

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.

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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.

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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.

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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.

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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

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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

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- 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

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

Date 9 February 2024

9 Appold Street
London
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The Kingham Hill Trust

Statement of financial activities for the year ended 31 July 2023

		Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Income	Note				
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.

The Kingham Hill Trust

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
			42,127		41,873
Current assets					
Stock	15	25		44	
Debtors	16	642		689	
Cash at bank and in hand		4,053		3,853	
		4,720		4,586	
Creditors: amounts falling due within one year	17	(2,857)		(1,951)	
Net current assets			1,863		2,635
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			40,110		40,224
Reserves					
Unrestricted income funds	26		39,692		39,754
Restricted income funds	26		418		470
Total charity funds			40,110		40,224

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 £'000	2022 £'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 £'000	2022 £'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	<u>583</u>	<u>356</u>
Total income	<u>9,893</u>	<u>9,175</u>
Expenditure		
Cost of generating funds		
Development	<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
Total administrative costs	<u>804</u>	<u>700</u>
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	<u>399</u>	<u>146</u>
Total charitable expenditure	<u>9,602</u>	<u>8,389</u>
Finance costs	237	113
Total expenditure	<u>9,976</u>	<u>8,633</u>
Total income less total expenditure	<u>(83)</u>	<u>542</u>
Transfers	<u>-</u>	<u>-</u>
Net movement in Funds	<u>(83)</u>	<u>542</u>
Net assets of Kingham Hill School	<u>13,456</u>	<u>13,539</u>

The Kingham Hill Trust

9. Oak Hill College

	2023 £'000	2022 £'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	<u>59</u>	<u>13</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	<u>58</u>	<u>25</u>
Total administrative costs	425	448
Marketing costs	136	137
Catering costs	133	73
Household costs	100	74
Premises costs	494	495
Depreciation	<u>425</u>	<u>505</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>-</u>	<u>-</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
	<hr/>	<hr/>

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
	<hr/>	<hr/>

	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
	<hr/>	<hr/>

Other pension costs comprise

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

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	-	7

* 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 £'000	2021 £'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).

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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)
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)
At 31 July 2023	8,260	5,823	236	14,319
Net book value				
At 31 July 2023	33,098	938	4	34,040
At 31 July 2022	33,404	1,322	6	34,732

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	(6,749)
Net book value	
At July 2023	15,002
At July 2022	14,706

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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)
	<u>6,218</u>	<u>6,245</u>
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>

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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	<u>62</u>	<u>75</u>
	<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></u>	<u></u>
At 31 July	<u>(114)</u>	<u>(108)</u>

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	<u>273</u>	<u>569</u>
	<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)	<u>3,646</u>	<u>4,041</u>
	<u>3,880</u>	<u>4,277</u>

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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.

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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).

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26. Reserves

Unrestricted income funds

Restricted income funds

	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 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	Capital reserve	General reserve	Total Unrestricted funds	Oak Hill College	Kingham Hill School	Total restricted funds	Total funds
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.