT which cannot be recovered. Charitable resources expended are analysed under seven headings. All costs are specifically allocated to one of the categories and no costs are apportioned between them.

Leases

Rentals payable on operating leases are recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Retirement benefits

The costs of retirement benefits provided to employees of the Trust through two multi-employer defined benefit pension schemes are accounted for as if these were defined contribution schemes as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The Trust's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable. In addition a liability is recognised as at the date of the Statement of financial position for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

The Trust makes normal contributions on behalf of the teachers at Kingham Hill School to the Department of Education and Employment Teachers Pension Agency. The scheme is a defined benefit scheme and the contributions are charged as an unrestricted expense in the Trust's accounts as they fall due for payment.

Taxation

The Trust, being a registered charity, is exempt from taxation on its income and capital gains to the extent that they are applied for charitable purposes.

Tangible fixed assets and depreciation

All tangible fixed assets held by the Trust are for charitable purposes and are shown in the Statement of financial position at cost or valuation less accumulated depreciation. All assets costing more than £5,000 are capitalised, those costing less being written off in the year of acquisition unless they form part of a larger project. The Trust has adopted the transitional provisions of FRS 15 "Tangible fixed assets" and has not updated the last valuation of freehold land and buildings. Freehold land and buildings are stated at professional valuation using the depreciated replacement cost or open market value based at 31 July 1999. Expenditure from that date has been capitalised at cost, including, where appropriate interest and other borrowing costs incurred up to the date of practical completion.

Depreciation is provided evenly on the cost (or valuation where appropriate) of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Upon completion, new buildings are depreciated to write off the cost over 50 years unless otherwise stated. Buildings are depreciated over 50 years or the period of the lease (if shorter). No depreciation is provided on freehold land. Additions to buildings are depreciated over 50 years.

The principal annual rates used for other assets are:

I.T. equipment	33.33%
Equipment, fixtures & fittings	15%
Motor vehicles	25%
Other machinery	25%

Assets which reach the end of their estimated useful lives are generally scrapped and therefore removed from the fixed asset register.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2022 (continued)

1. Accounting Policies (continued)

Linked Investments

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the accounting period.

Stock

Stocks are valued at the lower of cost and estimated net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on the estimated sales price.

Cash and cash equivalents

These include cash at banks and in hand and short term deposits with a maturity date of three months or less.

Financial assets

The Company has elected to apply the provisions of FRS 102 Section 11 'Basic financial instruments' and Section 12 'Other financial instruments' issues to all of its financial instruments.

Financial assets are recognised in the company's Statement of financial position when the company becomes party to the contractual provisions of the instrument. They are classified into specified categories; the classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through profit or loss are measured at fair value.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'Loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment.

Interest is recognised by applying the effective interest rate except for short term receivables where the recognition of interest would be immaterial. The effective interest rate is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at the end of each accounting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected with the impairment being recognised in profit or loss.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

Basic financial liabilities are initially measured at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value. Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method with interest expense recognised on an effective yield basis. The effective yield basis is a method of calculating the amortised costs of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition. Financial liabilities are derecognised when and only when the company's obligations are discharged, cancelled or reach expiration.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2022 (continued)

1. Accounting Policies (continued)

Fund accounting

Funds held by the charity are either:

Unrestricted funds

These are funds which can be used in accordance with the Trust's objects at the discretion of the trustees. Such funds include both Capital and Revaluation reserves, the combined amount of which represents the Trust's investment in land and buildings; these monies are not available to support operating activities or:

Restricted funds

These funds represent monies given to the Trust for specific purposes. They include benefactions for future development at both Oak Hill College and Kingham Hill School, a bursary fund to assist students at the College and funds to support certain educational activities at both College and School.

Critical accounting estimates and judgments

In the application of the company's accounting policies Trustees are 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 revision occurs, should only affect that period, or in the period in which the revision occurs and future periods if relevant. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

Useful economic lives

The annual depreciation charge for buildings, plant, fixtures, and motor vehicles is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates based on technological advancement, future investment, economic utilisation, and the physical condition of the assets. Note 13 gives the carrying amount of the relevant assets and Note 1 details the useful economic life 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 factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. Note 16 gives details of the net carrying amount of debtors and the associated impairment provision.

Analysis of pupil deposits

Deposits held in respect of pupils in Years 7 to 9 are presumed to be repayable after more than one year while deposits held for pupils in subsequent years are treated as being repayable within one year.

Employee benefits

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

The cost of any untaken holiday entitlements are recognised in the period in which the employees' services are received. Termination benefits are recognised immediately as an expense once the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Provisions

Provisions have been made for post-employment benefits. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period in which such determination is made.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2022 (continued)

		2022	2021
	Note	£'000	£'000
2 Donations			
Restricted to development	8/9	14	1
Restricted to bursaries	8/9	199	66
Restricted to educational purposes	8/9	19	117
Unrestricted	8/9	741	858
		973	1,042
3 Income from charitable activities			
Kingham Hill School	8	9,809	8,454
Kingham Hill School restricted	8	39	-
Oak Hill College	9	1,096	1,258
		10,905	9,712
4 Income from other trading activities			
Kingham Hill School	8	505	256
Oak Hill College	9	958	883
		1,463	1,139
5 Investment income			
Income from listed investments		160	166
Restricted interest receivable	8/9	1	1
Unrestricted interest receivable	8/9	7	-
		168	167
6 Cost of raising funds			
Development office			
Kingham Hill School	8	131	110
Investment management fees		30	30
		161	140
7 Expenditure on charitable activities			
Kingham Hill School unrestricted	8	9,802	9,005
Kingham Hill School restricted	8	64	55
Oak Hill College unrestricted	9	2,499	2,761
Governance administration costs		104	60
		12,469	11,881

The Kingham Hill Trust
Notes to the financial statements
for the year ended 31 July 2022 (continued)

	2022	2021
	£'000	£'000
8. Kingham Hill School		
Income		
Fees	9,809	8,454
Less: Bursaries & concessions	(1,477)	(1,234)
	<u>8,332</u>	<u>7,220</u>
Rental income	149	133
Investment income	3	-
Restricted donations	39	87
Unrestricted donations	102	100
Restricted other income		-
Government grants		230
Inter trust grants	194	75
Unrestricted other income	356	123
Total income	<u>9,175</u>	<u>7,968</u>
Expenditure		
Cost of generating funds		
Development	131	110
Charitable expenditure		
Academic	3,841	3,563
Restricted academic	64	55
Administrative		
Staff costs	324	411
Insurance costs	66	65
IT and office costs	174	157
Legal and professional	119	92
Bank charges	12	11
Other costs	5	11
Total administrative costs	<u>700</u>	<u>747</u>
Marketing	142	99
Transport	240	187
Premises	1,182	1,114
Leisure centre	136	83
Catering	734	567
Domestic	451	363
Depreciation	753	876
Finance costs	113	104
Other	146	172
Total charitable expenditure	<u>8,502</u>	<u>7,930</u>
Total expenditure	<u>8,633</u>	<u>8,040</u>
Total income less total expenditure	542	(72)
Transfers	-	-
Net movement in funds	<u>542</u>	<u>(72)</u>
Net assets of Kingham Hill School	<u>13,641</u>	<u>12,997</u>

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2022 (continued)

	2022 £'000	2021 £'000
9 Oak Hill College		
Income		
Student fees	1,084	1,195
Less: Bursaries	(147)	(23)
	<u>937</u>	<u>1,172</u>
Rental income	945	870
Restricted donations	193	97
Unrestricted donations	639	758
Restricted investment income	1	1
Unrestricted investment income	4	1
Government grants		14
Joint appointments	12	63
Other income	13	13
	<u>2,744</u>	<u>2,989</u>
Total income		
Expenditure		
Charitable expenditure		
Academic costs	620	935
Administrative costs		
Staff costs	235	244
Insurance costs	23	21
IT and office costs	100	116
Legal and professional	62	73
Bank charges	3	3
Other costs	25	34
	<u>448</u>	<u>491</u>
Total Administrative Costs		
Marketing costs	137	154
Catering costs	73	40
Household costs	74	73
Premises costs	495	525
Depreciation	505	520
	<u>2,352</u>	<u>2,738</u>
Total charitable expenditure		
Total expenditure	<u>2,352</u>	<u>2,738</u>
Total income less total expenditure	392	251
Transfers	-	-
	<u>392</u>	<u>251</u>
Net movement in funds		
Net assets of Oak Hill College	<u>19,485</u>	<u>19,092</u>

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2022 (continued)

10 Auditors' remuneration	2022	2021
	£'000	£'000
Auditors' remuneration		
Audit fees	33	36
Other advice	2	
Previous year overprovision		(5)
Total auditors' remuneration	<u>35</u>	<u>31</u>
11 Employees and payroll	2022	2021
	No.	No.
Average monthly number of employees:		
Kingham Hill School	154	155
Oak Hill College	36	42
Governance	2	1
	<u>192</u>	<u>198</u>
	2022	2021
	£'000	£'000
Staff costs:		
Wages and salaries	4,578	4,738
Social security costs	435	427
Other pension costs	602	670
	<u>5,615</u>	<u>5,835</u>
Other pension costs comprise	2022	2021
	£'000	£'000
Defined benefit schemes	418	374
Defined contribution scheme	184	296
	<u>602</u>	<u>670</u>

Two employees earned more than £60k during the accounting period (2021:2), one in the band £90k - £100k (2021:1) and one in the band £60k - £70k (2021:1).

None of the above employees was a member of a defined benefit pension scheme into which the Trust made contributions on the employee's behalf (2021: 1 with £20k paid by the employer into the scheme on their behalf)

Key management personnel include the Trustees and members of the senior management teams. The Trustees received no remuneration during the accounting period (2021: £Nil). There were 11 members of the senior management teams during the year (2021: 14) whose aggregate pay and benefits amounted £767k (2021: £786k). Employer's pension contributions for the senior management teams were £98k (2021: £139k).

There were 6 (2021: 6) members of the senior management teams who were provided with rent-free accommodation in order to enable them to undertake specific duties at both school and college.

Termination payments totalling £116k for 3 staff members (2021: £123k, 11) were made during the year.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2022 (continued)

11 Employees and pension costs (continued)

Pension schemes

Certain employees are members of one of three different defined benefit schemes. Clergy are members of the Church of England Funded Pension Scheme, teachers are members of the Teachers' Pension Scheme, and certain other employees are members of the Church of England Defined Benefits Scheme Section of the Church Workers' Pension Fund.

Teachers' Pension Scheme (TPS)

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £455k (2021 - £445k) and at the year-end £31k (2021 - £35k) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 valuation report was prepared in accordance with the scheme regulations and under the approach specified in the directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions in the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2022 (continued)

11 Employees and pension costs (continued)

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

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

Church of England Funded Pension Scheme (CEFPS)

Oak Hill College participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit scheme. Kingham Hill School no longer has members in the scheme and has fully paid any obligations due during the previous financial year. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the responsible bodies. Each participating responsible body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific responsible body and also that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2022: £7k, 2021: £50k) plus the figures shown in the table on the next page as being recognised in the SoFA, giving a total charge of £7k for 2022 (2021 charge: £51k).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was due to be carried out on 31st of December 2021 but the results are not yet public. This note uses the assumptions listed in the valuation carried out at 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- an investment strategy of:
 - for investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly to 70% by 31 December 2030, with the balance in return-seeking assets; and
 - for investments backing liabilities prior to retirement, an allocation of 100% to return-seeking assets.
- an average discount rate of 3.2% pa
- RPI inflation of 3.4% pa (and pension increases consistent with this);
- increase in pensionable stipends of 3.4% pa; and
- mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% pa.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2022 (continued)

11 Employees and pension costs CEFPS (continued)

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit repair contributions rates (as a percentage of pensionable stipends) are as set out below:

% of pensionable stipends	01/02/22 to 31/12/23	01/02/21 to 31/12/22
Deficit repair contributions	11.9%	7.1%

As at 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time was 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 and 2020 the deficit recovery contributions under the recovery plan in force were as set out above. For senior office holder, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2021 and 2022 is set out in the table below.

	2022 £'000	2021 £'000
Balance sheet liability at 1 August	18	31
Deficit contributions paid	(11)	(15)
Interest cost (recognised in SoFA)	-	-
Remaining charge* (recognised in SoFA)	-	2
Balance sheet liability at 31 Dec 2021	<u>7</u>	<u>18</u>

* Comprises change in agreed deficit recovery plan and change in discount rate between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	2022	2021	2020
Discount rate pa	0.0%	0.2%	1.1%
Price inflation pa	n/a	3.1%	2.8%
Increase to total pensionable payroll pa	-1.5%	1.6%	1.3%

The legal structure of the scheme is such that if another responsible body fails, the Trust could become responsible for paying a share of that responsible body's pension liabilities.

Church Workers Pension Fund (CWPF)

Oak Hill College (DBS) participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the responsible body and the other responsible bodies.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, the DBS is divided into sub-pools in respect of each participating responsible body as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between responsible bodies, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from responsible bodies' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2022 (continued)

11 Employees and pension costs (continued)

The scheme is a multi-employer scheme as described in S.28 of FRS 102. It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2022: £46k, 2021: £15k) plus any impact of deficit contributions (see below), giving a total credit of £101k for 2022 (2021 credit: £23k)

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and this was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £11.3m.

The next actuarial valuation is due at 31st of December 2022

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 44.7% of pensionable salary and expenses of £3,600 per year. In addition deficit payments of £46k pa have been agreed for 0.5 years from 1 April 2021 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2022	2021
	£'000	£'000
Balance sheet liability at 1 August 2021	192	230
Deficit contributions paid	(46)	(46)
Interest cost (recognised in SoFA)	1	3
Remaining charge* (recognised in SoFA)	147	5
Balance sheet liability at 31 December 2021	-	192

* Comprises change in agreed deficit recovery plan and change in discount rate between years-ended December.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	Dec-22	Dec-21	Dec-20
Discount Rate	0.0%	0.4%	1.3%

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2022 (continued)

12. Transactions involving trustees and related parties

Travel, subsistence and training expenditure paid on behalf of or reimbursed to trustees amounted to £0.8k (2021 - £Nil).

Total aggregated donations received from Trustees and related parties during the accounting period amounted to £456k (2021: £600k). This amount disclosed is gross of Gift Aid received on the donations of £89k (2021:£95k).

13. Tangible fixed assets

	Freehold Land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
Cost or valuation	£'000	£'000	£'000	£'000
At 1 August 2021	41,060	6,178	241	47,479
Additions	1	497	10	508
Disposals	-	-	(5)	(5)
At 31 July 2022	<u>41,061</u>	<u>6,675</u>	<u>245</u>	<u>47,981</u>
Depreciation				
At 1 August 2021	7,061	4,698	236	11,995
Charged for the year	597	655	8	1,260
Released on disposal	-	-	(5)	(5)
At 31 July 2022	<u>7,658</u>	<u>5,353</u>	<u>239</u>	<u>13,249</u>
Net book value				
At 31 July 2022	<u>33,404</u>	<u>1,322</u>	<u>7</u>	<u>34,732</u>
At 31 July 2021	<u>33,999</u>	<u>1,480</u>	<u>5</u>	<u>35,484</u>

The net carrying value of tangible fixed assets includes £20k (2021: £25k) in respect of an asset held under a finance lease. The lease is for 5 years from December 2018 with interest at 24.8% and is repayable by 20 quarterly instalments. The depreciation charge in respect of this asset amounted to £5k (2021: £5k).

The freehold land and buildings were revalued at 31 July 1999 on the basis of their depreciated replacement cost and open market value by Weatherall Green and Smith, Chartered Surveyors. As allowed by accounting standards, this valuation has been used as deemed cost going forward and the Trust has not adopted a policy of valuation for its tangible fixed assets.

If the properties had not been revalued they would have been included in the balance sheet at the following amounts:

	£'000
Cost	21,455
Depreciation	(6749)
Net book value	<u>14,706</u>
At July 2022	<u>14,706</u>
At July 2021	<u>14,770</u>

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2022 (continued)

14 Fixed asset investments	2022	2021
	£'000	£'000
Investments (at market value) are represented by:		
Fixed interest securities	1,720	1,851
Managed funds	1,173	2,490
Equity shares	3,352	1,942
	<u>6,245</u>	<u>6,283</u>
Cash deposits	896	1,194
	<u>7,141</u>	<u>7,477</u>
No individual holding is considered material in the context of the overall portfolio		
Investment Comprise:		
UK Fixed interest	1,222	1,415
Overseas Fixed Interest	498	436
Equities and Unit Trusts	4,525	4,432
Short Term Deposits	896	1,194
	<u>7,141</u>	<u>7,477</u>
Opening balance:		
Cost at 1 August 2021	5,445	5,614
Cumulative unrealised gain/(loss) at 1 August 2021	838	235
Valuation at 1 August 2021	<u>6,283</u>	<u>5,849</u>
Movements in the year:		
Purchases at cost	1,059	597
Sales at proceeds	(718)	(932)
Net (loss)/gain on revaluation	(379)	769
Valuation at 31 July 2022	<u>6,245</u>	<u>6,283</u>
Closing balance:		
Cost at 31 July 2022		<u>5,826</u>
Cumulative unrealised gain at 31 July 2022		<u>419</u>
		<u>6,245</u>
15 Stock	2022	2021
	£'000	£'000
Raw materials and consumables	40	14
Goods for resale	4	4
	<u>44</u>	<u>18</u>

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2022 (continued)

16 Debtors	2022	2021
	£'000	£'000
Fees	445	356
Less: provision for doubtful debts	(108)	(212)
	<u>337</u>	<u>144</u>
Prepayments and accrued income	277	222
Other debtors	75	83
	<u>689</u>	<u>449</u>
Provision for doubtful debts		
At 1 August	(212)	(180)
Further provisions		(98)
Amounts recovered	104	-
Amounts written off		66
	<u>(108)</u>	<u>(212)</u>
At 31 July		

17 Creditors: amounts falling due within one year	2022	2021
	£'000	£'000
Deposits received in advance	237	383
Trade creditors	295	237
Other creditors	259	221
Other taxation and social security	113	103
Bank loan (see Note 23)	469	333
Finance lease funding (see Note 25)	9	9
Accruals and deferred income	569	811
	<u>1,951</u>	<u>2,097</u>

Included in Other creditors above is £28k (2021 - £30k) in respect of the company's defined contribution pension plans.

Included within Accruals and deferred income is £154k (2021 - £383k) for fees paid in advance.

18 Creditors: amounts falling due after more than one year	2022	2021
	£'000	£'000
Deposits received in advance	234	213
Finance lease funding (see Note 24)	2	8
Bank loan (see Note 23)	4,041	4,458
	<u>4,277</u>	<u>4,679</u>

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2022 (continued)

19 Provisions for liabilities	2022	2021
	£'000	£'000
At 1 August 2021	210	261
Deficit payments	(57)	(61)
Deficit interest	1	3
Other movement	(147)	7
	<hr/>	<hr/>
At 31 July 2022	7	210

The provision reflects the Trust's estimated share of the deficits of the Church Workers Pension Scheme and the Church of England Funded Pension Scheme (see Note 11).

20 Analysis of net funds

	Tangible assets £'000	Investments £'000	Net current assets/ (liabilities) £'000	Creditors due after one year & provisions £'000	Total £'000
Unrestricted					
Revaluation	16,895	-	-	-	16,895
Capital	11,118	-	-	-	11,118
General	6,249	7,141	2,635	(4,284)	11,741
Restricted					
Oak Hill College			325		325
Kingham Hill School			145		145
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net funds	34,262	7,141	3,105	(4,284)	40,224

21 Operating leases

At 31 July 2021 the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2022	2021
	£'000	£'000
Motor vehicles and office equipment		
Expiring within one year	54	60
Expiring within two to five years	136	167
	<hr/>	<hr/>
	190	227
	<hr/>	<hr/>
Lease payments recognised in expenditure	64	52

In September 2015 the Trust entered into an agreement with Biomass Heat Projects Ltd (BHP) for the supply of biomass energy. The Trust granted BHP a 20 year lease at a peppercorn rent over land at Kingham Hill School, upon which BHP constructed a boiler house which contains a biomass boiler and fuel storage. The present value of the building and equipment at the end of the lease cannot be determined and accordingly has not been included in the accounts. At the end of the lease the building and equipment become the property of the Trust.

In December 2015 a Deed of Novation transferred the lease and contract to Aggregated Micro Power (AMO) Heat plc. The contract for the supply of biomass energy is for the same 20 year period as the lease. The price of energy is calculated by a fixed formula which has inflation and the Biomass Fuel index as constituent parts.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2022 (continued)

22 Post balance sheet events

There were no reportable post balance sheet events.

23 Bank loan

The bank loan is secured under a legal charge over Kingham Hill School and its associated assets. The original loan agreement included fixed thrice annual instalments over the life of the loan at £136k per instalment with the final repayment in January 2034. As the impact of Covid-19 became apparent It was agreed that the first repayment would be postponed from April 2020 until January 2021 with the final instalment due in September 2034. With the rise in interest rates the Trust has increased its repayments to £156K per term to repay the loan within the original timescale. Interest has been charged at 2% p.a. over base rate.

The loan is repayable as under:

	2022	2021
	£'000	£'000
Within 1 year	469	333
Within 1 - 2 years	938	666
Within 2 - 5 years	1,407	1,000
Over 5 years	1,696	2,792
	<hr/> 4,510	<hr/> 4,791

24 Finance lease

	2022	2021
	£'000	£'000
Within 1 year	9	9
Within 1 - 2 years	2	8
Within 2 - 5 years		-
Over 5 years		-
	<hr/> 11	<hr/> 17

25 Capital commitments

As at 31 July 2022 KHS had committed to replace its water hydrant supply for a cost of £139k (2021: Nil)

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2022 (continued)

26 Reserves

	Unrestricted income funds				Restricted income funds			Total funds £'000
	Revaluation reserve £'000	Capital reserve £'000	General reserve £'000	Total Unrestricted funds £'000	Oak Hill College £'000	Kingham Hill School £'000	Total restricted funds £'000	
At 1 August 2021	16,895	11,715	10,710	39,320	345	171	516	39,836
Income	-	-	13,131	13,131	195	38	233	13,364
Expenditure	-	-	(12,532)	(12,532)	-	(65)	(65)	(12,597)
Investment gains/(losses)	-	-	(379)	(379)	1	-	1	(378)
Transfers (see below)	-	(597)	811	214	(215)	-	(215)	(1)
Depreciation on revalued assets	-	-	-	-	-	-	-	-
Net movement in funds	-	(597)	1,031	434	(19)	(27)	(46)	388
At 31 July 2022	16,895	11,118	11,741	39,754	326	144	470	40,224

	Unrestricted income funds				Restricted income funds			Total funds £'000
	Revaluation reserve £'000	Capital reserve £'000	General reserve £'000	Total Unrestricted funds £'000	Oak Hill College £'000	Kingham Hill School £'000	Total restricted funds £'000	
At 1 August 2020	16,895	12,295	9,211	38,401	348	139	487	38,888
Income	-	-	10,862	10,862	98	87	185	11,047
Expenditure	-	-	(10,813)	(10,813)	-	(55)	(55)	(10,868)
Investment gains/(losses)	-	-	769	769	-	-	-	769
Transfers (see below)	-	(580)	681	101	(101)	-	(101)	-
Depreciation on revalued assets	-	-	-	-	-	-	-	-
Net movement in funds	-	(580)	1,499	919	(3)	32	29	948
At 31 July 2021	16,895	11,715	10,710	39,320	345	171	516	39,836

The transfer from capital reserves reflects the movement in net book value of freehold buildings within tangible fixed assets. Transfers from Kingham Hill Trust unrestricted funds comprised £(194)k (2021 - £75k) to Kingham Hill School General reserves for the pursuit of various capital and income generating projects. This has been shown as grant income for KHS.

The transfer from capital to general reserve at OHC of £215k (2021: £101k) represents the amount expended on capital buildings work during the year, net of depreciation.

Designated, restricted and endowment funds

The Revaluation and Capital reserves in total reflect the amount of reserves committed to land and buildings. The Oak Hill College restricted income funds are for certain academic costs, the provision of bursaries and future development of the site. In respect of bursaries, £2k (2020: - £2k) was transferred from restricted funds to general reserve to cover bursaries granted during the year. The Kingham Hill School restricted income funds are for certain educational purposes (Founder's pupils and the provision of additional sports, music and arts equipment) and future development of the site.

THE KINGHAM HILL TRUST

England & Wales - Charity number 1076618

Accounts

THE KINGHAM HILL TRUST

**Company No. 00365812
Charity No. 1076618**

**Report and financial statements
for the year ended
31 July 2021**

The Kingham Hill Trust

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The Kingham Hill Trust

Company information

Trustees	Mr S.H.W. Pilcher (Chairman) Mr J.D.B. Anderson, CBE Mr. K.M. Batchelor Mr. N.C.J. Bewes Mr. K.A.M. Edmunds Col. J.W. Lewis The Rev. R. Marsden Mrs. C.M. Pellereau
Secretary	Mr. N.J. Pearson
Registered office	Kingham Hill School Kingham Chipping Norton Oxon OX7 6TH
Auditors	Moore Kingston Smith LLP Chartered Accountants and Registered Auditors Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	Barclays Bank PLC Wytham Court 11 West Way Oxford OX2 0JB National Westminster Bank PLC 1 Town Hall Buildings Bridge Street Banbury Oxon OX16 5JS
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ
Investment managers	Investec Wealth & Investment Limited 30 Gresham Street London EC2V 7QN

The Kingham Hill Trust

Report of the trustees for the year ended 31 July 2021

The Trustees present their report for the year ended 31 July 2021

The Kingham Hill Trust was brought into being and is sustained by the grace of our Heavenly Father, the Almighty God. He brought the work of the Trust into being through Charles Baring-Young and has sustained it through the challenges of many generations of staff and trustees; the Trustees look to Him for direction and provision for the future.

The Kingham Hill Trust is governed by its Memorandum & Articles of Association adopted by Special Resolution on 26 June 1999 which took over the functions and assets and continues the work of the unincorporated charity known as The Kingham Hill Trust which was originally established by a Trust Deed dated 16 December 1912 and amended by subsequent Deeds and Orders of Court. The Kingham Hill Trust is registered as a company limited by guarantee no. 00365812 and as charity no. 1076618. The Trustees are in no doubt that the Trust is a public benefit entity and set out later in this report details of the relevant activities at both Oak Hill College and Kingham Hill School.

Objects and activities

The principal objects of the Trust are:-

- To advance in accordance with the Protestant and Evangelical Faith understood as set out in Article 9.2 of the Articles of Association of the Charity ("the Christian Faith") the physical, mental and spiritual education of children resident in the United Kingdom or elsewhere by helping them to a start in life, especially those children who are in need of a boarding education through deficiencies in their economic, social or family circumstances, or owing to their particular educational or spiritual requirements providing that special regard should be paid to the needs of such children whose parents or guardians are of modest means;
- To train men and women for ordination or other ministries in the Church of England or other Protestant denominations in accordance with the Christian Faith provided that special regard shall be paid to the needs of those of modest means; and
- Otherwise to advance education in accordance with the Christian Faith.

In pursuance of these objects the Trust operates Kingham Hill School, a co-educational boarding school for children aged 11 to 18, and Oak Hill College, an evangelical theological college accredited by the Church of England and also serving other protestant denominations.

Strategic report

Achievements, performance and review of activities

The overall surplus for the year was £948k (2020 - £889k), this being after net investment gains of £769k (2020 losses - £375k). Net funds at the year-end were £39,836k (2020 - £38,888k).

Oak Hill College

In line with the Trust's charitable objectives 36 new students were welcomed to the college in September 2020, 29 at undergraduate level and 7 at postgraduate level (with a further 4 internal postgraduate admissions). These students came from a variety of backgrounds and denominations (Anglican and Independent) and the majority intend to enter full-time Christian ministry in due course. The college also welcomed back 88 returning students giving a student body of 124 in total.

In response to the Covid pandemic, the college's five largest rooms were equipped with audio-visual equipment to enable synchronous teaching in the classroom and on Zoom. The equipment was designed such that students in the room and on Zoom could both see and hear each other throughout each teaching session, and this 'hybrid' system

The Kingham Hill Trust

Report of the trustees for the year ended 31 July 2021 (continued)

allowed students and staff to migrate between the room and Zoom as necessary (for example, for the purposes of shielding or self-isolation). The college also increased its investment in electronic learning resources during the year to ensure that students could continue their learning regardless of national and local restrictions. The Covid Working Group met throughout the year to monitor the college's internal track and trace system and to review wider developments, and regular updates on case/isolation numbers were submitted to the Department of Health.

September 2020 also saw the launch of the college's re-validated undergraduate programmes (CertHE, DipHE and BA (Hons) Theology); the postgraduate programmes (PGCert, PGDip, MA and the fourth year of the MTheol programme) are scheduled for re-validation in Spring 2022, with the formal launch in September 2022. Throughout the year, the college has sought to build upon and further develop relationships with alumni and sending churches through *Equip* events (one event on depression attracted over 400 attendees); the *School of Theology*; and the *Flexible Learning* programme. Feedback on the latter in particular suggests that the experience has been enriching both for the flexible learners themselves and also for the students alongside whom they are learning. All of these activities will continue on into 2021-22, with a welcome return to in-person delivery (as well as 'hybrid' where appropriate).

In Spring 2021, the college launched the Access Bursary Scheme, designed to provide financial support for prospective students from groups which are currently under-represented within the college community: the long-term goal is to reach 10 part-time and 10 full-time students a year by these means and thereby to foster long-term, sustained growth in the diversity of the student body; at the same time, the college is looking at other adjustments which may be helpful in order to facilitate the most positive learning experience possible for all students - for example, learning skills support and aspects of academic/pastoral care.

There were several changes in personnel during the year. At leadership level, the college said farewell to its College Director (Dr Daniel Strange) who left the college after fifteen years of faithful service to take up a new position. In 2019-20, the college appointed two Acting Vice-Principals (Dr David Shaw and Revd Dr Matthew Sleeman) to work with the President (Revd Johnny Juckes) and Director of Operations & Finance (Mr Grant Farrant) while the College Director was on study leave: both were confirmed as full Vice-Principals in Summer 2021. At Council level, the college welcomed the Revd Rob Hudson, Vicar of St Peter's Harold Wood, and said farewell to the Revd Fiona Gibson (who stood down following her appointment as Archdeacon of Ludlow).

Student feedback continues to be regularly reviewed, and two senior students attend College Council meetings and meetings with members of the Leadership Team to ensure that the student perspective is reflected in both strategic planning and in the day-to-day life of the college. Student feedback on both the formal teaching programmes and campus life has remained positive throughout the year, despite the enormous challenges that Covid has presented: for example, in the 2021 National Student Survey, 100% of respondents recorded overall satisfaction with their programme of study; 95% agreed that they were able to access the resources they needed for their learning; and 94% indicated that they had felt part of a community during the year, which was remarkable given the difficult circumstances.

The college also continues to be regularly monitored and inspected by its degree awarding body, Middlesex University, and by the Church of England. No major concerns have been raised during the reporting period. The Kingham Hill Trust also continues to comply with all of the ongoing conditions of its registration with the Office for Students, and reports regularly on this at meetings of the Finance & General Purposes Committee and the College Council.

In financial terms the operational deficit (before donations) for the year amounted to £582k, which was a 33% improvement from the prior year, which in itself was a 25% improvement from the year before that. Donations exceeded the operational deficit, enabling a surplus of £251k, which results in a stable cash position and reasonably robust reserves.

The college continues to face significant challenges, both because of the ongoing effects of the Covid pandemic, and also because of changing demands and competition in theological training. However, the college remains very grateful to

The Kingham Hill Trust

Report of the trustees for the year ended 31 July 2021 (continued)

God, to its generous supporters, and to the students and staff for the way in which the college and its community have been able to operate during this challenging period; the college remains committed to providing the very best formation and learning experience that it can for the next generation of students.

Kingham Hill School

The School experienced a small drop in pupil numbers, largely due to Covid related travel restrictions, however this is viewed to be short term, as the school remains educationally and pastorally strong, with highly rated online teaching generating very good academic results. Despite the government restrictions that have been in force, the school continues to offer a broad range of stimulating and enriching extra-curricular sport and activities, which have been supported by the extensive school grounds and onsite facilities.

In September 2020 pupils at the school numbered over 325 including international students, the majority of the latter coming from China, America and Germany. The school continues to draw its entry from a wide range and number of schools but with a steady feed derived from a small number of local primary and preparatory schools, with which close relationships are fostered. The School has remained a majority boarding school despite a sector-wide reduction in boarders, partially through the ongoing support of UK and US military families.

The Sports Centre which opened in early 2020, has provided great benefit to pupils throughout the lockdown periods, however commercial income generation during the shutdown of the leisure industry was limited. Additionally, wider rental income achieved through residential hires has fallen substantially due to the pandemic.

During the second Covid lockdown the School provided an excellent education to pupils, with roughly 20 pupils residing on site throughout the shutdown, due to travel restrictions and key worker requirements. This was very well received by pupils and parents and assisted many in maintaining their own employment. The School is well versed in operating with Covid restrictions in place, should the need to employ these in the coming winter prevail.

Facilities development continued throughout the year, albeit on a smaller scale than in many years, with works beginning to refurbish the Sixth Form facilities and the upgrade of performing arts facilities.

The Christian ethos of the School remains central in all it does and says. Attendance by pupils at Chapel and the provision of other Christian groups fulfils the Founder's vision and the requirements of the Trust, and the School gladly teaches British Values.

The Public Benefit offered by the school is noteworthy. Fee concessions with means testing are available, as are bursaries; these together amounted to £656k (2020 - £718k). The Founder's Pupils scheme also fulfils the Founder's vision by providing a boarding education to pupils from a disadvantaged background and who would benefit greatly from a Kingham education. Kingham Hill School Leisure enables the use of the School's facilities by members of the local community and the facilities are used by a wide range of local groups and schools. The School's Community Service programme involves pupils serving the community in a variety of ways.

The support staff remain a valuable part of the School community, serving it faithfully and efficiently. The School is up to date with all regulatory and compliance requirements. The Annual Review of Safeguarding was received and approved by the Governing Body. The School has provided a counselling service which has been effectively and helpfully used by the pupils.

The compulsory closure of the School in March and the move to Virtual Kingham resulted in rebates being given; these amounted to over £299k. Such rebates and a marked reduction in enterprise and lettings activities, due to Government regulations, resulted in a loss of revenue of some £356k although this was partly offset by £230k from the Government

The Kingham Hill Trust

Report of the trustees for the year ended 31 July 2021 (continued)

furloughing scheme. This was the first year that loan repayments for the sports centre were made, with £209k repaid and £104k of interest charged to revenue.

The Covid pandemic has created more challenges and uncertainties for independent fee paying schools and especially majority-boarding schools. The School faces considerable challenges and needs to continue to work hard to provide excellent value for money, while all the time keeping costs down and to market itself imaginatively and well.

The Trustees continue to pray for the College President, the Rev. Jonathan Jukes, and the Headmaster of the School, the Rev. Nick Seward, and for the staff who serve alongside them as well as for the Chairman of the College Council, the Chairman of the School Governors and their respective teams.

Systems for measuring key performance indicators are in operation at both School and College. They include: performance against financial targets, compliance, academic standards, high quality of teaching, admissions, and staff development. Reports are presented to every meeting of both School Governors and College Council.

Reserves

The reserves held by the Trust are set out in detail in Note 26 to the financial statements. At 31 July 2021 the Trust had free reserves of £10,710k (2020 - £9,211k); these are largely represented by the Trust's listed investments and investment cash valued at £7,995k (2020 - £7,144k) which are held primarily for the purposes of generating income and to provide a financial backstop in the event of adverse events at either School or College. Operational deficits and the ability to respond to unexpected occurrences are funded by drawdowns of capital from the investment portfolio.

Trustees decided in 2009 to set a policy limit on the investment drawdown of 5% p.a. At the time it was recognised that difficulties at both College and School might entail this limit being exceeded in the short term by quite substantial margins. In 2019 the drawdown was 2.11% (2019 - 1.26%). Covid resulted in a reduction in pupil numbers at the school and thus reduced resources for investment. The Trustees agreed to provide funding of up to £500k for capital expenditure and revenue enhancing projects, £71k of which was spent in the year. It is anticipated that a further £348k will be spent in 2021/22 which, with other normal expenditure, will result in a drawdown of 5.35%.

Under the Memorandum of Association, the Trustees are permitted to use capital as well as revenue reserves to fund any shortfalls of net income. They may also accumulate reserves in order to permit growth of the investment portfolio and to fund capital expenditure.

The Trustees recognise the need to maintain and enhance the value of the investment portfolio in real terms in order to provide on-going capital requirements from time to time. As prudent Trustees, they have indicated the need to conserve and develop capital in the short term and avoid significant calls on capital. There is an established, rolling and tightly controlled programme of refurbishing the boarding houses at the School. The Trust does not support or allow capital developments to progress without the required funding being in place.

The Trustees decided that it would be appropriate to build towards free central reserves (i.e. excluding those used by School and College) of £8m, represented by an investment portfolio of equal amount. Using conservative rates of return, in the absence of any further benefactions and in the expectation that further investment in both School and College will be necessary, Trustees expect their target to be achieved over the next two to three years.

Investec Wealth and Investment Ltd now has management over the whole of the Trust's investment portfolio, the one holding held by the previous investment manager, Ruffer LLP, having been liquidated. Trustees are thankful to see the growth in the portfolio which at the year end, including investment cash, stood at £7,995k.

The Kingham Hill Trust

Report of the trustees for the year ended 31 July 2021 (continued)

Principal risks and uncertainties

The Trustees are required to produce a statement of policy on risk identification and management, and this has been done to an established standard. To support this action the Trustees follow a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the Trust faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. This process is monitored by the Trustees annually.

The separate nature of School and College means that each has its own risk register which is reviewed annually by the Board of Governors or College Council with the appropriate report going to Trustees.

Apart from the previously mentioned reserves policy, Trustees review the investment policy annually. Both School and College continue to develop and update policies relevant to their spheres of operation; they include safeguarding, health and safety, whistle blowing and anti-bribery.

For the School the principal risks are considered to be the lack of unrestricted income and adverse publicity. The former is being addressed by tight control of both capital and revenue expenditure so that reserves can be replenished. There are also the Trust's free reserves which could be used in part to support the School. Adverse publicity is carefully monitored by Trustees, supported by the marketing departments, with insurers providing PR advice in the event of a particular issue. The Critical Incident Plan has measures to manage adverse publicity.

At the College the principal risks are perceived to be ceasing to be a preferred Church of England training institution and the financial dependency on a very few major donors. For the former, the College President maintains a regular dialogue with the relevant officers within the National Church and a report of his activity in this field is a standing item for his report to Council. Strenuous efforts are being made to broaden the financial supporter base. Progress will be monitored against the strategic plan.

The pandemic has shown both how easily and quickly substantial deficits can be incurred and the importance of tight financial controls.

Governance

The Trustees regularly review the activities of the College and the School in relation to the terms of the Trust, paying close attention to the Founder's intentions, working together to keep both the College and the School loyal to his wishes. Both institutions clearly continue to carry out the Objects of the Trust and the Trustees are constantly seeking ways for them to operate in an increasingly effective and relevant way. To this end, work is continuing on major strategic reviews at both College and School. Trustees also review the overall governance of the Trust and a major external review of governance has been completed. Implementation of the report's recommendations was delayed by Covid restrictions but will be progressed in the current year.

Trustees are recruited typically after having served as members of the College Council or of the School Board of Governors. Prospective Trustees will generally have served on one or more of the various establishments' sub-committees, and therefore already have good background knowledge of the charity's activities.

Trustees have met formally four times in the year, either online or in person, and there will in future continue to be at least three meetings each year. New or prospective trustees are supplied with copies of the Trust's Memorandum and Articles of Association, a history of the Trust, the previous year's financial statements and any further information they particularly request. Trustees are made aware of available training opportunities and are encouraged to develop their governance skills by attending appropriate courses.

The Kingham Hill Trust

Report of the trustees for the year ended 31 July 2021 (continued)

The Trust employs various professional organisations to ensure that processes, procedures and policies are developed which reflect the ever changing statutory environment in which charities must operate. Trustees are supplied with information relating to these necessary changes on a regular basis.

The Trustees have delegated responsibility for most of the operational requirements to the Council of the College and Board of Governors of the School, with regular reporting requirements to enable the Trustees to continue their oversight and responsibilities. The School Governors, and the College Council are served by their own Finance & General Purposes committees and Trustees are supplied with minutes of all meetings of the College Council, the School Board of Governors, their related Finance and General Purposes Committees and all other sub-committees.

The Executive Committee is comprised of the School-based Trustees and a Governor (who is not a Trustee) was set up in April 2020 has continued to meet as necessary.

The salaries of the senior management personnel at both School and College are subject to scrutiny by the relevant Finance & General Purposes Committee, acting as the Remuneration Committees. At Oak Hill College salaries are set with reference to the Church of England standard Lichfield scale, enhanced for additional duties. At Kingham Hill School salaries are determined by comparison with pay at other local independent schools, again enhanced for additional levels of responsibility,

At both School and College safe guarding is taken very seriously. Both institutions have an appropriate safeguarding policy and at the School no offer of employment is made without clearance from the Disclosure and Barring Service. Both institutions also have an appropriate complaints policy.

Trustees' responsibilities for the financial statements

The Trustees (who are also directors of The Kingham Hill Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements the trustees are required to:

- select suitable accounting principles and applied them consistently;
- comply with applicable accounting standards including FRS 102, subject to any material departures therefrom being disclosed and explained in the financial statements;
- made judgments and estimates that are reasonable and prudent;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Kingham Hill Trust

Report of the trustees for the year ended 31 July 2021 (continued)

Public Benefit

The Trustees regularly review all the activities of the Trust and consider how these contribute to the aims and objectives set by the charity's objects and confirm that they have complied with the duty in s.17 Charities Act 2011 by referencing their review to the Charity Commission's published guidance on public benefit under that Act. The Trustees are bound by the terms of the Trust to ensure that all the Trust's activities clearly express the evangelical Christian convictions of the Founder.

Oak Hill College and Kingham Hill School are both educational establishments, but are quite different from each other. The public benefit is therefore expressed in ways which reflect both the similarities and the differences. For the College, Trustees set out a broad vision of public benefit while for the School the focus is on specific projects within the local community, without including the longer term wider public benefit provided by former pupils serving their communities once they have left the School.

The College provides public benefit by: advancing religion through providing ministers who have been taught to a high level in one of the UK's major religious traditions, including in areas pertaining to public concern such as safeguarding and the protection of at-risk individuals and; by advancing education through providing ministers to serve their local communities (many of which are disadvantaged) who have been taught to a tertiary level of education.

The School provides public benefit both to the local community and others by advancing both religion and education. It does so through:

- the provision of bursaries which in 2021 amounted to £656k (2020: £718k).
- the Founder's Pupils programme which provides assistance to pupils who would benefit from a boarding education, as envisaged by Charles Baring Young, the Trust's founder.
- providing curriculum enrichment for a number of local schools through invitations to School enrichments weeks activities, a local choir competition and a series of science, art, music and modern foreign language events
- Kingham Hill School community service programme whereby pupils take part in weekly activities such as helping the elderly, litter clearance and other projects.
- Kingham Hill School Leisure (KHL) enables the use of the school swimming pool and gym. Raffle prizes of KHL membership are regularly given to local schools and community events.
- Fee concessions of 15% of fee income are provided (means tested 8.7% and 6.3% non-means tested) as a public benefit to the wider community.
- Loan of school vehicles to local charities.
- Use of the School site by the Oxfordshire Lowland Search and Rescue team.

Fundraising

The Trust does not use the services of a professional fundraiser. Fundraising requests are limited to alumni of school and college, to specific trusts and, to churches with a similar Christian ethos to that of the Trust; there has not been any fundraising from the general public. No complaint has been received about the Trust's fundraising efforts and Trust development staff work within The Code of Fundraising Practice.

The Trust is mindful of the need to protect vulnerable people and others from unreasonable intrusion on privacy, from persistent approaches or undue pressure to give. Accordingly, communications are only made with those people who have opted in to receive them.

The Kingham Hill Trust

Report of the trustees for the year ended 31 July 2021 (continued)

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year

Audit information

So far as each of the trustees at the time the trustees' report is approved is aware:

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

This annual report was approved by the Trustees of the charity on 25 November 2020. The Strategic report, which forms part of the Report of the Trustees, is approved by the Trustees in their capacity as directors in Company Law of the charity.



S.H.W. Pilcher (Chairman of Trustees)

24 November 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KINGHAM HILL TRUST

Opinion

We have audited the financial statements of The Kingham Hill Trust ('the company') for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 July 2021 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 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report 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 strategic report or 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.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

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

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.

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.

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.

Moore Kingston Smith LLP

Date 25/1/22

Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

The Kingham Hill Trust

Statement of financial activities (incorporating an income and expenditure account) for the year ended 31 July 2021

	Note	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total funds 2021 £'000	Total funds 2020 £'000
Income					
Donations	2	858	184	1,042	2,103
Income from charitable activities	3	8,455	-	8,455	9,031
Income from other trading activities	4	1,139	-	1,139	1,156
Government grants		244	-	244	258
Investment income	5	166	1	167	192
Total income		10,862	185	11,047	12,740
Expenditure					
Cost of raising funds	6	140	-	140	148
Expenditure on charitable activities	7	10,673	55	10,728	11,328
Total expenditure		10,813	55	10,868	11,476
Total income less total expenditure		49	130	179	1,264
Net investment (losses)/gains	14	769	-	769	(375)
Net income for the year		818	130	948	889
Transfers	26	101	(101)	-	-
Net movement in funds for the year		919	29	948	889
Reconciliation of funds					
Total funds brought forward	26	38,401	487	38,888	37,999
Total funds carried forward	26	39,320	516	39,836	38,888

All activities are continuing operations of the Trust. There were no recognised gains or losses during the year other than those reported above.

The Kingham Hill Trust

Statement of financial position as at 31 July 2021

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Tangible assets	13		35,484		36,483
Investments:	14		7,995		7,144
			<u>43,479</u>		<u>43,627</u>
Current assets					
Stock	15	18		22	
Debtors	16	449		456	
Cash at bank and in hand		<u>2,876</u>		<u>1,854</u>	
		3,343		2,332	
Creditors: amounts falling due within one year					
	17	<u>(2,097)</u>		<u>(1,829)</u>	
Net current liabilities					
			<u>1,246</u>		<u>503</u>
Total assets less current liabilities					
			44,725		44,130
Creditors: amounts falling due after more than one year					
	18		(4,679)		(4,981)
Provision for liabilities					
	19		(210)		(261)
Net assets					
			<u>39,836</u>		<u>38,888</u>
Reserves					
Unrestricted income funds	26		39,320		38,401
Restricted income funds	26		516		487
Total charity funds					
			<u>39,836</u>		<u>38,888</u>

Company Registration Number: 00365812

The financial statements were approved by the trustees and authorised for issue on 24 November 2021 and signed on their behalf by:



S.H.W. Pilcher
Trustee



N.C.J. Bewes
Trustee

The Kingham Hill Trust

Statement of cash flows for the year ended 31 July 2021

Reconciliation of net income for the year to net cash flows from operating activities	2021 £'000	2020 £'000		
Net income for the year	179	1,264		
Depreciation	1,396	1,492		
Loss on sale of tangible fixed assets	-	11		
Decrease/(increase) in stock	4	3		
Decrease/(increase) in debtors	5	125		
(Decrease)/Increase in creditors	182	(1,126)		
(increase)/decrease in provision	(51)	(100)		
Return on investments	(167)	(192)		
Net cash inflow from operating activities	1,548	1,477		
Cash flows from investing activities				
Dividends and interest received	169	187		
Purchases of tangible fixed assets	(397)	(2,699)		
Sale proceeds of tangible fixed assets	-	4		
Purchases of fixed asset investments	(597)	(1,602)		
Sales of fixed asset Investments	932	1,738		
Net cash inflow/(outflow) from investing activities	107	(2,372)		
Cash flows from financing activities				
Proceeds from bank loan	-	2,411		
Repayment of bank loan	(209)	-		
Repayment of finance lease funding	(7)	(7)		
Net cash (outflow)/inflow from financing activities	(216)	2,404		
Change in cash and cash equivalents in the reporting period	1,439	1,509		
Cash and cash equivalents at the beginning of the reporting period	3,149	1,640		
Cash and cash equivalents at the end of the reporting period	4,588	3,149		
Cash and cash equivalents consist of:				
Investment cash	1,712	1,295		
Cash	2,876	1,854		
	4,588	3,149		
Analysis of changes in net debt	At 01/08/20 £'000	Cashflows £'000	Non-cash £'000	At 31/07/21 £'000
Cash	3,149	1,439	-	4,588
Loans due within one year	(222)	-	(111)	(333)
Loans due after more than one year	(4,778)	320	111	(4,347)
Finance lease obligations	(24)	7	-	(17)
	(1,875)	1,766	-	(109)

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2021

1 Accounting policies

Basis of accounting

The Trust is a charitable company, incorporated in England and Wales and limited by guarantee. The financial statements are prepared in accordance with: FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102), the Companies Act 2006 and other applicable accounting standards in the UK. As the Trust is a public benefit entity as defined by FRS 102 the accounts have also been prepared in accordance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (FRS 102 SORP) and the Charities Act 2011.

The financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of certain fixed assets. The Trustees have assessed whether the use of the going concern basis is appropriate, especially in the light of the continuing pandemic, and have considered various scenarios which might cast doubt on the ability of the Trust to continue as a going concern. Such scenarios have included significantly fewer pupils and students, the effect that virtual tuition might have on product quality, and the impact of a reduction in donations received. Trustees have made these assessments for a period of at least one year from the date of approval of the financial statements and have considered forecasts and projections. In addition, the bank loan is subject to certain covenants, regularly reviewed, and the repayment terms are set out in Note 23. The bank has waived certain covenants for the year under review and postponed covenant calculations until July 2022. The results of their enquiries and the very positive reaction to the implementation of virtual tuition have allowed Trustees to conclude that there is a reasonable expectation that the Trust has adequate resources to continue in operation for the foreseeable future and that, accordingly, it is appropriate to continue to adopt the going concern basis in the preparation of the Trust's financial statements. Trustees have also ensured that, as at the date of the signing-off of the accounts, there are no material uncertainties which need to be reflected within these accounts.

The accounts are prepared in sterling which is the functional currency of the company, rounded to the nearest thousand pounds. The principal accounting policies which have been applied consistently throughout the year are set out below. All activities which are included in the "Statement of financial activities" relate to continuing operations.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates ruling on the date of each transaction. The value of investments and cash deposits awaiting investment are translated at the rates ruling at the end of the accounting period.

Income

Income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Income from charitable activities represents fees invoiced to third parties for tuition and similar educational activities. They are stated net of bursaries and other fee remissions provided out of the Trust's unrestricted funds, which are disclosed elsewhere in the notes to the financial statements, but include fee bursaries provided from restricted funds.

Income from other trading activities includes rent receivable from students and staff together with lettings to third parties.

Investment income represents dividends and interest received during the year on the investment portfolio held by the Trust.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2021 (continued)

1 Accounting policies (continued)

Dividends and interest receivable

Dividends and interest are included in the accounts on the basis of the date such income is received by the Trust's investment managers with the exception of fixed interest securities where income is accounted for on an accruals basis.

Expenditure

Expenditure is included in the Statement of financial activities on an accruals basis, inclusive of any VAT which cannot be recovered. Charitable resources expended are analysed under seven headings. All costs are specifically allocated to one of the categories and no costs are apportioned between them.

Leases

Rentals payable on operating leases are recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Retirement benefits

The costs of retirement benefits provided to employees of the Trust through two multi-employer defined benefit pension schemes are accounted for as if these were defined contribution schemes as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The Trust's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable. In addition a liability is recognised as at the date of the Statement of financial position for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

The Trust makes normal contributions on behalf of the teachers at Kingham Hill School to the Department of Education and Employment Teachers Pension Agency. The scheme is a defined benefit scheme and the contributions are charged as an unrestricted expense in the Trust's accounts as they fall due for payment.

Taxation

The Trust, being a registered charity, is exempt from taxation on its income and capital gains to the extent that they are applied for charitable purposes.

Tangible fixed assets and depreciation

All tangible fixed assets held by the Trust are for charitable purposes and are shown in the Statement of financial position at cost or valuation less accumulated depreciation. All assets costing more than £1,000 are capitalised, those costing less being written off in the year of acquisition unless they form part of a larger project.

The Trust has adopted the transitional provisions of FRS 15 "Tangible fixed assets" and has not updated the last valuation of freehold land and buildings. Freehold land and buildings are stated at professional valuation using the depreciated replacement cost or open market value based at 31 July 1999. Expenditure from that date has been capitalised at cost, including, where appropriate interest and other borrowing costs incurred up to the date of practical completion.

Depreciation is provided evenly on the cost (or valuation where appropriate) of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Upon completion, new buildings are depreciated to write off the cost over 50 years unless otherwise stated. Buildings are depreciated over 50 years or the period of the lease (if shorter). No depreciation is provided on freehold land. Additions to buildings are depreciated over 50 years.

The principal annual rates used for other assets are:

I.T. equipment	33.33%
Equipment, fixtures and fittings	15%
Motor vehicles	25%
Other machinery	25%

Assets which reach the end of their estimated useful lives are generally scrapped and therefore removed from the fixed asset register.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2021 (continued)

Accounting policies (continued)

Listed investments

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the accounting period.

Stock

Stocks are valued at the lower of cost and estimated net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on the estimated sales price.

Cash and cash equivalents

These include cash at banks and in hand and short term deposits with a maturity date of three months or less.

Financial assets

The Company has elected to apply the provisions of FRS 102 Section 11 'Basic financial instruments' and Section 12 'Other financial instruments' issues to all of its financial instruments.

Financial assets are recognised in the company's Statement of financial position when the company becomes party to the contractual provisions of the instrument. They are classified into specified categories; the classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through profit or loss are measured at fair value.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'Loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment.

Interest is recognised by applying the effective interest rate except for short term receivables where the recognition of interest would be immaterial. The effective interest rate is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at the end of each accounting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected with the impairment being recognised in profit or loss.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

Basic financial liabilities are initially measured at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2021 (continued)

1 Accounting policies (continued)

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method with interest expense recognised on an effective yield basis. The effective yield basis is a method of calculating the amortised costs of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition. Financial liabilities are derecognised when and only when the company's obligations are discharged, cancelled or reach expiration.

Fund accounting

Funds held by the charity are either:

Unrestricted funds

These are funds which can be used in accordance with the Trust's objects at the discretion of the trustees. Such funds include both Capital and Revaluation reserves, the combined amount of which represents the Trust's investment in land and buildings; these monies are not available to support operating activities or:

Restricted funds

These funds represent monies given to the Trust for specific purposes. They include benefactions for future development at both Oak Hill College and Kingham Hill School, a bursary fund to assist students at the College and funds to support certain educational activities at both College and School.

Critical accounting estimates and judgments

In the application of the company's accounting policies Trustees are 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 revision occurs, should only affect that period, or in the period in which the revision occurs and future periods if relevant. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

Useful economic lives

The annual depreciation charge for buildings, plant, fixtures, and motor vehicles is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates based on technological advancement, future investment, economic utilisation, and the physical condition of the assets. Note 13 gives the carrying amount of the relevant assets and Note 1 details the useful economic life 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 factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. Note 16 gives details of the net carrying amount of debtors and the associated impairment provision.

Analysis of pupil deposits

Deposits held in respect of pupils in Years 7 to 9 are presumed to be repayable after more than one year while deposits held for pupils in subsequent years are treated as being repayable within one year.

Employee benefits

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

The cost of any untaken holiday entitlements are recognised in the period in which the employees' services are received.

Termination benefits are recognised immediately as an expense once the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2021 (continued)

1 Accounting policies (continued)

Provisions

Provisions have been made for post-employment benefits. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period in which such determination is made.

		2021 £'000	2020 £'000
2 Donations	Note		
Restricted to development	8/9	1	3
Restricted to bursaries	8/9	66	78
Restricted to educational purposes	8/9	117	100
Unrestricted	8/9	858	1,922
		<u>1,042</u>	<u>2,103</u>
3 Income from charitable activities			
Kingham Hill School	8	7,220	7,703
Oak Hill College	9	1,235	1,328
		<u>8,455</u>	<u>9,031</u>
4 Income from other trading activities			
Kingham Hill School	8	256	375
Kingham Hill School restricted	8	-	-
Oak Hill College	9	883	781
		<u>1,139</u>	<u>1,156</u>
5 Investment income			
Income from listed investments		166	188
Restricted interest receivable	8/9	1	2
Unrestricted interest receivable	8/9	-	2
		<u>167</u>	<u>192</u>
6 Cost of raising funds			
Development office			
Kingham Hill School	8	110	117
Oak Hill College	9	-	-
Investment management fees		30	31
		<u>140</u>	<u>148</u>
7 Expenditure on charitable activities			
Kingham Hill School unrestricted	8	7,875	8,162
Kingham Hill School restricted	8	55	92
Oak Hill College unrestricted	9	2,738	2,975
Oak Hill College restricted	9	-	-
Governance administration costs		60	99
		<u>10,728</u>	<u>11,328</u>

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2021 (continued)

	2021 £'000	2020 £'000
8 Kingham Hill School		
Income		
Fees	7,876	8,421
Less: Bursaries & concessions	(656)	(718)
	<u>7,220</u>	<u>7,703</u>
Rental income	133	241
Investment income	-	2
Restricted donations	87	157
Unrestricted donations	100	-
Restricted other income	-	-
Government grants	230	218
Unrestricted other income	198	134
	<u>7,968</u>	<u>8,455</u>
Total income		
Expenditure		
Cost of generating funds		
Development	110	117
	<u>110</u>	<u>117</u>
Charitable expenditure		
Academic	3,563	3,650
Restricted academic	55	92
Administrative	747	754
Marketing	99	107
Transport	187	157
Premises	1,114	1,142
Leisure Centre	83	106
Catering	567	530
Domestic	363	359
Depreciation	876	835
Loan interest	104	86
Other	172	436
	<u>7,930</u>	<u>8,254</u>
Total charitable expenditure		
	<u>7,930</u>	<u>8,254</u>
Total expenditure	<u>8,040</u>	<u>8,371</u>
Total income less total expenditure	(72)	84
Transfers	-	-
	<u>-</u>	<u>-</u>
Net movement in funds	<u>(72)</u>	<u>84</u>
Net assets of Kingham Hill School	<u>12,997</u>	<u>13,105</u>

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2021 (continued)

	2021 £'000	2020 £'000
9 Oak Hill College		
Income		
Student fees	1,195	1,277
Less: Bursaries	(23)	(11)
	<u>1,172</u>	<u>1,266</u>
Rental income	870	752
Restricted donations	97	24
Unrestricted donations	758	1,922
Restricted investment income	1	2
Unrestricted investment income	1	1
Government grants	14	40
Joint appointments	63	62
Other income	13	29
	<u>2,989</u>	<u>4,098</u>
Total income		
Expenditure		
Cost of raising funds		
Development costs	-	-
Charitable expenditure		
Academic costs	935	879
Restricted academic costs	-	-
Administrative costs	491	571
Marketing costs	154	229
Catering costs	40	149
Household costs	73	75
Premises costs	525	471
Depreciation	520	601
	<u>2,738</u>	<u>2,975</u>
Total charitable expenditure		
	<u>2,738</u>	<u>2,975</u>
Total expenditure		
	<u>2,738</u>	<u>2,975</u>
Total income less total expenditure	251	1,123
Transfers	-	-
	<u>251</u>	<u>1,123</u>
Net movement in funds		
	<u>251</u>	<u>1,123</u>
Net assets of Oak Hill College	<u>19,092</u>	<u>18,840</u>

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2021 (continued)

10 Auditors' remuneration	2021 £'000	2020 £'000
Auditors' remuneration		
Audit fees	36	35
Other advice	-	34
Previous year overprovision	(5)	-
	<hr/>	<hr/>
Total auditors' remuneration	<u>31</u>	<u>69</u>
11 Employees and payroll	2021 No.	2020 No.
Average monthly number of employees:		
Kingham Hill School	155	177
Oak Hill College	42	70
Governance	1	1
	<hr/>	<hr/>
	<u>198</u>	<u>248</u>
	2021 £'000	2020 £'000
Staff costs:		
Wages and salaries	4,738	4,915
Social security costs	427	454
Other pension costs	670	690
	<hr/>	<hr/>
	<u>5,835</u>	<u>6,059</u>
	2021 £'000	2020 £'000
Other pension costs comprise		
Defined benefit schemes	374	532
Defined contribution scheme	296	158
	<hr/>	<hr/>
	<u>670</u>	<u>690</u>

Two employees earned more than £60k during the accounting period (2020: 2), one in the band £90k - £100k (2020: £80k - £90k) and one in the band £60k - £70k (2020: 1).

One of the above employees is a member of a defined benefit pension scheme into which the Trust made contributions on the employee's behalf. During the year £20k (2020 - £20k) was paid by the employer into the scheme.

Key management personnel include the Trustees and members of the senior management teams. The Trustees received no remuneration during the accounting period (2020: £Nil). There were 14 members of the senior management teams during the year (2020: 12) whose aggregate pay and benefits amounted £786k (2020: £692k). Employer's NIC relating to the senior management teams amounted to £85k (2020 - £78k) and employer's pension contributions for the senior management teams were £139k (2020: £140k).

There were 6 (2020: 6) members of the senior management teams who were provided with rent-free accommodation in order to enable them to undertake specific duties at both school and college.

Termination payments of £123k (2020: £44k) were made during the year.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2021 (continued)

11 Employees and pension costs (continued)

Pension schemes

Certain employees are members of one of three different defined benefit schemes. Clergy are members of the Church of England Funded Pension Scheme, teachers are members of the Teachers' Pension Scheme, and certain other employees are members of the Church of England Defined Benefits Scheme Section of the Church Workers' Pension Fund.

Teachers' Pension Scheme (TPS)

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £445k (2020 - £412k) and at the year-end £35k (2020 - £49k) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 valuation report was prepared in accordance with the scheme regulations and under the approach specified in the directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions in the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to responses on 19 August 2021 and the government is currently analysing the responses.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2021 (continued)

11 Employees and pension costs (continued)

In view of the above rulings and decisions the assumptions used in the 31 March 2016 actuarial valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results to those contained in the actuarial valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Church of England Funded Pension Scheme (CEFPS)

Oak Hill College and Kingham Hill School participate in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the responsible bodies. Each participating responsible body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific responsible body and also that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2021: £50k, 2020: £49k) plus the figures shown in the table on the next page as being recognised in the SoFA, giving a total charge of £51k for 2021 (2020 charge: £17k).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- an investment strategy of:
 - for investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly to 70% by 31 December 2030, with the balance in return-seeking assets; and
 - for investments backing liabilities prior to retirement, an allocation of 100% to return-seeking assets.
- an average discount rate of 3.2% pa
- RPI inflation of 3.4% pa (and pension increases consistent with this);
- increase in pensionable stipends of 3.4% pa; and
- mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% pa.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2021 (continued)

11 Employees and pension costs (continued)

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit repair contributions rates (as a percentage of pensionable stipends) are as set out below:

% of pensionable stipends	01/01/21 to 31/12/22	01/01/18 to 31/12/20
Deficit repair contributions	7.1%	11.9%

As at 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time was 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 and 2020 the deficit recovery contributions under the recovery plan in force were as set out above. For senior office holder, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2020 and 2021 is set out in the table below.

	2021 £'000	2020 £'000
Balance sheet liability at 1 August	31	97
Deficit contributions paid	(15)	(15)
Interest cost (recognised in SoFA)	-	2
Remaining change* (recognised in SoFA)	2	(53)
Balance sheet liability at 31 July	<u>18</u>	<u>31</u>

* Comprises change in agreed deficit recovery plan and change in discount rate between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	2021	2020	2019
Discount rate pa	0.2%	1.1%	2.1%
Price inflation pa	3.1%	2.8%	3.1%
Increase to total pensionable payroll pa	1.6%	1.3%	1.6%

The legal structure of the scheme is such that if another responsible body fails, the Trust could become responsible for paying a share of that responsible body's pension liabilities.

Church Workers Pension Fund (CWPF)

Oak Hill College (DBS) participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the responsible body and the other responsible bodies.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, the DBS is divided into sub-pools in respect of each participating responsible body as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between responsible bodies, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from responsible bodies' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2021 (continued)

11 Employees and pension costs (continued)

The scheme is a multi-employer scheme as described in S.28 of FRS 102. It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2021: £15k, 2020: £22k) plus any impact of deficit contributions (see below), giving a total credit for 2021 of £23k (2020 credit: £12k)

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2016. In this valuation, the Life Risk Section was shown to be in deficit by £2.6m and this was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £26.2m.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 43.5% of pensionable salary and expenses of £3,300 per year. In addition deficit payments of £46k pa have been agreed for 7 years from 1 April 2018 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2021 £'000	2020 £'000
Balance sheet liability at 1 August	230	264
Deficit contributions paid	(46)	(46)
Interest cost (recognised in SoFA)	3	5
Remaining charge* (recognised in SoFA)	5	7
Balance sheet liability at 31 July	<u>192</u>	<u>230</u>

* Comprises change in agreed deficit recovery plan and change in discount rate between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	2021	2020	2019
Discount rate	1.3%	2.1%	1.0%

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities.

The next valuation of the scheme is currently being carried out as at 31 December 2019.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2021 (continued)

12 Transactions involving trustees and related parties

Travel, subsistence and training expenditure paid on behalf of or reimbursed to trustees amounted to £Nil (2020 - £1k to five trustees).

Total aggregated donations received from Trustees and related parties during the accounting period amounted to £600k (2020: £563k). This amount disclosed is gross of Gift Aid received on the donations of £95k (2020: £113k).

13 Tangible fixed assets

	Freehold land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
Cost or valuation	£'000	£'000	£'000	£'000
At 1 August 2020	41,043	5,956	241	47,240
Additions	17	380	-	397
Disposals	-	(158)	-	(158)
At 31 July 2021	41,060	6,178	241	47,479
Depreciation				
At 1 August 2020	6,464	4,083	210	10,757
Charged for the year	597	773	26	1,396
Released on disposal	-	(158)	-	(158)
At 31 July 2021	7,061	4,698	236	11,995
Net book value				
At 31 July 2021	33,999	1,480	5	35,484
At 31 July 2020	34,579	1,873	31	36,483

The net carrying value of tangible fixed assets includes £25k (2020: £30k) in respect of an asset held under a finance lease. The lease is for 5 years from December 2018 with interest at 24.8% and is repayable by 20 quarterly instalments. The depreciation charge in respect of this asset amounted to £5k (2020: £5k)

The freehold land and buildings were revalued at 31 July 1999 on the basis of their depreciated replacement cost and open market value by Weatherall Green and Smith, Chartered Surveyors. As allowed by accounting standards, this valuation has been used as deemed cost going forward and the Trust has not adopted a policy of valuation for its tangible fixed assets.

If the properties had not been revalued they would have been included in the balance sheet at the following amounts:

	£'000
Cost	21,454
Depreciation	(6,684)
Net book value	
At 31 July 2021	14,770
At 31 July 2020	14,831

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2021 (continued)

14 Fixed asset investments	2021 £'000	2020 £'000
Investments (at market value) are represented by:		
Fixed interest securities	1,851	1,827
Managed funds	2,490	2,295
Equity shares	1,942	1,727
	<u>6,283</u>	<u>5,849</u>
Cash deposits	1,712	1,295
	<u>7,995</u>	<u>7,144</u>
The portfolio represents the Trust's free central reserves		
No individual holding is considered material in the context of the overall portfolio		
Analysis of investments held at the year end		
UK Investments	5,674	5,322
Investments outside the UK	2,321	1,822
	<u>7,995</u>	<u>7,144</u>
Opening balance:		
Cost at 1 August 2020		5,614
Cumulative unrealised gain at 1 August 2020		<u>235</u>
Valuation at 1 August 2020		5,849
Movements in the year:		
Purchases at cost		597
Sales at opening market value		(932)
Net gain on revaluation		<u>769</u>
Valuation at 31 July 2021		<u>6,283</u>
Closing balance:		
Cost at 31 July 2021		5,445
Cumulative unrealised gain at 31 July 2021		<u>838</u>
		<u>6,283</u>
15 Stock	2021 £'000	2020 £'000
Raw materials and consumables	14	19
Goods for resale	4	3
	<u>18</u>	<u>22</u>

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2021 (continued)

16 Debtors	2021	2020
	£'000	£'000
Fees (net of doubtful debts provision)	356	298
Less: provision for doubtful debts	<u>(212)</u>	<u>(180)</u>
	144	118
Prepayments and accrued income	222	244
Other debtors	<u>83</u>	<u>94</u>
	<u>449</u>	<u>456</u>
Provision for doubtful debts		
At 1 August	(180)	(113)
Further provisions	(98)	(138)
Amounts recovered	-	-
Amounts written off	<u>66</u>	<u>71</u>
At 31 July	<u>(212)</u>	<u>(180)</u>

17 Creditors: amounts falling due within one year	2021	2020
	£'000	£'000
Deposits	383	368
Trade creditors	883	609
Other creditors	221	266
Other taxation and social security	103	181
Bank loan (see Note 23)	333	222
Finance lease funding (see Note 24)	9	8
Accruals and deferred income	<u>165</u>	<u>175</u>
	<u>2,097</u>	<u>1,829</u>

Included in Other creditors above is £30k (2020 - £33k) in respect of the company's defined contribution pension plans.

18 Creditors: amounts falling due after more than one year	2021	2020
	£'000	£'000
Deposits received in advance	213	187
Finance lease funding (see Note 24)	8	16
Bank loan (see Note 23)	<u>4,458</u>	<u>4,778</u>
	<u>4,679</u>	<u>4,981</u>

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2021 (continued)

19 Provisions for liabilities	2021 £'000	2020 £'000
At 1 August	261	361
Deficit payments	(61)	(60)
Deficit interest	3	7
Other movement	7	(47)
	<u>210</u>	<u>261</u>
At 31 July		

The provision reflects the Trust's estimated share of the deficits of the Church Workers Pension Scheme and the Church of England Funded Pension Scheme (see Note 11).

20 Analysis of net funds

	Tangible assets £'000	Investments £'000	Net current assets/ (liabilities) £'000	Creditors due after one year & provisions £'000	Total £'000
Unrestricted					
Revaluation	16,895	-	-	-	16,895
Capital	11,715	-	-	-	11,715
General	6,874	7,477	1,246	(4,889)	10,708
Restricted					
Oak Hill College	-	347	-	-	347
Kingham Hill School	-	171	-	-	171
	<u>35,484</u>	<u>7,995</u>	<u>1,246</u>	<u>(4,889)</u>	<u>39,836</u>
Net funds					

21 Operating leases

At 31 July 2021 the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2021 £'000	2020 £'000
Motor vehicles and office equipment		
Expiring within one year	60	46
Expiring within two to five years	167	50
	<u>227</u>	<u>96</u>
Lease payments recognised in expenditure	<u>61</u>	<u>52</u>

In September 2015 the Trust entered into an agreement with Biomass Heat Projects Ltd (BHP) for the supply of biomass energy. The Trust granted BHP a 20 year lease at a peppercorn rent over land at Kingham Hill School, upon which BHP constructed a boiler house which contains a biomass boiler and fuel storage. The present value of the building and equipment at the end of the lease cannot be determined and accordingly has not been included in the accounts. At the end of the lease the building and equipment become the property of the Trust.

In December 2015 a Deed of Novation transferred the lease and contract to Aggregated Micro Power (AMO) Heat plc. The contract for the supply of biomass energy is for the same 20 year period as the lease. The price of energy is calculated by a fixed formula which has inflation and the Biomass Fuel index as constituent parts.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2021 (continued)

22 Post balance sheet events

There were no reportable post balance sheet events.

23 Bank loan

The bank loan is secured under a legal charge over Kingham Hill School and its associated assets. The original loan agreement included fixed thrice annual instalments over the life of the loan at £136k per instalment with the final repayment in January 2034. As the impact of Covid-19 became apparent it was agreed that the first repayment would be postponed from April 2020 until January 2021 with the final instalment due in September 2034. Interest has been charged at 2% p.a. over base rate.

During the year interest of £Nil (2020 - £28k) was charged on the loan and capitalised under 'Assets in course of construction'

The loan is repayable as under:

	2021 £'000	2020 £'000
Within 1 year	333	222
Within 1 - 2 years	666	666
Within 2 - 5 years	1,000	1,000
Over 5 years	2,792	3,112
	<u>4,791</u>	<u>5,000</u>

24 Finance lease

	2021 £'000	2020 £'000
Within 1 year	9	8
Within 1 - 2 years	8	16
Within 2 - 5 years	-	-
Over 5 years	-	-
	<u>17</u>	<u>24</u>

25 Capital commitments

As at 31 July 2021 there were no capital commitments (2020: £Nil).

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2021 (continued)

26 Reserves

	Unrestricted income funds			Restricted income funds			Total funds £'000
	Revaluation reserve £'000	Capital reserve £'000	General reserve £'000	Total unrestricted funds £'000	Oak Hill College £'000	Kingham Hill School £'000	
At 1 August 2020	16,895	12,295	9,211	38,401	348	139	38,888
Income	-	-	10,862	10,862	98	87	11,047
Expenditure	-	-	(10,813)	(10,813)	-	(55)	(10,868)
Investment gains/(losses)	-	-	769	769	-	-	769
Transfers (see below)	-	(580)	681	101	(101)	-	(101)
Depreciation on revalued assets	-	-	-	-	-	-	-
Net movement in funds	-	(580)	1,499	919	(3)	32	948
At 31 July 2021	16,895	11,715	10,710	39,320	345	171	39,836

	Unrestricted income funds			Restricted income funds			Total funds £'000
	Revaluation reserve £'000	Capital reserve £'000	General reserve £'000	Total unrestricted funds £'000	Oak Hill College £'000	Kingham Hill School £'000	
At 1 August 2019	16,895	12,642	8,000	37,537	375	87	37,999
Income	-	-	12,557	12,557	26	157	12,740
Expenditure	-	-	(11,384)	(11,384)	-	(92)	(11,476)
Investment gains/(losses)	-	-	(375)	(375)	-	-	(375)
Transfers (see below)	-	(347)	413	66	(53)	(13)	(66)
Depreciation on revalued assets	-	-	-	-	-	-	-
Net movement in funds	-	(347)	1,211	864	(27)	52	889
At 31 July 2020	16,895	12,295	9,211	38,401	348	139	38,888

The transfer to capital reserve reflects the movement in net book value of freehold buildings within tangible fixed assets.

Transfers from Kingham Hill School restricted funds comprised £4k (2020 - £4k) to General reserve for the purchase of additional sports equipment.

Designated, restricted and endowment funds

The Revaluation and Capital reserves in total reflect the amount of reserves committed to land and buildings. The Oak Hill College restricted income funds are for certain academic costs, the provision of bursaries and future development of the site. In respect of bursaries, £2k (2020 - £2k) was for certain academic costs, the provision of bursaries and future development of the site. In respect of bursaries, £2k (2020 - £2k) was for certain academic costs, the provision of bursaries and future development of the site. The Kingham Hill School restricted income funds are for certain educational purposes (Founder's pupils and the provision of additional sports, music and arts equipment) and future