

TAUNTON SCHOOL EDUCATIONAL CHARITY

REPORT OF THE CHARITY TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

Taunton School Educational Charity is a Company Limited by Guarantee Registration Number 4005803

Registered Office: Clerk to the Governors Taunton School, Staplegrove Road, Taunton TA2 6AD.

Registered Charity Number 1081420

**TAUNTON SCHOOL EDUCATIONAL CHARITY
ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022**

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**TAUNTON SCHOOL EDUCATIONAL CHARITY
ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022
GOVERNORS, OFFICERS AND ADVISERS**

Charity Details

Taunton School Educational Charity is a Company Limited by Guarantee with Company Registration Number 4005803 and Charity Registration Number 1081420.

Registered Office and
Principal Address:

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Taunton School
Staplegrove Road
Taunton
Somerset
TA2 6AD

Telephone:

01823 703128

Email:

Nicola.miller@tauntonschool.co.uk

Website:

www.tauntonschool.co.uk

Governors

The Governors and Officers of the Charity who held office for all or part of the year are shown on Pages 3 and 4 of this report.

Professional Advisers

Banker: HSBC Bank Plc

17 North Street, Taunton, Somerset TA1 1NA

Solicitor: Veale Wasbrough Vizards

Narrow Quay House, Narrow Quay, Bristol BS1 4QA

Independent Auditor: Crowe UK

4th Floor, St James House, St James' Square,
Cheltenham GL50 3RP

Insurance Broker: Marsh

Capital House, 1 -5 Perry Mount Road, Haywards
Heath, West Sussex RH16 3SY

**TAUNTON SCHOOL EDUCATIONAL CHARITY
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2022**

DIRECTORS' REPORT

The Board of Governors (the 'Board'), who are the Directors and Trustees of Taunton School Educational Charity (the 'Charity'), present their annual report for the year ended 31 August 2022. It is in the format prescribed by the Charities Act 2011 and the Companies Act 2006.

CONSTITUTION AND OBJECTS

Taunton School (the 'School') was founded in 1847. It is constituted as a company limited by guarantee registered in England, No. 4005803. It is also registered as a Charity with the Charity Commission under Charity No. 1081420. The School is governed by its Memorandum of Association and Articles of Association that were updated and amended on 11 March 2016. These were further updated in December 2020 to allow for online meetings.

The objects of the Charity are *'to promote and provide for the advancement of education by the provision of a school or such other means as the Governors shall from time to time determine.'* In carrying out these objects, the Charity upholds the founding principles of the School which are rooted in the Christian faith. It recognises the particular emphasis of its 'Free Church' foundation on the importance of personal responsibility in the quest for faith, and in respect of religious traditions.

Significantly, in furthering these Objects for the public benefit, the Charity provides Taunton School for boys and girls in five parts; the Senior School (known as Taunton School), Prep School, Pre-Prep and Nursery, Taunton School International and Taunton School International Middle School. This spans an age range from Infants to 18.

The School administers assisted places (bursaries), grants, awards and other benefactions such as scholarships and acts as the trustee and manager of property, endowments, bequests and gifts given or established in pursuance of its objects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Body

The Articles of Association sets the maximum number on the Board at 17, of which one is appointed by the Churches Advisory Panel. The remaining governors are appointed by an ordinary resolution of the Members, passed at an AGM of the Charity. Henry Keeling served as Chair of the Board throughout the year.

The Governors are the company directors and trustees of the Charity, and those who have been in office for all or part of the year are listed alphabetically by surname below:

Mr Henry Keeling, **Chairman**
Mr Robert Aldrich
Mr Christopher Butters
Mr Philip Cooper
Mrs Ruth Frett (Resigned 25 January 2022)
Brigadier (Retired) Mark Hallas
Mr Tim Hayden
Mr David Hebditch
Dr Ian Kelham
Mr Richard Kennedy, **Treasurer**

Reverend Nigel Manges
Rear Admiral Ian Moncrieff
Mr Keith Moore (Resigned 11 March 2022)
Mrs Hilary Quantick
Mrs Elaine Waymouth **Deputy Chairman**
Mrs Sheila Wheeler

Officers

The principal executive officers of the Charity for all or part of the year were:

Chief Executive Officer	Mr L C Glaser (resigned 31 August 2022) Mr J Johnson (appointed 1 September 2022)
Chief Operating Officer	Mrs N M Miller
Clerk to the Governors	Mrs N M Miller
Taunton Preparatory School Head	Mr A Edwards
Taunton School International Principal	Mr A Hallworth

Membership

The charity has an unlimited number of members. Members are former governors and pupils of the School, over the age of 18.

Governor Recruitment & Training

Board vacancies are considered by the Nominations Committee, which then makes recommendations to the full Board. All prospective candidates are considered in light of the skills/experience balance required at the time which will include eligibility, diversity, personal competence, specialist skills and local availability. New governors are appointed for a term of 3 years and, subject to periodic performance review, may be re-elected for a further 4 terms. All Governors will be formally appointed by the Members at the AGM.

New Governors induction into the workings of the Schools includes the policies and procedures of the Board through briefings by the Chairman, Head and Clerk and through comprehensive documentation. They also attend specialist external courses on such matters as the role and responsibilities of Charity Trustees. Governors attend on-going training run by organisations such as the Association of Governing Bodies of Independent Schools (AGBIS), to stay abreast of current issues and regulations in the Independent Sector. All Governors are subject to DBS checks and associated 'Safeguarding' training. Governors reviewed the updated Charity Governance Code this year and new governors receive the code itself as part of their induction pack.

Organisational management

As the Charity Trustees, Board members, are legally responsible for the overall management and control of the School and promotion of its long term success. The Board meets at least 3 times a year. The work of implementing its policies and specific key elements is overseen by Committees and Panels, most of which meet at least termly and report into the Full Board as follows:

- Educational Advisory Panel
- Finance and General Purposes Committee
- Marketing Panel
- Churches Advisory Panel
- Estates Panel
- Investment Panel
- Foundation Panel
- Nominations Panel

- Human Resources and Remuneration Panel
- Debtors Panel
- Risk Management Panel
- Appeals Panel (convened as required)

Other specialist working groups are set up as and when required.

Day-to-day running of the Schools is delegated to the Senior Policy Committee which is a group drawn from the Key Management Personnel. The Heads and COO attend all of the meetings of the Board and most of the meetings of the Committees and Panels above. Remuneration policy is set by the Board, with a policy objective of encouraging enhanced performance and of rewarding fairly and responsibly individual contributions to the School's success.

Group Structure

The School has 2 wholly owned non-charitable subsidiaries, Taunton School Enterprises Limited (TSE) (company number 02846335) and Taunton School Trustees Limited (company number 06706952).

The principal activity of TSE is the trading activity of the School whose annual profits are donated to the School under the Gift Aid Scheme. The principal activity of Taunton School Trustees Limited is that of a corporate Trustee of the School's defined benefit pension scheme for support staff, which closed to further accrual in December 2010.

Employment Policy

The School is an equal opportunities employer, committed to supporting and promoting a culture of equality, diversity and inclusion in all its practices. We recognise that providing equality of opportunity, valuing diversity and promoting a culture of inclusion are vital to our success through the breadth of skills and experience that underpin the success and career satisfaction of our staff.

Communication with employees takes place through normal management channels in a variety of forms and through exceptional channels to appraise staff of specific issues. With regards to School decision making that is likely to impact staff and/or their interests, consultation with them and/or their representatives is made at all levels through comprehensive channels.

Public Benefit

The Board confirms that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales.

How our activities deliver public benefit

The Board has considered the Charity Commission's current guidance on public benefit carefully. They try to ensure that the School's charitable objects are carried out for the public benefit by making sure that wherever possible, education is available to all who can draw most value from it. This is irrespective of financial circumstances since our charitable activities promote the wider education of children and access is not restricted solely by the ability to pay fees. The School's facilities are also available as far as possible to other local schools and the wider community.

The Board remains committed to providing public benefit which is, in itself, in accordance with the School's founding principles. To this end the School cooperates with local charities and educational bodies in an ongoing endeavour to widen public access to the School. It also seeks to optimise the use of the School's cultural and sporting facilities and to awaken in the School's own pupils an awareness of the social context of the all-round education they receive at the School.

Grant making policy

Opportunity to benefit from the School's Grants (assisted places also sometimes known as bursaries) is subject to neither geographical nor other restrictions such as the ability to pay fees. Accordingly, no one is excluded from this opportunity. The Board takes the view that those pupils who attend the School and who receive financial support contribute to the School community in a variety of ways, and so the benefit is not purely to these pupils, but to the whole School ethos and inclusivity and, in some cases, to the wider community.

In the 12-month period to 31 August 2022, a total of £1,712,287 (2021: £1,871,743) was spent on means-tested assisted places/bursaries. This is the equivalent of 83 full Senior School day fees and 6.2% of gross fee income. 232 pupils (2021: 292) received assistance with school fees, including 1 for full fees. In the current academic year (2022/2023), it is estimated that 213 pupils will receive assisted places bursaries totalling £1,777,969.

The School's assisted places/bursary expenditure is summarised below:

	2021/22	2020/21	2019/20	2018/19	2017/18
Assisted Place/Bursary recipients	232	292	258	252	233
Value of awards	£1,712,287	£1,866,726	£1,701,122	£1,638,089	£1,348,710
Average value					
- £	£7,380	£6,393	£6,606	£6,500	£5,788
- % of Senior School day fee	35.4%	31.8%	32.9%	33.5%	30.0%

Taunton School Foundation

The Foundation continues to maintain the connection between the School and its alumni as well as raising vital funds to support capital projects and means-tested Assisted Places at Taunton School. The majority of our donations come from alumni, but we also receive funds from parents, staff and the wider community. In the 12-month period to 31 August 2022, voluntary donations totalled **£208.7k**.

The School did not employ any external fundraisers during the year and is not registered with the Fundraising Regulator but is committed to 'good fundraising practices'. The School is a member of the Institute of Development Professionals in Education (IDPE) and actively collaborates with professional bodies in the sector. There are no instances to report of the School failing to comply with fundraising standards and the School received no formal complaints about its fundraising activity during the year. The School adheres to the General Data Protection Regulation (GDPR) and only contacts those for whom our communication will be relevant and of interest.

STRATEGIC REPORT

OBJECTIVES AND ACTIVITIES

Charitable Objects

The Objects of the School are in the Articles of Association dated 4 December 2020. Principally:

To promote and provide for the advancement of education by the provision of a school or such other means as the Governors shall from time to time determine provided always that:

- a. In admitting pupils to the School, the Governors must exercise (all other things being equal) a preference in favour of sons and daughters of members of the Free Churches; and*
- b. In carrying out its objects, the Charity shall uphold the founding principles of the School which are rooted in the Christian faith and recognise the particular emphasis on its Free Church foundation and the importance of personal responsibility in the quest for faith, and respect for all religious traditions.*

To these ends the School:

- i. Provides an education for boys and girls aged 0 to 18 years;*
- ii. Provides substantial financial support towards fee remission;*
- iii. Has a continuous programme of maintenance, building and technology refurbishment and development;*
- iv. Allows controlled access by the public to its grounds, buildings and facilities generally;*
- v. Holds a variety of religious services on weekdays and on Sundays in the Chapel;*
- vi. Provides a wide range of sporting and cultural facilities, many of which are available to children from other local schools and which are also made available to members of the public where appropriate;*
- vii. Supports the wider community by 'community service' and other activities; and*
- viii. Demonstrates significant public benefit through its academic and other activities as described in paragraphs (i) to (vii) above.*

Aims and Targets

Within these objects the School aims to meet its publicly stated purpose by providing outstanding and innovative teaching and developing a culture which uses technology to drive forward teaching and learning. Pupil and staff well-being is central to all that we do and the School aims to encourage, train and develop confident, enthusiastic and well-rounded young people who are able to form meaningful relationships with others in an international arena, irrespective of circumstance.

The School has identified its strategic objectives for the present and coming years as:

- Develop a plan to achieve Net Zero by 2050, starting with fully understanding the School's emissions and setting sustainable goals.
- Continue to deliver public benefit through partnerships and assisted places.
- Deliver the next stages of the School's estate master plan.
- Further refine the School's digital strategy and creation of a whole school plan.
- Maintain a secure financial position;
- Prepare the Taunton School Final Salary Pension Scheme for buyout in 2023

Ukraine response

The School is an international community and many of its members have been affected by the situation in Ukraine. Students are encouraged to share their views of the conflict and to talk openly about their views and feelings on the crisis. Additional pastoral and counselling support has been made available to all. The School has very little investment exposure in Russia and all current and prospective families are screened using proprietary sanctions software to ensure compliance with sanctions and anti-money laundering regulations.

RISK MANAGEMENT

Principal risks and uncertainties

The Head and Chief Operating Officer, under the oversight of the Chair of Governors, are responsible for the identification and management of the risks faced by the School. A formal review of the School's risk

management appetite and processes is made annually. The Board consider the economic impact of the crisis in Ukraine and the current cost of living crisis to be the principal risks faced by the School. Other risks that may carry significant impact include the possibility of VAT on school fees and the likely removal of Business rates relief for independent schools. Pupil safeguarding as well as health, safety and security are an ever present significant area for risk management that are monitored astutely.

Through its internal management structures, the School has carried out a wide-ranging review of the risks facing the organisation and continues to drive these risks down to as low as is reasonably practical. The Board has examined the principal areas of the School's operations and other activities and considered the major risks in each of those areas. The Board has satisfied itself that the major risks identified have been mitigated to the lowest reasonably practical level based on our understanding, expertise and available resources.

Key controls used by the Charity in the whole area of Risk Management include:

- well publicised policies and procedures, as required by law for the safeguarding and protection of children, including procedures for the vetting of staff, volunteers and contractors;
- a clear health and safety policy overseen by an active committee;
- formal agendas for all Committees, Panels and Board of Governors activities;
- detailed terms of reference for all Committees and Panels;
- comprehensive strategic planning, budgeting and management accounting;
- additional bank financing to cover any financial turbulence caused by COVID-19;
- fully documented roles and responsibilities of the Governors, Head and TPS Head and other members of senior management;
- formal written policies, processes and procedures that are subject to audit;
- clear written delegation in authorisation and approval levels.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Board is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and UK Generally Accepted Accounting Practice (UK GAAP). Company Law requires financial statements to be prepared for each financial year.

Under Company Law, the Board must only approve the financial statements if they are satisfied that they give a true and fair view of the state of affairs of the Charity and the group and of the incoming resources and the application of resources. This includes the income and expenditure of the charitable group, for that period.

In preparing the financial statements the Board is required to:

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

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity and enable the Board to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the Charity's constitution.

The Board is also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Governors, as members of the Board is aware, at the date of approval of this report, there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the audit report) of which the Charity's auditor is unaware. Each member of the Board has taken all the steps that he or she should have taken in order to make himself or herself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

ACHIEVEMENTS AND PERFORMANCE

EDUCATION

Stakeholder Engagement and Section 172 Statement

The Governors consider that they have fulfilled their duties in accordance with section 172 of the U.K. Companies Act 2006 and have acted in a way in which is most likely to promote the long-term success of Taunton School for the benefit of its stakeholders as a whole in the following ways:

Academic Results

Taunton School continues to offer three pathways of Sixth Form study: A levels, International Baccalaureate Diploma Programme and two BTEC courses (Extended Diploma in Sport and Exercise Sciences and Diploma in Business). Our timetable allows students to study a 'mixed economy' programme, borrowing elements from different pathways, and student tracking against baseline data and predicted grades goes from strength to strength as part of our goal to add value to every student. This year was the first year of public exams since 2019 and we saw 72% of all grades in the Sixth Form at the equivalent of A*-B (A level), 5-7 (IB Higher Level) or Distinction*-Distinction (BTEC Diploma). For GCSE, 43% of grades were 9-7, and the pass rate (grades 9-4) was 92%. As a non-selective school, extreme pride extends to all students' attainments, not just those achieving top grades. The School careers advice offered to the students is a particular strength. With a very diverse student body bespoke guidance on course and country requirements is tailored and offered on an individual basis. The majority of students achieve the grades that they need to take up their place at their first choice of University. Our academic programme extends beyond the classroom and students have enjoyed presentations, lectures, trips and various other stimulating activities, which have enhanced their learning. Friday morning scholars' talks, open to everybody, are a particular highlight and often discuss challenging existential topics, as do Friday night debates for senior students.

Taunton Prep School continues to offer a range of subjects and activities and during 2021-22 a whole school digital strategy was put in place, including a consistent pathway of apps and platforms to be used, with staff being upskilled on the pedagogic use of devices to enhance teaching and learning. A whole school pathway of both pupil and teacher digital literacy core skills was mapped and all pupils will soon have designated managed devices for learning in all of their lessons. A new Maths curriculum was implemented across the whole school, focussing on strengthening further the development of problem-solving and reasoning skills. The development of reading has been improved further by extending the use of the Accelerated Reading programme down to younger learners, whilst intervention strategies for literacy have been monitored for effectiveness and adapted where beneficial to do so. We have continued to challenge our pupils in all year groups in their academic work and the expectations are high for all of our pupils in terms of independence, completion of excellent homework, and their attitudes to learning. This ensures that our pupils are fully prepared when they move on to the Senior School at the start of Year 9. The Year 8 Summer exams provide our pupils with a 'gold standard' to aim for which, if attained, puts them right at the top of National Prep School standards. A good number of pupils did achieve this, whilst the standards achieved across the whole cohort were very high. In Maths, for example, the standardised test results over the past three years put the average Year 8 pupil in the top 16% in the country, and the results also indicated that over half of the pupils are on track to obtain a 7, 8 or 9 at GCSE. It is a similar picture in other subjects and other year groups.

Pre-Prep and Nursery continues to thrive and has evolved their EYFS provision in line with the new EYFS guidance. The setting has benefited from an investment in technology, which, along with additional staff training has improved pupil outcomes. Staff remain focused on numeracy, literacy and pupil wellbeing, which has translated to increased pupil numbers this year.

Taunton School International offers British and International students an intensive and comprehensive one-year and two-year GCSE/pre-IB programme. The School is a market leader in its academic provision and achieved a 90% GCSE pass rate (9-4) in August 2021, with 49% of the total grades at 9-7. Students are able to select from more than 20 different subjects at GCSE level and are taught in small classes. This allows students to focus on areas that are relevant to them and affords them the extensive teacher support that is required on such an intensive academic programme. In September 2019, TSI introduced a Business Foundation programme where students study four modules – Business Studies, Economics, Mathematics and EAP (English for Academic Purposes) – and upon successful completion of the course have a guaranteed place in one of over 50 universities in the UK and around the world. Again this year, all students on the IFY achieved places at their first-choice universities. TSI has a spread of nationalities with 28 countries represented, approximately 5% of whom were first language English speakers.

Taunton School International Middle School provides international students between the age of 7 and 14 years with the appropriate and relevant education, co-curricular and pastoral support they need to enter Taunton Prep School, Senior School or TSI, depending on their age and level of English. Those not entering another section of Taunton School are ideally equipped to go to another British independent school. Specialist teachers offer an extensive curriculum, which is closely linked to the curricula at the Senior School, Prep School and TSI in order to facilitate the transfer of students from one section of the School to another.

Group Finances

The principal funding sources for the Charity are school fees and income generated by many other educational and non-educational activities. The latter are carried out by the Charity's trading company, Taunton School Enterprises Ltd which, as described earlier, passes all its profits to the School. The year's expenditure has continued to support the Charity's key objectives by operating the School and investing in its development.

The Group's finances remain strong with total incoming resources of £25.3m (2021: £22.2m); net incoming resources of £1,516k, (2021 net outgoing resources: £97k); and total reserves of £19.2m (2021: £17.9m) after making capital additions of £2.5m (2021: £0.6m). The Charity continued to invest significantly in the site, with the majority of expenditure on a new sixth form centre and library opened in September 2022.

We have prepared a number of scenarios that consider our cash position, sources of income and planned expenditure. These scenarios consider reduced pupil numbers, delayed fee payment, reduced fees and potential bad debts as well as impact on costs from the measures taken so far. Sensitivity around these assumptions has also been considered in our forecasting. Results of this cash flow and sensitivity analysis indicate that the cash reserves of the Charity are adequate to meet the Charity's obligations as they fall due. Correspondingly, the trustees consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Investment policies, objectives and performance

The Investment Panel advises on the investments and monitors the performance of funds on behalf of the School, the Foundation and the Evans-Lombe Fund. At the year end the total funds invested were £5.2m (2021: £5.3m). The Investment Panel reports to the Board of Governors and the Trustees of the Evans-Lombe Fund, having taken appropriate and professional advice. The Board and Trustees have set a target of 5% income and fund growth to sustain the value of the capital. The School also holds some restricted funds in recognised charitable investment funds with CCLA and some on deposit awaiting investment. The Board is satisfied with the return on these funds in the prevailing financial climate.

Reserves level and policy

The Board has examined the financial risks and challenges faced by the Charity closely over the short and medium term. The Charity has invested its reserves in the provision of the educational facilities to meet its objectives and consequently, like many well-established independent schools, has negative free reserves. The Board is satisfied that the financial plans and forecasts give them comfort that the Charity is able to meet all its foreseeable commitments.

The School's total reserves of £19.2m at the period end include £1.9m endowment capital, £4.4m of unspent restricted income and £12.9m unrestricted income.

SECR Energy Use and Carbon Emissions Disclosure

Taunton School Educational Charity disclose our energy use and greenhouse gas emissions that Taunton School are responsible for in line with the requirements of the Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013 and latest 2018 regulations.

	2021-22 kWh	2021-22 TCO2e	2020-21 TCO2e	2019-20 TCO2e	Change (%)
Electricity	2,328,774	450.34	364.24	676.15	-46%
Gas	5,128,089	923.06	1,014.94	917.45	11%
Transport Fuels	944,863	228.34	116.89	115.37	1%
Gross Annual Total	8,401,726	1,601.74	1,496.07	1,708.97	-12%
Intensity Metric (pupil numbers)	1,270		1,195	1,156	3%
Total TCO2e/pupil	1.26		1.25	1.48	-15%
Qualifying Green Tariffs		-	-	-	0%
Net Annual Total	8,401,726	1,601.74	1,496.07	1,708.97	-12%

Table 1: Primary Statement for the Financial Year ending 31st August 2022.

Baseline Year This is the second year of GHG reporting. 2020 / 2021 was the baseline year which fell during the COVID-19 pandemic and as such comparisons to this and future years may be skewed.

Targets

Carbon targets have not been developed for the current reporting period but are currently in development.

Intensity Measurement

The intensity metric chosen is average pupil numbers as at the 31 August 2022. This metric was chosen as the organisation's carbon emissions are closely linked to pupil activity.

Carbon Offset

Taunton School have no qualifying carbon offsets during this financial period and do not currently procure any qualifying green or renewable tariffs for the supply of electricity or gas.

FUTURE PLANS

The School's strategy is to maintain a strong financial position by delivering clear evidence of a consistently first-class education matched with demonstrably outstanding pastoral support. To do this it is building a healthy recruitment pipeline, controlling costs and using the facilities for the public benefit year on year. This generates sufficient resources to invest in the School's infrastructure, supporting the strategy of building on existing resources and foundations and making every penny count directly towards the School's purpose and its non-selective basis.

Accordingly, the priorities for resource allocation agreed by the Board are based on improving and enhancing the existing infrastructure estate and the objectives are to:

- be an outstanding School of choice by evidence of its educational and pastoral experience for all pupils;
- continue a strong financial performance to fully resource the operation of the School and its development and continuance of long term success;
- increase and plough back investment in maintenance and new facilities over the next three years;
- always be compliant with legislation and best practice wherever it may be identified to provide a safe, happy and purposeful education;
- invest in staff training and development to attract and retain the best teachers.

The School is reviewing its needs and opportunities to continue to develop its estate to maximise advantage. As the strategy is reviewed, more projects will be considered by the Board in due course.

This Annual Report was approved by the Board on 03 February 2023 including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



Mr H C V Keeling
Chairman of Governors
Date: 3rd February 2023

Independent Auditor's Report to the Members of Taunton School Educational Charity

Opinion

We have audited the financial statements of Taunton School Educational Charity for the year ended 31 August 2022 which comprise the consolidated Statement of Financial Activities, the consolidated and charity Balance Sheets, the consolidated 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2022 and of the group's 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 group 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 trustee's 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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to 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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent company 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, together with the Charities SORP (FRS 102) and employment legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and Safety legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance and General Purposes Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Fourth Floor

St James House

St James Square

Cheltenham

GL50 3PR

Date: 09 March 2023

TAUNTON SCHOOL EDUCATIONAL CHARITY
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022
(Incorporating an Income and Expenditure Account)

	Notes	Unrestricted Funds £000's	Restricted Funds £000's	Endowed Funds £000's	2022 Total £000's	2021 Total £000's
Income and endowments from:						
Charitable activities						
School fees	3	22,612.6	-	-	22,612.6	18,959.4
Other educational income	5	1,382.8	-	-	1,382.8	1,072.5
Other ancillary trading income	5	28.5	-	-	28.5	263.6
Other trading activities						
Non-ancillary trading income	5	1,031.8	-	-	1,031.8	490.2
Investments						
Investment Income	5	-	63.6	-	63.6	198.2
Voluntary sources						
Donations and bequest	14b	-	208.7	-	208.7	196.3
Total income		25,055.7	272.3	-	25,328.0	21,180.2
Expenditure on:						
Raising funds						
Non-ancillary trading expenses	6	323.0	111.0	-	434.0	379.1
Fundraising and development	6	-	-	-	-	0.2
Financing Costs	6	119.1	-	-	119.1	117.0
		442.1	111.0	-	553.1	496.3
Charitable activities:						
Education and grant making	6	23,190.7	68.0	-	23,258.7	20,780.6
Total expenditure		23,632.8	179.0	-	23,811.8	21,276.9
Net (outgoing)/incoming funds from operations before investment gains/(losses)		1,422.8	93.3	-	1,516.2	(96.7)
Gains/(Losses) on investments		(67.8)	-	(160.0)	(227.8)	708.7
Net (outgoing)/incoming resources and surpluses/deficits for the year		1,355.0	93.3	(160.0)	1,288.4	612.0
Transfers between funds		-	-	-	-	-
Other recognised losses:						
Pension scheme actuarial gain /(losses)	19	-	-	-	-	290.0
Net movement in funds in year		1,355.0	93.3	(160.0)	1,288.4	902.0
Funds balances at 1 September 2021		11,539.6	4,303.3	2,062.2	17,905.1	17,003.1
Fund balances at 31 August 2022		12,894.7	4,396.6	1,902.2	19,193.5	17,905.1

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

All income and expenditure derive from continuing activities.

The notes on pages 21 to 34 form part of these financial statement

TAUNTON SCHOOL EDUCATIONAL CHARITY
(REGISTERED COMPANY NUMBER 4005803)
BALANCE SHEET AS AT 31 AUGUST 2022

	Notes	CONSOLIDATED		SCHOOL	
		2022 £000's	2021 £000's	2022 £000's	2021 £000's
FIXED ASSETS					
Tangible Fixed Assets	7,8	25,940.9	24,630.2	25,936.2	24,627.9
Investments	9	5,152.5	5,310.8	5,152.6	5,310.9
		<u>31,093.4</u>	<u>29,941.0</u>	<u>31,088.8</u>	<u>29,938.8</u>
CURRENT ASSETS					
Stocks	10	168.0	142.2	155.0	136.7
Debtors	11	966.4	893.0	958.6	902.1
Cash		793.4	295.6	764.0	284.1
		<u>1,927.8</u>	<u>1,330.8</u>	<u>1,877.6</u>	<u>1,322.9</u>
CURRENT LIABILITIES					
Creditors: due within one year	12	(10,681.9)	(10,653.2)	(10,605.2)	(10,619.1)
NET CURRENT LIABILITIES		<u>(8,754.1)</u>	<u>(9,322.4)</u>	<u>(8,727.6)</u>	<u>(9,296.2)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>22,339.3</u>	<u>20,618.6</u>	<u>22,361.2</u>	<u>20,642.6</u>
LONG-TERM LIABILITIES					
Creditors: due after more than one year	12	(3,145.8)	(2,713.5)	(3,145.8)	(2,713.5)
NET ASSETS		<u>19,193.5</u>	<u>17,905.1</u>	<u>19,215.3</u>	<u>17,929.1</u>
CAPITAL FUNDS:					
Permanent endowed funds	14a	1,902.2	2,062.2	1,902.2	2,062.2
Restricted funds	14b	4,396.6	4,303.3	4,396.6	4,303.3
Unrestricted funds		12,894.7	11,539.6	12,916.5	11,563.6
TOTAL FUNDS	15	<u>19,193.5</u>	<u>17,905.1</u>	<u>19,215.3</u>	<u>17,929.1</u>

The surplus for the financial year dealt with in the financial statements of the School was £1,286k (2021: £924.8k).

The financial statements were approved and authorised for issue by the Board of Governors on 3rd February 2023 and signed on its behalf by;


Mr H Keeling
Chairman


Mr R Kennedy
Treasurer

The notes on pages 21 to 34 form part of these financial statements.

TAUNTON SCHOOL EDUCATIONAL CHARITY
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022

	2022	2021	
	£000's	£000's	
Reconciliation of net incoming resources to net cash inflow from operating activities			
Net (outgoing)/incoming resources from operations	1,516.2	(96.7)	
Elimination of non-operating cash flows:			
Investment income	(63.6)	(198.2)	
Finance costs	119.1	117.0	
Depreciation charge	1,048.1	1,042.8	
Loss on disposal of fixed assets	141.6	-	
Decrease/(increase) in stock	(25.8)	(8.6)	
(Increase)/Decrease in debtors	(73.4)	(285.8)	
(Decrease)/increase in creditors (excluding fees in advance and deposits)	337.4	(848.5)	
Increase/(Decrease) in fees in advance and parent's deposit	2,330.7	1,120.6	
	<u>5,330.3</u>	<u>842.6</u>	
Cash flows used in investing activities:			
Payments for tangible fixed assets	(2,500.4)	(607.0)	
Proceeds from the sale of tangible fixed assets	-	-	
Additions to securities investments portfolios	(2,462.9)	(522.2)	
Withdrawals from securities investments portfolios	2,393.4	444.0	
Investment income and bank interest received	63.6	198.2	
Net cash used in investing activities	<u>(2,506.3)</u>	<u>(486.9)</u>	
Cash flows used in financing activities:			
Finance costs paid	(119.1)	(117.0)	
Repayment of secured loans	(187.9)	(1,301.9)	
New bank loans	450.0	-	
Net cash used in finance activities	<u>143.0</u>	<u>(1,418.9)</u>	
Change in cash and cash equivalents in the year	2,967.0	(1,063.2)	
Cash and cash equivalents at the beginning of the year	(2,173.6)	(1,110.4)	
Cash and cash equivalents at the end of the year	<u>793.4</u>	<u>(2,173.6)</u>	
ANALYSIS OF CASH AND CASH EQUIVALENTS	2022	2021	
	£000s	£000s	
Cash in hand	793.4	295.6	
Bank Overdraft	-	(2,469.2)	
	<u>793.4</u>	<u>(2,173.6)</u>	
ANALYSIS OF CASH AND CASH EQUIVALENTS	As at 01.09.21	Cashflow	As at 31.08.22
	£000s	£000s	£000s
Cash in hand	295.6	497.8	793.4
Bank Overdraft	(2,469.2)	2,469.2	-
	<u>(2,173.6)</u>	<u>2,967.0</u>	<u>793.4</u>

The notes on pages 21 to 34 form part of these financial statements.

1. BASIS OF ACCOUNTING

Basis of Accounting

The financial statements have been prepared in accordance with 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) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The financial statements have been prepared under historical cost convention, modified to include the revaluation of investments. Taunton School Educational Charity meets the definition of a public benefit entity under FRS 102.

These financial statements present the consolidated Statement of Financial Activities (SOFA), the consolidated Cash Flow Statement and the consolidated and Charity Balance Sheets comprising the consolidation of the Charity and its wholly-owned subsidiary, Taunton School Enterprises Limited. The Charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement with the consolidated financial statements.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

No separate SOFA has been presented for the School alone, as permitted by Section 408 of the Companies Act 2006.

2. STATEMENT OF ACCOUNTING POLICY

The principal accounting policies adopted in the preparation of the financial statements are as follows:

Legal Status of the Charity

Taunton School Educational Charity (the 'School') was incorporated in England and Wales as a company limited by guarantee (registered no. 04005803) on 1 June 2000 and has no share capital.

The School is also registered with the Charity Commission (registered no. 1081420).

Registered and principal office

The registered and principal office of the School is Taunton School, Taunton, Somerset, TA2 6AD.

Going Concern

The School depends on its existing bank facilities to meet its day to day working capital requirements. Current forecasts indicate that the School expects to be able to operate within these facilities for the whole of the foreseeable future. These facilities are renewed annually and are not guaranteed for the period covered by the going concern review. The Trustees are not aware, however, of any circumstances that may adversely affect the renewal of these facilities.

Tangible Fixed Assets

The Charity's Land and Buildings are vested in Taunton School Trust, a restricted fund.

Tangible fixed assets are stated at historical cost and subsequently depreciated to their estimated net realisable value over their useful lives. Even so, the School operates a formal programme of maintenance that includes routine building work written off in the Statement of Financial Activities in the period concerned. Land is not depreciated.

Major items of expenditure on buildings and assets over £1,000 are capitalised. To the extent that refurbishment work is considered to improve and thus add a commensurate value to the building, such refurbishment costs are also capitalised and depreciated as appropriate.

The rates of depreciation applied are as follows:

Buildings, improvements and extensions	5 - 50 years
Furniture and equipment	3 - 25 years

Depreciation on additions is charged for a full year regardless of the date of acquisition.

Fixed Asset Investments

Fixed Asset Investments are stated at market value. Income from Fixed Asset Investments and the related tax credit are recognised in the Statement of Financial Activities in the period to which they relate. Where the market value of investments differs from the historic cost, the difference is recognised as an unrealised gain/loss in the Statement of Financial Activities. Where the investment has been sold, this is recognised as a realised gain/loss. The investment in the subsidiary is held at cost.

Stock

Stock has been valued at the lower of cost or net realisable market value.

Fees and similar earned income

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

Investment income

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

Donations, legacies, grants and other voluntary incoming resources

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the Charity is considered probable. Voluntary income for the Charity's general purposes is accounted for as unrestricted. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention is to be permanent or not.

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates. Grants awarded are expensed as soon as they become legal or operational commitments. Intra-group sales and charges between the Charity and its subsidiary are excluded from trading income and expenditure.

Governance costs

Governance costs comprise the expenses of running the charity, including the support for the Governors, induction, training and meetings. The costs include associated legal advice and the audit costs.

Operating Leases

Costs in respect of operating leases are charged in the Statement of Financial Activities on a straight line basis over the term of the lease.

Finance Leases

Assets held under finance leases and the related lease obligation are included at the fair value of the leased assets at the inception of the lease. Depreciation on leased assets is calculated to write off this amount on a straight line basis over the shorter lease term and the useful life of the asset. Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable so that the charge for each accounting period is a constant percentage of the remaining balance of the capital sum outstanding.

Taxation

The School is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Pensions

The Teachers' Pension Scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

The charity contributes to the Pensions Trust Growth Plan for certain of its employees. This is in most respects a money purchase arrangement, but does not include certain guaranteed benefit elements. The Plan is a multi-employer scheme as it is not possible in the normal course of events to identify the share of underlying assets belonging to the individual participating employers and accordingly, in accordance with FRS 102, is accounted for as a defined contribution scheme with contributions being recorded as they become payable.

The Taunton School Final Salary Pension Scheme is a defined benefit scheme. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The expected return on the scheme assets less the scheme interest costs are credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the Balance Sheet date. The scheme liabilities are measured on an actuarial basis at the Balance Sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the Balance Sheet.

The School operates a defined contribution pension scheme, for teaching staff, managed by The Royal London, as an alternative to Teachers' Pension Scheme. The employer's contribution is either 8% or 16.48%.

Recognition of Liabilities

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

TAUNTON SCHOOL EDUCATIONAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

Commitments

Capital expenditure contracted for by the year end, for which no services or goods have been received, is disclosed by way of a note but no provision is made in the financial statements for such amounts.

Funds

Unrestricted Funds are those that are available for the Charity to spend as required. Restricted and Endowed Funds have been given to the Charity for specific purposes.

Redundancy

Redundancy and termination costs only occur where absolutely necessary and are accounted for on an accruals basis when the commitment to terminate a post on the grounds of redundancy has been made.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

Significant estimates and judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Useful economic lives of tangible fixed assets

The annual amortisation and depreciation charges for the tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 7 and 8 for the carrying amount of the tangible assets and note 2 for the useful lives for each class of asset.

Impairment of debtors

The School makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See Note 11 for the net carrying amount of the debtors and associated impairment provision.

3. SCHOOL FEES

The School's fee income comprised:

Gross Fees
Less: Total Bursaries, Grants and Allowances
Add back: Scholarships, grants and bursaries from restricted and endowed funds

	2022	2021
	£000's	£000's
Gross Fees	28,305.6	24,917.4
Less: Total Bursaries, Grants and Allowances	(5,798.9)	(6,236.9)
Add back: Scholarships, grants and bursaries from restricted and endowed funds	105.9	278.9
	<u>22,612.6</u>	<u>18,959.4</u>

4. SUBSIDIARY

Taunton School Enterprises Limited was incorporated in England and Wales as a company limited by shares (registered no. 02846335) and is 100% owned by the Charity. The subsidiary was formed to support the School's charitable aims through letting of its facilities when not required for educational purposes. It donates its annual profits to the School by Gift Aid. The address of its registered office is Taunton School, Staplegrave Road, Taunton, Somerset, TA2 6AD.

	Taunton School Enterprises Limited	
	2022	2021
	£000's	£000's
Turnover	894.3	605.0
Cost of Sales	(818.6)	(619.5)
Gross Profit	75.7	(14.5)
Administration Expenses	(6.4)	(6.5)
Taunton School Educational Charity Management Fee	(3.0)	(3.0)
Gift to Taunton School Educational Charity	(66.3)	-
Profit/(loss) on Ordinary Activities after Taxation	<u>-</u>	<u>(24.0)</u>

TAUNTON SCHOOL EDUCATIONAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. SUBSIDIARY (CONTINUED)

Included in turnover is £722k (2021: £540k) of intercompany sales to Taunton School. Similarly included in costs of sales and administration expenses are £391k and £3k (2021: £244k and £3k) paid to Taunton School. These transactions were all eliminated on consolidation. At the period end, £66.6k (2021: £73k) was owed from the subsidiary.

5. OTHER INCOME

	2022 £000's	2021 £000's
Other educational charitable activities		
Entrance and registration fees	73.0	63.5
Other charges to pupils	515.2	347.8
Courses and sub-lettings	794.6	661.2
	<u>1,382.8</u>	<u>1,072.5</u>
Other ancillary activities		
Other income	28.5	3.0
Government grant income	0.0	260.6
	<u>28.5</u>	<u>263.6</u>
Non ancillary trading activities		
Taunton School Enterprises Limited (Note 4)	231.3	65.2
Swim school	256.1	100.2
School shop	416.1	317.6
Fees in lieu	128.3	7.2
	<u>1,031.8</u>	<u>490.2</u>
Investment Income		
Other interest received	63.6	198.2

6. ANALYSIS OF EXPENDITURE

	Staff Costs £000's	Other Costs £000's	Depreciation £000's	2022 Total £000's	2021 Total £000's
Raising funds:					
Interest payable	-	119.1	-	119.1	117.0
Fund-raising for voluntary resources	-	-	-	-	0.2
Total for Charity	<u>-</u>	<u>119.1</u>	<u>-</u>	<u>119.1</u>	<u>117.2</u>
Trading expenses	<u>-</u>	<u>432.1</u>	<u>1.9</u>	<u>434.0</u>	<u>379.1</u>
Total for Group	<u>-</u>	<u>551.2</u>	<u>1.9</u>	<u>553.1</u>	<u>496.3</u>
Charitable activities					
Teaching	11,092.5	828.1	-	11,920.6	11,280.8
Welfare	1,394.1	1,009.2	-	2,403.3	1,243.6
Premises	1,419.9	2,271.2	1,047.1	4,738.2	4,071.9
Support costs of schooling and governance costs	1,971.0	2,119.8	-	4,090.8	3,905.4
	<u>15,877.5</u>	<u>6,228.3</u>	<u>1,047.1</u>	<u>23,152.9</u>	<u>20,501.7</u>
Grants and Awards	-	105.9	-	105.9	278.9
Total	<u>15,877.5</u>	<u>6,334.2</u>	<u>1,047.1</u>	<u>23,258.8</u>	<u>20,780.6</u>
Total expenditure - Charity	<u>15,877.5</u>	<u>6,453.2</u>	<u>1,047.1</u>	<u>23,377.9</u>	<u>20,897.8</u>
Total expenditure - Group	<u>15,877.5</u>	<u>6,885.4</u>	<u>1,049.0</u>	<u>23,811.9</u>	<u>21,276.9</u>

6. ANALYSIS OF EXPENDITURE (CONTINUED)

	2022 £000's	2021 £000's
STAFF COSTS:		
Wages and salaries	13,008.5	12,339.1
Employer's national insurance contributions	1,221.4	1,092.4
Employer's pension contributions	1,647.6	1,551.6
	15,877.5	14,983.1

Average number of staff employed

	2022 Nos.	Head count 2021 Nos.
Teaching staff	316	297
Support staff	251	257
	567	554

Number of Staff whose Emoluments Exceed £60,000 pa

£60,001 - £70,000	7	5
£70,001 - £80,000	1	3
£80,001 - £90,000	3	3
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
£171,000 - £180,000	1	-
£181,000 - £190,000	-	1

Contributions to the Teachers' Pension Scheme were made for four (2021: four) higher paid employees. Pension contributions in respect of these employees were £62,753 (2021: £62,500). In addition, the School made contributions to a defined contribution scheme for nine (2021: eight) higher paid employees of £72,221 (2021: £63,803).

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2021: £nil). During the year Expenses totalling £4.8k were reimbursed or paid to 14 Governors for expenditure such as travel and subsistence for all of the trustees (2021: £1.3k).

The total employee benefits of the key management personnel were £706.1k (2021: £671.8k).

During the year there were redundancy or termination payments made which amounted to £18.2k (2021: £15k).

Net income is stated after charging:

	2022 £000's	2021 £000's
Interest Payable		
Bank loans	119.1	117.0
Amounts paid under operating leases		
Hire of vehicles	257.1	231.0
Hire of other assets	18.9	65.3
	276.0	296.3

	2022 £000's	2021 £000's
Governance included in support costs		
Staff costs	153.5	148.7
Governors liability insurance	0.6	0.5
Auditor's remuneration	27.4	31.0
Auditor's remuneration - non audit services	5.6	3.2
Office costs	4.1	3.1
	191.2	186.5

TAUNTON SCHOOL EDUCATIONAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

7. TANGIBLE FIXED ASSETS - SCHOOL

	Land and buildings £000's	Equipment £000's	Assets under construction £000's	TOTAL £000's
COST:				
<i>Balance at 1 September 2021</i>	29,702.3	3,305.9	273.5	33,281.7
Additions at cost	-	181.3	2,315.7	2,497.0
Transfers	1,942.6	68.7	(2,011.3)	-
Disposals	-	-	(141.6)	(141.6)
Balance at 31 August 2022	31,644.9	3,555.9	436.3	35,637.1
ACCUMULATED DEPRECIATION:				
<i>Balance at 1 September 2021</i>	6,112.8	2,541.0	-	8,653.8
Charge for year	841.9	205.2	-	1,047.1
Eliminated on disposal	-	-	-	-
Balance at 31 August 2022	6,954.7	2,746.2	-	9,700.9
Net Book Value at 31 August 2022	24,690.2	809.7	436.3	25,936.2
<i>Net Book Value at 31 August 2021</i>	<i>23,589.5</i>	<i>764.9</i>	<i>273.5</i>	<i>24,627.9</i>

8. TANGIBLE FIXED ASSETS - CONSOLIDATED

	Land and buildings £000's	Equipment £000's	Assets under construction £000's	TOTAL £000's
COST:				
<i>Balance at 1 September 2021</i>	29,714.0	3,566.2	273.5	33,553.7
Additions at cost	-	184.7	2,315.7	2,500.4
Transfers	1,942.6	68.7	(2,011.3)	-
Disposals	-	-	(141.6)	(141.6)
Balance at 31 August 2022	31,656.6	3,819.6	436.3	35,912.5
ACCUMULATED DEPRECIATION:				
<i>Balance at 1 September 2021</i>	6,125.5	2,798.0	-	8,923.5
Charge for year	842.0	206.1	-	1,048.1
Eliminated on disposal	-	-	-	-
Balance at 31 August 2022	6,967.5	3,004.1	-	9,971.6
Net Book Value at 31 August 2022	24,689.1	815.5	436.3	25,940.9
<i>Net Book Value at 31 August 2021</i>	<i>23,588.5</i>	<i>768.2</i>	<i>273.5</i>	<i>24,630.2</i>

TAUNTON SCHOOL EDUCATIONAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9. FIXED ASSET INVESTMENTS

	CONSOLIDATED		SCHOOL	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
Balance on 1 September 2021	5,310.8	4,523.9	5,310.8	4,523.9
Less: Disposal of Investments	(2,393.4)	(444.0)	(2,393.4)	(444.0)
Add: (Loss)/Gain on revaluation	(227.8)	708.7	(227.8)	708.7
Add: additions	2,462.9	522.2	2,462.9	522.2
Balance at 31 August 2022	5,152.5	5,310.8	5,152.5	5,310.8
Investment in subsidiary company	-	-	0.1	0.1
	<u>5,152.5</u>	<u>5,310.8</u>	<u>5,152.6</u>	<u>5,310.9</u>

The Investment in subsidiary company consists 100% share holding in Taunton School Enterprises Limited and Taunton School Trustees Limited, both companies incorporated in England and Wales. The aggregate share capital and reserves of Taunton School Enterprises Limited and Taunton School

ANALYSIS OF FIXED ASSET INVESTMENTS

	CONSOLIDATED		SCHOOL	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
Quoted Investments at market value	4,961.3	5,212.6	4,961.3	5,212.6
Cash at brokers	191.1	98.2	191.1	98.2
Investment in subsidiary company	-	-	0.1	0.1
Total fixed asset investments at 31 August	5,152.5	5,310.8	5,152.6	5,310.9
Historical cost of quoted investments	3,547.5	3,547.5	3,547.5	3,547.5

10. STOCKS

	CONSOLIDATED		SCHOOL	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
School shop and materials for sale	105.6	81.7	92.6	76.2
Consumable materials	62.4	60.5	62.4	60.5
	<u>168.0</u>	<u>142.2</u>	<u>155.0</u>	<u>136.7</u>

11. DEBTORS

	CONSOLIDATED		SCHOOL	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
Fee Debtors	303.0	231.3	303.0	231.3
Prepayments	335.2	404.9	301.7	377.0
Trade and other debtors	328.2	256.8	287.3	221.5
Subsidiary company	-	-	66.6	72.3
	<u>966.4</u>	<u>893.0</u>	<u>958.6</u>	<u>902.1</u>

TAUNTON SCHOOL EDUCATIONAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

12. CREDITORS

	CONSOLIDATED		SCHOOL	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
DUE WITHIN ONE YEAR				
Bank overdraft	-	2,469.2	-	2,469.2
Bank loans	19.6	188.3	19.6	188.3
Trade creditors	569.3	487.5	506.4	462.5
Payroll taxes and social security	342.3	292.5	342.3	292.5
Employee pension funds	261.6	222.1	261.6	222.1
Fees received in advance of term	6,436.3	4,252.5	6,436.3	4,252.5
Fee deposits	1,595.3	1,516.1	1,595.3	1,516.1
Other creditors and accruals	952.7	786.2	938.9	777.1
	<u>10,177.1</u>	<u>10,214.4</u>	<u>10,100.4</u>	<u>10,180.3</u>
Advance fees scheme (see below)	504.8	438.8	504.8	438.8
	<u>10,681.9</u>	<u>10,653.2</u>	<u>10,605.2</u>	<u>10,619.1</u>
DUE AFTER MORE THAN ONE YEAR				
Bank loans	594.6	164.1	594.6	164.1
Fee deposits	1,778.8	1,854.2	1,778.8	1,854.2
Advance fees scheme	772.4	695.2	772.4	695.2
	<u>3,145.8</u>	<u>2,713.5</u>	<u>3,145.8</u>	<u>2,713.5</u>

The School has three bank loans with HSBC plc. The bank loans are secured by a legal charge on the School's properties Greenway Road and The Grange.

ANALYSIS OF DEBT MATURITY

	CONSOLIDATED		SCHOOL	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
In one year or less on demand:				
Bank loans	19.6	188.3	19.6	188.3
Between two and five years:				
Bank loans	493.4	51.2	493.4	51.2
Over five years:				
Bank loans	101.2	113.2	101.2	113.2
	<u>614.2</u>	<u>352.7</u>	<u>614.2</u>	<u>352.7</u>

Parents may pay to the School tuition fees in advance. Assuming pupils remain in the advance fee scheme, payments will be applied to offset the fees as follows:

	CONSOLIDATED		SCHOOL	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
ADVANCE FEE PAYMENTS				
Within one year	504.8	438.8	504.8	438.8
Within one to two years	345.9	289.8	345.9	289.8
Within two to five years	391.1	354.2	391.1	354.2
Over five years	35.4	51.2	35.4	51.2
	<u>1,277.2</u>	<u>1,134.0</u>	<u>1,277.2</u>	<u>1,134.0</u>

	CONSOLIDATED		SCHOOL	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
Balance at 1 September 2021	1,134.0	1,437.3	1,134.0	1,437.3
New contracts	720.7	408.7	720.7	408.7
Amounts utilised in payment of fees	(483.2)	(617.0)	(483.2)	(617.0)
Capital repaid	(109.9)	(120.0)	(109.9)	(120.0)
Discounts applied	15.6	25.0	15.6	25.0
Balance at 31 August 2022	<u>1,277.2</u>	<u>1,134.0</u>	<u>1,277.2</u>	<u>1,134.0</u>

13. FINANCIAL INSTRUMENTS

	CONSOLIDATED		SCHOOL	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
Financial assets measured at fair value	4,961.3	5,212.6	4,961.4	5,212.6

Financial assets at fair value includes assets held as investments less cash held.

14a. PERMANENT ENDOWED FUNDS

Current year movement

	Balance at 01.09.21 £000's	Donations £000's	Incoming Funds £000's	Expenditure £000's	Investment losses £000's	Balance at 31.08.22 £000's
Ian Evans-Lombe Scholarship Fund	2,062.2	-	-	-	(160.0)	1,902.2

Prior year movement

	Balance at 01.09.20 £000's	Donations £000's	Incoming Funds £000's	Expenditure £000's	Investment gains £000's	Balance 31.08.21 £000's
Ian Evans-Lombe Scholarship Fund	1,799.6	-	-	(0.2)	262.8	2,062.2

The Ian Evans-Lombe Scholarship Fund forms part of the Foundation Funds . The gift was made by the Trustees of Mr Evans-Lombe with the objective to advance the education of children who could not otherwise afford the School's education by providing for scholarships to be awarded to two pupils starting in the Lower Sixth each year.

14b. RESTRICTED FUNDS

Current year movement

	Balance at 01.09.21 £000's	Incoming Funds £000's	Expenditure £000's	Investment Gains £000's	Transfers £000's	Balance at 31.08.22 £000's
Taunton School Foundation	929.2	208.7	(111.0)	-	-	1,026.9
Parental Funds	105.3	-	-	-	-	105.3
Taunton School Trust - Land & Buildings	1,959.8	-	-	-	-	1,959.8
Taunton School Trust - Other Funds:						
Haynes Fund	100.7	-	-	-	-	100.7
Ian Evans-Lombe Scholarship Fund	42.8	63.6	(68.0)	-	-	38.4
Gerrard Memorial Bursary	998.1	-	-	-	-	998.1
Taunton School Scholarship and Bursary Fund	112.6	-	-	-	-	112.6
Other Restricted Funds	54.8	-	-	-	-	54.8
	4,303.3	272.3	(179.0)	-	-	4,396.6

Prior year movement

	Balance at 01.09.20 £000's	Incoming Funds £000's	Expenditure £000's	Investment Gains £000's	Transfers £000's	Balance at 31.08.21 £000's
Taunton School Foundation	931.7	196.3	(198.8)	-	-	929.2
Dining Room Redevelopment Project	100.0	-	-	-	(100.0)	-
Parental Funds	105.3	-	-	-	-	105.3
Taunton School Trust - Land & Buildings	1,959.8	-	-	-	-	1,959.8
Taunton School Trust - Other Funds:						
Haynes Fund	85.6	-	-	15.1	-	100.7
Ian Evans-Lombe Scholarship Fund	6.6	116.3	(80.1)	-	-	42.8
Gerrard Memorial Bursary	847.9	-	-	150.2	-	998.1
Taunton School Scholarship and Bursary Fund	95.7	-	-	16.9	-	112.6
Other Restricted Funds	49.3	-	-	5.5	-	54.8
	4,181.9	312.6	(278.9)	187.7	(100.0)	4,303.3

14b. RESTRICTED FUNDS (CONTINUED)

The terms of the most significant Funds are summarised below:

Taunton School Foundation (TSF) - The trust is administered by a Foundation Board, who work with the Governors to promote and provide for the development of the educational facilities and activities of the School.

Dining Room Redevelopment Project – This fund is to provide support towards the cost of a new dining room facility in the heart of the school campus.

Parental funds – This fund is to provide academic, sporting and co-curricular facilities for pupils and is directly managed by the Headmaster.

Other Funds:

Taunton School Trust - The fund represents the land and property and restricted funds held by Taunton School Trust on incorporation.

Haynes Fund - The Fund was set-up by the will of the late J K Haynes. The income is to provide a scholarship for pupils of Taunton School studying Electrical, Mechanical or Civil Engineering at London University.

Gerrard Memorial Bursary - The Fund was set-up to provide a scholarship for sporting achievements.

Taunton School Scholarship and Bursary Fund - This fund is to provide scholarships and bursaries for pupils attending Taunton School.

Other Restricted Funds - includes smaller funds supporting a range of activities in the School.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Current year movement

	Fixed Assets £000's	Net Current Assets/ (Liabilities) £000's	Long Term (Liabilities) £000's	Pension Liability £000's	Fund Balances £000's
Pension Scheme Reserve	-	-	-	-	-
Taunton School Trust	1,959.8	-	-	-	1,959.8
Taunton School Foundation	-	1,026.9	-	-	1,026.9
Other Restricted Funds	38.4	1,371.4	-	-	1,409.8
Endowed Funds	1,902.2	-	-	-	1,902.2
Unrestricted Funds	27,188.4	(11,125.9)	(3,145.8)	-	12,916.6
Charity	31,088.8	(8,727.6)	(3,145.8)	-	19,215.3
Subsidiary's Reserves	4.6	(26.4)	-	-	(21.8)
Group	31,093.4	(8,754.0)	(3,145.8)	-	19,193.5

Prior year movement

	Fixed Assets £000's	Net Current Assets/ (Liabilities) £000's	Long Term (Liabilities) £000's	Pension Liability £000's	Fund Balances £000's
Pension Scheme Reserve	-	-	-	-	-
Taunton School Trust	1,959.8	-	-	-	1,959.8
Taunton School Foundation	-	929.9	-	-	929.9
Other Restricted Funds	1,389.0	24.6	-	-	1,413.6
Endowed Funds	2,062.2	-	-	-	2,062.2
Unrestricted Funds	24,527.8	(10,250.7)	(2,713.5)	-	11,563.6
Charity	29,938.8	(9,296.2)	(2,713.5)	-	17,929.1
Subsidiary's Reserves	2.2	(26.2)	-	-	(24.0)
Group	29,941.0	(9,322.4)	(2,713.5)	-	17,905.1

16. CAPITAL COMMITMENTS

	CONSOLIDATED		SCHOOL	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
Contracted for and not provided for	102.2	73.2	102.2	73.2

17. FINANCIAL COMMITMENTS

At 31 August 2022 the School was committed to making the following total payments under non-cancellable operating leases:

	CONSOLIDATED		SCHOOL	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
Within 1 year	273.4	168.6	85.4	23.5
Within 2 to 5 years	796.3	394.5	250.1	21.5
More than 5 years	193.3	261.2	1.9	-
	1,263.0	824.3	337.4	45.0

18. RELATED PARTY TRANSACTIONS

Two (2021 - two) Governors pays for children at the School. School fees incurred by the Governors are paid on a commercial arms' length basis.

See Note 4 for details of the transactions which took place between the Charity and its wholly owned subsidiary, Taunton School Enterprises Limited, in the year and any amounts outstanding at the period end.

19. PENSION COSTS

Teachers' Pension Scheme

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 £1,078,639 (2021: £1,064,715) and at the year-end £Nil (2021 - £Nil) was accrued in respect of contributions to this scheme.

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

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

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

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

The 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 the 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 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.

19. PENSION COSTS (CONTINUED)

Support Staff

The School operates a defined benefit pension scheme for its support staff, The Taunton School Final Salary Scheme, which is managed on its behalf by JLT. The scheme is funded and is contracted into the state scheme. The scheme closed to new entrants on 1 October 2001. The last formal valuation of the scheme was performed in 2021 and showed an actuarial deficit so a recovery plan has been put in place, subject to review at future funding assessments. The position at the end of 2022 is set out below.

The actuarial assumptions for life expectancy in years, assuming a retirement age of 65 are:

	2022 Years	2021 Years
For a male retiring now	26.2	26.2
At 65 for a male member aged 45 now	27.3	27.3
For a female retiring now	28.3	28.3
At 65 for a female member aged 45 now	29.6	29.6

The financial assumptions used to calculate Scheme liabilities are as follows:

	2022 %pa	2021 %pa
Inflation	3.3	3.2
Rate of increase in salaries	N/A	N/A
Rate of increase of pensions in payment and deferred pensions	3.1	3.1
Discount rate	4.3	1.7

Scheme assets and expected rate of return:

	2022		2021	
	Fair Value £000'	Split %	Fair Value £000'	Split %
Equities	-	-	2,728	36
Bonds	6,144	99	4,829	63
Cash	67	1	85	1
Total	6,211		7,642	

Components of defined benefit cost:

	2022 £000's	2021 £000's
Analysis of amounts charged to operating profit:		
Interest on pension scheme liabilities	-	-
Net charge to the SOFA	-	-

The actuarial gains shown in the Statement of Financial Activities comprised:

	2022 £000's	2021 £000's
Gain on scheme assets amount (£000)	(1,217.0)	827.0
% of scheme assets at end of year	-19.6%	10.8%
Experience gain/(loss) on scheme liabilities amount (£000)	(534.0)	56.0
% of scheme liabilities at end of year	-9.8%	0.8%
Total actuarial gain recognised in SOFA amount (£000)	-	290.0
% of scheme liabilities at end of year	0.0%	0.0%

Reconciliation to the balance sheet

	2022 £000's	2021 £000's
Market value of assets	6,211.0	7,642.0
Value of accrued liabilities	(5,428.0)	(7,360.0)
Unrecognised surplus	(783.0)	(282.0)
Net Pension Surplus/(Deficit) in the scheme	-	-

Analysis of the movement in deficit in the scheme during the year

	2022 £000's	2021 £000's
Unrecognised Asset/Recognised (Deficit) in the scheme at beginning of year	282.0	(290.0)
Net interest income/(cost)	5.0	(5.0)
Other finance (expense)/income	-	-
Actuarial (loss)/gain	496.0	577.0
Unrecognised surplus	(783.0)	(282.0)
Recognised scheme asset / (liabilities) at end of year	-	-

19. PENSION COSTS (CONTINUED)

Analysis of the amount recognised in the Statement of Financial Activities

	2022 £000's	2021 £000's
Actual return less expected return on assets	(1,217.0)	827.0
Experience gains/(losses) on the liabilities	(534.0)	56.0
Change in assumptions	2,247.0	(306.0)
Unrecognised surplus	(496.0)	(282.0)
Actuarial gain/(loss) recognised in SOFA	-	295.0

Change in the present benefit obligation

	2022 £000's	2021 £000's
Opening defined benefit obligation	7,360.0	7,257.0
Interest cost	122.0	121.0
Actuarial losses/(gains)	(1,713.0)	250.0
Benefits paid	(341.0)	(268.0)
Closing defined benefit obligations	5,428.0	7,360.0

Change in the fair value of scheme assets

	2022 £000's	2021 £000's
Opening fair value of plan assets	7,642.0	6,967.0
Interest income	127.0	116.0
Actuarial gains	(1,217.0)	827.0
Contributions	-	-
Benefits paid	(341.0)	(268.0)
Closing fair value of plan assets	6,211.0	7,642.0

The School also operates a defined contribution pension scheme managed by the Pension Trust, which non-teaching staff are eligible to join. The assets of the scheme are separately from the School. The employer's contributions matches that of the employee within the region of 2-12.5%. The cost for the year represents the School's contribution to the Scheme of £272,426 (2021: £246,924).

The School operates a defined contribution pension scheme, for teaching staff, managed by The Royal London, as an alternative to Teachers' Pension Scheme. The employers contribution is either 8% or 16.48%. As at 31/08/22 there were 46 members and the cost for the year represents the School's contribution to the scheme of £293,493.

20. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - COMPARATIVE FIGURES BY FUND TYPE
(Incorporating an Income and Expenditure Account)

	Notes	Unrestricted Funds £000's	Restricted Funds £000's	Endowed Funds £000's	2021 Total £000's	2020 Total £000's
Income and endowments from:						
Charitable activities						
School fees	3	18,959.4	-	-	18,959.4	18,135.5
Other educational income	5	1,072.5	-	-	1,072.5	916.0
Other ancillary trading income	5	263.6	-	-	263.6	897.0
Other trading activities						
Non-ancillary trading income	5	490.2	-	-	490.2	587.5
Investments						
Investment Income	5	81.9	116.3	-	198.2	231.5
Voluntary sources						
Donations and bequest	14b	-	196.3	-	196.3	164.5
Total income		20,867.6	312.6	-	21,180.2	20,932.0
Expenditure on:						
Raising funds						
Non-ancillary trading expenses	6	379.1	-	-	379.1	228.2
Fundraising and development	6	-	-	0.2	0.2	31.7
Financing costs	6	117.0	-	-	117.0	89.1
		496.1	-	0.2	496.3	349.0
Charitable activities:						
Education and grant making	6	20,501.7	278.9	-	20,780.6	21,336.7
Total expenditure		20,997.8	278.9	0.2	21,276.9	21,685.7
Net Incoming/(outgoing) funds from operations before investment gains		(130.2)	33.7	(0.2)	(96.7)	(753.7)
Gains/(losses) on investments		258.2	187.7	262.8	708.7	(86.7)
Net (outgoing)/incoming resources		128.0	221.4	262.6	612.0	(840.4)
Transfers between funds		100.0	(100.0)	-	-	-
Other recognised losses:						
Pension scheme actuarial (losses)	19	290.0	-	-	290.0	(290.0)
Net movement in funds in year		518.0	121.4	262.6	902.0	(1,130.4)
Funds balances at 1 September 2020		11,021.6	4,181.9	1,799.6	17,003.1	18,133.5
Fund balances at 31 August 2021		11,539.6	4,303.3	2,062.2	17,905.1	17,003.1