

TALBOT HEATH SCHOOL TRUST LIMITED

England & Wales · Charity number 283708

Details

Other names	TALBOT HEATH SCHOOL
Status	Registered
Legal form	Charitable company
Company number	01584957
Registered	1981-12-14
Register	View on the Charity Commission register

Contact

Address	Talbot Heath School Rothesay Road Bournemouth BH4 9NJ
Phone	01202755419
Email	office@talbotheath.org
Website	www.talbotheath.org

Activities

Objects: THE ADVANCEMENT OF EDUCATION IN THE UNITED KINGDOM AND ELSEWHERE AND IN PARTICULAR (BUT WITHOUT IN ANY WAY LIMITING THE GENERALITY OF THE FOREGOING) THE ACQUISITION OF THE SCHOOL KNOWN AS TALBOT HEATH SCHOOL IN THE COUNTY OF DORSET TOGETHER WITH ALL THE REAL AND PERSONAL PROPERTY THERETO BELONGING OR USED IN CONNECTION THEREWITH AND ALL (IF ANY) ITS LIABILITIES AND THE CARRYING ON CONDUCTING AND DEVELOPING OF SUCH SCHOOL AS AN INDEPENDENT PUBLIC SCHOOL FOR GIRLS AS DAY SCHOLARS OR BOARDERS AND AS AN INDEPENDENT PRE-PREPARATORY SCHOOL FOR GIRLS AS DAY PUPILS PROVIDING EDUCATION HAVING A SOUND CHRISTIAN AND MORAL BASIS FOUNDED ON THE TEACHING OF THE CHURCH OF ENGLAND.

Activities: The provision of high quality holistic education for girls between the ages of 3 and 18. The school has been designated as a school with a religious character.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training
- **Who:** Children/young People

Geography

- **Area of benefit:** UNITED KINGDOM AND ELSEWHERE
- Bournemouth
- Dorset

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£9,037,270	£9,031,702	£13,513,648	163
2023-08-31	£9,255,451	£8,557,992	£13,036,574	159
2022-08-31	£705,821	£8,176,589	£12,360,457	170
2021-08-31	£1,645,741	£7,523,645	£12,749,411	168
2020-08-31	£7,111,404	£7,701,720	£11,268,738	161

Trustees

Name	Role	Appointed
Rebecca Newton	Chair	2020-03-23
David Walker		2025-03-25
Dr John Holloway		2025-03-25
Dr RICHARD DAY		2018-03-20
Elaine Brook		2024-07-02
Gary House		2022-12-06
Kathryn Heather Potten		2023-09-19
Rev NICHOLAS VINCENT WELLS		2023-06-21
Sarah Louise Hill		2025-03-25
Walid Badawy		2022-07-05

TALBOT HEATH SCHOOL TRUST LIMITED

England & Wales - Charity number 283708

Accounts

Company Registration No. 01584957 (England and Wales)
Charity No. 283708

Talbot Heath School Trust Limited

Report and Financial Statements

For the year ended
31 August 2024

Talbot Heath School Trust Limited

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Talbot Heath School Trust Limited

Legal and administrative information

Governors

Dr R Day (Chair until March 2024)
Mrs R Newton (Chair from March 2024)
Mrs E Brook
Mr W Badawy
Mrs K Potten
Mrs S Hill
Mr D Walker

Revd N Wells
Mr G House
Revd J Burke
Dr John Holloway

Head

Mrs Tracy Harris (Appointed 1 September 2023)

Secretary

Mr G Ives (Resigned August 2024)
Mrs Cecilia Handel (Appointed September 2024)

Company registered number

01584957

Charity Commission registration number

283708

Registered office and principal address

Talbot Heath School
Rothesay Road
Bournemouth
Dorset
BH4 9NJ

Bankers

Lloyds Bank Plc
Bournemouth Branch
45 Old Christchurch Road
Bournemouth
BH1 1ED

Barclays Wealth
The Helm
39 Holdenhurst Road
Bournemouth
BH8 8EH

Solicitors

Steele Raymond LLP
Richmond Point
43 Richmond Hill
Bournemouth
Dorset
BH2 6LR

Wilson's Solicitors LLP
St John's Street
Salisbury
Wiltshire
SP1 2SB

Auditors

Saffery LLP
Midland House
2 Poole Road
Bournemouth
BH2 5QY

Investment advisers

Barclays Wealth
The Helm
39 Holdenhurst Road
Bournemouth
BH8 8EH

Talbot Heath School Trust Limited

Report of the Governors For the year ended 31 August 2024

The Governors present their report together with the audited financial statements for the year ended 31 August 2024. The provisions of the Statement of Recommended Practice: Accounting and Reporting by Charities 2015 (FRS 102) have been adopted in their preparation.

Governors

The Governors are also the Trustees and Directors of the company. Those who served during the year and who were in office at the date of this report are listed below:

Dr R Day	
Mrs S Richards	(Resigned 19 March 2024)
Dr D Sadd	(Resigned 22 March 2024)
Mrs R Newton	
Mrs A Ewins	(Resigned 19 March 2024)
Revd N Wells	
Mrs K Potten	(Appointed 19 September 2023)
Mrs T Magrath	(Resigned 17 September 2024)
Mr W Badawy	
Revd J Burke	
Mr G House	
Mrs C Sutcliffe	(Resigned 13 December 2024)
Mrs E Brook	(Appointed 2 July 2024)
Mr D Walker	(Appointed 25 March 2025)
Dr John Holloway	(Appointed 25 March 2025)
Mrs S Hill	(Appointed 25 March 2025)

Status and administration

Talbot Heath School Trust Limited is a charitable company limited by guarantee, incorporated on 9 September 1981. It is governed by its Memorandum and Articles of Association, which were last updated on 13 March 2012.

Objectives and activities

In setting the School's objectives and planning activities, the Governors have given careful consideration to the Charities Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

The objects of the company are the advancement of education providing boarding and day schooling for girls between the ages of 3 and 18. The School has a Junior School with a Pre-Preparatory Department. Each stage of the curriculum is tailored to meet the specific needs of a particular age group. The transition between key stages is carefully monitored to ensure continuity of care. The school also runs a Tennis Academy, in conjunction with West Hants Tennis Club and a Swimming Academy, in conjunction with Poole Swimming Club.

The School is a Church of England School, founded on Christian principles, with a strong chaplaincy team and religious leaders from other faiths who visit the school for assemblies and as part of the Religious Studies programme to foster understanding between pupils of all faiths and to ensure the spiritual support of all members of the School community. The School has been designated as a School with a religious character.

Trustees take the views of its stakeholders very seriously. In addition to regular surveys of pupils, parents and staff, the students' voice is heard through a School Council in the Senior School, the Prefect system in the Junior School and through suggestion boxes and meetings with the Heads of House in Boarding.

Structure, governance and management

The company is controlled by the Board of Governors, which meets four times a year to determine the general policy of the School and ensure compliance with all relevant regulations. A subsidiary trading company, Rothesay Events (registered number 10139433), wholly owned by Talbot Heath School Trust Ltd, was incorporated on 21st April 2016 and became active on 1st September 2017. The results of the trading company have been consolidated in these financial statements.

The following committees exist and operate under terms of reference issued by the Board. The Chair of the Board of Governors is an ex officio member of all committees except the Appeals Committee.

Report of the Governors (continued)
For the year ended 31 August 2024

- *Chairs' Committee*, comprising of three Governors together with the Head in attendance. The committee meets at least once a term to coordinate the activities of the other Committees to ensure cohesion between the work of the committees or to deal with urgent matters.
- *Education and Staffing Committee*, comprising of five Governors. The committee meets at least once a term. The role of the committee is to provide a formal link with the Head and Senior Leadership Team to monitor all aspects of education and pastoral care and to give support to the Head and staff. The Head and the Head of Junior School attend these meetings. The Senior Leadership Team and other members of staff attend as required and when invited. This committee reviews all matters relating to staff including salaries and pay increases, educational standards, curriculum provision, behaviour and pastoral care, boarding provision, special educational needs and the spiritual, moral, social and cultural development of pupils.
- *Finance and Resources Committee*, comprising of five Governors together with the Head, Head of Junior School and Bursar in attendance. The committee meets twice a term. The Facilities Manager attends by invitation as required. The committee reviews all matters relating to finance, the management and development of the premises and to review and monitor relevant school policies.
- *Dismissals Committee*, comprising three Governors. The committee will meet only as required to consider staff grievances and disciplinary matters if the Chair of Governors determines so.
- *Discipline Committee*, comprising three Governors. The committee will meet only as required to consider the exclusion of a pupil if that pupil's parents/carers request this.
- *Appeals Committee*, comprising three Governors, other than the Chair and those on the Dismissals and Discipline Committees. The committee will meet only as the need arises to consider all appeals against decisions of the Head or Dismissals Committee.
- *Complaints Committee*, comprising two members of the Governing Body, excluding the Chair of Governors, not directly involved in the matters detailed in the complaint or with a connection to the complainant, plus a person of standing in the community who is truly independent of the management and running of the school. The committee will meet only as required to consider all complaints not covered by other committees.

The operational leadership and management of the school is delegated to the Head who also has delegated powers to authorise payments to a maximum of £10,000.

Appointment of Governors

The Governing Body consists of not less than 8 and not more than 18, of whom two are nominative governors, nominated by the Bishop of Winchester and the Bishop of Salisbury. At the time of this report there are 8 governors. All governors are entitled to hold office for a period of 3 years from the date of election/nomination. The Chair and Vice-Chair of Governors are elected by the Governing Body for a term of 2 years and 4 terms may be served consecutively.

Appointment of new Governors during the year is subject to re-election at the Annual General Meeting; at which one third of the Foundation Governors retire annually. At the AGM held in March 2024, Mrs Magrath retired and was re-elected, Mrs A Ewins, Mrs D Sadd and Mrs S Richards retired and were not re-elected and Mrs K Potten was appointed.

Prospective Governors are required to complete a self-declaration confirming that they are not disqualified from being a Charity Trustee. An induction is provided to all new Governors who are given a mentor and on-line access to the Governors' Information area of the school intranet site. This details statutory and operational information and guidance concerning the School, its policies and a code of conduct for Governors. The content of the Governors' Information area is subject to annual review by the Full Governing Board.

Governors complete a Skills Audit and evaluate their competency as a body, every two years. This informs training, succession planning and recruitment. A Recruitment, Induction and Training process and policy is being reviewed in the Spring term of 2025.

Report of the Governors (continued)
For the year ended 31 August 2024

Statement of Governors' responsibilities

Company law and laws applicable to charities in England and Wales, require the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its surplus or deficit for that year. In preparing those financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Governors are responsible for maintaining proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 2006 and applicable Charity Law. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STRATEGIC REPORT

Risk management

The Board of Governors has compiled a risk register, identifying the major risks to which the company is exposed, by assessing the potential impact and likely occurrence of each risk. The assessment of such has enabled the Governors to develop risk-handling options for each major risk. The risk register is reviewed on a termly basis by the sub-committees and reported to the full Board. A description of the principal risks and uncertainties facing the company together with the plans and strategies for managing those risks are:

Main Risks	Controls
Income, expenditure and cash flow	Regular financial reporting with strong budget planning and controls
Policy and political change	Monitoring the charitable aims and maximizing public benefit
Inferior quality teaching leading to poor external examination results	Robust teacher appraisal procedures and pupil achievement tracking systems
Narrow curriculum leading to failure to recruit pupils, particularly in the Sixth Form	Sufficient finance for excellent teacher recruitment and curriculum resources
Site and infrastructure failure	Regular maintenance and asset management
Critical incidents	Effective crisis management and Health & Safety training
Dissatisfied stakeholders	Excellent communication and information through a range of media including a vibrant and up-to-date website.

Investment policy

The company may make investments as it sees fit. The strategy for investments is generally one of medium risk, but this is reviewed annually. Asset allocations focus on long-term growth and sustainability of the funds to support the school beyond the foreseeable future.

The Governors consider the ethics of the companies in which the portfolio is invested from time to time and, whilst they would wish to invest in companies with a philosophy compatible to that of the School, they are mindful of the requirement placed upon them as Trustees to maximise the charity's investments.

The School has delegated investment management to Barclays Wealth. A written policy statement has been provided to, and agreed with, the investment managers. Barclays Wealth has fully delegated powers within the terms of this policy. The investment policy is to invest across a broad range of funds and markets and requires an income return sufficient to

meet any shortfall in annual expenditure, and long-term growth greater than RPI to ensure the future security of the portfolio.

The policy also provides that no single investment should exceed 5% of the total value of investments, and no single market sector to exceed 15% of the total.

In the 12 months to 31 August 2024, the Queensmount Fund portfolio decreased 3.65%; this is against a benchmark increase of 1.44% and the General Fund portfolio increased 11.4% compared to a benchmark increase of 1.44%. The decreases within the Balance sheet on the Queensmount Fund are due to cash withdrawals which have taken place in the year. The Governors will continue to keep the investment portfolio under review in the forthcoming year.

In accordance with the School's accounting policies, investments are stated at market value at the balance sheet date. The investment advisors to the School have confirmed that, in the previous year, there was no permanent diminution in the value of the School's assets.

Grant making policy

During the academic year the School provided financial assistance through 29 bursaries (2023: 22) amounting to £120,012 (2023: £120,756) and 128 (2023: 93) scholarships amounting to £319,571 (2023: £301,799). Some pupils received both scholarships and bursaries. In addition 13 (2023: 13) pupils received Governors' Free places amounting to £82,468 (2023: £106,220), No (2023: 2) pupils received Boarding bursaries of £nil (2023: £4,244), 1 (2023: 20) pupils received Sixth Form Scholarships amounting to £3,458 (2023: £70,372), 14 (2023: 12) pupils received a tennis academy award of £92,274 (2023: £95,896), No (2023: 2) pupils received Music awards of £nil (2023: £1,618), 2 pupils (2023: 3) received a Clergy bursary of £17,303 (2023: £30,442), 4 (2023: 5) pupils received Speech Training & Drama awards amounting to £2,820 (2023: £2,892) and at the TH Swimming Academy 20 pupils (2023: 17) received awards totalling £74,403 (2023: £81,732) This represents a total of £712,309 (2023: £815,968).

In total, the sums awarded for the year amount to 7.9% (2023: 9.6%) of gross fees.

The Board's policy is to make awards based on academic ability and/or excellence in Art, Performing Arts, Music or Sport. Bursaries are made on the basis of need and to relieve hardship where it considers that a pupil's education and future prospects are at risk. Awards are given at the discretion of the Head and bursaries are reviewed annually.

Reserves policy

The current level of the School's reserves is detailed in notes 15 and 16 to the accounts.

The Board is of the opinion that fixed assets, principally the School property, represent the majority of reserves and it is essential that these facilities are maintained to a high standard. It also believes that the facilities of the School, including classroom facilities, should continually be improved in order to maintain the long-term viability of the School. This will be the largest area of capital expenditure for the foreseeable future.

The current level of reserves, referred to as free reserves, and representing the reserves of the School excluding those invested in fixed assets and not specifically designated is currently in surplus by £858,464 (2023: £1,139,433).

The Governors consider the ideal level of free reserves to be a minimum of a terms worth of unrestricted fund expenditure, i.e. four months, which is approximately £2.85m. This would enable the School to cover charitable expenditure, staff salaries and other overheads in the event of closure.

Whilst the current level of reserves only represents two months expenditure, the Governors feel it is at a practicable and achievable level in order to cover the risks and uncertainties operating as an independent educational establishment, and if there was a requirement, resources could be withdrawn from the investment portfolios to provide any additional support required.

The Governors intend to continue building up reserves out of annual operating surpluses while reducing external borrowing to reach the goal of four months expenditure in reserve, whilst carefully maintaining the ongoing external demands of further capital expenditure to equip the School with the up-to-date facilities needed to maintain the standard of educational services currently provided.

Fundraising policy

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities.

The school continues to raise funds directly from parents via the Parent Staff Society to support the purchase of equipment for the STEAM Hub.

Commercial sponsorship for the school will be used solely for the purpose of additions or improvements, not for funding core operational activities and sponsorship must support the curriculum and provide added value to pupils' learning.

The charity has a separate fundraising bank account which details all individual entries, the responsibility for which rests with the Bursar, who in turn reports directly to the Governing Body on a termly basis.

All fundraising is carried out in accordance with the standards of the Fundraising Code of Practice. Direct appeals to our parent and alumnae community are planned carefully to ensure they are neither unreasonable, persistent, or obtrusive.

No complaints have been received regarding fundraising activity during the year.

Remuneration Policy for senior staff

The Board of Governors and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the Trust on a day-to-day basis. All governors give of their time freely and no director received remuneration in the year. Details of the governors' expenses and related party transactions are disclosed in note 4 and 5 to the accounts.

The pay of the senior staff is reviewed annually. In view of the nature of the charity, the directors benchmark against pay levels in other Independent Schools of a similar size.

Review of financial activities

The net incoming resources for the year, before transfers and investment gains, amounted to £5,568 (2023: £697,459). In addition, there were realised investment gains of £107,178 (2023: £137,358) and unrealised investment gains of £364,328 (2023: losses of £158,701) contributing to the net incoming resources of £477,074 (2023: £676,116). Furthermore, during the year £50,659 (2023: £600,870) was spent on capital items.

Public Benefit

The school engages with the wider community on a broad range of activities. Where the school can assist the community without detriment to advancing the education of its pupils, it is delighted to do so. The activities it has and continues to support are: Literary Awards across local schools. The school opens its World War II air raid shelter to school groups and community groups from across Dorset. It also provides subsidised facilities for a local netball academy. The school has opened a swimming academy in conjunction with Poole Swimming Club which provides a public facility for children and adults across the Dorset community. Providing outdoor learning facilities on our playing fields and in our Forest School area for local schools.

School achievements and performance

The school prepares an annual report to parents for each academic year. A summary of the report is given below:

Charitable activities

The whole school has worked hard together to support worthy causes and to raise awareness of charities through assemblies and fundraising. Great empathy for others has been shown by pupils choosing to support organisations that have a great global impact as well as a deeply personal connection. Once again TH girls have chosen to show their desire to make the world a fairer and better place. Some of the local, national and global charities supported this year were Children in Need, Godfrey's Kitchen, Poppy Appeal, Red Nose Day and Dorset Mind.

Public examination results

Talbot Heath pupils achieved excellent examination results. 92% of A level pupils achieved their first choice university places with 79% of all grades A*-B. GCSE pupils also performed very well with 46% of all grades 7-9.

Information Communication Technology

Talbot Heath's was redesignated as an Apple Distinguished School in 2024 reflecting its innovative use of Apple devices. As a Regional Training Centre courses have been promoted through email and social media. Our school continues to lead in STEM fields, demonstrated by our team's victory in the Rotary STEM competition, where they emerged as champions. The event challenged students' ingenuity, problem-solving skills, and teamwork, all of which are critical for success in today's world.

In addition, our BIMA Digital Day allowed students to interact with industry professionals in the digital and technology sectors, providing them with invaluable insights into future career paths. This experience was essential in encouraging our students to think critically about their digital futures.

Creative and performing arts

Our Scholars Music Concert was a testament to the talent and hard work of our musically gifted students. Their dedication and discipline were clear to all, and it was a proud moment for the music department to witness such a polished performance. The school performance of Frozen was an undoubted highlight, described by many as "stunning" and "magical." The professionalism with which the students performed on stage, and the technical skill behind the scenes, illustrated the power of collaboration, creativity, and dedication to the arts. The Carol Service, which featured both traditional and contemporary music, alongside lessons delivered by students, was a stunning end to the term. It was heartening to see our students showcase their musical talents in a way that celebrated both individual achievement and community spirit. Christmas time saw our first EYFS Nativity play. Our youngest pupils performed in the Jubilee Hall, speaking and singing clearly and delighting the audience of family and friends. Key Stage 1 performed a Nativity based around 'Strictly Come Dancing' in the Great Hall and the experience was all the more magical as it snowed during their performance.

Sport

We were thrilled to be named Dorset LTA Tennis School of the Year 2023, a prestigious accolade that recognises our exceptional tennis programme and our students' accomplishments on the court. In the National Tennis Finals, our U13 team became national champions, and our U15 team secured the runner-up position. These achievements were a reflection of the school's commitment to sporting excellence, underpinned by expert coaching and the students' relentless determination.

Our overall sports ranking also saw a significant improvement with Talbot Heath being placed 46th in the Top 200 Sports Schools of 2023, climbing from 59th the previous year, which underscores our growing reputation as a top-tier sporting institution. The summer also brought further sporting achievements. Our swimming teams shone brightly at the World School Games, with our Year 7/8 team coming in second and our Year 9/10 team winning first place. These results, along with our successes in tennis, reaffirm Talbot Heath's standing as a school where sport plays a pivotal role in student life.

Future plans

Talbot Heath's 2024-27 Strategic Development Plan is built on four pillars: sustainability, curriculum, wellbeing, and leadership. The plan aims to create a unified school culture that encompasses both Junior and Senior School, as well as teaching and support staff. It also seeks to strengthen connections with alumnae, both staff and former pupils, to ensure that those who depart from the school remain connected to the Talbot Heath community.

Sustainability - Sustainability is at the forefront of Talbot Heath's commitment. The school recognizes the importance of preserving the environment for future generations and aims to integrate sustainable practices into all aspects of its operations. From reducing its carbon footprint and conserving natural resources to promoting eco-friendly initiatives and educating students about environmental stewardship, sustainability will be woven into the fabric of the school culture.

Curriculum - The curriculum serves as the backbone of education, shaping the learning experiences and opportunities for every student. It provides a structured framework through which knowledge, skills, and values are imparted, ensuring a comprehensive and well-rounded education. The plan will create a clear pathway for girls as they progress through each year, fostering continuity and progression in their education journey.

Wellbeing - The plan will review and enhance co-curricular offerings across all levels, developing a Talbot Heath Mini Baccalaureate that celebrates and recognizes girls' involvement in various aspects of school life. It will also develop a Talbot Heath Healthy Minds and Body curriculum that embeds education for resilience and kindness at its heart. The plan will also develop TH wellbeing goals for students across the school, embed an understanding of these goals and how students can master them to improve their wellbeing, and provide a range of opportunities to inform parents of new risks and safeguards.

Report of the Governors (continued)
For the year ended 31 August 2024

Leadership - Leadership development stands as a cornerstone of Talbot Heath's commitment. The school is dedicated to nurturing the next generation of leaders by providing comprehensive opportunities for personal and professional growth. Through tailored programs, mentorship initiatives, and experiential learning opportunities, the school aims to empower students to unlock their leadership potential and make meaningful contributions to society. The plan will prioritize leadership development across governance, senior leadership team, staff, and students, and expand pupil leadership opportunities, nurturing girls' skills and talents to prepare them for life beyond school.

Auditors

A resolution to re-appoint Saffery LLP will be submitted to the Annual General Meeting.

Statement of disclosure to auditor

(a) So far as each of the Governors is aware, there is no relevant information that has not been disclosed to the company's auditors, and

(b) Each of the Governors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

By order of the Governing Body, who also approve the strategic report in their capacity as directors.



Mrs R Newton
Chair of Governors

Date: 26 June 2025

Talbot Heath School Trust Limited

Independent auditors' report To the Governors of Talbot Heath School Trust Limited

Opinion

We have audited the financial statements of Talbot Heath School Trust Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 August 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, 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 affairs of the group and the parent charitable company as at 31 August 2024 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 and parent 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 group or the parent 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. 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 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.

**Independent auditors' report (continued)
To the Governors of Talbot Heath School Trust Limited**

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 Report of the Governors which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors which includes the Directors' Report, and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors and Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable 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 Statement of Governors' Responsibilities set out on page 4, the Governors (who are also the directors of the parent 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 the 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 group and the parent 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 group or the parent 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

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls, and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations

Talbot Heath School Trust Limited

Independent auditors' report (continued) To the Governors of Talbot Heath School Trust Limited

that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

The charity is subject to other laws and regulations where non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the charity's operations. We identified the most significant laws and regulations to be those monitored by the Independent Schools Inspectorate.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected, or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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.

A further description of our responsibilities 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 parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery LLP

Casidhe Baleri (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Statutory Auditors

Midland House
2 Poole Road
Bournemouth
Dorset
BH2 5QY

Date: 30 June 2025

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Talbot Heath School Trust Limited

Consolidated statement of financial activities (incorporating an income and expenditure account) For the year ended 31 August 2024

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2024 £	Total 2023 £
INCOME AND ENDOWMENTS FROM:						
Donations, legacies and grants		5,738	-	-	5,738	4,617
Income from charitable activities						
School fees receivable	2	8,283,503	-	-	8,283,503	7,674,460
Other trading activities						
Letting income		357,629	-	-	357,629	301,657
Sundry	3	293,220	-	-	293,220	1,142,237
Investment income		62,407	34,773	-	97,180	132,480
Total income		9,002,497	34,773	-	9,037,270	9,255,451
EXPENDITURE ON:						
Charitable activities						
Provision of education		8,842,474	-	2,050	8,844,524	8,399,186
Raising funds						
Financing costs		133,215	-	-	133,215	126,346
Investment management		20,233	8,377	-	28,610	32,184
Costs in relation to trading activities		25,353	-	-	25,353	276
		178,801	8,377	-	187,178	158,806
Total expenditure	4	9,021,275	8,377	2,050	9,031,702	8,557,992
Net income before gains/(losses) on investments		(18,778)	26,396	(2,050)	5,568	697,459
Net gains/(losses) on investments	9	337,679	133,827	-	471,506	(21,343)
Net surplus/(deficit)		318,901	160,223	(2,050)	477,074	676,116
Transfers between funds	15	65,046	(65,046)	-	-	-
Net movement in funds	6	383,947	95,177	(2,050)	477,074	676,116
Fund balances brought forward		11,387,355	1,590,797	58,422	13,036,574	12,360,458
Fund balances carried forward	15/16	11,771,302	1,685,974	56,372	13,513,648	13,036,574

The notes on pages 17 to 30 form part of these financial statements.

All amounts derive from continuing activities. All gains and losses recognised in the year are included in the Statement of Financial Activities.

Talbot Heath School Trust Limited

Consolidated balance sheet For the year ended 31 August 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	8		12,251,424		12,598,688
Investments	9				
- Queensmount Fund		1,276,514		1,324,926	
- Prize Fund		70,000		70,000	
- General Fund		2,547,098		2,286,379	
- WVB Fund		1,051,335		943,405	
			4,944,947		4,624,710
			17,196,371		17,223,398
Current assets					
Stocks		4,049		7,450	
Debtors	11	441,493		373,409	
Cash at bank and in hand		1,545,599		856,285	
		1,991,141		1,237,144	
Creditors:					
Amounts falling due within one year	12	(3,600,269)		(3,222,253)	
Net current liabilities			(1,609,128)		(1,985,109)
Total assets less current liabilities			15,587,243		15,238,289
Creditors:					
Amounts due in more than one year	13		(2,073,595)		(2,201,715)
Net assets	14		13,513,648		13,036,574
Represented by:					
<u>Unrestricted funds</u>					
General funds	15		11,443,228		11,300,258
Designated funds	15		1,542,400		1,540,866
Revaluation reserve	15		471,648		137,028
<u>Restricted Funds</u>	16		56,372		58,422
			13,513,648		13,036,574

The surplus for the financial period dealt with in the financial statements of the parent company was £507,469 (2023: £634,404). As permitted by Section 408 of the Companies Act 2006, no separate profit or loss account or statement of comprehensive income is presented in respect of the parent Company.

Approved by the Governing Body on 26 June 2025 and signed on its behalf by



Richard Day
Chairman of the
Governing Body



Rebecca Newton
Chair of the
Finance & Investment Committee

The notes on pages 17 to 30 form part of these financial statements.

Talbot Heath School Trust Limited

Charity balance sheet For the year ended 31 August 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	8		12,251,424		12,598,688
Investments	9				
- Queensmount Fund		1,276,514		1,324,926	
- Prize Fund		70,000		70,000	
- General Fund		2,547,098		2,286,379	
- WVB Fund		1,051,335		945,405	
- Rothesay Events Limited		1		1	
			4,944,948		4,624,711
			17,196,372		17,223,399
Current assets					
Stocks		4,049		7,450	
Debtors	11	370,934		334,802	
Cash at bank and in hand		1,387,278		712,063	
		1,762,261		1,054,315	
Creditors:					
Amounts falling due within one year	12	(3,574,783)		(3,220,213)	
Net current liabilities			(1,812,522)		(2,165,898)
Total assets less current liabilities			15,383,850		15,057,501
Creditors:					
Amounts due in more than one year	13		(2,073,595)		(2,201,715)
Net assets			13,310,255		12,855,786
Represented by:					
<u>Unrestricted funds</u>					
General funds	15		11,239,835		11,119,470
Designated funds	15		1,542,400		1,540,866
Revaluation reserve	15		471,648		137,028
<u>Restricted Funds</u>	16		56,372		58,422
			13,310,255		12,855,786

Approved by the Governing Body on 26 June 2025 and signed on its behalf by



Richard Day
Chairman of the
Governing Body



Rebecca Newton
Chair of the
Finance & Investment Committee

The notes on pages 17 to 30 form part of these financial statements.

Talbot Heath School Trust Limited

Consolidated statement of cash flows For the year ended 31 August 2024

	Notes	2024 £	£	2023 £	£
Net cash absorbed by operating activities	1		982,839		(44,998)
Cash flows from investing activities					
Bank and other interest received		10,502		9,910	
Dividends received		86,678		122,570	
Payments to acquire tangible fixed assets		(50,659)		(600,870)	
Proceeds from sale of tangible fixed assets		910		881,380	
Payments to acquire investments		(1,109,249)		(2,777,731)	
Proceeds from sales of investments		1,260,519		2,792,323	
Net cash inflow from capital expenditure and financial investment			198,701		427,582
Cash flows from financing activities					
Bank loan repayments		(492,226)		(492,223)	
Net cash outflow from financing activities			(492,226)		(492,223)
Change in cash and cash equivalents in the reporting period			689,314		(109,639)
Cash and cash equivalents at the beginning of the reporting period			156,285		265,924
Cash and cash equivalents at the end of the reporting period			845,599		156,285

Talbot Heath School Trust Limited

Notes to the consolidated statement of cash flows For the year ended 31 August 2024

1 Reconciliation of net income to net cash flow provided by operating activities

	2024		2023	
	£	£	£	£
Net incoming resources per statement of financial activities		5,568		697,459
Dividends receivable	(86,678)		(122,570)	
Depreciation	397,346		400,911	
Profit/loss on disposal	(334)		(864,079)	
Bank and other interest received	(10,502)		(9,910)	
Decrease in debtors	(68,084)		(12,799)	
Increase in creditors	742,122		(128,197)	
Decrease in provisions	-		-	
Decrease in stocks	3,401		(5,813)	
		<u>977,271</u>		<u>(742,457)</u>
Net cash absorbed by operating activities		<u>982,839</u>		<u>(44,998)</u>

2 Analysis of cash and cash equivalents

	2024	2023
	£	£
Net cash:		
Cash in hand at bank	563,620	606,869
Short term deposits	981,979	249,416
Overdraft facility	(700,000)	(700,000)
Total cash and cash equivalents	<u>845,599</u>	<u>156,285</u>

Talbot Heath School Trust Limited

Notes to the financial statements For the year ended 31 August 2024

1 Accounting policies

Talbot Heath School Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Talbot Heath School, Rothesay Road, Bournemouth, Dorset, BH4 9NJ.

As it is limited by guarantee, the School does not have any share capital. The members, consisting of the Governors and Directors, undertake to contribute an amount not exceeding £1 each in the event of the company being wound up.

1.1 Accounting convention

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2019, the Charities Act 2011 and UK Generally Accepted Practice. The accounts are drawn up on the historical cost basis of accounting, with the exception of the investments which are held at market value.

The School constitutes a Public Benefit Entity as defined by FRS102.

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

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

This charitable company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charitable company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The charitable company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the charitable company are consolidated in the financial statements of Talbot Heath School Trust Limited. These consolidated financial statements are available from its registered office, Talbot Heath School, Rothesay Road, Bournemouth, BH4 9NJ.

1.2 Basis of consolidation

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary Rothesay Events Limited (company number 10139433) on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charitable company has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

1.3 Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.4 Fees and similar earned income

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

Notes to the financial statements (continued)
For the year ended 31 August 2024

1.5 Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis. Income from investment properties is accounted for in the period to which the rental income relates.

1.6 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 School is considered probable. Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. 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. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the School in the case of donated services or facilities.

1.7 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 statement of financial activities is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of running the School, including strategic planning for its future development, also external audit fees, any legal advice for the Board of Governors and all costs of complying with constitutional and statutory requirements, such as the cost of Governors meetings and of preparing statutory accounts and satisfying public accountability.

1.8 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £500 are capitalised and carried in the balance sheet at historical cost. ICT equipment costs are written off as incurred. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used. Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

Capital assets donated are capitalised in fixed assets and are included as incoming resources.

1.9 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

Freehold buildings	- 2%/4%/5%/10% on a straight line basis
Artificial sports pitches	-10% on a straight line basis
Furniture, fittings and equipment	-15% on a straight line basis
Motor vehicles	-20% on a straight line basis
Computer and office equipment	-33% on a straight line basis

1.10 Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further subdivided into permanent and expendable.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Notes to the financial statements (continued)
For the year ended 31 August 2024

Designated income and funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. Income arising on assets within the designated fund is included within that fund. The following designated funds exist:

Queensmount Fund

The fund was established in 1987. There is no formal deed establishing the fund, and no limitations other than the approval of the Board of Governors, and within the limitations of the Trustee Investment Act. The primary purpose of the fund's investment activity is to generate income and capital growth to maintain the value of the fund to provide financial assistance to pupils and to fund capital projects.

Prize Funds

These funds have been accumulated over many years by donations from former pupils and parents. Prizes are distributed from the income annually at Speech Day.

Restricted funds are funds which have been given for specific purposes; the following restricted funds exist:

Angela Felgate Classics Fund

The Angela Felgate Classics fund was set up in memory of a former Classics teacher following a bequest and will be used to provide grants to cover the cost of an external Classical Greek course for pupils wishing to study Classics at university.

Barbara Miller Award

This fund was set up by an ex-teacher of English and is to be used for annual awards to English Scholars of up to £100.

Clare Austin Smith Bursary

This fund was set up following a bequest from Claire Austin Smith and will be used to provide a bursary for pupils entering lower fifth year through to upper sixth year.

Mary Broad Scholarship

A scholarship awarded to pupils entering a three-year University degree.

Cordelia Westcott Travel Scholarship

A scholarship awarded to those pupils intending to embark on an educational trip before taking up a university place.

Edwards Awards

This fund awards an annual prize to pupils who have been innovative and creative.

Details of funds are disclosed in notes 15 and 16 to the accounts.

1.11 Pensions

Retirement benefits to employees of the School are provided through two pension schemes. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) The Teachers' Pension Scheme - This 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, the charity 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.
- (b) Aegon - Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.

1.12 Stock

Stock represents goods for resale and is valued at the lower of cost and net realisable value.

Notes to the financial statements (continued)
For the year ended 31 August 2024

1.13 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.14 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.15 Investments

Investments are stated at market value at the balance sheet date. Realised gains/ (losses) are calculated as the difference between market value at the date of disposal and market value at the previous balance sheet date (or date of acquisition if later). Unrealised gains/ (losses) are calculated as the difference between the market value at the balance sheet date and the market value at the previous balance sheet date (or date of acquisition if later).

1.16 Creditors and provisions

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

1.17 Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.18 Critical estimate and judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the governors 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

There are no critical judgements in the application of the Charity's accounting policies that have a significant effect on the amounts recognised in the financial statements.

2 School fees

	2024	2023
	£	£
Gross fees	8,995,812	8,490,428
Less:		
Total bursaries, grants and other price differentials	(712,309)	(815,968)
	<hr/>	<hr/>
	8,283,503	7,674,460
	<hr/>	<hr/>

Talbot Heath School Trust Limited

Notes to the financial statements (continued) For the year ended 31 August 2024

3 Sundry other income

	2024 £	2023 £
Other fees and surcharges	289,087	1,137,397
Staff lunches	4,133	4,840
	<u>293,220</u>	<u>1,142,237</u>

Other fees and surcharges in FY2024 contains a profit on land sold of £nil (2023: £825,315), minibus income and other sundry income.

4 Analysis of total expenditure

2024:

	Staff costs £	Other £	Depreciation £	Total £
Charitable activities				
School operating costs:				
Teaching	4,529,554	332,869	64,922	4,927,345
Welfare	291,174	828,653	-	1,119,827
Premises	223,635	1,002,302	322,744	1,548,681
Support costs of schooling	692,182	546,827	9,662	1,248,671
	<u>5,736,545</u>	<u>2,710,651</u>	<u>397,328</u>	<u>8,844,524</u>
Cost of raising funds				
Financing costs	-	133,215	-	133,215
Investment management	-	28,610	-	28,610
Expenditure on trading activities	-	25,353	-	25,353
	<u>-</u>	<u>187,178</u>	<u>-</u>	<u>187,178</u>
Total resources expended	<u>5,736,545</u>	<u>2,897,829</u>	<u>397,328</u>	<u>9,031,702</u>

Talbot Heath School Trust Limited

Notes to the financial statements (continued) For the year ended 31 August 2024

4 Analysis of total expenditure (continued)

2023:

	Staff costs £	Other £	Depreciation £	Total £
<i>Prior Year</i>				
Charitable activities				
School operating costs:				
Teaching	4,342,464	317,981	66,448	4,726,893
Welfare	261,646	823,486	-	1,085,132
Premises	167,831	919,644	322,953	1,410,428
Support costs of schooling	613,806	551,417	11,510	1,176,733
	<u>5,385,747</u>	<u>2,612,528</u>	<u>400,911</u>	<u>8,399,186</u>
Cost of raising funds				
Financing costs	-	126,346	-	126,346
Investment management	-	32,184	-	32,184
Expenditure on trading activities	-	276	-	276
	<u>-</u>	<u>158,806</u>	<u>-</u>	<u>158,806</u>
Total resources expended	<u><u>5,385,747</u></u>	<u><u>2,771,334</u></u>	<u><u>400,911</u></u>	<u><u>8,557,992</u></u>

	2024 £	2023 £
Within support costs there are the following governance costs:		
Criminal Records Bureau	2,342	3,585
ISC inspection	8,126	4,327
Audit	23,690	25,030
Governors' liability insurance	1,300	889
Governors' expenses reimbursed	131	955
Legal fees	19,166	7,535
Other professional fees	85,013	125,695
	<u><u>139,768</u></u>	<u><u>168,016</u></u>

The Governors' liability insurance is in respect of all Governors and the expenses reimbursed relate to 1 Governors and mainly relate to subscriptions to the Association of Governing Bodies of Independent Schools and travel expenses.

Talbot Heath School Trust Limited

Notes to the financial statements (continued) For the year ended 31 August 2024

5 Salaries and wages

	2024	2023
	£	£
Salaries	4,608,581	4,232,404
National insurance contributions	444,742	404,000
Pension costs	683,222	749,343
	<u>5,736,545</u>	<u>5,385,747</u>

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

	Full time	Part time	Full time	Part time
	2024	2024	2023	2023
Teaching	60	47	60	48
Administrative and domestic	32	24	30	21
	<u>92</u>	<u>71</u>	<u>90</u>	<u>69</u>

The number of higher paid employees was:

	2024	2023
	No	No
£60,000-£70,000	2	3
£70,000-£80,000	2	-
£100,000-£110,000	-	1
£110,000-£120,000	1	-
Total	<u>5</u>	<u>4</u>

During the year termination payments were made to 2 (2023: nil) employees totalling £12,330 (2023: £nil).

Contributions were made to the Scottish Equitable Pension Scheme, a defined contribution scheme and also to the Department for Education Superannuation Scheme, which is part of the Teachers' Pension defined benefit scheme for the higher paid employees of £60,990 (2023: £59,739).

The total remuneration received by key management personnel during the year was £737,917 (2023: £749,338).

No Governors received remuneration during the year.

6 Net movement in funds

	2024	2023
	£	£
This is stated after charging:		
Auditors' remuneration (including VAT):		
- for audit	22,380	28,468
- for other services	1,310	(2,210)
Depreciation:		
- owned fixed assets	397,346	400,911
	<u> </u>	<u> </u>

7 Taxation

The wholly owned subsidiary, Rothesay Events Limited, is registered for corporation tax, however, no taxation liability arose during the year.

Talbot Heath School Trust Limited is exempt from corporation tax due to its charitable status.

Talbot Heath School Trust Limited

Notes to the financial statements (continued) For the year ended 31 August 2024

8 Fixed assets

	Freehold Land & Buildings	Furniture & fittings & equipment	Motor vehicles	Computer & office equipmen t	Total
Group and charity	£	£	£	£	£
Cost					
1 September 2023	15,212,812	1,976,413	284,840	1,588,403	19,062,468
Additions	3,435	15,720	24,000	7,504	50,659
Disposals	-	-	(47,326)	-	(47,326)
31 August 2024	15,216,247	1,992,133	261,514	1,595,907	19,065,801
Depreciation					
1 September 2023	3,075,220	1,594,339	273,564	1,520,657	6,463,780
Charge for the year	322,744	33,475	9,662	31,465	397,346
Eliminated on disposals	-	-	(46,749)	-	(46,749)
31 August 2024	3,397,964	1,627,814	236,477	1,552,122	6,814,377
Net book value					
31 August 2023	12,137,592	382,074	11,276	67,746	12,598,688
31 August 2024	11,818,283	364,319	25,037	43,785	12,251,424

The net book value at 31 August 2024 represents fixed assets, which are all used for direct charitable purposes. The gross value of freehold buildings on which depreciation is charged amounts to is £6,263,698 (2023: £6,242,962).

In the Governors' opinion the aggregate open market value of the freehold land and buildings exceeds its book value.

9 Fixed asset investments

Total fixed asset investments comprise:

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Investments listed on a recognised stock exchange	4,697,857	4,370,154	4,697,857	4,370,154
Other investments – deposits	247,090	254,556	247,090	254,556
Unlisted investments	-	-	1	1
	4,944,947	4,624,710	4,944,948	4,624,711

Talbot Heath School Trust Limited

Notes to the financial statements (continued) For the year ended 31 August 2024

9 Fixed asset investments (continued)

Investment movements:	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Market value at 1 September 2023	4,624,710	4,660,645	4,624,711	4,660,646
Additions	1,109,250	2,777,731	1,109,250	2,777,731
Disposal proceeds	(1,260,519)	(2,792,323)	(1,260,519)	(2,792,323)
Profit on disposal	107,178	137,358	107,178	137,358
Surplus/(deficit) on revaluation at 31 August 2024	364,328	(158,701)	364,328	(158,701)
Market value at 31 August 2024	4,944,947	4,624,710	4,944,948	4,624,711
Historical cost at 31 August 2024	4,473,295	4,487,679	4,473,296	4,487,680
Analysis of investments:	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Cash	247,090	254,556	247,090	254,556
Equity shares	3,939,850	3,651,822	3,939,851	3,651,823
Fixed interest securities	758,007	718,332	758,007	718,332
	4,944,947	4,624,710	4,944,948	4,624,711

10 Subsidiaries

Details of the charity's subsidiary at 31 August 2024 are as follows:

Name of undertaking	Registered office	Class of share held	% Held
Rothsay Events Limited	Talbot Heath School, Rothsay Road, BH4 9NJ	Ordinary	100.00

11 Debtors

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	262,205	216,069	170,461	164,612
Other debtors	2,721	2,023	23,906	14,873
Prepayments	176,567	155,317	176,567	155,317
	441,493	373,409	370,934	334,802

Included within trade debtors is a bad debt provision of £71,238 (2023: £52,642).

Talbot Heath School Trust Limited

Notes to the financial statements (continued) For the year ended 31 August 2024

12 Creditors: Amounts falling due within one year

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Bank loans	492,220	492,220	492,220	492,220
Bank overdraft	700,000	700,000	700,000	700,000
Trade creditors	275,573	245,018	275,573	245,018
Fees received in advance	1,443,432	1,137,619	1,443,432	1,137,619
Deposits	312,700	356,100	312,700	356,100
Tax and social security	109,265	101,051	101,706	101,051
Other creditors	70,638	101,948	70,639	101,948
Accruals	196,441	88,297	178,513	86,257
	<u>3,600,269</u>	<u>3,222,253</u>	<u>3,574,783</u>	<u>3,220,213</u>

The bank overdraft was secured by way of a fixed charge over the School's investments and cash deposits held with the same institution.

13 Creditors: Amounts falling due after one year

	Group and charity	
	2024 £	2023 £
Fees received in advance	364,106	-
Bank loan	1,709,489	2,201,715
Analysis of loans		
Wholly repayable within 5 years:	1,709,489	1,883,532
Not wholly repayable within 5 years by instalments:	-	742,122
Loan maturity analysis		
In more than one year but not more than two years	492,220	492,220
In more than two years but not more than five years	1,217,269	1,459,596
In more than five years	-	318,183
	<u>2,073,595</u>	<u>2,201,715</u>

The bank loan of £187,785 (2023: £256,071) is secured by way of a fixed charge over the School's investments and cash deposits held with the same institution.

A 10 year bank loan with a facility of £2,000,000 was entered into during 2018 to finance The Hub project. By the year end this has been drawn down in full and included in creditors at the year end. This loan contains a legal charge over the School. Interest is charged at 2.87% per annum with monthly capital repayments from May 2019.

A second 10 year bank loan with a facility of £2,000,000 was drawn down during 2019 to finance The Hub Project and is included in creditors at the year end. This loan contains a legal charge over the School. Interest is charged at 2.72% per annum with monthly capital repayments from July 2019.

Talbot Heath School Trust Limited

Notes to the financial statements (continued) For the year ended 31 August 2024

14 Allocation of net assets between funds

	Fixed assets £	Net current assets/liabilities £	Long term liabilities £	Provisions £	Fund balances £
Unrestricted funds	17,160,371	(1,629,500)	(2,073,595)	-	13,457,276
Restricted funds	36,000	20,372	-	-	56,372
Total funds	17,196,371	(1,609,128)	(2,073,595)	-	13,513,648

15 Unrestricted funds

	Balance 1 September 2023 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2024 £
<i>Current year</i>					
General funds:					
School funds	11,300,258	9,002,497	(9,021,275)	161,748	11,443,228
Designated funds:					
Queensmount fund	1,521,762	34,773	(8,377)	(24,862)	1,523,296
Prize funds	19,104	-	-	-	19,104
	<u>1,540,866</u>	<u>34,773</u>	<u>(8,377)</u>	<u>(24,862)</u>	<u>1,542,400</u>
Revaluation reserve	137,028	-	-	334,620	471,648
	<u>12,978,152</u>	<u>9,037,270</u>	<u>(9,029,652)</u>	<u>471,506</u>	<u>13,457,276</u>

The revaluation reserve is split between the General school funds and the Designated funds resulting in total fund balances as follows:

	General school fund £	Designated fund £
Carried forward fund balance as above	11,443,228	1,542,400
Revaluation reserve	328,074	143,574
	<u>11,771,302</u>	<u>1,685,984</u>

Unrestricted funds in the charity itself are £11,239,835 (2023: £11,119,470). Designated funds and the Revaluation Reserve are in line with the group figures disclosed above.

The Queensmount Fund came from another school's closure in 1990s. In line with the wishes of that school's charitable objectives, the proceeds were transferred to Talbot Heath for the furtherment of education and to support capital improvement projects. The Queensmount fund is used to generate income, which is used to fund a proportion of the bursaries and scholarships. The capital is set aside to fund future capital expenditure as and when the need arises.

The Prize funds have been accumulated over many years by donations from former pupils and parents. Prizes are distributed from the income annually at Speech Day.

Talbot Heath School Trust Limited

Notes to the financial statements (continued)
For the year ended 31 August 2024

15 Unrestricted funds (continued)

	Balance 1 September 2022 £	Incoming resources £	Resources expended £	G&L £	Balance 31 August 2023 £
<i>Prior year</i>					
General funds:					
School funds	10,536,881	9,212,449	(8,538,991)	89,919	11,300,258
Designated funds:					
Queensmount fund	1,555,107	41,002	(18,310)	(56,037)	1,521,762
Prize funds	19,104	-	-	-	19,104
	<u>1,574,211</u>	<u>41,002</u>	<u>(18,310)</u>	<u>(56,037)</u>	<u>1,540,866</u>
Revaluation reserve	192,253	-	-	(55,225)	137,028
	<u>12,303,345</u>	<u>9,253,451</u>	<u>(8,557,301)</u>	<u>(21,343)</u>	<u>12,978,152</u>

The revaluation reserve is split between the General school funds and the Designated funds resulting in total fund balances as follows:

	General school fund £	Designated fund £
Carried forward fund balance as above	11,300,258	1,540,866
Revaluation reserve	87,097	49,931
	<u>11,387,355</u>	<u>1,590,797</u>

16 Restricted funds

	Balance 1 September 2023 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2024 £
<i>Current year</i>					
Prize funds:					
<i>Mary Broad Scholarship</i>	23,190	-	-	-	23,190
<i>Cordelia Westcott Travel scholarship</i>	(472)	-	(500)	-	(972)
<i>Angela Felgate Classics fund</i>	9,295	-	-	-	9,295
<i>Edwards Awards</i>	550	-	(50)	-	500
<i>Barbara Milner Award</i>	1,859	-	-	-	1,859
<i>Clare Austin Smith Bursary</i>	24,000	-	(1,500)	-	22,500
	<u>58,422</u>	<u>-</u>	<u>(2,050)</u>	<u>-</u>	<u>56,372</u>

Talbot Heath School Trust Limited

Notes to the financial statements (continued) For the year ended 31 August 2024

16 Restricted funds (continued)

	Balance 1 September 2022 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2023 £
<i>Prior year</i>					
Prize funds:					
<i>Mary Broad Scholarship</i>	23,190	-	-	-	23,190
<i>Cordelia Westcott Travel scholarship</i>	28	-	(500)	-	(472)
<i>Angela Felgate Classics fund</i>	9,295	-	-	-	9,295
<i>Edwards Awards</i>	600	-	(50)	-	550
<i>Barbara Milner Award</i>		2,000	(141)	-	1,859
<i>Clare Austin Smith Bursary</i>	24,000	-	-	-	24,000
	<u>57,113</u>	<u>2,000</u>	<u>(691)</u>	<u>-</u>	<u>58,422</u>

17 Reconciliation of movements in unrealised gains on investment assets

	Queensmount Fund £	General Fund £	Total 2024 £	Total 2023 £
Unrealised gains at 1 September 2023	49,932	87,099	137,031	192,254
Additions/(disposals) in the year	11,311	(998)	10,313	129,530
	<u>61,243</u>	<u>86,101</u>	<u>147,344</u>	<u>321,784</u>
Gains/(losses) arising on revaluations in the year	82,331	241,973	324,304	(184,753)
	<u>143,574</u>	<u>328,074</u>	<u>471,648</u>	<u>137,031</u>

18 Commitments under operating leases

At 31 August 2024, the school had aggregate total commitments under non-cancellable operating leases as set out below:

Non-cancellable operating leases which expire:	2024 £	2023 £
Within one year	13,487	61,635
Within 2 to 5 years	31,530	2,977

19 Related party transactions

Two governors (2023: Two governors) had a child at the School during the year.

Governors' liability insurance is provided for all Governors as detailed in note 4 to the accounts.

Details of governors' expenses are included in note 4.

The charitable company and the group has taken advantage of FRS 102 section 33 from the requirement to disclose transactions with its wholly owned subsidiary undertaking.

20 Pension schemes

The School participated in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefit pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £435,407 (2023: £692,233). At the year-end £nil (2023: £nil) was accrued in respect of contributions to this scheme.

Under the TPS there is an eight tier employee contribution rate structure. The employee rates remain unchanged and range from 7.4% to 11.7%. Employer contribution rates remain unchanged at 23.68% during the year.

From May 2024, the School transitioned from the TPS to a defined contribution scheme for the benefit of its teaching staff. The assets of the scheme are administered in funds independent from those of the School and are controlled by Aviva.

The pension cost charge includes contributions payable to Aviva amounting to £187,207 (2023: £nil). At the year-end £nil (2023: £nil) was accrued in respect of contributions to this scheme.

Non-Teaching Staff:

The company operates a defined contribution scheme for the benefit of its non-teaching staff. The assets of the schemes are administered in funds independent from those of the company and are controlled by Aegon. The contributions made by the school are up to 6% of salary dependent on the employee contributions.

The pension cost charge includes contributions payable by the School and amounts to £247,815 (2023: £53,785). Outstanding contributions at the year-end amounted to £nil (2023: £nil). No further liability rests with the company in respect of the pension schemes.

21 Events after the end of the reporting period

On 27 June 2025, the charity repaid, in full, a bank loan that was outstanding at the balance sheet date. An amount of £840,000 has been used to repay the loan following the sale of shares held in the investment portfolio.

TALBOT HEATH SCHOOL TRUST LIMITED

England & Wales - Charity number 283708

Accounts

Company Registration No. 01584957 (England and Wales)
Charity No. 283708

Talbot Heath School Trust Limited

Report and Financial Statements

**For the year ended
31 August 2023**

Talbot Heath School Trust Limited

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Talbot Heath School Trust Limited

Legal and administrative information

Governors	Dr R Day (Chair) Mrs S Richards Mrs R Newton Mrs C Sutcliffe Ms K Potten Mr W Badawy Mr G House	Dr D Sadd Mrs A Ewins Revd N Wells Mrs T Magrath Revd J Burke
Head	Mrs Tracy Harris (Appointed 1 September 2023) Mrs A Holloway MA (Oxon) PGCE (Resigned 31 August 2023)	
Secretary	Mr G Ives	
Company registered number	01584957	
Charity Commission registration number	283708	
Registered office and principal address	Talbot Heath School Rothesay Road Bournemouth Dorset BH4 9NJ	
Bankers	Lloyds Bank Plc Bournemouth Branch 45 Old Christchurch Road Bournemouth BH1 1ED	Barclays Wealth The Helm 39 Holdenhurst Road Bournemouth BH8 8EH
Solicitors	Steele Raymond LLP Richmond Point 43 Richmond Hill Bournemouth Dorset BH2 6LR	Wilsons Solicitors LLP St John's Street Salisbury Wiltshire SP1 2SB
Auditors	Saffery LLP Chartered Accountants Midland House 2 Poole Road Bournemouth BH2 5QY	
Investment advisers	Barclays Wealth The Helm 39 Holdenhurst Road Bournemouth BH8 8EH	

Talbot Heath School Trust Limited

Report of the Governors For the year ended 31 August 2023

The Governors present their report together with the audited financial statements for the year ended 31 August 2023. The provisions of the Statement of Recommended Practice: Accounting and Reporting by Charities 2015 (FRS 102) have been adopted in their preparation.

Governors

The Governors are also the Trustees and Directors of the company. Those who served during the year and who were in office at the date of this report are listed below:

Dr R Day	(Chair from 26 January 2023)
Mrs S Richards	
Dr D Sadd	
Mrs R Newton	
Mrs A Ewins	
Revd N Wells	(Appointed 21 June 2023, nominated by the Bishop of Salisbury)
Ms K Potten	(Appointed 19 September 2023)
Mrs T Magrath	
Mr W Badawy	(Appointed 5 July 2022)
Revd J Burke	(Appointed 6 December 2022)
Mr G House	(Appointed 6 December 2022)
Mrs C Sutcliffe	(Resigned 24 January 2023, appointed 21 March 2023)
Dr A Main	(Resigned 20 March 2023)
Mrs K Thompson	(Resigned 13 July 2023)
Mr M Ford-Horne	(Resigned 31 August 2023)
Revd L Ellis	(Appointed 6 December 2022, nominated by The Bishop of Salisbury, resigned 20 June 2023)
Mr D Townend	(Resigned 21 September 2022)
Mrs C Norman	(Resigned 22 March 2022, appointed 5 July 2022, resigned 18 October 2022)
Mrs K Dear	(Appointed 5 July 2022, resigned 3 November 2022)
Dr C Saunders	(Resigned 31 December 2022, nominated by the Bishop of Winchester)

Status and administration

Talbot Heath School Trust Limited is a charitable company limited by guarantee, incorporated on 9 September 1981. It is governed by its Memorandum and Articles of Association, which were last updated on 13 March 2012.

Objectives and activities

In setting the School's objectives and planning activities, the Governors have given careful consideration to the Charities Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

The objects of the company are the advancement of education providing boarding and day schooling for girls between the ages of 3 and 18. The School has a Junior School with a Pre-Preparatory Department. Each stage of the curriculum is tailored to meet the specific needs of a particular age group. The transition between key stages is carefully monitored to ensure continuity of care. The school also runs a Tennis Academy, in conjunction with West Hants Tennis Club and a Swimming Academy, in conjunction with Poole Swimming Club.

The School is a Church of England School, founded on Christian principles, with a strong chaplaincy team and religious leaders from other faiths who visit the school for assemblies and as part of the Religious Studies programme to foster understanding between pupils of all faiths and to ensure the spiritual support of all members of the School community. The School has been designated as a School with a religious character.

Trustees take the views of its stakeholders very seriously. In addition to regular surveys of pupils, parents and staff, the students' voice is heard through a School Council in the Senior School, the Prefect system in the Junior School and through suggestion boxes and meetings with the Heads of House in Boarding.

Structure, governance and management

The company is controlled by the Board of Governors, which meets four times a year to determine the general policy of the School and ensure compliance with all relevant regulations. A subsidiary trading company, Rothesay Events (registered number 10139433), wholly owned by Talbot Heath School Trust Ltd, was incorporated on 21st April 2016 and

Talbot Heath School Trust Limited

Report of the Governors (continued) For the year ended 31 August 2023

became active on 1st September 2017. The results of the trading company have been consolidated in these financial statements.

The following committees exist and operate under terms of reference issued by the Board. The Chair of the Board of Governors is an ex officio member of all committees except the Appeals Committee.

- *Chairs' Committee*, comprising of five Governors together with the Head in attendance. The committee meets at least once a term to coordinate the activities of the other Committees to ensure cohesion between the work of the committees or to deal with urgent matters.
- *Education Committee*, comprising of eight Governors. The committee meets at least once a term. The role of the committee is to provide a formal link with the Head and Senior Leadership Team to monitor all aspects of education and pastoral care and to give support to the Head and staff. The Head, Deputy Head, Assistant Head (Curriculum & Progress) and the Head of Junior School attend these meetings. The Assistant Head (Teaching & Learning), Assistant Head (Academic Management), Junior School Assistant Head (Academic) and Junior School Assistant Head (Pastoral) attend by invitation as required. This committee reviews standards, curriculum provision, behaviour and pastoral care, boarding provision, special educational needs and the spiritual, moral, social and cultural development of pupils.
- *Finance and Investment Committee*, comprising of nine Governors together with the Head, Head of Junior School and Director of Finance in attendance. The committee meets twice a term, once to advise the Board on financial, contractual and management matters and separately to review the investment portfolio and its performance. The Public Relations, Events & Marketing Manager attends by invitation as required.
- *Resources, Health & Safety Committee*, comprising of seven Governors with the Head, Deputy Head, Head of Junior School and Facilities Manager in attendance. The committee meets at least once per term to review the management and development of the premises and to review and monitor relevant school policies including Health and Safety, Risk Assessment and the Crisis Management Plan.
- *Staffing Committee*, comprising of seven governors with the Head, Junior School Head and Manager of Human Resources in attendance. The Assistant Head with responsibility for Teaching and Learning and the Director of Support Services attend by invitation when appropriate. The committee meets once a term to advise the Governing body on all matters relating to staff. It reviews employment policy and procedures, the school's Salary Scale, staff benefits and pay increases recommended by the Head.
- *Dismissals Committee*, comprising three Governors. The committee will meet only as required to consider staff grievances and disciplinary matters if the Chair of Governors determines so.
- *Discipline Committee*, comprising three Governors. The committee will meet only as required to consider the exclusion of a pupil if that pupil's parents/carers request this.
- *Appeals Committee*, comprising three Governors, other than the Chairman and those on the Dismissals and Discipline Committees. The committee will meet only as the need arises to consider all appeals against decisions of the Head or Dismissals Committee.
- *Complaints Committee*, comprising two members of the Governing Body, excluding the Chair of Governors, not directly involved in the matters detailed in the complaint or with a connection to the complainant, plus a person of standing in the community who is truly independent of the management and running of the school. The committee will meet only as required to consider all complaints not covered by other committees.

The operational leadership and management of the school is delegated to the Head who also has delegated powers to authorise payments to a maximum of £10,000.

Appointment of Governors

The Governing Body consists of not less than 8 and not more than 18, of whom two are nominative governors, nominated by the Bishop of Winchester and the Bishop of Salisbury. At the time of this report there are 12 governors. All governors

Talbot Heath School Trust Limited

Report of the Governors (continued) For the year ended 31 August 2023

are entitled to hold office for a period of 3 years from the date of election/nomination. The Chair and Vice-Chair of Governors are elected by the Governing Body for a term of 2 years and 4 terms may be served consecutively.

Appointment of new Governors during the year is subject to re-election at the Annual General Meeting; at which one third of the Foundation Governors retire annually. At the AGM held in March 2023, Dr R Day, Mrs A Ewins, Mrs S Richards, Mrs K Thompson and Mrs R Newton retired and were re-elected. Revd J Burke, Mr G House and Mr W Badaway were elected.

Prospective Governors are required to complete a self-declaration confirming that they are not disqualified from being a Charity Trustee. An induction is provided to all new Governors who are given a mentor and on-line access to the Governors' Information area of the school intranet site. This details statutory and operational information and guidance concerning the School, its policies and a code of conduct for Governors. The content of the Governors' Information area is subject to annual review by the Full Governing Board.

Governors complete a Skills Audit and evaluate their competency as a body, every two years. This informs training, succession planning and recruitment. The Recruitment, Induction and Training Policy was last reviewed by the Clerk, the Chair and the Vice-Chair of Governors in the Summer term 2020.

Statement of Governors' responsibilities

Company law and laws applicable to charities in England and Wales, require the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its surplus or deficit for that year. In preparing those financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Governors are responsible for maintaining proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 2006 and applicable Charity Law. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STRATEGIC REPORT

Risk management

The Board of Governors has compiled a risk register, identifying the major risks to which the company is exposed, by assessing the potential impact and likely occurrence of each risk. The assessment of such has enabled the Governors to develop risk-handling options for each major risk. The risk register is reviewed on a termly basis by the sub-committees and reported to the full Board. A description of the principal risks and uncertainties facing the company together with the plans and strategies for managing those risks are:

Main Risks	Controls
Income, expenditure and cash flow	Regular financial reporting with strong budget planning and controls
Policy and political change	Monitoring the charitable aims and maximizing public benefit
Inferior quality teaching leading to poor external examination results	Robust teacher appraisal procedures and pupil achievement tracking systems
Narrow curriculum leading to failure to recruit pupils, particularly in the Sixth Form	Sufficient finance for excellent teacher recruitment and curriculum resources

Talbot Heath School Trust Limited

Report of the Governors (continued) For the year ended 31 August 2023

Site and infrastructure failure	Regular maintenance and asset management
Critical incidents	Effective crisis management and Health & Safety training
Dissatisfied stakeholders	Excellent communication and information through a range of media including a vibrant and up-to-date website.

Investment policy

The company may make investments as it sees fit. The strategy for investments is generally one of medium risk, but this is reviewed annually. Asset allocations focus on long-term growth and sustainability of the funds to support the school beyond the foreseeable future.

The Governors consider the ethics of the companies in which the portfolio is invested from time to time and, whilst they would wish to invest in companies with a philosophy compatible to that of the School, they are mindful of the requirement placed upon them as Trustees to maximise the charity's investments.

The School has delegated investment management to Barclays Wealth. A written policy statement has been provided to, and agreed with, the investment managers. Barclays Wealth has fully delegated powers within the terms of this policy. The investment policy is to invest across a broad range of funds and markets and requires an income return sufficient to meet any shortfall in annual expenditure, and long-term growth greater than RPI to ensure the future security of the portfolio.

The policy also provides that no single investment should exceed 5% of the total value of investments, and no single market sector to exceed 15% of the total.

In the 12 months to 31 August 2023, the Queensmount Fund portfolio decreased 14.48%; this is against a benchmark increase of 1.44% and the General Fund portfolio increased 1.80% compared to a benchmark increase of 1.44%. The decreases within the Balance sheet are due to net transfers which have taken place. The Governors will continue to keep the investment portfolio under review in the forthcoming year.

In accordance with the School's accounting policies, investments are stated at market value at the balance sheet date. The investment advisors to the School have confirmed that, in the previous year, there was no permanent diminution in the value of the School's assets.

Grant making policy

During the academic year the School provided financial assistance through 22 bursaries (2022: 20) amounting to £120,756 (2022: £106,871) and 93 (2022: 93) scholarships amounting to £301,799 (2022: £323,664). Some pupils received both scholarships and bursaries. In addition 13 (2022: 12) pupils received Governors' Free places amounting to £106,220 (2022: £84,516), 2 (2022: 3) pupils received Boarding bursaries of £4,244 (2022: £5,098), 20 (2022: 20) pupils received Sixth Form Scholarships amounting to £70,372 (2022: £63,543), 12 (2022: 11) pupils received a tennis academy award of £95,896 (2022: £78,355), 2 (2022: 6) pupils received Music awards of £1,618 (2022: £10,951), 3 pupils (2022: 4) received a Clergy bursary of £30,442 (2022: £35,987), 5 (2022: 6) pupils received Speech Training & Drama awards amounting to £2,892 (2022: £2,726) and at the TH Swimming Academy 17 pupils (2022: 14) received awards totalling £81,732 (2022: £50,863). This represents a total of £815,968 (2022: £762,573).

In total, the sums awarded for the year amount to 9.6% (2022: 9.3%) of gross fees.

The Board's policy is to make awards based on academic ability and/or excellence in Art, Performing Arts, Music or Sport. Bursaries are made on the basis of need and to relieve hardship where it considers that a pupil's education and future prospects are at risk. Awards are given at the discretion of the Head and bursaries are reviewed annually.

Reserves policy

The current level of the School's reserves is detailed in notes 15 and 16 to the accounts.

The Board is of the opinion that fixed assets, principally the School property, represent the majority of reserves and it is essential that these facilities are maintained to a high standard. It also believes that the facilities of the School, including classroom facilities, should continually be improved in order to maintain the long-term viability of the School. This will be the largest area of capital expenditure for the foreseeable future.

Talbot Heath School Trust Limited

Report of the Governors (continued) For the year ended 31 August 2023

The current level of reserves, referred to as free reserves, and representing the reserves of the School excluding those invested in fixed assets and not specifically designated is currently in surplus by £1,139,433 (2022: £982,653).

The Governors consider the ideal level of free reserves to be a minimum of a terms worth of unrestricted fund expenditure, i.e. four months, which is approximately £2.85m. This would enable the School to cover charitable expenditure, staff salaries and other overheads in the event of closure.

Whilst the current level of reserves only represents two months expenditure, the Governors feel it is at a practicable and achievable level in order to cover the risks and uncertainties operating as an independent educational establishment, and if there was a requirement, resources could be withdrawn from the investment portfolios to provide any additional support required.

The Governors intend to continue building up reserves out of annual operating surpluses while reducing external borrowing to reach the goal of four months expenditure in reserve, whilst carefully maintaining the ongoing external demands of further capital expenditure to equip the School with the up-to-date facilities needed to maintain the standard of educational services currently provided.

Fundraising policy

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities.

The school continues to raise funds directly from parents via the Parent Staff Society to support the purchase of equipment for the STEAM Hub.

Commercial sponsorship for the school will be used solely for the purpose of additions or improvements, not for funding core operational activities and sponsorship must support the curriculum and provide added value to pupils' learning.

The charity has a separate fundraising bank account which details all individual entries, the responsibility for which rests with the Director of Finance, who in turn reports directly to the Governing Body on a termly basis.

All fundraising is carried out in accordance with the standards of the Fundraising Code of Practice. Direct appeals to our parent and alumnae community are planned carefully to ensure they are neither unreasonable, persistent, or obtrusive.

No complaints have been received regarding fundraising activity during the year.

Remuneration Policy for senior staff

The Board of Governors and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the Trust on a day-to-day basis. All governors give of their time freely and no director received remuneration in the year. Details of the governors' expenses and related party transactions are disclosed in note 4 and 5 to the accounts.

The pay of the senior staff is reviewed annually. In view of the nature of the charity, the directors benchmark against pay levels in other Independent Schools of a similar size.

Review of financial activities

The net incoming resources for the year, before transfers and investment gains, amounted to £697,459 (2022: outgoing resources of £77,310). In addition, there were realised investment gains of £137,358 (2022: £190,558) and unrealised investment losses of £158,701 (2022: £502,201) contributing to the net incoming resources of £676,116 (2022: outgoing resources of £388,953). Furthermore, during the year £600,870 (2022: £312,065) was spent on capital items.

Public Benefit

The school engages with the wider community on a broad range of activities. Where the school can assist the community without detriment to advancing the education of its pupils, it is delighted to do so. The activities it has and continues to support are: a joint literacy partnership with Ocean Learning Trust (a Multi-Academy Trust involving five local primary schools), participation in the annual Dorset Heritage event. The school opens its World War II air raid shelter to school groups and community groups from across Dorset. It also provides subsidised facilities for a local netball academy. The school has opened a swimming academy in conjunction with Poole Swimming Club which provides a public facility for children and adults across the Dorset community. The Dorset branch of the Geography Association, run by the Geography

Talbot Heath School Trust Limited

Report of the Governors (continued) For the year ended 31 August 2023

Department, continues to organise two conferences a year for local sixth form students and regularly host 100-200 students and staff at their events in November and March. The school has become a member of the Linwood Teaching School Alliance and has set up a cookery programme for a group of students, whom are supported by Sixth Form helpers. The school produced over two thousand PPE during the pandemic which was supplied to local hospitals, surgeries and care homes.

School achievements and performance

The school prepares an annual report to parents for each academic year. A summary of the report is given below:

Charitable activities

The whole school has worked hard together to support worthy causes and to raise awareness of charities through assemblies and fundraising. Great empathy for others has been shown by pupils choosing to support organisations that have a great global impact as well as a deeply personal connection. Once again TH girls have chosen to show their desire to make the world a fairer and better place. Some of the local, national and global charities supported this year were Amnesty International, Children in Need, Godfreys Kitchen, Make it better with a sweater, Poppy Appeal, Red Nose Day and Readathon.

Public examination results

Talbot Heath pupils achieved excellent examination results, in a year of turmoil for pupils and staff. 90% of A level pupils achieved their first choice university places with 80% of all grades A*-B. GCSE pupils also performed very well with 40% of all grades 7-9.

Information Communication Technology

Talbot Heath's role as an Apple Regional Training Centre is progressing. Courses have been promoted through email and social media.

Creative and performing arts

The Drama Department runs a variety of activities and workshops for KS3 students. The GCSE and A Level students had the opportunity to watch productions that were digitally streamed in order to gain further understanding of their techniques and philosophies on theatre making. Productions included 'Jane Eyre' and 'Twelfth Night'. The opportunities to watch such productions has been further extended with a subscription to Digital Theatre Plus and plans are in place to show a variety of performances on the cinema screen in the auditorium.

Sport

Talbot Heath pupils across the whole school have continued to have an excellent year of sport, in and outside of school, considering the ongoing adjustments pupils have had to make to their training and competitive seasons. It is brilliant to see such variety, with National and International successes in many sports including athletics, biathlon, cross-country, chess, cricket, equestrian, golf, netball, rowing, sailing, swimming and tennis.

Our Junior School girls have impressed with their engagement and commitment to their sport in and out of school. Pupils experience a broad range of sports in PE lessons including swimming, badminton, netball, hockey, tennis, cricket, rounders, athletics, and the use of the fitness suite. They have also produced National representatives and County Champions along the way. Students have participated in community activities such as Year 6 attending sports leadership training.

In Senior School PE, we have continued to push the boundaries with the aim of a broad and balanced curriculum which prepares Talbot Heath pupils for lifelong physical activity habits. This year we have continued to embed some new sports with the opportunity to develop their skills and experience further in clubs such as football, handball, and table tennis. We continued to promote National Fitness Day, raising awareness of the importance of our health and wellbeing. Our Sports Scholars programme continued with a variety of talks and workshops from guest speakers. There has been a significant variety, including sailing, chess, athletics and tennis. We continue to be in an excellent position with good club links in many sports, including netball and tennis, alongside our Talbot Heath Swimming Academy and Cricket partnership with Winton CC, which has been a successful venture, encouraging more women and girls into cricket. Sport at Talbot Heath is in a healthy and exciting place and we look forward to future stories of success that will come to fruition.

Talbot Heath School Trust Limited

Report of the Governors (continued) For the year ended 31 August 2023

Lessons learned during the year

Robust business planning and sound fiscal management has enabled the school to weather the challenges and perform strongly. Efficient systems and a dynamic approach to education meant that the school were resilient to many of the challenges.

Future plans

The Trust has appointed a new Headteacher and is embarking on a new vision for the future. The STEAM Hub continues to provide opportunities for innovative interdisciplinary learning. The Design Hub, with sufficient space for the whole school to assemble and additional specialist accommodation, will be shared with the community. It has a large and versatile auditorium, studios with specialised equipment, exhibition space, breakout rooms and a covered pool suitable for children and adults. The school continues to engage with strategic partners from Higher and Further Education, the Local Authority and key local businesses with the intention of becoming a community centre of excellence.

Auditors

A resolution to re-appoint Saffery LLP will be submitted to the Annual General Meeting.

Statement of disclosure to auditor

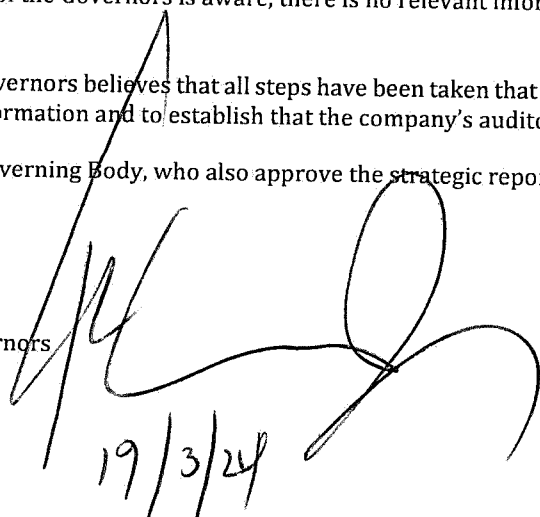
(a) So far as each of the Governors is aware, there is no relevant information that has not been disclosed to the company's auditors, and

(b) Each of the Governors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

By order of the Governing Body, who also approve the strategic report in their capacity as directors.

Dr Richard Day
Chairman of Governors

Date:



19/3/24

Talbot Heath School Trust Limited

Independent auditors' report To the Governors of Talbot Heath School Trust Limited

Opinion

We have audited the financial statements of Talbot Heath School Trust Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, 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 affairs of the group and the parent charitable company as at 31 August 2023 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 and parent 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 group or the parent 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. 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 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 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.

Talbot Heath School Trust Limited

Independent auditors' report (continued) To the Governors of Talbot Heath School Trust Limited

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 Report of the Governors which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors which includes the Directors' Report, and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors and Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable 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 Statement of Governors' Responsibilities set out on page 4, the Governors (who are also the directors of the parent 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 the 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 group and the parent 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 group or the parent 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

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls, and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations

Talbot Heath School Trust Limited

Independent auditors' report (continued) To the Governors of Talbot Heath School Trust Limited

that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

The charity is subject to other laws and regulations where non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the charity's operations. We identified the most significant laws and regulations to be those monitored by the Independent Schools Inspectorate.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected, or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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.

A further description of our responsibilities 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 parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery LLP

Casidhe Baleri (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors

Midland House
2 Poole Road
Bournemouth
Dorset
BH2 5QY

Date: *21 March 2024*

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Talbot Heath School Trust Limited

**Consolidated statement of financial activities
(incorporating an income and expenditure account)
For the year ended 31 August 2023**

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2023 £	Total 2022 £
INCOME AND ENDOWMENTS						
FROM:						
Donations, legacies and grants		2,617	-	2,000	4,617	40,254
Income from charitable activities						
School fees receivable	2	7,674,460	-	-	7,674,460	7,393,458
Other trading activities						
Letting income		301,657	-	-	301,657	274,596
Sundry	3	1,142,237	-	-	1,142,237	257,655
Investment income		91,478	41,002	-	132,480	133,316
Total income		9,212,449	41,002	2,000	9,255,451	8,099,279
EXPENDITURE ON:						
Charitable activities						
Provision of education		8,398,495	-	691	8,399,186	8,001,809
Raising funds						
Financing costs		126,346	-	-	126,346	125,323
Investment management		13,874	18,310	-	32,184	27,689
Costs in relation to trading activities		276	-	-	276	21,768
		140,496	18,310	-	158,806	174,780
Total expenditure	4	8,538,991	18,310	691	8,557,992	8,176,589
Net income before (losses)/gains on investments		673,458	22,692	1,309	697,459	(77,310)
Net (losses)/gains on investments	9	(12,751)	(8,592)	-	(21,343)	(311,643)
Net surplus/(deficit)		660,707	14,100	1,309	676,116	(388,953)
Transfers between funds	15	116,367	(116,367)	-	-	-
Net movement in funds	6	777,074	(102,267)	1,309	676,116	(388,953)
Fund balances brought forward		10,610,281	1,693,064	57,113	12,360,458	12,749,411
Fund balances carried forward	15/16	11,387,355	1,590,797	58,422	13,036,574	12,360,458

The notes on pages 17 to 29 form part of these financial statements.

All amounts derive from continuing activities. All gains and losses recognised in the year are included in the Statement of Financial Activities.

Talbot Heath School Trust Limited

Consolidated balance sheet For the year ended 31 August 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	8		12,598,688		12,416,030
Investments	9				
- Queensmount Fund		1,324,926		1,549,218	
- Prize Fund		70,000		70,000	
- General Fund		2,286,379		2,246,027	
- WVB Fund		943,405		795,400	
			4,624,710		4,660,645
			17,223,398		17,076,675
Current assets					
Stocks		7,450		1,637	
Debtors	11	373,409		360,610	
Cash at bank and in hand		856,285		965,924	
		1,237,144		1,328,171	
Creditors:					
Amounts falling due within one year	12	(3,222,253)		(3,350,451)	
Net current liabilities			(1,985,109)		(2,022,280)
Total assets less current liabilities			15,238,289		15,054,395
Creditors:					
Amounts due in more than one year	13		(2,201,715)		(2,693,938)
Net assets	14		13,036,574		12,360,457
Represented by:					
<u>Unrestricted funds</u>					
General funds	15		11,300,258		10,536,880
Designated funds	15		1,540,866		1,574,211
Revaluation reserve	15		137,028		192,253
<u>Restricted Funds</u>	16		58,422		57,113
			13,036,574		12,360,457

The surplus for the financial period dealt with in the financial statements of the parent company was £634,404 (2022: deficit £440,059). As permitted by Section 408 of the Companies Act 2006, no separate profit or loss account or statement of comprehensive income is presented in respect of the parent Company.

Approved by the Governing Body on 19/3/24 and signed on its behalf by

Richard Day
Chairman of the
Governing Body

Rebecca Newton
Chair of the
Finance & Investment Committee

The notes on pages 17 to 29 form part of these financial statements.

Talbot Heath School Trust Limited

**Charity balance sheet
For the year ended 31 August 2023**

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	8		12,598,688		12,416,030
Investments	9				
- Queensmount Fund		1,324,926		1,549,218	
- Prize Fund		70,000		70,000	
- General Fund		2,286,379		2,246,027	
- WVB Fund		945,405		795,400	
- Rothesay Events Limited		1		1	
			4,624,711		4,660,646
			17,223,399		17,076,676
Current assets					
Stocks		7,450		1,637	
Debtors	11	334,802		339,885	
Cash at bank and in hand		712,063		832,981	
		1,054,315		1,174,503	
Creditors:					
Amounts falling due within one year	12	(3,220,213)		(3,335,859)	
Net current liabilities			(2,165,898)		(2,161,356)
Total assets less current liabilities			15,057,501		14,915,320
Creditors:					
Amounts due in more than one year	13		(2,201,715)		(2,693,938)
Net assets			12,855,786		12,221,382
Represented by:					
<u>Unrestricted funds</u>					
General funds	15		11,119,470		10,397,805
Designated funds	15		1,540,866		1,574,211
Revaluation reserve	15		137,028		192,253
<u>Restricted Funds</u>	16		58,422		57,113
			12,855,786		12,221,382

Approved by the Governing Body on ^{19/3/24} and signed on its behalf by

Richard Day
Chairman of the
Governing Body

Rebecca Newton
Chair of the
Finance & Investment Committee



The notes on pages 17 to 29 form part of these financial statements.

Talbot Heath School Trust Limited

**Consolidated statement of cash flows
For the year ended 31 August 2023**

	Notes	2023 £	£	2022 £	£
Net cash provided by operating activities	1		(44,998)		693,097
Cash flows from investing activities					
Bank and other interest received		9,910		39	
Dividends received		122,570		133,277	
Payments to acquire tangible fixed assets		(600,870)		(312,065)	
Proceeds from sale of tangible fixed assets		881,380		-	
Payments to acquire investments		(2,777,731)		(1,090,322)	
Proceeds from sales of investments		2,792,323		1,688,827	
Net cash (outflow)/inflow from capital expenditure and financial investment			427,582		419,756
Cash flows from financing activities					
Bank loan repayments		(492,223)		(492,224)	
Net cash outflow from financing activities			(492,223)		(492,224)
Change in cash and cash equivalents in the reporting period			(109,639)		620,629
Cash and cash equivalents at the beginning of the reporting period			265,924		(354,702)
Cash and cash equivalents at the end of the reporting period			156,285		265,924

Talbot Heath School Trust Limited

**Notes to the consolidated statement of cash flows
For the year ended 31 August 2023**

1 Reconciliation of net income to net cash flow provided by operating activities

	2023		2022	
	£	£	£	£
Net incoming resources per statement of financial activities		697,459		(77,310)
Dividends receivable	(122,570)		(133,277)	
Depreciation	400,911		395,195	
Profit/loss on disposal	(864,079)		-	
Bank and other interest received	(9,910)		(39)	
(Increase)/Decrease in debtors	(12,799)		20,960	
(Increase)/Decrease in creditors	(128,197)		659,519	
Decrease in provisions	-		(181,480)	
(Decrease)/Increase in stocks	(5,813)		9,528	
		<u>(742,457)</u>		<u>770,407</u>
Net cash (absorbed by)/provided by operating activities		<u>(44,998)</u>		<u>693,097</u>

2 Analysis of cash and cash equivalents

	2023	2022
	£	£
Net cash:		
Cash in hand at bank	606,869	965,924
Short term deposits	249,416	-
Overdraft facility	(700,000)	(700,000)
Total cash and cash equivalents	<u>156,285</u>	<u>265,924</u>

Talbot Heath School Trust Limited

Notes to the financial statements For the year ended 31 August 2023

1 Accounting policies

Talbot Heath School Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Talbot Heath School, Rothesay Road, Bournemouth, Dorset, BH4 9NJ.

As it is limited by guarantee, the School does not have any share capital. The members, consisting of the Governors and Directors, undertake to contribute an amount not exceeding £1 each in the event of the company being wound up.

1.1 Accounting convention

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2019, the Charities Act 2011 and UK Generally Accepted Practice. The accounts are drawn up on the historical cost basis of accounting, with the exception of the investments which are held at market value.

The School constitutes a Public Benefit Entity as defined by FRS102.

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

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

This charitable company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charitable company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The charitable company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the charitable company are consolidated in the financial statements of Talbot Heath School Trust Limited. These consolidated financial statements are available from its registered office, Talbot Heath School, Rothesay Road, Bournemouth, BH4 9NJ.

1.2 Basis of consolidation

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary Rothesay Events Limited (company number 10139433) on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charitable company has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

1.3 Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.4 Fees and similar earned income

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

Talbot Heath School Trust Limited

Notes to the financial statements (continued) For the year ended 31 August 2023

1.5 Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis. Income from investment properties is accounted for in the period to which the rental income relates.

1.6 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 School is considered probable. Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. 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. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the School in the case of donated services or facilities.

1.7 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 statement of financial activities is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of running the School, including strategic planning for its future development, also external audit fees, any legal advice for the Board of Governors and all costs of complying with constitutional and statutory requirements, such as the cost of Governors meetings and of preparing statutory accounts and satisfying public accountability.

1.8 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £500 are capitalised and carried in the balance sheet at historical cost. ICT equipment costs are written off as incurred. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used. Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

Capital assets donated are capitalised in fixed assets and are included as incoming resources.

1.9 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

Freehold buildings	- 2%/4%/5%/10% on a straight line basis
Artificial sports pitches	-10% on a straight line basis
Furniture, fittings and equipment	-15% on a straight line basis
Motor vehicles	-20% on a straight line basis
Computer and office equipment	-33% on a straight line basis

1.10 Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further subdivided into permanent and expendable.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Talbot Heath School Trust Limited

Notes to the financial statements (continued) For the year ended 31 August 2023

Designated income and funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. Income arising on assets within the designated fund is included within that fund. The following designated funds exist:

Queensmount Fund

The fund was established in 1987. There is no formal deed establishing the fund, and no limitations other than the approval of the Board of Governors, and within the limitations of the Trustee Investment Act. The primary purpose of the fund's investment activity is to generate income and capital growth to maintain the value of the fund to provide financial assistance to pupils and to fund capital projects.

Prize Funds

These funds have been accumulated over many years by donations from former pupils and parents. Prizes are distributed from the income annually at Speech Day.

Restricted funds are funds which have been given for specific purposes; the following restricted funds exist:

Angela Felgate Classics Fund

The Angela Felgate Classics fund was set up in memory of a former Classics teacher following a bequest and will be used to provide grants to cover the cost of an external Classical Greek course for pupils wishing to study Classics at university.

Barbara Miller Award

This fund was set up by an ex-teacher of English and is to be used for annual awards to English Scholars of up to £100.

Clare Austin Smith Bursary

This fund was set up following a bequest from Claire Austin Smith and will be used to provide a bursary for pupils entering lower fifth year through to upper sixth year.

Mary Broad Scholarship

A scholarship awarded to pupils entering a three-year University degree.

Cordelia Westcott Travel Scholarship

A scholarship awarded to those pupils intending to embark on an educational trip before taking up a university place.

Edwards Awards

This fund awards an annual prize to pupils who have been innovative and creative.

Details of funds are disclosed in notes 15 and 16 to the accounts.

1.11 Pensions

Retirement benefits to employees of the School are provided through two pension schemes. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) The Teachers' Pension Scheme - This 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, the charity 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.
- (b) Aegon - Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.

1.12 Stock

Stock represents goods for resale and is valued at the lower of cost and net realisable value.

Talbot Heath School Trust Limited

Notes to the financial statements (continued) For the year ended 31 August 2023

1.13 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.14 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.15 Investments

Investments are stated at market value at the balance sheet date. Realised gains/ (losses) are calculated as the difference between market value at the date of disposal and market value at the previous balance sheet date (or date of acquisition if later). Unrealised gains/ (losses) are calculated as the difference between the market value at the balance sheet date and the market value at the previous balance sheet date (or date of acquisition if later).

1.16 Creditors and provisions

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

1.17 Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.18 Critical estimate and judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the governors 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

There are no critical judgements in the application of the Charity's accounting policies that have a significant effect on the amounts recognised in the financial statements.

2 School fees

	2023	2022
	£	£
Gross fees	8,490,428	8,156,031
Less:		
Total bursaries, grants and other price differentials	(815,968)	(762,573)
	<hr/> 7,674,460	<hr/> 7,393,458

3 Sundry other income

	2023	2022
	£	£
Other fees and surcharges	1,137,397	253,145
Staff lunches	4,840	4,510
	<hr/> 1,142,237	<hr/> 257,655

Talbot Heath School Trust Limited

**Notes to the financial statements (continued)
For the year ended 31 August 2023**

Other fees and surcharges in FY2023 contains a profit on land sold of £825,315, minibus income and other sundry income.

4 Analysis of total expenditure

2023:

	Staff costs £	Other £	Depreciation £	Total £
Charitable activities				
School operating costs:				
Teaching	4,342,464	317,981	66,448	4,726,893
Welfare	261,646	823,486	-	1,085,132
Premises	167,831	919,644	322,953	1,410,428
Support costs of schooling	613,806	551,417	11,510	1,176,733
	<u>5,385,747</u>	<u>2,612,528</u>	<u>400,911</u>	<u>8,399,186</u>
Cost of raising funds				
Financing costs	-	126,346	-	126,346
Investment management	-	32,184	-	32,184
Expenditure on trading activities	-	276	-	276
	<u>-</u>	<u>158,806</u>	<u>-</u>	<u>158,806</u>
Total resources expended	<u><u>5,385,747</u></u>	<u><u>2,771,334</u></u>	<u><u>400,911</u></u>	<u><u>8,557,992</u></u>

2022:

	Staff costs £	Other £	Depreciation £	Total £
<i>Prior Year</i>				
Charitable activities				
School operating costs:				
Teaching	4,363,678	317,091	67,533	4,748,302
Welfare	250,116	743,023	-	993,139
Premises	164,920	766,566	316,150	1,247,636
Support costs of schooling	594,395	406,827	11,510	1,012,732
	<u>5,373,109</u>	<u>2,233,507</u>	<u>395,193</u>	<u>8,001,809</u>
Cost of raising funds				
Financing costs	-	125,323	-	125,323
Investment management	-	27,689	-	27,689
Expenditure on trading activities	-	21,768	-	21,768
	<u>-</u>	<u>174,780</u>	<u>-</u>	<u>174,780</u>
Total resources expended	<u><u>5,373,109</u></u>	<u><u>2,408,287</u></u>	<u><u>395,193</u></u>	<u><u>8,176,589</u></u>

Talbot Heath School Trust Limited

**Notes to the financial statements (continued)
For the year ended 31 August 2023**

4 Analysis of total expenditure (continued)

	2023	2022
	£	£
Within support costs there are the following governance costs:		
Criminal Records Bureau	3,585	3,572
ISC inspection	4,327	4,568
Audit	20,725	23,077
Governors' liability insurance	889	1,887
Governors' expenses reimbursed	955	1,886
Legal fees	9,800	13,024
Other professional fees	125,695	28,983
	<u>165,976</u>	<u>76,997</u>

The Governors' liability insurance is in respect of all Governors and the expenses reimbursed relate to 4 Governors and mainly relate to subscriptions to the Association of Governing Bodies of Independent Schools and travel expenses.

5 Salaries and wages

	2023	2022
	£	£
Salaries	4,232,404	4,228,414
National insurance contributions	404,000	409,795
Pension costs	749,343	734,900
	<u>5,385,747</u>	<u>5,373,109</u>

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

	Full time 2023	Part time 2023	Full time 2022	Part time 2022
Teaching	60	48	64	51
Administrative and domestic	30	21	34	22
	<u>90</u>	<u>69</u>	<u>98</u>	<u>73</u>

The number of higher paid employees was:

	2023	2022
	No	No
£60,000-£70,000	3	1
£100,000-£110,000	1	1
Total	<u>4</u>	<u>2</u>

Contributions were made to the Scottish Equitable Pension Scheme, a defined contribution scheme and also to the Department for Education Superannuation Scheme, which is part of the Teachers' Pension defined benefit scheme for the higher paid employees of £59,739 (2022: £38,469).

The total remuneration received by key management personnel during the year was £749,338 (2022: £663,037).

No Governors received remuneration during the year.

Talbot Heath School Trust Limited

**Notes to the financial statements (continued)
For the year ended 31 August 2023**

6 Net movement in funds

	2023	2022
	£	£
This is stated after charging:		
Auditors' remuneration (including VAT):		
- for audit	28,468	23,447
- for other services	(2,210)	4,620
Depreciation:		
- owned fixed assets	400,911	395,193
	<u>400,911</u>	<u>395,193</u>

7 Taxation

The wholly owned subsidiary, Rothesay Events Limited, is registered for corporation tax, however, no taxation liability arose during the year.

Talbot Heath School Trust Limited is exempt from corporation tax due to its charitable status.

8 Fixed assets

	Freehold Land & Buildings	Furniture & fittings & equipment	Motor vehicles	Computer & office equipmen t	Total
Group and charity	£	£	£	£	£
Cost					
1 September 2022	14,976,203	1,697,324	284,840	1,537,890	18,496,257
Additions	253,910	296,447	-	50,513	600,870
Disposals	(17,301)	(17,358)	-	-	(34,659)
31 August 2023	<u>15,212,812</u>	<u>1,976,413</u>	<u>284,840</u>	<u>1,588,403</u>	<u>19,062,468</u>
Depreciation					
1 September 2022	2,752,468	1,576,753	262,054	1,488,952	6,080,227
Charge for the year	322,752	34,944	11,510	31,705	400,911
Eliminated on disposals	-	(17,358)	-	-	(17,358)
31 August 2023	<u>3,075,220</u>	<u>1,594,339</u>	<u>273,564</u>	<u>1,520,657</u>	<u>6,463,780</u>
Net book value					
31 August 2022	<u>12,223,735</u>	<u>120,571</u>	<u>22,786</u>	<u>48,938</u>	<u>12,416,030</u>
31 August 2023	<u>12,137,592</u>	<u>382,074</u>	<u>11,276</u>	<u>67,746</u>	<u>12,598,688</u>

The net book value at 31 August 2023 represents fixed assets, which are all used for direct charitable purposes. The gross value of freehold buildings on which depreciation is charged amounts to is £6,006,352 (2022: £6,161,068).

In the Governors' opinion the aggregate open market value of the freehold land and buildings exceeds its book value.

Talbot Heath School Trust Limited

Notes to the financial statements (continued) For the year ended 31 August 2023

9 Fixed asset investments

Total fixed asset investments comprise:

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Investments listed on a recognised stock exchange	4,370,154	4,519,832	4,370,154	4,519,832
Other investments – deposits	254,556	140,813	254,556	140,813
Unlisted investments	-	-	1	1
	<u>4,624,710</u>	<u>4,660,645</u>	<u>4,624,711</u>	<u>4,660,646</u>

Investment movements:	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Market value at 1 September 2022	4,660,645	5,570,793	4,660,646	5,570,793
Additions	2,777,731	1,090,322	2,777,731	1,090,322
Disposal proceeds	(2,792,323)	(1,688,827)	(2,792,323)	(1,688,827)
Profit on disposal	137,358	190,558	137,358	190,558
(Deficit)/Surplus on revaluation at 31 August 2023	(158,701)	(502,201)	(158,701)	(502,201)
Market value at 31 August 2023	<u>4,624,710</u>	<u>4,660,645</u>	<u>4,624,711</u>	<u>4,660,645</u>
Historical cost at 31 August 2023	<u>4,487,679</u>	<u>4,468,391</u>	<u>4,487,680</u>	<u>4,468,391</u>

Analysis of investments:	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Cash	254,557	140,813	254,557	140,813
Equity shares	3,651,821	3,690,670	3,651,822	3,690,671
Fixed interest securities	718,332	829,162	718,332	829,162
	<u>4,624,710</u>	<u>4,660,645</u>	<u>4,624,711</u>	<u>4,660,646</u>

10 Subsidiaries

Details of the charity's subsidiary at 31 August 2023 are as follows:

Name of undertaking	Registered office	Class of share held	% Held
Rothsey Events Limited	Talbot Heath School, Rothsey Road, BH4 9NJ	Ordinary	100.00

Talbot Heath School Trust Limited

**Notes to the financial statements (continued)
For the year ended 31 August 2023**

11 Debtors

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	216,069	200,784	164,612	156,816
Other debtors	2,023	16,325	14,873	39,568
Prepayments	155,317	143,501	155,317	143,501
	<u>373,409</u>	<u>360,610</u>	<u>334,802</u>	<u>339,885</u>

Included within trade debtors is a bad debt provision of £52,642 (2022: 40,641).

12 Creditors: Amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	492,220	492,220	492,220	492,220
Bank overdraft	700,000	700,000	700,000	700,000
Trade creditors	245,018	408,946	245,018	395,929
Fees received in advance	1,137,619	816,357	1,137,619	816,357
Deposits	356,100	358,400	356,100	358,400
Tax and social security	101,051	102,674	101,051	102,674
Other creditors	101,948	381,256	101,948	381,256
Accruals	88,297	90,598	86,257	89,023
	<u>3,222,253</u>	<u>3,350,451</u>	<u>3,220,213</u>	<u>3,335,859</u>

The bank overdraft was secured by way of a fixed charge over the School's investments and cash deposits held with the same institution.

13 Creditors: Amounts falling due after one year

	Group and charity	
	2023	2022
	£	£
Bank loan	2,201,715	2,693,938
Analysis of loans		
Wholly repayable within 5 years:	1,883,532	1,951,816
Not wholly repayable within 5 years by instalments:	318,183	742,122
Loan maturity analysis		
In more than one year but not more than two years	492,220	492,220
In more than two years but not more than five years	1,391,312	1,459,596
In more than five years	318,183	742,122
	<u>2,201,715</u>	<u>2,693,938</u>

The bank loan of £256,071 (2022: £324,356) is secured by way of a fixed charge over the School's investments and cash deposits held with the same institution.

Talbot Heath School Trust Limited

**Notes to the financial statements (continued)
For the year ended 31 August 2023**

13 Creditors: Amounts falling due after one year (continued)

A 10 year bank loan with a facility of £2,000,000 was entered into during 2018 to finance The Hub project. By the year end this has been drawn down in full and included in creditors at the year end. This loan contains a legal charge over the School. Interest is charged at 2.87% per annum with monthly capital repayments from May 2019.

A second 10 year bank loan with a facility of £2,000,000 was drawn down during 2019 to finance The Hub Project and is included in creditors at the year end. This loan contains a legal charge over the School. Interest is charged at 2.72% per annum with monthly capital repayments from July 2019.

14 Allocation of net assets between funds

	Fixed assets £	Net current assets/liabilities £	Long term liabilities £	Provisions £	Fund balances £
Unrestricted funds	17,187,398	(2,007,531)	(2,201,715)	-	12,978,152
Restricted funds	36,000	22,422	-	-	58,422
Total funds	<u>17,223,398</u>	<u>(1,985,109)</u>	<u>(2,201,715)</u>	<u>-</u>	<u>13,036,574</u>

15 Unrestricted funds

	Balance 1 September 2022 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2023 £
<i>Current year</i>					
General funds:					
School funds	10,536,881	9,212,449	(8,538,991)	89,919	11,300,258
Designated funds:					
Queensmount fund	1,555,107	41,002	(18,310)	(56,037)	1,521,762
Prize funds	19,104	-	-	-	19,104
	<u>1,574,211</u>	<u>41,002</u>	<u>(18,310)</u>	<u>(56,037)</u>	<u>1,540,866</u>
Revaluation reserve	192,253	-	-	(55,225)	137,028
	<u>12,303,345</u>	<u>9,253,451</u>	<u>(8,557,301)</u>	<u>(21,343)</u>	<u>12,978,152</u>

The revaluation reserve is split between the General school funds and the Designated funds resulting in total fund balances as follows:

	General school fund £	Designated fund £
Carried forward fund balance as above	11,300,258	1,540,866
Revaluation reserve	87,097	49,931
	<u>11,387,355</u>	<u>1,590,797</u>

Unrestricted funds in the charity itself are £11,119,470 (2022: £10,397,805). Designated funds and the Revaluation Reserve are in line with the group figures disclosed above.

Talbot Heath School Trust Limited

Notes to the financial statements (continued) For the year ended 31 August 2023

15 Unrestricted funds (continued)

The Queensmount Fund came from another school's closure in 1990s. In line with the wishes of that school's charitable objectives, the proceeds were transferred to Talbot Heath for the furtherment of education and to support capital improvement projects. The Queensmount fund is used to generate income, which is used to fund a proportion of the bursaries and scholarships. The capital is set aside to fund future capital expenditure as and when the need arises.

The Prize funds have been accumulated over many years by donations from former pupils and parents. Prizes are distributed from the income annually at Speech Day.

	Balance 1 September 2021 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2022 £
<i>Prior year</i>					
General funds:					
School funds	10,424,218	8,016,194	(8,161,369)	257,838	10,536,881
Designated funds:					
Queensmount fund	1,528,542	57,581	(13,815)	(17,201)	1,555,107
Prize funds	19,104	-	-	-	19,104
	<u>1,547,646</u>	<u>57,581</u>	<u>(13,815)</u>	<u>(17,201)</u>	<u>1,574,211</u>
Revaluation reserve	744,665	-	-	(552,412)	192,253
	<u>12,716,529</u>	<u>8,073,775</u>	<u>(8,175,184)</u>	<u>(311,775)</u>	<u>12,303,345</u>

The revaluation reserve is split between the General school funds and the Designated funds resulting in total fund balances as follows:

	General school fund £	Designated fund £
Carried forward fund balance as above	10,536,881	1,574,211
Revaluation reserve	73,400	118,853
	<u>10,610,281</u>	<u>1,693,064</u>

Talbot Heath School Trust Limited

Notes to the financial statements (continued)
For the year ended 31 August 2023

16 Restricted funds

	Balance 1 September 2022 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2023 £
Prize funds:					
<i>Mary Broad Scholarship</i>	23,190	-	-	-	23,190
<i>Cordelia Westcott Travel scholarship</i>	28	-	(500)	-	(472)
<i>Angela Felgate Classics fund</i>	9,295	-	-	-	9,295
<i>Edwards Awards</i>	600	-	(50)	-	550
<i>Barbara Milner Award</i>	-	2,000	(141)	-	1,859
<i>Clare Austin Smith Bursary</i>	24,000	-	-	-	24,000
	<u>57,113</u>	<u>2,000</u>	<u>(691)</u>	<u>-</u>	<u>58,422</u>

	Balance 1 September 2021 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2022 £
<i>Prior year</i>					
Prize funds:					
<i>Mary Broad Scholarship</i>	22,286	904	-	-	23,190
<i>Cordelia Westcott Travel scholarship</i>	981	-	(1,085)	132	28
<i>Angela Felgate Classics fund</i>	9,615	-	(320)	-	9,295
<i>Edwards Awards</i>	-	600	-	-	600
<i>Clare Austin Smith Bursary</i>	-	24,000	-	-	24,000
	<u>32,882</u>	<u>25,504</u>	<u>(1,405)</u>	<u>132</u>	<u>57,113</u>

17 Reconciliation of movements in unrealised gains on investment assets

	Queensmount Fund £	General Fund £	Total 2023 £	Total 2022 £
Unrealised gains at 1 September 2022	118,853	73,401	192,254	744,665
Deduct disposals in the year	7,881	121,649	129,530	(141,581)
	<u>126,734</u>	<u>195,050</u>	<u>321,784</u>	<u>603,084</u>
(Losses)/Gains arising on revaluations in the year	(76,802)	(107,951)	(184,753)	(410,830)
Unrealised gains at 31 August 2023	<u>49,932</u>	<u>87,099</u>	<u>137,031</u>	<u>192,254</u>

Talbot Heath School Trust Limited

Notes to the financial statements (continued) For the year ended 31 August 2023

18 Commitments under operating leases

At 31 August 2022, the school had aggregate total commitments under non-cancellable operating leases as set out below:

Non-cancellable operating leases which expire:	2023	2022
	£	£
Within one year	61,635	81,116
Within 2 to 5 years	2,977	64,613

19 Related party transactions

Two governors (2022: One governor) had a child at the School during the year.

Governors' liability insurance is provided for all Governors as detailed in note 4 to the accounts.

Details of governors' expenses are included in note 4.

The charitable company and the group has taken advantage of FRS 102 section 33 from the requirement to disclose transactions with its wholly owned subsidiary undertaking.

20 Pension schemes

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefit pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £692,233 (2022: £687,359). At the year-end £Nil (2022: £484) was accrued in respect of contributions to this scheme.

Under the TPS there is an eight tier employee contribution rate structure. The employee rates remain unchanged and range from 7.4% to 11.7%. Employer contribution rates remain unchanged at 23.68% during the year.

Non-Teaching Staff:

The company operates a defined contribution scheme for the benefit of its non-teaching staff. The assets of the schemes are administered in funds independent from those of the company and are controlled by Aegon. The contributions made by the school are up to 6% of salary dependent on the employee contributions.

The pension cost charge includes contributions payable by the School and amounts to £53,785 (2022: £47,541). Outstanding contributions at the year-end amounted to £nil (2022: £nil). No further liability rests with the company in respect of the pension schemes.



TALBOT HEATH SCHOOL TRUST LIMITED

England & Wales - Charity number 283708

Accounts

Company Registration No. 01584957 (England and Wales)
Charity No. 283708

Talbot Heath School Trust Limited

Report and Financial Statements

**For the year ended
31 August 2022**

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Talbot Heath School Trust Limited

Legal and administrative information

Governors	Dr R Day (Chair) Dr A Main Dr D Sudd Mrs R Newton Mr M Ford-Horne Mr W Badawy Revd J Burke	Mrs S Richards Mrs K Thompson Mrs A Ewins Mrs T Magrath Revd L Ellis Mr G House
Head	Mrs A Holloway MA (Oxon) PGCE	
Secretary	Mr G Ives	
Company registered number	01584957	
Charity Commission registration number	283708	
Registered office and principal address	Talbot Heath School Rothesay Road Bournemouth BH4 9NJ	
Bankers	Lloyds Bank Plc Bournemouth Branch 45 Old Christchurch Road Bournemouth BH1 1ED	Barclays Wealth The Helm 39 Holdenhurst Road Bournemouth BH8 8EH
Solicitors	Steele Raymond LLP Richmond Point 43 Richmond Hill Bournemouth Dorset BH2 6LR	Wilson's Solicitors LLP St John's Street Salisbury Wiltshire SP1 2SB
Auditors	Saffery Champness LLP Chartered Accountants Midland House 2 Poole Road Bournemouth BH2 5QY	
Investment advisers	Barclays Wealth The Helm 39 Holdenhurst Road Bournemouth BH8 8EH	

**Report of the Governors
For the year ended 31 August 2022**

The Governors present their report together with the audited financial statements for the year ended 31 August 2022. The provisions of the Statement of Recommended Practice: Accounting and Reporting by Charities 2015 (FRS 102) have been adopted in their preparation.

Governors

The Governors are also the Trustees and Directors of the company. Those who served during the year and who were in office at the date of this report are listed below:

Dr R Day	(Chair from 26 January 2023)
Dr A Main	
Mrs S Richards	
Dr D Sadd	
Mrs K Thompson	
Mrs R Newton	
Mrs A Ewins	
Mr M Ford-Horne	(Appointed 28 September 2021)
Mrs T Magrath	(Appointed 22 March 2022)
Mr W Badawy	(Appointed 5 July 2022)
Revd L Ellis	(Appointed 6 December 2022, nominated by The Bishop of Salisbury)
Revd J Burke	(Appointed 6 December 2022)
Mr G House	(Appointed 6 December 2022)
Mr J Paget	(Resigned 22 October 2021)
Mrs N Bagshawe	(Resigned 3 December 2021)
Mrs C Edwards	(Resigned 7 December 2021)
Revd R Higgins	(Resigned 22 March 2022, nominated by the Bishop of Salisbury)
Mr D Townsend	(Resigned 12 September 2022)
Mrs C Norman	(Resigned 22 March 2022, appointed 5 July 2022, resigned 18 October 2022)
Mrs K Dear	(Appointed 5 July 2022, resigned 3 November 2022)
Dr C Saunders	(Resigned 31 December 2022, nominated by the Bishop of Winchester)
Mrs C Sutcliffe	(Resigned 24 January 2023)

Status and administration

Talbot Heath School Trust Limited is a charitable company limited by guarantee, incorporated on 9 September 1981. It is governed by its Memorandum and Articles of Association, which were last updated on 13 March 2012.

Objectives and activities

In setting the School's objectives and planning activities, the Governors have given careful consideration to the Charities Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

The objects of the company are the advancement of education providing boarding and day schooling for girls between the ages of 3 and 18. The School has a Junior School with a Pre-Preparatory Department. Each stage of the curriculum is tailored to meet the specific needs of a particular age group. The transition between key stages is carefully monitored to ensure continuity of care. The school also runs a Tennis Academy, in conjunction with West Hants Tennis Club and a Swimming Academy, in conjunction with Poole Swimming Club.

The School is a Church of England School, founded on Christian principles, with a strong chaplaincy team and religious leaders from other faiths who visit the school for assemblies and as part of the Religious Studies programme to foster understanding between pupils of all faiths and to ensure the spiritual support of all members of the School community. The School has been designated as a School with a religious character.

Trustees take the views of its stakeholders very seriously. In addition to regular surveys of pupils, parents and staff, the students' voice is heard through a School Council in the Senior School, the Prefect system in the Junior School and through suggestion boxes and meetings with the Heads of House in Boarding.

Structure, governance and management

The company is controlled by the Board of Governors, which meets four times a year to determine the general policy of the School and ensure compliance with all relevant regulations. A subsidiary trading company, Rothesay Events (registered number 10139433), wholly owned by Talbot Heath School Trust Ltd, was incorporated on 21st April 2016 and became active on 1st September 2017. The results of the trading company have been consolidated in these financial statements.

The following committees exist and operate under terms of reference issued by the Board. The Chair of the Board of Governors is an ex officio member of all committees except the Appeals Committee.

- The company is controlled by the Board of Governors, which meets four times a year to determine the general policy of the School and ensure compliance with all relevant regulations. A subsidiary trading company, Rothesay Events (registered number 10139433), wholly owned by Talbot Heath School Trust Ltd, was incorporated on 21st April 2016 and became active on 1st September 2017. The results of the trading company have been consolidated in these financial statements.
- The following committees exist and operate under terms of reference issued by the Board. The Chair of the Board of Governors is an ex officio member of all committees except the Appeals Committee.
- *Chairs' Committee*, comprising of five Governors together with the Head in attendance. The committee meets at least once a term to coordinate the activities of the other Committees to ensure cohesion between the work of the committees or to deal with urgent matters.
- *Education Committee*, comprising of eight Governors. The committee meets at least once a term. The role of the committee is to provide a formal link with the Head and Senior Leadership Team to monitor all aspects of education and pastoral care and to give support to the Head and staff. The Head, Deputy Head, Assistant Head (Curriculum & Progress) and the Head of Junior School attend these meetings. The Assistant Head (Teaching & Learning), Assistant Head (Academic Management), Junior School Assistant Head (Academic) and Junior School Assistant Head (Pastoral) attend by invitation as required. This committee reviews standards, curriculum provision, behaviour and pastoral care, boarding provision, special educational needs and the spiritual, moral, social and cultural development of pupils.
- *Finance and Investment Committee*, comprising of nine Governors together with the Head, Head of Junior School and Director of Finance in attendance. The committee meets twice a term, once to advise the Board on financial, contractual and management matters and separately to review the investment portfolio and its performance. The Public Relations, Events & Marketing Manager attends by invitation as required.
- *Resources, Health & Safety Committee*, comprising of seven Governors with the Head, Deputy Head, Head of Junior School and Facilities Manager in attendance. The committee meets at least once per term to review the management and development of the premises and to review and monitor relevant school policies including Health and Safety, Risk Assessment and the Crisis Management Plan.
- *Staffing Committee*, comprising of seven governors with the Head, Junior School Head and Manager of Human Resources in attendance. The Assistant Head with responsibility for Teaching and Learning and the Director of Support Services attend by invitation when appropriate. The committee meets once a term to advise the Governing body on all matters relating to staff. It reviews employment policy and procedures, the school's Salary Scale, staff benefits and pay increases recommended by the Head.

Report of the Governors (continued)
For the year ended 31 August 2022

- *Dismissals Committee*, comprising three Governors. The committee will meet only as required to consider staff grievances and disciplinary matters if the Chair of Governors determines so.
- *Discipline Committee*, comprising three Governors. The committee will meet only as required to consider the exclusion of a pupil if that pupil's parents/carers request this.
- *Appeals Committee*, comprising three Governors, other than the Chairman and those on the Dismissals and Discipline Committees. The committee will meet only as the need arises to consider all appeals against decisions of the Head or Dismissals Committee.
- *Complaints Committee*, comprising two members of the Governing Body, excluding the Chair of Governors, not directly involved in the matters detailed in the complaint or with a connection to the complainant, plus a person of standing in the community who is truly independent of the management and running of the school. The committee will meet only as required to consider all complaints not covered by other committees.

The operational leadership and management of the school is delegated to the Head who also has delegated powers to authorise payments to a maximum of £10,000.

Appointment of Governors

The Governing Body consists of not less than 8 and not more than 18, of whom two are nominative governors, nominated by the Bishop of Winchester and the Bishop of Salisbury. At the time of this report there are 15 governors. All governors are entitled to hold office for a period of 3 years from the date of election/nomination. The Chair and Vice-Chair of Governors are elected by the Governing Body for a term of 2 years and 4 terms may be served consecutively.

Appointment of new Governors during the year is subject to re-election at the Annual General Meeting; at which one third of the Foundation Governors retire annually. Mrs Richards, Mrs Ewins, Mrs Newton and Mrs Thompson are to retire by rotation at the forthcoming Annual General Meeting in March 2023 and, being eligible, will offer themselves for re-election. At the AGM held in March 2022, Dr Sadd, Mr Townsend and Dr Main retired and were re-elected. Mrs Norman retired and did not stand for re-election at that point. Mr Ford-Horne and Mrs Magrath were elected. Mrs Sutcliffe was elected Chair of Governors and Dr Day was elected Vice Chair of Governors, both for a period of two years. Mrs Sutcliffe resigned as Chair on 24 January 2023 and Dr Day was elected as Chair on 26 January 2023.

Prospective Governors are required to complete a self-declaration confirming that they are not disqualified from being a Charity Trustee. An induction is provided to all new Governors who are given a mentor and on-line access to the Governors' Information area of the school intranet site. This details statutory and operational information and guidance concerning the School, its policies and a code of conduct for Governors. The content of the Governors' Information area is subject to annual review by the Full Governing Board.

Governors complete a Skills Audit and evaluate their competency as a body, every two years. This informs training, succession planning and recruitment. The Recruitment, Induction and Training Policy is due for review at the end of the summer term 2023.

Statement of Governors' responsibilities

Company law and laws applicable to charities in England and Wales, require the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its surplus or deficit for that year. In preparing those financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Governors are responsible for maintaining proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 2006 and applicable Charity Law. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STRATEGIC REPORT

Risk management

The Board of Governors has compiled a risk register, identifying the major risks to which the company is exposed, by assessing the potential impact and likely occurrence of each risk. The assessment of such has enabled the Governors to develop risk-handling options for each major risk. The risk register is reviewed on a termly basis by the sub-committees and reported to the full Board. A description of the principal risks and uncertainties facing the company together with the plans and strategies for managing those risks are:

Main Risks	Controls
Income, expenditure and cash flow	Regular financial reporting with strong budget planning and controls
Policy and political change	Monitoring the charitable aims and maximizing public benefit.
Inferior quality teaching leading to poor external examination results	Robust teacher appraisal procedures and pupil achievement tracking systems
Narrow curriculum leading to failure to recruit pupils, particularly in the Sixth Form	Sufficient finance for excellent teacher recruitment and curriculum resources
Site and infrastructure failure	Regular maintenance and asset management
Critical incidents	Effective crisis management and Health & Safety training
Dissatisfied stakeholders	Excellent communication and information through a range of media including a vibrant and up-to-date website

Investment policy

The company may make investments as it sees fit. The strategy for investments is generally one of medium risk, but this is reviewed annually. Asset allocations focus on long-term growth and sustainability of the funds to support the school beyond the foreseeable future.

The Governors consider the ethics of the companies in which the portfolio is invested from time to time and, whilst they would wish to invest in companies with a philosophy compatible to that of the School, they are mindful of the requirement placed upon them as Trustees to maximise the charity's investments.

The School has delegated investment management to Barclays Wealth. A written policy statement has been provided to, and agreed with, the investment managers. Barclays Wealth has fully delegated powers within the terms of this policy. The investment policy is to invest across a broad range of funds and markets and requires an income return sufficient to meet any shortfall in annual expenditure, and long-term growth greater than RPI to ensure the future security of the portfolio.

The policy also provides that no single investment should exceed 5% of the total value of investments, and no single market sector to exceed 15% of the total.

In the 12 months to 31 August 2022, the Queensmount Fund portfolio decreased 5.35%; this is against a benchmark increase of 0.1% and, likewise, the General Fund portfolio decreased 5.35% compared to a benchmark increase of 0.1%. The Governors will continue to keep the investment portfolio under review in the forthcoming year.

In accordance with the School's accounting policies, investments are stated at market value at the balance sheet date. The investment advisors to the School have confirmed that, in the previous year, there was no permanent diminution in the value of the School's assets.

Grant making policy

During the academic year the School provided financial assistance through 20 bursaries (2021: 27) amounting to £106,871 (2021: £120,001) and 93 (2021: 120) scholarships amounting to £323,664 (2021: £336,468). Some pupils received both scholarships and bursaries. In addition 12 (2021: 14) pupils received Governors' Free places amounting to £84,516 (2021: £127,864), 3 (2021: 0) pupils received Boarding bursaries of £5,098 (2021: Nil), 20 (2021: 13) pupils received Sixth Form Scholarships amounting to £63,543 (2021: £23,951), 11 (2021: 10) pupils received a tennis academy award of £78,355 (2021: £71,125), 6 (2021: 3) pupils received Music awards of £10,951 (2021: £3,003), 4 pupils (2021: 5) received a Clergy bursary of 35,987 (2021: £31,763), 6 (2021: 5) pupils received Speech Training & Drama awards amounting to £2,726 (2021: £2,104) and at the TH Swimming Academy 14 pupils (2021: 8) received awards totalling £50,863 (2021: £38,928) This represents a total of £762,573 (2021: £758,207).

In total, the sums awarded for the year amount to 9.3% (2021: 10.6%) of gross fees.

The Board's policy is to make awards based on academic ability and/or excellence in Art, Performing Arts, Music or Sport. Bursaries are made on the basis of need and to relieve hardship where it considers that a pupil's education and future prospects are at risk. Awards are given at the discretion of the Head and bursaries are reviewed annually.

Reserves policy

The current level of the School's reserves is detailed in notes 15 and 16 to the accounts.

The Board is of the opinion that fixed assets, principally the School property, represent the majority of reserves and it is essential that these facilities are maintained to a high standard. It also believes that the facilities of the School, including classroom facilities, should continually be improved in order to maintain the long-term viability of the School. This will be the largest area of capital expenditure for the foreseeable future.

The current level of reserves, referred to as free reserves, and representing the reserves of the School excluding those invested in fixed assets and not specifically designated is currently in surplus by £982,653 (2021: £1,210,800)

The Governors consider the ideal level of free reserves to be a minimum of a terms worth of unrestricted fund expenditure, i.e. four months, which is approximately £2.5m. This would enable the School to cover charitable expenditure, staff salaries and other overheads in the event of closure.

Whilst the current level of reserves only represents two months expenditure, the Governors feel it is at a practicable and achievable level in order to cover the risks and uncertainties operating as an independent educational establishment, and if there was a requirement, resources could be withdrawn from the investment portfolios to provide any additional support required.

The Governors intend to continue building up reserves out of annual operating surpluses while reducing external borrowing to reach the goal of four months expenditure in reserve, whilst carefully maintaining the ongoing external demands of further capital expenditure to equip the School with the up-to-date facilities needed to maintain the standard of educational services currently provided.

Fundraising policy

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities.

The school continues to raise funds directly from parents via the PSS to support the purchase of equipment for the STEAM Hub.

Last year, the school launched a COVID-19 hardship fund and sought donations from the parents and alumnae community from direct appeals.

Commercial sponsorship for the school will be used solely for the purpose of additions or improvements, not for funding core operational activities and sponsorship must support the curriculum and provide added value to pupils' learning.

The charity has a separate fundraising bank account which details all individual entries, the responsibility for which rests with the Director of Finance, who in turn reports directly to the Governing Body on a termly basis.

All fundraising is carried out in accordance with the standards of the Fundraising Code of Practice. Direct appeals to our parent and alumnae community are planned carefully to ensure they are neither unreasonable, persistent or obtrusive.

No complaints have been received regarding fundraising activity during the year.

Remuneration Policy for senior staff

The Board of Governors and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All governors give of their time freely and no director received remuneration in the year. Details of the governors' expenses and related party transactions are disclosed in note 4 and 5 to the accounts.

The pay of the senior staff is reviewed annually. In view of the nature of the charity, the directors benchmark against pay levels in other independent schools of a similar size.

Review of financial activities

For many, the motto during the pandemic has been 'keep calm and carry on.' At Talbot Heath our motto has been 'keep calm and forge ahead.' The fact that the school has superb digital provision (with every pupil being provided

with an iPad from Reception onwards as part of their learning tools), combined with our extensive preparations pre-lockdown, meant that we switched seamlessly into full remote provision for every pupil aged 3-18.

Our pupils had the knowledge, resilience, and Independence to stay on top of all their learning, following a full timetable each day, including all practical and creative subjects. They have realised that adversity does not prevent creativity and progress. In fact, quite the opposite is the case. They can now perform live on stage or create and edit a virtual performance, they can present live on Zoom, sharing documents with ease and confidence, they can model in 3D or place themselves in virtual worlds of dinosaurs, rainforests, and oceans. This generation of TH pupils will step into our brave new world with skills, knowledge, and confidence, keen to embrace the future and all the challenges it might bring.

During the pandemic we have developed a partnership with CGApprentice (experts in game design, computer animation and 3D sculpting), established a cricket partnership with Winton Cricket Club, devised a new design module for our pupils to learn how to design and build sustainable housing projects on CAD and BIM, digitised our school archive to use as a wonderful teaching resource, written a whole school outdoor learning curriculum and devised interactive lessons that incorporate virtual reality in History, Geography, Maths, Ethics and Music.

Our GCSE and A Level pupils excelled, attaining superb results, and accessing their university courses of choice. All of this has been done while managing the many challenges of Covid-19, which is a testament to our determination to do far more than carry on. TH ensured that our pupils have continued to flourish in the most extraordinary of times. Our school was founded to be pioneering and progressive and we look forward to blazing a trail into the future.

Public Benefit

The school engages with the wider community on a broad range of activities. Where the school can assist the community without detriment to advancing the education of its pupils, it is delighted to do so. The activities it has and continues to support are a joint literacy partnership with Ocean Learning Trust (a Multi-Academy Trust involving five local primary schools); the school opens its World War II air raid shelter to school groups and community groups from across Dorset; Talbot Heath School is a Regional Apple Training Centre; it has hosted regional conferences on Human Rights, and hosted the Holocaust Memorial Day for Bournemouth. It also provides subsidised facilities for a local netball academy. The school has opened a swimming academy in conjunction with Poole Swimming Club which provides a public facility for children and adults across the Dorset community. The Music Department had a Workshop Day for local Year 8 pupils. The Junior School has sent up a link with the Royal Institution to work with TH Sixth-formers in an innovative teaching scheme offered to local schools. Pupils have developed links to several local Care Homes, and write letters to residents, and give carol services.

School achievements and performance

The School prepares an annual report to parents for each academic year. A summary of the report is given below:

Charitable activities

The whole school has worked hard together to support worthy causes and to raise awareness of charities through assemblies and fundraising. Great empathy for others has been shown by pupils choosing to support organisations that have a great global impact as well as a deeply personal connection. Once again TH girls have chosen to show their desire to make the world a fairer and better place. Some of the local, national and global charities supported this year were Amnesty International, Children in Need, Godfreys Kitchen, Readathon and the Ukraine Crisis Appeal. To Celebrate the Queens Jubilee, the older Junior School children put on a charity event to raise money for causes they wished to support and the week ended with music performed by all year groups. The 'Read for Good' annual sponsored read raised £239.50 in the Senior School and just over £2,000 in the Junior School. The Head Girls and

Deputy Head Girls worked alongside the Sixth Form committees to support the community in various ways, including raising money for charities through events such as the Amnesty concert and the 'SleepOut' for Shelter.

Public examination results

Talbot Heath pupils achieved excellent examination results, in a year of tumult for pupils and staff. A level pupils were highly successful in gaining their first choice university places with 82% of all grades A*-B and 50% were A* or A. GCSE pupils also performed very well and we gained the highest number of grade 9s at GCSE (23%), even though the figure had dropped significantly nationally.

Information Communication Technology

In the Autumn term of 2021, KS3 pupils took part in the annual Bebras Challenge, competing against schools across the world on Computational Thinking challenges. 17 girls reached the top 10% in the country, earning the gold award. Talbot Heath's role as an Apple Regional Training Centre is progressing. We partnered with BIMA and Street Agency to run the first Digital Day at TH, where 6 teams of girls from U3 to U5 came up with innovative digital solutions to tackle climate change. Throughout the year we made use of the hub technology, using the interactive floor for lessons utilising physical computing hardware such as Spheros and Drones. U4 completed their Bronze iDEA Award, with some earning the Silver certificate. As part of the TH Women in Service Day, L6 and L5 learnt about code breaking at Bletchley Park during the war, using a morse code kit and encryption methods to send messages. The year ended with the TH Technology Showcase, giving pupils and parents an insight into our innovative Computing curriculum. Girls demonstrated the Lego WeDo, Lego Mindstorms, Tello Edu Drones and Sphero Bolts, allowing visitors to have a go.

Creative and performing arts

It was pleasing to welcome an actor from the Globe Theatre during the Summer term to run workshops on 'A Midsummer Night's Dream'. The expertise of the workshop leader was excellent and provided the pupils with an insight into the historical environment in which the plays took place as well as affording them the opportunity to experiment with the intricacies of Shakespearean language. The English and Drama Faculty contributed significantly to the 'Women in Service Day' in July, providing workshops and performance tasks throughout the morning. In addition, the faculty supported the Design Department with their 'Gunpowder Plot' day with L4, offering sessions to enhance the pupils' understanding of the plot through writing and performance tasks. The Newspaper Club was established, producing a variety of articles from pupils across the school resulting in a number of publications. The first edition of the School Magazine 'Think Bigger' was also issued. Pupils from U3 all the way up through the school contributed to 'Think Bigger' as well as Talbot Heath Alumni.

Sport

Talbot Heath pupils across the whole school have continued to have an excellent year of sport, in and outside of school. It is brilliant to see such variety, including National and International successes in many sports including athletics, biathlon, cross-country, chess, cricket, equestrian, golf, netball, rowing, sailing, swimming, tennis and triathlon. Pupils have reached County level or above in no less than 20 different sports this year. This year we were awarded the School Games Silver Award for Sport and Physical Activity provision, a mark of the passion and aspiration to provide a high-quality curriculum and extracurricular offer for all!

Our Junior School girls have impressed with their engagement and commitment to their sport in and out of school. Pupils experience opportunities to take part in a wide range of sports in lessons, which, as per the previous year with COVID-19 measures, included some different activities including swimming, badminton, netball, hockey, tennis, cricket, rounders, athletics, and the use of the fitness suite. The school has also produced National representatives and County Champions along the way. Students have participated in community activities such as our year 6's attending sports leadership training and helping on the Pre-Prep sports day, students also took part in development events to encourage participation in sports such as tennis, netball, athletics and swimming.

In Senior School PE lessons we have continued to push the boundaries of the curriculum with the aim of a broad and balanced curriculum which prepares Talbot Heath pupils for lifelong physical activity habits. This year we have continued to embed some new sports within the curriculum and give pupils the opportunity to develop their skills and experience further in clubs such as football, handball, cricket, lacrosse and table tennis. We have hosted some Triathlon taster sessions with a British Triathlon coach and an Artistic Swimming session, both of which provided very popular.

There have been impressive success in sailing, chess, tennis and athletics. Sport at Talbot Heath is in a healthy and exciting place and we look forward to the future stories of success that will come to fruition.

Lessons learned during the year

Robust business planning and sound fiscal management has enabled the school to continue to operate successfully. Cost pressures are building, but the school is reviewing expenditure and income streams to ensure a healthy future.

Future plans

The Trust is in the middle of an ambitious, cutting-edge project to realise the new strategic vision for STEAM and interdisciplinary learning provision. The Design Hub, with sufficient space for the whole school to assemble and additional specialist accommodation, is a popular venue for concerts and has already been used by the Bournemouth Symphony choir, a local dance school, and Dorset Hospitals Trust for its annual show. The facilities lend themselves to endless innovation over the next years. The school continues to engage with strategic partners from Higher and Further Education, the Local Authority and key local businesses with the intention of becoming a community centre of excellence.

The school is aware of potential cost pressures in the future, for example to rates rebates and VAT payments, and will be vigilant in taking on these challenges.

Auditors

A resolution to re-appoint Saffery Champness LLP will be submitted to the Annual General Meeting.

Statement of disclosure to auditor

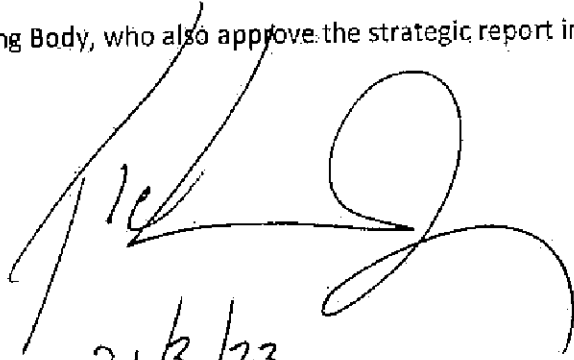
(a) So far as each of the Governors is aware, there is no relevant information that has not been disclosed to the company's auditors, and

(b) Each of the Governors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

By order of the Governing Body, who also approve the strategic report in their capacity as directors.

Dr Richard Day
Chairman of Governors

Date:



21/3/23

Opinion

We have audited the financial statements of Talbot Heath School Trust Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, 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 affairs of the group and the parent charitable company 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 and parent 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 group or the parent 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. 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 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 this gives rise to a material misstatement in the financial

Independent auditors' report (continued)
To the Governors of Talbot Heath School Trust Limited

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.

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 Report of the Governors which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors and Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable 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 Statement of Governors' Responsibilities set out on page 4, the Governors (who are also the directors of the parent 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 the 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 group and the parent 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 group or the parent 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

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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

Independent auditors' report (continued)
To the Governors of Talbot Heath School Trust Limited

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to Irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees; discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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.

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

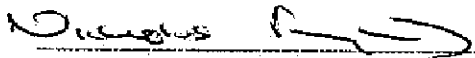
Use of our report

This report is made solely to the parent 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 parent

Talbot Heath School Trust Limited

Independent auditors' report (continued)
To the Governors of Talbot Heath School Trust Limited

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



Nicholas Fernyhough (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

Midland House
2 Poole Road
Bournemouth
Dorset
BH2 5QY

Date: 28 March 2013

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Talbot Heath School Trust Limited

Consolidated statement of financial activities
(Incorporating an income and expenditure account)
For the year ended 31 August 2022

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2022 £	Total 2021 £
INCOME AND ENDOWMENTS FROM:						
Donations, legacies and grants		14,750	-	25,504	40,254	1,225,078
Income from charitable activities						
School fees receivable	2	7,393,458	-	-	7,393,458	6,882,740
Other trading activities						
Letting income		274,596	-	-	274,596	109,133
Sundry	3	257,655	-	-	257,655	214,497
Investment income		75,735	57,581	-	133,316	97,033
Total income		8,016,194	57,581	25,504	8,099,279	8,528,481
EXPENDITURE ON:						
Charitable activities						
Provision of education		8,000,404	-	1,405	8,001,809	7,365,570
Raising funds						
Financing costs		125,323	-	-	125,323	122,665
Investment management		13,874	13,815	-	27,689	27,602
Costs in relation to trading activities		21,768	-	-	21,768	7,808
		160,965	13,815	-	174,780	158,075
Total expenditure	4	8,161,369	13,815	1,405	8,176,589	7,523,645
Net income before (losses)/gains on investments		(145,175)	43,766	24,099	(77,310)	1,004,836
Net (losses)/gains on investments		(162,719)	(148,924)	-	(311,643)	475,837
Net (deficit)/surplus		(307,894)	(105,158)	24,099	(388,953)	1,480,673
Transfers between funds		143,025	(143,157)	132	-	-
Net movement in funds	6	(164,869)	(248,315)	24,231	(388,953)	1,480,673
Fund balances brought forward		10,775,150	1,941,379	32,882	12,749,411	11,268,738
Fund balances carried forward	15/16	10,610,281	1,693,064	57,113	12,360,458	12,749,411

The notes on pages 20 to 35 form part of these financial statements.

All amounts derive from continuing activities. All gains and losses recognised in the year are included in the Statement of Financial Activities.

Talbot Heath School Trust Limited

Consolidated balance sheet
For the year ended 31 August 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	8		12,416,030		12,499,158
Investments	9				
- Queensmount Fund		1,549,218		2,354,377	
- Prize Fund		70,000		70,000	
- General Fund		2,246,027		2,363,701	
- WVB Fund		795,400		658,526	
- Other Fund		-		124,189	
			4,660,645		5,570,793
			17,076,675		18,069,951
Current assets					
Stocks		1,637		11,165	
Debtors	11	360,610		381,571	
Cash at bank and in hand		965,924		584,548	
		1,328,171		977,284	
Creditors:					
Amounts falling due within one year	12	(3,350,451)		(2,930,182)	
Net current liabilities			(2,022,280)		(1,952,898)
Total assets less current liabilities			15,054,395		16,117,053
Creditors:					
Amounts due in more than one year	13		(2,693,938)		(3,186,162)
Provisions	19		-		(181,480)
Net assets	14		12,360,457		12,749,411
Represented by:					
<u>Unrestricted funds</u>					
General funds	15		10,536,880		10,424,218
Designated funds	15		1,574,211		1,547,646
Revaluation reserve	15		192,253		744,665
<u>Restricted Funds</u>	16		57,113		32,882
			12,360,457		12,749,411

The deficit for the financial period dealt with in the financial statements of the parent company was £440,059 (2021: surplus £1,442,740). As permitted by Section 408 of the Companies Act 2006, no separate profit or loss account or statement of comprehensive income is presented in respect of the parent Company.

Approved by the Governing Body on 21/03/23 and signed on its behalf by

Richard Day
Chairman of the
Governing Body

Martin-Ford Horne
Vice Chairman of the
Finance & Investment Committee

The notes on pages 20 to 35 form part of these financial statements.

Talbot Heath School Trust Limited

Charity balance sheet
For the year ended 31 August 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	8		12,416,030		12,499,158
Investments	9				
- Queensmount Fund		1,549,218		2,354,377	
- Prize Fund		70,000		70,000	
- General Fund		2,246,027		2,363,701	
- WVB Fund		795,400		658,526	
- Other Fund		-		124,189	
- Rothesay Events Limited		1		1	
			4,660,646		5,570,794
			17,076,676		18,069,952
Current assets					
Stocks		1,637		11,165	
Debtors	11	339,885		362,392	
Cash at bank and in hand		832,981		507,086	
		1,174,503		880,643	
Creditors:					
Amounts falling due within one year	12	(3,335,859)		(2,921,512)	
Net current assets			(2,161,356)		(2,040,869)
Total assets less current liabilities			14,915,320		16,029,083
Creditors:					
Amounts due in more than one year	13		(2,693,938)		(3,186,162)
Provisions	19		-		(181,480)
Net assets			12,221,382		12,661,441
Represented by:					
<u>Unrestricted funds</u>					
General funds	15		10,397,805		10,336,248
Designated funds	15		1,574,211		1,547,646
Revaluation reserve	15		192,253		744,665
<u>Restricted Funds</u>	16		57,113		32,882
			12,221,382		12,661,441

Approved by the Governing Body on 21/03/23 and signed on its behalf by

Richard Day
Chairman of the
Governing Body

Martin-Ford Horne
Vice Chairman of the
Finance & Investment Committee

The notes on pages 20 to 35 form part of these financial statements.

Talbot Heath School Trust Limited

Consolidated statement of cash flows
For the year ended 31 August 2022

	Notes	2022 £	£	2021 £	£
Net cash provided by operating activities	1		693,097		943,343
Cash flows from investing activities					
Bank and other interest received		39		(257)	
Dividends received		133,277		97,290	
Payments to acquire tangible fixed assets		(312,065)		(75,647)	
Payments to acquire investments		(1,090,322)		(2,913,867)	
Proceeds from sales of investments		1,688,827		2,282,078	
Net cash (outflow)/inflow from capital expenditure and financial investment			419,756		(610,403)
Cash flows from financing activities					
Bank loan repayments		(492,224)		(456,897)	
Net cash outflow from financing activities			(492,224)		(456,897)
Change in cash and cash equivalents in the reporting period			620,629		(123,957)
Cash and cash equivalents at the beginning of the reporting period			(354,702)		(230,745)
Cash and cash equivalents at the end of the reporting period			265,924		(354,702)

Notes to the consolidated statement of cash flows
For the year ended 31 August 2022

1 Reconciliation of net income to net cash flow provided by operating activities

	2022		2021	
	£	£	£	£
Net incoming resources per statement of financial activities		(77,310)		1,004,836
Dividends receivable	(133,277)		(97,290)	
Depreciation	395,195		400,198	
Bank and other interest received	(39)		257	
(Increase) In investments received via legacy	-		(178,837)	
Decrease in debtors	20,960		24,323	
Increase/(Decrease) in creditors	659,519		(223,158)	
Decrease in provisions	(181,480)		-	
Decrease/(Increase) in stocks	9,528		13,014	
		<u>770,407</u>		<u>(61,493)</u>
Net cash provided by/(absorbed by) operating activities		<u>693,097</u>		<u>943,343</u>

2 Analysis of cash and cash equivalents

	2022	2021
	£	£
Net cash:		
Cash in hand at bank	965,924	584,548
Short term deposits	-	-
Overdraft facility	(700,000)	(939,250)
Total cash and cash equivalents	<u>265,924</u>	<u>(354,702)</u>

1 Accounting policies

Talbot Heath School Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Talbot Heath School, Rothesay Road, Bournemouth, Dorset, BH4 9NJ.

As it is limited by guarantee, the School does not have any share capital. The members, consisting of the Governors and Directors, undertake to contribute an amount not exceeding £1 each in the event of the company being wound up.

1.1 Accounting convention

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2019, the Charities Act 2011 and UK Generally Accepted Practice. The accounts are drawn up on the historical cost basis of accounting, with the exception of the investments which are held at market value.

The School constitutes a Public Benefit Entity as defined by FRS102.

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

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

~~This charitable company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charitable company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The charitable company has therefore taken advantage of exemptions from the following disclosure requirements:~~

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the charitable company are consolidated in the financial statements of Talbot Heath School Trust Limited. These consolidated financial statements are available from its registered office, Talbot Heath School, Rothesay Road, Bournemouth, BH4 9NJ.

1.2 Basis of consolidation

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary Rothesay Events Limited (company number 10139433) on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charitable company has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

1.3 Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.4 Fees and similar earned income

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

1.5 Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis. Income from investment properties is accounted for in the period to which the rental income relates.

1.6 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 School is considered probable. Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. 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. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the School in the case of donated services or facilities.

1.7 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 statement of financial activities is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of running the School, including strategic planning for its future development, also external audit fees, any legal advice for the Board of Governors and all costs of complying with constitutional and statutory requirements, such as the cost of Governors meetings and of preparing statutory accounts and satisfying public accountability.

1.8 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £500 are capitalised and carried in the balance sheet at historical cost. ICT equipment costs are written off as incurred. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used. Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

Capital assets donated are capitalised in fixed assets and are included as incoming resources.

1.9 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

Freehold buildings	- 2%/4%/5%/10% on a straight line basis
Artificial sports pitches	-10% on a straight line basis
Furniture, fittings and equipment	-15% on a straight line basis
Motor vehicles	-20% on a straight line basis
Computer and office equipment	-33% on a straight line basis

1.10 Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further subdivided into permanent and expendable.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Designated income and funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. Income arising on assets within the designated fund is included within that fund. The following designated funds exist:

Queensmount Fund

The fund was established in 1987. There is no formal deed establishing the fund, and no limitations other than the approval of the Board of Governors, and within the limitations of the Trustee Investment Act. The primary purpose of the fund's investment activity is to generate income and capital growth to maintain the value of the fund to provide financial assistance to pupils and to fund capital projects.

Prize Funds

These funds have been accumulated over many years by donations from former pupils and parents. Prizes are distributed from the income annually at Speech Day.

Restricted funds are funds which have been given for specific purposes; the following restricted funds exist:

Angela Felgate Classics Fund

The Angela Felgate Classics fund was set up in memory of a former Classics teacher following a bequest and will be used to provide grants to cover the cost of an external Classical Greek course for pupils wishing to study Classics at university.

The Hub Project

These funds are those which have been donated for the purpose of construction of the Hub.

Clare Austin Smith Bursary

This fund was set up following a bequest from Claire Austin Smith and will be used to provide a bursary for pupils entering lower fifth year through to upper sixth year.

Mary Broad Scholarship

A scholarship awarded to pupils entering a three-year University degree.

Cordelia Westcott Travel Scholarship

A scholarship awarded to those pupils intending to embark on an educational trip before taking up an university place.

Edwards Awards

This fund awards an annual prize to pupils who have been innovative and creative.

Details of funds are disclosed in notes 15 and 16 to the accounts.

1.11. Pensions

Retirement benefits to employees of the School are provided through three pension schemes. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) The Teachers' Pension Scheme - This 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, the charity 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.
- (b) Aegon - Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.

1.12 Stock

Stock represents goods for resale and is valued at the lower of cost and net realisable value.

1.13 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.14. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.15 Investments

Investments are stated at market value at the balance sheet date. Realised gains/ (losses) are calculated as the difference between market value at the date of disposal and market value at the previous balance sheet date (or date of acquisition if later). Unrealised gains/ (losses) are calculated as the difference between the market value at the balance sheet date and the market value at the previous balance sheet date (or date of acquisition if later).

1.16 Creditors and provisions

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

1.17 Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.18 Critical estimate and Judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the governors 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

There are no critical judgements in the application of the Charity's accounting policies that have a significant effect on the amounts recognised in the financial statements.

2 School fees

	2022	2021
	£	£
Gross fees	8,156,031	7,700,947
Less:		
Total bursaries, grants and other price differentials	(762,573)	(818,207)
	<u>7,393,458</u>	<u>6,882,740</u>

3 Sundry other income:

	2022	2022
	£	£
Other fees and surcharges	253,145	212,172
Staff lunches	4,510	2,325
	<u>257,655</u>	<u>214,497</u>

Notes to the financial statements (continued)
For the year ended 31 August 2022

4 Analysis of total expenditure

2022:

	Staff costs £	Other £	Depreciation £	Total £
Charitable activities				
School operating costs:				
Teaching	4,363,678	317,091	67,533	4,748,302
Welfare	250,116	743,023	-	993,139
Premises	164,920	766,566	316,150	1,247,636
Support costs of schooling	594,395	406,827	11,510	1,012,732
	<u>5,373,109</u>	<u>2,233,507</u>	<u>395,193</u>	<u>8,001,809</u>
Cost of raising funds				
Financing costs	-	125,323	-	125,323
Investment management	-	27,689	-	27,689
Expenditure on trading activities	-	21,768	-	21,768
	-	<u>174,780</u>	-	<u>174,780</u>
Total resources expended	<u>5,373,109</u>	<u>2,408,287</u>	<u>395,193</u>	<u>8,176,589</u>

2021:

	Staff costs £	Other £	Depreciation £	Total £
<i>Prior Year</i>				
Charitable activities				
School operating costs:				
Teaching	4,199,172	230,380	77,075	4,506,627
Welfare	245,099	590,168	-	835,267
Premises	180,541	507,610	306,933	995,084
Support costs of schooling	597,108	415,294	16,190	1,028,592
	<u>5,221,920</u>	<u>1,743,452</u>	<u>400,198</u>	<u>7,365,570</u>
Cost of raising funds				
Financing costs	-	122,665	-	122,665
Investment management	-	27,602	-	27,602
Expenditure on trading activities	-	7,808	-	7,808
	-	<u>158,075</u>	-	<u>158,075</u>
Total resources expended	<u>5,221,920</u>	<u>1,901,527</u>	<u>400,198</u>	<u>7,523,645</u>

Notes to the financial statements (continued)
For the year ended 31 August 2022

	2022	2021
	£	£
Within support costs there are the following governance costs:		
Criminal Records Bureau	3,572	5,187
ISC inspection	4,568	5,112
Audit	23,077	18,542
Governors' liability insurance	1,887	1,716
Governors' expenses reimbursed	1,886	1,943
Legal fees	13,024	51,374
Other professional fees	28,983	52,774
	<u>76,997</u>	<u>136,648</u>

The Governors' liability insurance is in respect of all Governors and the expenses reimbursed relate to 4 Governors and mainly relate to subscriptions to the Association of Governing Bodies of Independent Schools and travel expenses.

5 Salaries and wages

	2022	2021
	£	£
Salaries	4,228,414	4,131,768
National Insurance contributions	409,795	379,634
Pension costs	734,900	710,518
	<u>5,373,109</u>	<u>5,221,920</u>

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

	Full time 2022	Part time 2022	Full time 2021	Part time 2021
Teaching	64	51	64	48
Administrative and domestic	34	22	34	22
	<u>98</u>	<u>73</u>	<u>98</u>	<u>70</u>

The number of higher paid employees was:

	2022	2021
	No	No
£100,000-£110,000	1	1
£60,000-£70,000	1	1
Total	<u>2</u>	<u>2</u>

Contributions were made to the Scottish Equitable Pension Scheme, a defined contribution scheme and also to the Department for Education Superannuation Scheme, which is part of the Teachers' Pension defined benefit scheme for the higher paid employees of £38,469 (2021: £38,469).

The total remuneration received by key management personnel during the year was £663,037 (2021: £661,935).

Notes to the financial statements (continued)
For the year ended 31 August 2022

No Governors received remuneration during the year.

6 Net movement in funds

	2022	2021
	£	£
This is stated after charging:		
Auditors' remuneration (including VAT):		
- for audit	23,447	18,542
- for other services	4,620	6,444
Depreciation:		
- owned fixed assets	395,193	400,198

7 Taxation

The wholly owned subsidiary, Rothesay Events Limited, is registered for corporation tax, however, no taxation liability arose during the year.

Talbot Heath School Trust Limited is exempt from corporation tax due to its charitable status.

8 Fixed assets

	Freehold Land & Buildings	Furniture & fittings & equipment	Motor vehicles	Computer & office equipment	Total
	£	£	£	£	£
Group and charity					
Cost					
1 September 2021	14,743,220	1,670,525	284,840	1,485,607	18,184,192
Additions	232,983	26,799	-	52,283	312,065
Disposals	-	-	-	-	-
31 August 2022	14,976,203	1,697,324	284,840	1,537,890	18,496,257
Depreciation					
1 September 2021	2,436,318	1,541,881	250,544	1,456,291	5,685,034
Charge for the year	316,150	34,872	11,510	32,661	395,193
Eliminated on disposals	-	-	-	-	-
31 August 2022	2,752,468	1,576,753	262,054	1,488,952	6,080,227
Net book value					
31 August 2021	12,306,902	128,644	34,296	29,316	12,499,158
31 August 2022	12,223,735	120,571	22,786	48,938	12,416,030

The net book value at 31 August 2022 represents fixed assets, which are all used for direct charitable purposes. The gross value of freehold buildings on which depreciation is charged amounts to is £6,161,068 (2021: £5,928,085).

Notes to the financial statements (continued)
For the year ended 31 August 2022

In the Governors' opinion the aggregate open market value of the freehold land and buildings exceeds its book value.

9 Fixed asset Investments

Total fixed asset investments comprise:

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Investments listed on a recognised stock exchange	4,519,832	5,326,394	4,519,832	5,326,394
Other investments – deposits	140,813	244,399	140,813	244,399
Unlisted investments	-	-	1	1
	<u>4,660,645</u>	<u>5,570,793</u>	<u>4,660,646</u>	<u>5,570,794</u>

Investment movements:	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Market value at 1 September 2021	5,570,793	4,284,331	5,570,793	4,284,331
Additions	1,090,322	3,092,704	1,090,322	3,092,704
Disposal proceeds	(1,688,827)	(2,282,079)	(1,688,827)	(2,282,079)
Profit on disposal	190,558	458,682	190,558	458,682
(Deficit)/Surplus on revaluation at 31 August 2022	(502,201)	17,155	(502,201)	17,155
Market value at 31 August 2022	<u>4,660,645</u>	<u>5,570,793</u>	<u>4,660,645</u>	<u>5,570,793</u>
Historical cost at 31 August 2022	<u>4,468,391</u>	<u>4,826,129</u>	<u>4,468,391</u>	<u>4,826,129</u>

Analysis of investments:	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Cash	140,813	244,399	140,813	244,399
Equity shares	3,690,670	4,525,997	3,690,671	4,525,998
Fixed interest securities	829,162	800,397	829,162	800,397
	<u>4,660,645</u>	<u>5,570,793</u>	<u>4,660,646</u>	<u>5,570,794</u>

Notes to the financial statements (continued)
For the year ended 31 August 2022

10 Subsidiaries

Details of the charity's subsidiary at 31 August 2022 are as follows:

Name of undertaking	Registered office	Class of share held	% Held
Rothesay Events Limited	Talbot Heath School, Rothesay Road, BH4 9NJ	Ordinary	100.00

11 Debtors

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	200,784	210,006	156,816	178,353
Other debtors	16,325	37,438	39,568	50,496
Prepayments	143,501	134,127	143,501	133,543
	<u>360,610</u>	<u>381,571</u>	<u>339,885</u>	<u>362,392</u>

Included within trade debtors is a bad debt provision of £40,641 (2021: 74,095).

12 Creditors: Amounts falling due within one year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Bank loans	492,220	492,220	492,220	492,220
Bank overdraft	700,000	939,250	700,000	939,250
Trade creditors	408,946	136,226	395,929	129,031
Fees received in advance	816,357	477,479	816,357	477,479
Deposits	358,400	359,700	358,400	359,700
Tax and social security	102,674	94,437	102,674	94,437
Other creditors	381,256	351,094	381,256	351,094
Accruals	90,598	79,776	89,023	78,301
	<u>3,350,451</u>	<u>2,930,182</u>	<u>3,335,859</u>	<u>2,921,512</u>

The bank overdraft was secured by way of a fixed charge over the School's investments and cash deposits held with the same institution.

13 Creditors: Amounts falling due after one year

	Group and charity	
	2022	2021
	£	£
Bank loan	2,693,938	3,186,162
Analysis of loans		
Wholly repayable within 5 years:	1,951,816	1,968,880
Not wholly repayable within 5 years by instalments:	742,122	1,217,282
Loan maturity analysis		
In more than one year but not more than two years	492,220	492,220
In more than two years but not more than five years	1,459,596	1,476,660
In more than five years	742,122	1,217,282
	<u>2,693,938</u>	<u>3,186,162</u>

The bank loan of £324,356 (2021: £392,642) is secured by way of a fixed charge over the School's investments and cash deposits held with the same institution.

A 10-year bank loan with a facility of £2,000,000 was entered into during 2018 to finance The Hub project. By the year end this has been drawn down in full and included in creditors at the year end. This loan contains a legal charge over the School. Interest is charged at 2.87% per annum with monthly capital repayments from May 2019.

A second 10 year bank loan with a facility of £2,000,000 was drawn down during 2019 to finance The Hub Project and is included in creditors at the year end. This loan contains a legal charge over the School. Interest is charged at 2.72% per annum with monthly capital repayments from July 2019.

The bank granted a 6 month capital repayment holiday in April 2020.

14 Allocation of net assets between funds

	Fixed assets	Net current assets/liabilities	Long term liabilities	Provisions	Fund balances
	£	£	£	£	£
Unrestricted funds	17,040,675	(2,043,393)	(2,693,938)	-	12,303,344
Restricted funds	36,000	21,113	-	-	57,113
Total funds	<u>17,076,675</u>	<u>(2,022,280)</u>	<u>(2,693,938)</u>	<u>-</u>	<u>12,360,457</u>

Notes to the financial statements (continued)
For the year ended 31 August 2022

15 Unrestricted funds

	Balance 1 September 2021 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2022 £
<i>Current year</i>					
General funds:					
School funds	10,424,218	8,016,194	(8,161,369)	257,838	10,536,881
Designated funds:					
Queensmount fund	1,528,542	57,581	(13,815)	(17,201)	1,555,107
Prize funds	19,104	-	-	-	19,104
	<u>1,547,646</u>	<u>57,581</u>	<u>(13,815)</u>	<u>(17,201)</u>	<u>1,574,211</u>
Revaluation reserve	744,665	-	-	(552,412)	192,253
	<u>12,716,529</u>	<u>8,073,775</u>	<u>(8,175,184)</u>	<u>(311,775)</u>	<u>12,303,345</u>

The revaluation reserve is split between the General school funds and the Designated funds resulting in total fund balances as follows:

	General school fund £	Designated fund £
Carried forward fund balance as above	10,536,881	1,574,211
Revaluation reserve	73,400	118,853
	<u>10,610,281</u>	<u>1,693,064</u>

Unrestricted funds in the charity itself are £10,397,805. Designated funds and the Revaluation Reserve are in line with the group figures disclosed above.

Notes to the financial statements (continued)
For the year ended 31 August 2022

	Balance 1 September 2020 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2021 £
<i>Prior year</i>					
General funds:					
School funds	8,915,052	8,482,671	(7,510,275)	536,770	10,424,218
Designated funds:					
Queensmount fund	1,718,155	44,584	(13,069)	(221,128)	1,528,542
Prize funds	19,405	-	(301)	-	19,104
	<u>1,737,560</u>	<u>44,584</u>	<u>(13,370)</u>	<u>(221,128)</u>	<u>1,547,646</u>
Revaluation reserve	567,557	-	-	177,108	744,665
	<u>11,220,169</u>	<u>8,527,255</u>	<u>(7,523,645)</u>	<u>492,750</u>	<u>12,716,529</u>

The Queensmount Fund came from another school's closure in 1990s. In line with the wishes of that school's charitable objectives, the proceeds were transferred to Talbot Heath for the furtherment of education and to support capital improvement projects. The Queensmount fund is used to generate income, which is used to fund a proportion of the bursaries and scholarships. The capital is set aside to fund future capital expenditure as and when the need arises.

The revaluation reserve is split between the General school funds and the Designated funds resulting in total fund balances as follows:

	General school fund £	Designated fund £
Carried forward fund balance as above	10,424,218	1,547,646
Revaluation reserve	350,932	393,733
	<u>10,775,150</u>	<u>1,941,379</u>

Notes to the financial statements (continued)
For the year ended 31 August 2022

16 Restricted funds

	Balance 1 September 2021 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2022 £
Prize funds:					
<i>Mary Broad Scholarship</i>	22,286	904	-	-	23,190
<i>Cordella Westcott Travel scholarship</i>	981	-	(1,085)	132	28
<i>Angela Felgate Classics fund</i>	9,615	-	(320)	-	9,295
<i>Edwards Awards</i>	-	600	-	-	600
<i>Clare Austin Smith Bursary</i>	-	24,000	-	-	24,000
	<u>32,882</u>	<u>25,504</u>	<u>(1,405)</u>	<u>132</u>	<u>57,113</u>
	Balance 1 September 2020 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2021 £
<i>Prior year</i>					
Prize funds:					
<i>Mary Broad Scholarship</i>	21,718	568	-	-	22,286
<i>Cordella Westcott Travel scholarship</i>	1,825	(844)	-	-	981
<i>Angela Felgate Classics fund</i>	9,615	-	-	-	9,615
<i>The Hub Project</i>	15,411	1,502	-	(16,913)	-
	<u>48,569</u>	<u>1,226</u>	<u>-</u>	<u>(16,913)</u>	<u>32,882</u>

Notes to the financial statements (continued)
For the year ended 31 August 2022

17 Reconciliation of movements in unrealised gains on investment assets

	Queensmount Fund £	General Fund £	Total 2022 £	Total 2021 £
Unrealised gains at 1 September 2021	393,733	350,932	744,665	567,557
Deduct disposals in the year	(86,071)	(55,510)	(141,581)	(12,738)
	<u>307,662</u>	<u>295,422</u>	<u>603,084</u>	<u>554,819</u>
(Losses)/Gains arising on revaluations in the year	(188,809)	(222,021)	(410,830)	189,846
	<u>118,853</u>	<u>73,401</u>	<u>192,254</u>	<u>744,665</u>

18 Commitments under operating leases

At 31 August 2022, the school had aggregate total commitments under non-cancellable operating leases as set out below:

Non-cancellable operating leases which expire:	2022 £	2021 £
Within one year	81,116	57,673
Within 2 to 5 years	<u>64,613</u>	<u>98,506</u>

19 Provisions

Group and charity	Hub retention £
At 1 September 2021	181,480
Released in the year	<u>(181,480)</u>
At 31 August 2022	<u>-</u>

The above provision related to further costs expected in relation to the Hub building contract. The final costs payable was agreed after the balance sheet date for £216,000 which is held within trade creditors at year-end.

20 Related party transactions.

One Governor (2021: One Governor) had a child at the School during the year.

Governors' liability insurance is provided for all Governors as detailed in note 4 to the accounts.

Details of Governors expenses are included in note 4.

The charitable company and the group has taken advantage of FRS 102 section 33 from the requirement to disclose transactions with its wholly owned subsidiary undertaking.

21 Pension schemes

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefit pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £687,359 (2021: £664,783). At the year-end £484 (2021: £nil) was accrued in respect of contributions to this scheme.

Under the TPS there is an eight tier employee contribution rate structure. The employee rates remain unchanged and range from 7.4% to 11.7%. Employer contribution rates remain unchanged at 23.68% during the year.

Non-Teaching Staff:

The company operates a defined contribution scheme for the benefit of its non-teaching staff. The assets of the schemes are administered in funds independent from those of the company and are controlled by Aegon. The contributions made by the school are up to 6% of salary dependent on the employee contributions.

The pension cost charge includes contributions payable by the School and amounts to £47,541 (2021: £45,736). Outstanding contributions at the year-end amounted to £nil (2021: £nil). No further liability rests with the company in respect of the pension schemes.

In October 2021, a previously operated scheme controlled by Ecclesiastical Insurance Group was formally wound up.

22 Events after the end of the reporting period

On 17 October 2022, the charity sold a plot of land at Glenferness Avenue for gross proceeds of £900,000. A gain on sale will be recognised in the 2023 financial statements. The land is held at cost within fixed assets at the balance sheet date.

TALBOT HEATH SCHOOL TRUST LIMITED

England & Wales - Charity number 283708

Accounts

Company Registration No. 01584957 (England and Wales)
Charity No. 283708

Talbot Heath School Trust Limited

Report and Financial Statements

**For the year ended
31 August 2021**

Talbot Heath School Trust Limited

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Talbot Heath School Trust Limited

Legal and administrative information

Governors	Mrs C Sutcliffe (Chair) Dr R Day (Vice Chair) Mrs C M Norman Mrs C Saunders Rev R Higgins Mrs K Thompson Mrs A Ewins	Mr M Ford-Horne Mrs S Richards Mrs D Sadd Dr A Main Mrs R Newton Mr D A Townend
Head	Mrs A Holloway MA (Oxon) PGCE	
Secretary	Mr G Ives	
Company registered number	01584957	
Charity Commission registration number	283708	
Registered office and principal address	Talbot Heath School Rothesay Road Bournemouth BH4 9NJ	
Bankers	Lloyds Bank Plc Bournemouth Branch 45 Old Christchurch Road Bournemouth BH1 1ED	Barclays Wealth County Gates House 300 Poole Road Bournemouth BH1 2BW
Solicitors	Steele Raymond LLP Richmond Point 43 Richmond Hill Bournemouth Dorset BH2 6LR	Wilsons Solicitors LLP St John's Street Salisbury Wiltshire SP1 2SB
Auditors	Saffery Champness LLP Chartered Accountants Midland House 2 Poole Road Bournemouth BH2 5QY	
Investment advisers	Barclays Wealth County Gates House 300 Poole Road Bournemouth BH1 2BW	

Talbot Heath School Trust Limited

Report of the Governors For the year ended 31 August 2021

The Governors present their report together with the audited financial statements for the year ended 31 August 2021. The provisions of the Statement of Recommended Practice: Accounting and Reporting by Charities 2015 (FRS 102) have been adopted in their preparation.

Governors

The Governors are also the Trustees and Directors of the company. Those who served during the year and who were in office at the date of this report are listed below:

Mrs C Sutcliffe (Chair)
Dr R Day (Vice Chair)
Mrs C M Norman
Mrs C Edwards (resigned 7 December 2021)
Rev R Higgins (Nominated by the Bishop of Salisbury)
Dr A Main
Mr J Paget (resigned 19 October 2021)
Mrs S Richards
Mrs D Sadd
Mrs C Saunders (Nominated by the Bishop of Winchester)
Mr D A Townend
Mrs K Thompson
Mrs R Newton
Mrs A Ewins (appointed 23 March 2021)
Mrs N Bagshawe (appointed 23 March 2021 and resigned 3 December 2021)
Mr M Ford-Horne (appointed 28 September 2021)

Status and administration

Talbot Heath School Trust Limited is a charitable company limited by guarantee, incorporated on 9 September 1981. It is governed by its Memorandum and Articles of Association, which were last updated on 13 March 2012.

Objectives and activities

In setting the School's objectives and planning activities the Governors have given careful consideration to the Charities Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

The objects of the company are the advancement of education providing boarding and day schooling for girls between the ages of 3 and 18. The School has a Junior School with a Pre-Preparatory Department. Each stage of the curriculum is tailored to meet the specific needs of a particular age group. The transition between key stages is carefully monitored to ensure continuity of care. The school also runs a Tennis Academy, in conjunction with West Hants Tennis Club and a Swimming Academy, in conjunction with Poole Swimming Club.

The School is a Church of England School, founded on Christian principles, with a strong chaplaincy team and religious leaders from other faiths who visit the school for assemblies and as part of the Religious Studies programme to foster understanding between pupils of all faiths and to ensure the spiritual support of all members of the School community. The School has been designated as a School with a religious character.

Trustees take the views of its stakeholders very seriously. In addition to regular surveys of pupils, parents and staff, the students' voice is heard through a School Council in the Senior School, the Prefect system in the Junior School and through suggestion boxes and meetings with the Heads of House in Boarding.

Structure, governance and management

The company is controlled by the Board of Governors, which meets four times a year to determine the general policy of the School and ensure compliance with all relevant regulations. A subsidiary trading company, Rothesay Events (registered number 10139433), wholly owned by Talbot Heath School Trust Ltd, was incorporated on 21st April 2016 and became active on 1st September 2017. The results of the trading company have been consolidated in these financial statements.

The following committees exist and operate under terms of reference issued by the Board. The Chair of the Board of Governors is an ex officio member of all committees except the Appeals Committee.

- *Chairs' Committee*, comprising of six Governors together with the Head in attendance. The committee meets at least once a term to coordinate the activities of the other Committees to ensure cohesion between the work of the committees or to deal with urgent matters.
- *Education Committee*, comprising of seven Governors. The committee meets at least once a term. The role of the committee is to provide a formal link with the Head and Senior Leadership Team to monitor all aspects of education and pastoral care and to give support to the Head and staff. The Head, Deputy Head, Assistant Head (Curriculum & Progress) and the Head of Junior School attend these meetings. The Assistant Head (Teaching & Learning), Assistant Head (Academic Management), Junior School Assistant Head (Academic) and Junior School Assistant Head (Pastoral) attend by invitation as required. This committee reviews standards, curriculum provision, behaviour and pastoral care, boarding provision, special educational needs and the spiritual, moral, social and cultural development of pupils.
- *Finance and Investment Committee*, comprising of nine Governors together with the Head, Head of Junior School and Director of Finance in attendance. The committee meets twice a term, once to advise the Board on financial, contractual and management matters and separately to review the investment portfolio and its performance. The Public Relations, Events & Marketing Manager attends by invitation as required.
- *Resources, Health & Safety Committee*, comprising of five Governors with the Head, Deputy Head, Head of Junior School and Facilities Manager in attendance. The committee meets at least once per term to review the management and development of the premises and to review and monitor relevant school policies including Health and Safety, Risk Assessment and the Crisis Management Plan.
- *Staffing Committee*, comprising of six governors with the Head, Junior School Head and Manager of Human Resources in attendance. The Assistant Head with responsibility for Teaching and Learning and the Director of Support Services attend by invitation when appropriate. The committee meets once a term to advise the Governing body on all matters relating to staff. It reviews employment policy and procedures, the school's Salary Scale, staff benefits and pay increases recommended by the Head.
- *Dismissals Committee*, comprising three Governors. The committee will meet only as required to consider staff grievances and disciplinary matters if the Chair of Governors determines so.
- *Discipline Committee*, comprising three Governors. The committee will meet only as required to consider the exclusion of a pupil if that pupil's parents/carers request this.
- *Appeals Committee*, comprising three Governors, other than the Chairman and those on the Dismissals and Discipline Committees. The committee will meet only as the need arises to consider all appeals against decisions of the Head or Dismissals Committee.
- *Complaints Committee*, comprising two members of the Governing Body, excluding the Chair of Governors, not directly involved in the matters detailed in the complaint or with a connection to the complainant, plus a person of standing in the community who is truly independent of the management and running of the school. The committee will meet only as required to consider all complaints not covered by other committees.

Report of the Governors (continued)
For the year ended 31 August 2021

The operational leadership and management of the school is delegated to the Head who also has delegated powers to authorise payments to a maximum of £5,000.

Appointment of Governors

The Governing Body consists of not less than 8 and not more than 18, of whom two are nominative governors, nominated by the Bishop of Winchester and the Bishop of Salisbury. At the time of this report there are 13 governors. All governors are entitled to hold office for a period of 3 years from the date of election/nomination. The Chair and Vice-Chair of Governors are elected by the Governing Body for a term of 2 years and 4 terms may be served consecutively.

Appointment of new Governors during the year is subject to re-election at the Annual General Meeting; at which one third of the Foundation Governors retire annually. Mrs Norman, Mrs Sadd, Mr Townend and Dr Main are to retire by rotation at the forthcoming Annual General Meeting in March 2022 and, being eligible, will offer themselves for re-election. At the AGM held in March 2021, Dr R Day, Mrs C Edwards, Mr J Paget and Mrs S Richards retired and were re-elected. Mrs Ewins and Mrs Bagshawe were elected. At the AGM in March 2022 the Chair and Vice Chair positions will require re-election.

Prospective Governors are required to complete a self-declaration confirming that they are not disqualified from being a Charity Trustee. An induction is provided to all new Governors who are given a mentor and on-line access to the Governors' Information area of the school intranet site. This details statutory and operational information and guidance concerning the School, its policies and a code of conduct for Governors. The content of the Governors' Information area is subject to annual review by the Full Governing Board.

Governors complete a Skills Audit and evaluate their competency as a body, every two years. This informs training, succession planning and recruitment. The Recruitment, Induction and Training Policy was last reviewed by the Clerk, the Chair and the Vice-Chair of Governors in the Summer term 2020.

Statement of Governors' responsibilities

Company law and laws applicable to charities in England and Wales, require the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its surplus or deficit for that year. In preparing those financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Governors are responsible for maintaining proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 2006 and applicable Charity Law. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STRATEGIC REPORT

Risk management

The Board of Governors has compiled a risk register, identifying the major risks to which the company is exposed, by assessing the potential impact and likely occurrence of each risk. The assessment of such has enabled the Governors to develop risk-handling options for each major risk. The risk register is reviewed on a termly basis by the sub-committees and reported to the full Board. A description of the principal risks and uncertainties facing the company together with the plans and strategies for managing those risks are:

Main Risks	Controls
Income, expenditure and cash flow	Regular financial reporting with strong budget planning and controls
Policy and political change	Monitoring the charitable aims and maximizing public benefit
Inferior quality teaching leading to poor external examination results	Robust teacher appraisal procedures and pupil achievement tracking systems
Narrow curriculum leading to failure to recruit pupils, particularly in the Sixth Form	Sufficient finance for excellent teacher recruitment and curriculum resources
Site and infrastructure failure	Regular maintenance and asset management
Critical incidents	Effective crisis management and Health & Safety training
Dissatisfied stakeholders	Excellent communication and information through a range of media including a vibrant and up-to-date website

Investment policy

The company may make investments as it sees fit. The strategy for investments is generally one of medium risk, but this is reviewed annually. Asset allocations focus on long-term growth and sustainability of the funds to support the school beyond the foreseeable future.

The Governors consider the ethics of the companies in which the portfolio is invested from time to time and, whilst they would wish to invest in companies with a philosophy compatible to that of the School, they are mindful of the requirement placed upon them as Trustees to maximise the charity's investments.

The School has delegated investment management to Barclays Wealth. A written policy statement has been provided to, and agreed with, the investment managers. Barclays Wealth has fully delegated powers within the terms of this policy. The investment policy is to invest across a broad range of funds and markets and requires an income return sufficient to meet any shortfall in annual expenditure, and long-term growth greater than RPI to ensure the future security of the portfolio.

The policy also provides that no single investment should exceed 5% of the total value of investments, and no single market sector to exceed 15% of the total.

In the 12 months to 31 August 2021, the Queensmount Fund portfolio increased 17.80%; this is against a benchmark of 22.11% and, likewise, the General Fund portfolio increased 17.80% compared to a benchmark of 22.11%. The Governors will continue to keep the investment portfolio under review in the forthcoming year.

Report of the Governors (continued)
For the year ended 31 August 2021

In accordance with the School's accounting policies, investments are stated at market value at the balance sheet date. The investment advisors to the School have confirmed that, in the previous year, there was no permanent diminution in the value of the School's assets.

Grant making policy

During the academic year the School provided financial assistance through 27 bursaries (2020: 30) amounting to £120,001 (2020: £135,910) and 120 (2020: 73) scholarships amounting to £336,468 (2020: £252,648). Some pupils received both scholarships and bursaries. In addition 14 (2020: 12) pupils received Governors' Free places amounting to £127,864 (2020: £101,564), no (2020: 3) pupils received Boarding bursaries of £nil (2020: £1,696), 13 (2020: 13) pupils received Sixth Form Scholarships amounting to £26,951 (2020: £54,883), 10 (2020: 11) pupils received a tennis academy award of £71,125 (2020: £82,684), 3 (2020: 3) pupils received Music awards of £3,003 (2020: £1,848), 5 pupils (2020: 3) received a Clergy bursary of £31,763 (2020: £31,240), 5 (2020: 5) pupils received Speech Training & Drama awards amounting to £2,104 (2020: £1,488) and at the TH Swimming Academy 8 pupils (2020: 6) received awards totalling £38,928 (2020: £36,643) This represents a total of £758,207 (2020: £700,604).

The school made further emergency funding available to a value of £60,000 from its living legacy, Guild of Help programme for families who continued to be adversely affected by COVID-19.

In total, the sums awarded for the year amount to 10.6% (2020: 9.8%) of gross fees.

The Board's policy is to make awards based on academic ability and/or excellence in Art, Performing Arts, Music or Sport. Bursaries are made on the basis of need and to relieve hardship where it considers that a pupil's education and future prospects are at risk. Awards are given at the discretion of the Head and bursaries are reviewed annually.

Reserves policy

The current level of the School's reserves is detailed in notes 15 and 16 to the accounts.

The Board is of the opinion that fixed assets, principally the School property, represent the majority of reserves and it is essential that these facilities are maintained to a high standard. It also believes that the facilities of the School, including classroom facilities, should continually be improved in order to maintain the long-term viability of the School. This will be the largest area of capital expenditure for the foreseeable future.

The current level of reserves, referred to as free reserves, and representing the reserves of the School excluding those invested in fixed assets and not specifically designated is currently in surplus by £1,210,800 having improved from the £234,306 deficit last year.

The Governors consider the ideal level of free reserves to be a minimum of a terms worth of unrestricted fund expenditure, i.e. four months, which is approximately £2.5m. This would enable the School to cover charitable expenditure, staff salaries and other overheads in the event of closure.

Whilst the current level of reserves only represents two months expenditure, the Governors feel it is at a practicable and achievable level in order to cover the risks and uncertainties operating as an independent educational establishment, and if there was a requirement, resources could be withdrawn from the investment portfolios to provide any additional support required.

The Governors intend to continue building up reserves out of annual operating surpluses while reducing external borrowing to reach the goal of four months expenditure in reserve, whilst carefully maintaining the ongoing external demands of further capital expenditure to equip the School with the up-to-date facilities needed to maintain the standard of educational services currently provided.

Fundraising policy

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities.

The school continues to raise funds directly from parents via the PSS to support the purchase of equipment for the STEAM Hub.

The school launched a COVID-19 hardship fund and sought donations from the parents and alumnae community from direct appeals.

Commercial sponsorship for the school will be used solely for the purpose of additions or improvements, not for funding core operational activities and sponsorship must support the curriculum and provide added value to pupils' learning.

The charity has a separate fundraising bank account which details all individual entries, the responsibility for which rests with the Director of Finance, who in turn reports directly to the Governing Body on a termly basis.

All fundraising is carried out in accordance with the standards of the Fundraising Code of Practice. Direct appeals to our parent and alumnae community are planned carefully to ensure they are neither unreasonable, persistent or obtrusive.

No complaints have been received regarding fundraising activity during the year.

Remuneration Policy for senior staff

The Board of Governors and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All governors give of their time freely and no director received remuneration in the year. Details of the governors' expenses and related party transactions are disclosed in note 4 and 5 to the accounts.

The pay of the senior staff is reviewed annually. In view of the nature of the charity, the directors benchmark against pay levels in other Independent Schools of a similar size.

Review of financial activities

The net incoming resources for the year, before transfers and investment gains, amounted to £1,004,836 (2020: outgoing resources £590,316). In addition, there were realised investment gains of £298,729 (2020: £102,636) and unrealised investment gains of £177,108 (2020: losses of £174,851) contributing to the net incoming resources of £1,480,673 (2020: outgoing resources £662,531). Furthermore, during the year £75,647 (2020: £292,393) was spent on capital items.

Report of the Governors (continued)
For the year ended 31 August 2021

For many, the motto during the pandemic has been 'keep calm and carry on.' At Talbot Heath our motto has been 'keep calm and forge ahead.' The fact that the school has superb digital provision (with every pupil being provided with an iPad from Reception onwards as part of their learning tools), combined with our extensive preparations pre-lockdown, meant that we switched seamlessly into full remote provision for every pupil aged 3-18.

Our pupils had the knowledge, resilience, and independence to stay on top of all their learning, following a full timetable each day, including all practical and creative subjects. They have realised that adversity does not prevent creativity and progress. In fact, quite the opposite is the case. They can now perform live on stage or create and edit a virtual performance, they can present live on Zoom, sharing documents with ease and confidence, they can model in 3D or place themselves in virtual worlds of dinosaurs, rainforests, and oceans. This generation of TH pupils will step into our brave new world with skills, knowledge, and confidence, keen to embrace the future and all the challenges it might bring.

During the pandemic we have developed a partnership with CGApprentice (experts in game design, computer animation and 3D sculpting), established a cricket partnership with Winton Cricket Club, devised a new design module for our pupils to learn how to design and build sustainable housing projects on CAD and BIM, digitised our school archive to use as a wonderful teaching resource, written a whole school outdoor learning curriculum and devised interactive lessons that incorporate virtual reality in History, Geography, Maths, Ethics and Music.

Our GCSE and A Level pupils excelled, attaining superb results, and accessing their university courses of choice. All of this has been done while managing the many challenges of Covid-19, which is a testament to our determination to do far more than carry on. TH ensured that our pupils have continued to flourish in the most extraordinary of times. Our school was founded to be pioneering and progressive and we look forward to blazing a trail into the future.

Public Benefit

The school engages with the wider community on a broad range of activities. Where the school can assist the community without detriment to advancing the education of its pupils, it is delighted to do so. The activities it has and continues to support are: a joint literacy partnership with Ocean Learning Trust (a Multi-Academy Trust involving five local primary schools), participation in the annual Dorset Heritage event. The school opens its World War II air raid shelter to school groups and community groups from across Dorset. It also provides subsidised facilities for a local netball academy. The school has opened a swimming academy in conjunction with Poole Swimming Club which provides a public facility for children and adults across the Dorset community. The Dorset branch of the Geography Association, run by the Geography Department, continues to organise two conferences a year for local sixth form students and regularly host 100-200 students and staff at their events in November and March. The school has become a member of the Linwood Teaching School Alliance and has set up a cookery programme for a group of students, whom are supported by Sixth Form helpers. The school produced over two thousand PPE during the pandemic which was supplied to local hospitals, surgeries and care homes.

School achievements and performance

The School prepares an annual report to parents for each academic year. A summary of the report is given below:

Report of the Governors (continued)
For the year ended 31 August 2021

Charitable activities

The whole school has worked hard together to support worthy causes and to raise awareness of charities through assemblies and fundraising. Great empathy for others has been shown by pupils choosing to support organisations that have a great global impact as well as a deeply personal connection. Once again TH girls have chosen to show their desire to make the world a fairer and better place. Some of the local, national and global charities supported this year were Amnesty International, Children in Need, Godfreys Kitchen, Make it better with a sweater, Poppy Appeal, Red Nose Day and Readathon

Public examination results

Talbot Heath pupils achieved excellent examination results, in a year of tumult for pupils and staff. 100% of A level pupils achieved their first choice university places with 95% of all grades A*-B. GCSE pupils also performed very well with 66% of all grades 7-9. Our staff were realistic in their predictions and did not inflate grades.

Information Communication Technology

The schools transition to remote learning was extremely successful owing to the IT infrastructure and skills set within the pupil and staff community. All lessons were delivered in line with the timetable and curriculum to pupils of every year group, through the pandemic, ensuring they stayed on track in terms of academic progress.

Talbot Heath's role as an Apple Regional Training Centre is progressing. Courses have been promoted through email and social media. The completion of the Design Hub will also enable the provision of courses to the general public.

Creative and performing arts

The Drama Department ordinarily run a variety of activities and workshops for KS3 students. However, with Covid-19 restrictions in place and remote learning, this was not possible during the year. We did however continue to develop strong links with theatre companies such as Gecko, and A Level students had the opportunity to undertake an online workshop with Gecko streamed digitally into the Drama Studio and delivered by Chris Evans. It was a fantastic workshop and the techniques explored have since been used to create outstanding devised work. The GCSE and A Level students had the opportunity to watch productions that were digitally streamed in order to gain further understanding of their techniques and philosophies on theatre making. Productions included 'Jane Eyre' and 'Twelfth Night', originally performed at the National Theatre. The opportunities to watch such productions has been further extended with a subscription to Digital Theatre Plus and plans are in place to show a variety of performances on the cinema screen in the auditorium.

Sport

Talbot Heath pupils across the whole school have continued to have an excellent year of sport, in and outside of school, considering the ongoing adjustments pupils have had to make to their training and competitive seasons. It is brilliant to see such variety, with National and International successes in many sports including athletics, biathlon, cross-country, chess, cricket, equestrian, golf, netball, rowing, sailing, swimming and tennis. Pupils have reached County level or above in no less than 12 different sports this year.

Our Junior School girls have impressed with their engagement and commitment to their sport in and out of school. Pupils experience a broad range of sports in PE lessons which this year have included some different activities to meet the additional Covid-19 measures including swimming, badminton, netball, hockey, tennis, cricket, rounders, athletics, and the use of the fitness suite. They have also produced National representatives and County Champions along the way. Students have participated in community activities such as Year 6 attending sports leadership training.

In Senior School PE, we have continued to push the boundaries with the aim of a broad and balanced curriculum which prepares Talbot Heath pupils for lifelong physical activity habits. This year we have continued to embed some new sports with the opportunity to develop their skills and experience further in clubs such as football, handball, and table tennis. We continued to promote National Fitness Day, raising awareness of the importance of our health

Report of the Governors (continued)
For the year ended 31 August 2021

and wellbeing. Our Sports Scholars programme continued on Zoom with a variety of talks and workshops from guest speakers such as GB triathlete Izzy Davis, Olympic Javelin thrower Goldie Sayers and Olympic weightlifter Sarah Davis. There has been a significant variety, including sailing, chess, athletics and tennis. We continue to be in an excellent position with good club links in many sports, including netball and tennis, alongside our Talbot Heath Swimming Academy and Cricket partnership with Winton CC, which has been a successful venture this year, encouraging more women and girls into cricket. Sport at Talbot Heath is in a healthy and exciting place and we look forward to future stories of success that will come to fruition.

Lessons learned during the year

Robust business planning and sound fiscal management has enabled the school to weather the challenges and perform strongly, even in a pandemic. Efficient systems and a dynamic approach to education meant that the school were resilient to many of the challenges. Bold and visionary thinking has enabled the school to thrive in a remote environment.

Future plans

The Trust is in the middle of an ambitious, cutting-edge project to realise the new strategic vision for STEAM and interdisciplinary learning provision. The Design Hub, with sufficient space for the whole school to assemble and additional specialist accommodation, will be shared with the community. It has a large and versatile auditorium, studios with specialised equipment, exhibition space, breakout rooms and a covered pool suitable for children and adults. The building will also be able to take a second floor over the pool for additional Sixth Form provision in the future. The school continues to engage with strategic partners from Higher and Further Education, the Local Authority and key local businesses with the intention of becoming a community centre of excellence.

Auditors

A resolution to re-appoint Saffery Champness LLP will be submitted to the Annual General Meeting.

Statement of disclosure to auditor

(a) So far as each of the Governors is aware, there is no relevant information that has not been disclosed to the company's auditors, and

(b) Each of the Governors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

By order of the Governing Body, who also approve the strategic report in their capacity as directors.



Mrs C Sutcliffe

Chair of Governors

Date: 30/3/2021

**Independent auditors' report to the members
To the Governors of Talbot Heath School Trust Limited**

Opinion

We have audited the financial statements of Talbot Heath School Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, 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 affairs of the group and the parent charitable company as at 31 August 2021 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 and parent 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 group or the parent 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. 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.

Independent Auditors' Report (continued)
To the Governors of Talbot Heath School Trust Limited

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 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.

Other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 4, the trustees (who are also the directors of the parent 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 the 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 group and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report (continued)
To the Governors of Talbot Heath School Trust Limited

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

Talbot Heath School Trust Limited

Independent Auditors' Report (continued)

To the Governors of Talbot Heath School Trust Limited

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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.

A further description of our responsibilities 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 parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Fernyhough (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

Midland House
2 Poole Road
Bournemouth
Dorset
BH2 5QY

Date: 4 April 2022

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Talbot Heath School Trust Limited

Consolidated statement of financial activities
(incorporating an income and expenditure account)
For the year ended 31 August 2021

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2021 £	Total 2020 £
INCOME AND ENDOWMENTS FROM:						
Donations, legacies and grants		1,223,576	-	1,502	1,225,078	199,519
Income from charitable activities						
School fees receivable	2	6,882,740	-	-	6,882,740	6,507,819
Other trading activities						
Letting income		109,133	-	-	109,133	116,313
Sundry	3	214,497	-	-	214,497	172,212
Investment income		52,725	44,584	(276)	97,033	115,541
Total income		8,482,671	44,584	1,226	8,528,481	7,111,404
EXPENDITURE ON:						
Charitable activities						
Provision of education		7,289,695	-	301	7,289,996	7,471,086
Raising funds						
Financing costs		198,239	-	-	198,239	200,324
Investment management		14,533	13,069	-	27,602	28,382
Costs in relation to trading activities		7,808	-	-	7,808	1,928
		220,580	13,069	-	233,649	230,634
Total expenditure	4	7,510,275	13,370	-	7,523,645	7,701,720
Net income before gains/(losses) on investments		972,396	31,214	1,226	1,004,836	(590,316)
Net gains/(losses) on investments		337,929	137,908	-	475,837	(72,215)
Net surplus/(deficit)		1,310,325	169,122	1,226	1,480,673	(662,531)
Transfers between funds		240,779	(223,866)	(16,913)	-	-
Net movement in funds	6	1,551,104	(54,744)	(15,687)	1,480,673	(662,531)
Fund balances brought forward		9,224,046	1,996,123	48,569	11,268,738	11,931,269
Fund balances carried forward	15/16	10,775,150	1,941,379	32,882	12,749,411	11,268,738

The notes on pages 20 to 36 form part of these financial statements.

All amounts derive from continuing activities. All gains and losses recognised in the year are included in the Statement of Financial Activities.

Talbot Heath School Trust Limited

Consolidated balance sheet
As at 31 August 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		12,499,158		12,823,709
Investments	9				
- Queensmount Fund		2,354,377		1,993,578	
- Prize Fund		70,000		70,000	
- General Fund		2,363,701		2,220,752	
- WVB Fund		658,526		-	
- Other Fund		124,189		-	
			5,570,793		4,284,330
			18,069,951		17,108,039
Current assets					
Stocks		11,165		24,179	
Debtors	11	381,571		405,894	
Cash at bank and in hand		584,548		708,505	
Cash held in deposit account		-		-	
		977,284		1,138,578	
Creditors:					
Amounts falling due within one year	12	(2,930,182)		(3,153,340)	
Net current (liabilities)/ assets			(1,952,898)		(2,014,762)
Total assets less current liabilities			16,117,053		15,093,277
Creditors:					
Amounts due in more than one year	13		(3,186,162)		(3,643,059)
Provisions	19		(181,480)		(181,480)
Net assets	14		12,749,411		11,268,738
Represented by:					
<u>Unrestricted funds</u>					
General funds	15		10,424,218		8,915,052
Designated funds	15		1,547,646		1,737,560
Revaluation reserve	15		744,665		567,557
<u>Restricted Funds</u>	16		32,882		48,569
			12,749,411		11,268,738


The surplus for the financial period dealt with in the financial statements of the parent company was £1,442,740 (2020: deficit £632,175). As permitted by Section 408 of the Companies Act 2006, no separate profit or loss account or statement of comprehensive income is presented in respect of the parent Company.

Approved by the Governing Body on 24/03/2022 and signed on its behalf by

Mrs C Sutcliffe
Chairman of the
Governing Body



D A Townend
Chairman of the
Finance & Investment Committee



The notes on pages 20 to 36 form part of these financial statements.

Talbot Heath School Trust Limited

Charity balance sheet
As at 31 August 2021

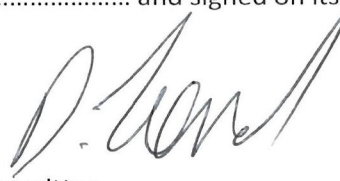
	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	8		12,499,158		12,823,709
Investments	9				
- Queensmount Fund		2,354,377		1,993,578	
- Prize Fund		70,000		70,000	
- General Fund		2,363,701		2,220,752	
- WVB Fund		658,526		-	
- Other Fund		124,189		-	
- Rothesay Events Limited		1		1	
			5,570,794		4,284,331
			18,069,952		17,108,040
Current assets					
Stocks		11,165		24,179	
Debtors	11	362,392		413,737	
Cash at bank and in hand		507,086		648,914	
Cash held in deposit account		-		-	
		880,643		1,086,830	
Creditors:					
Amounts falling due within one year	12	(2,921,512)		(3,151,630)	
Net current assets			(2,040,869)		(2,064,800)
Total assets less current liabilities			16,029,083		15,043,240
Creditors:					
Amounts due in more than one year	13		(3,186,162)		(3,643,059)
Provisions	19		(181,480)		(181,480)
Net assets			12,661,441		11,218,701
Represented by:					
<u>Unrestricted funds</u>					
General funds	15		10,336,248		8,865,015
Designated funds	15		1,547,646		1,737,560
Revaluation reserve	15		744,665		567,557
<u>Restricted Funds</u>	16		32,882		48,569
			12,661,441		11,218,701

Approved by the Governing Body on 22/3/2022 and signed on its behalf by

Mrs C Sutcliffe
Chairman of the
Governing Body



D A Townend
Chairman of the
Finance & Investment Committee



The notes on pages 20 to 36 form part of these financial statements.

Talbot Heath School Trust Limited

Consolidated statement of cash flows
For the year ended 31 August 2021

	Notes	2021		2020	
		£	£	£	£
Net cash provided by/(absorbed by) operating activities	1		943,343		(312,784)
Cash flows from investing activities					
Bank and other interest received		(257)		1,013	
Dividends received		97,290		114,528	
Payments to acquire tangible fixed assets		(75,647)		(292,393)	
Payments to acquire investments		(2,913,867)		(1,020,975)	
Proceeds from sales of investments		2,282,078		1,965,610	
Net cash (outflow)/inflow from capital expenditure and financial investment			(610,403)		767,783
Cash flows from financing activities					
Bank loan repayments		(456,897)		(295,673)	
Net cash outflow from financing activities			(456,897)		(295,673)
Change in cash and cash equivalents in the reporting period			(123,957)		159,326
Cash and cash equivalents at the beginning of the reporting period			(230,745)		(390,071)
Cash and cash equivalents at the end of the reporting period			(354,702)		(230,745)

Notes to the consolidated statement of cash flows
For the year ended 31 August 2021

	2021		2020	
	£	£	£	£
1 Reconciliation of net income to net cash flow provided by operating activities				
Net incoming resources per statement of financial activities		1,004,836		(590,316)
Dividends receivable	(97,290)		(114,528)	
Depreciation	400,198		431,020	
Bank and other interest received	257		(1,012)	
(Increase) in investments received via legacy	(178,837)		-	
Decrease/(Increase) in debtors	24,323		(151,462)	
(Decrease)/Increase in creditors	(223,158)		127,544	
Decrease in provisions	-		(10,218)	
Decrease/(Increase) in stocks	13,014		(3,812)	
		(61,493)		277,532
Net cash provided by/(absorbed by) operating activities		943,343		(312,784)

2 Analysis of cash and cash equivalents

	2021	2020
	£	£
Net cash:		
Cash in hand at bank	584,548	708,505
Short term deposits	-	-
Overdraft facility	(939,250)	(939,250)
Total cash and cash equivalents	(354,702)	(230,745)

1 Accounting policies

Talbot Heath School Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Talbot Heath School, Rothesay Road, Bournemouth, Dorset, BH4 9NJ.

As it is limited by guarantee, the School does not have any share capital. The members, consisting of the Governors and Directors, undertake to contribute an amount not exceeding £1 each in the event of the company being wound up.

1.1 Accounting convention

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2019, the Charities Act 2011 and UK Generally Accepted Practice. The accounts are drawn up on the historical cost basis of accounting, with the exception of the investments which are held at market value.

The School constitutes a Public Benefit Entity as defined by FRS102.

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

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

This charitable company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charitable company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The charitable company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the charitable company are consolidated in the financial statements of Talbot Heath School Trust Limited. These consolidated financial statements are available from its registered office, Talbot Heath School, Rothesay Road, Bournemouth, BH4 9NJ.

Notes to the financial statements (continued)

For the year ended 31 August 2021

1.2 Basis of consolidation

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary Rothesay Events Limited (company number 10139433) on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charitable company has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

1.3 Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. In the UK, market activity is being impacted in all sectors and the current response to COVID 19 means that we are faced with an unprecedented set of circumstances. At the approval date of these financial statements the future impact to the private schooling market is unknown and we cannot reliably estimate its effect on trading in the short term.

In light of the current uncertainties the governors have assessed the potential financial implications of the pandemic, and have assessed that the company have sufficient resources to allow it to trade through this period without any additional working capital funding required.

1.4 Fees and similar earned income

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

1.5 Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis. Income from investment properties is accounted for in the period to which the rental income relates.

1.6 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 School is considered probable. Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. 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. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the School in the case of donated services or facilities.

Notes to the financial statements (continued)
For the year ended 31 August 2021

1.7 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 statement of financial activities is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of running the School, including strategic planning for its future development, also external audit fees, any legal advice for the Board of Governors and all costs of complying with constitutional and statutory requirements, such as the cost of Governors meetings and of preparing statutory accounts and satisfying public accountability.

1.8 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £500 are capitalised and carried in the balance sheet at historical cost. ICT equipment costs are written off as incurred. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used. Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

Capital assets donated are capitalised in fixed assets and are included as incoming resources.

1.9 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

Freehold buildings	- 2%/4%/5%/10% on a straight line basis
Artificial sports pitches	-10% on a straight line basis
Furniture, fittings and equipment	-15% on a straight line basis
Motor vehicles	-20% on a straight line basis
Computer and office equipment	-33% on a straight line basis

1.10 Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further subdivided into permanent and expendable.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Designated income and funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. Income arising on assets within the designated fund is included within that fund. The following designated funds exist:

Notes to the financial statements (continued)
For the year ended 31 August 2021

1.10 Fund accounting (continued)

Queensmount Fund

The fund was established in 1987. There is no formal deed establishing the fund, and no limitations other than the approval of the Board of Governors, and within the limitations of the Trustee Investment Act. The primary purpose of the fund's investment activity is to generate income and capital growth to maintain the value of the fund to provide financial assistance to pupils and to fund capital projects.

Restricted funds are funds which have been given for specific purposes; the following restricted funds exist:

Prize Funds

These funds have been accumulated over many years by donations from former pupils and parents. Prizes are distributed from the income annually at Speech Day.

Angela Felgate Classics Fund

The Angela Felgate Classics fund was set up in memory of a former Classics teacher following a bequest and will be used to provide grants to cover the cost of an external Classical Greek course for pupils wishing to study Classics at university.

The Hub Project

These funds are those which have been donated for the purpose of construction of the Hub.

Details of funds are disclosed in notes 15 and 16 to the accounts.

1.11 Pensions

Retirement benefits to employees of the School are provided through three pension schemes. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) The Teachers' Pension Scheme - This 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, the charity 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.
- (b) Talbot Heath School Retirement Benefit Scheme - Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.
- (c) Aegon - Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.

1.12 Stock

Stock represents goods for resale and is valued at the lower of cost and net realisable value.

1.13 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.14 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.15 Investments

Investments are stated at market value at the balance sheet date. Realised gains/ (losses) are calculated as the difference between market value at the date of disposal and market value at the previous balance sheet date (or date of acquisition if later). Unrealised gains/ (losses) are calculated as the difference between the market value at the balance sheet date and the market value at the previous balance sheet date (or date of acquisition if later).

1.16 Creditors and provisions

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

1.17 Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.18 Critical estimate and judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the governors 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements have had the most significant effect on amounts recognised in the financial statements.

Provisions

Included in note 19 is a provision relating to further costs expected in relation to the Hub building contract. This represents the Governors' best estimate of the additional costs at the year end. As is normal at the end of contracts, discussions are ongoing regarding the final account.

Notes to the financial statements (continued)
For the year ended 31 August 2021

2	School fees				
				2021	2020
				£	£
	Gross fees			7,700,947	7,723,627
	Less:				
	Total bursaries, grants and other price differentials			(818,207)	(1,215,808)
				<u>6,882,740</u>	<u>6,507,819</u>
3	Sundry other income				
				2021	2020
				£	£
	Other fees and surcharges			212,172	168,787
	Staff lunches			2,325	3,425
				<u>214,497</u>	<u>172,212</u>
4	Analysis of total expenditure				
	2021:				
		Staff costs	Other	Depreciation	Total
		£	£	£	£
	Charitable activities				
	School operating costs:				
	Teaching	4,199,172	154,806	77,075	4,431,053
	Welfare	245,099	590,168	-	835,267
	Premises	180,541	507,610	306,933	995,084
	Support costs of schooling	597,108	415,294	16,190	1,028,592
		<u>5,221,920</u>	<u>1,667,878</u>	<u>400,198</u>	<u>7,289,996</u>
	Cost of raising funds				
	Financing costs	-	198,239	-	198,239
	Investment management	-	27,602	-	27,602
	Expenditure on trading activities	-	7,808	-	7,808
		<u>-</u>	<u>233,649</u>	<u>-</u>	<u>233,649</u>
	Total resources expended	<u>5,221,920</u>	<u>1,901,527</u>	<u>400,198</u>	<u>7,523,645</u>

Notes to the financial statements (continued)
For the year ended 31 August 2021

4 Analysis of total expenditure (continued)

2020:

	Staff costs £	Other £	Depreciation £	Total £
<i>Prior Year</i>				
Charitable activities				
School operating costs:				
Teaching	4,199,712	248,882	101,862	4,550,456
Welfare	227,946	529,281	-	757,227
Premises	226,716	556,682	305,606	1,089,004
Support costs of schooling	621,690	429,157	23,552	1,074,399
	<u>5,276,064</u>	<u>1,764,002</u>	<u>431,020</u>	<u>7,471,086</u>
Cost of raising funds				
Financing costs	-	200,324	-	200,324
Investment management	-	28,382	-	28,382
Expenditure on trading activities	-	1,928	-	1,928
	<u>-</u>	<u>230,634</u>	<u>-</u>	<u>230,634</u>
Total resources expended	<u><u>5,276,064</u></u>	<u><u>1,994,636</u></u>	<u><u>431,020</u></u>	<u><u>7,701,720</u></u>

	2021 £	2020 £
Within support costs there are the following governance costs:		
Criminal Records Bureau	5,187	3,262
ISC inspection	5,112	6,569
Audit	18,542	14,826
Governors' liability insurance	1,716	1,577
Governors' expenses reimbursed	1,943	1,686
Legal fees	51,374	36,438
Other professional fees	52,774	51,717
	<u>136,648</u>	<u>116,075</u>

The Governors' liability insurance is in respect of all Governors and the expenses reimbursed relate to 4 Governors (2020: 4 Governors) and mainly relate to subscriptions to the Association of Governing Bodies of Independent Schools and travel expenses.

5 Salaries and wages

	2021 £	2020 £
Salaries	4,131,768	4,186,306
National insurance contributions	379,634	385,616
Pension costs	710,518	704,142
	<u>5,221,920</u>	<u>5,276,064</u>

Notes to the financial statements (continued)
For the year ended 31 August 2021

5 Salaries and wages (continued)

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

	Full time 2021	Part time 2021	Full time 2020	Part time 2020
Teaching	64	48	61	40
Administrative and domestic	34	22	35	25
	<u>98</u>	<u>70</u>	<u>96</u>	<u>65</u>

The number of higher paid employees was:

	2021 No	2020 No
£100,000-£110,000	1	1
£60,000-£70,000	1	1
Total	<u>2</u>	<u>2</u>

Contributions were made to the Scottish Equitable Pension Scheme, a defined contribution scheme and also to the Department for Education Superannuation Scheme, which is part of the Teachers' Pension defined benefit scheme for the higher paid employees of £38,469 (2020: £38,469).

The total remuneration received by key management personnel during the year was £661,935 (2020: £725,827).

No Governors received remuneration during the year.

6 Net movement in funds

	2021 £	2020 £
This is stated after charging:		
Auditors' remuneration (including VAT):		
- for audit	18,542	16,740
- for other services	6,444	6,486
Depreciation:		
- owned fixed assets	<u>400,198</u>	<u>431,020</u>

7 Taxation

The wholly owned subsidiary, Rothesay Events Limited, is registered for corporation tax, however, no taxation liability arose during the year.

Talbot Heath School Trust Limited is exempt from corporation tax due to its charitable status.

Notes to the financial statements (continued)
For the year ended 31 August 2021

8 Fixed assets

	Freehold Land & Buildings £	Furniture & fittings & equipment £	Motor vehicles £	Computer & office equipment £	Total £
Group and charity Cost					
1 September 2020	14,703,474	1,660,213	286,223	1,472,763	18,122,673
Additions	39,746	10,312	12,745	12,844	75,647
Disposals	-	-	(14,128)	-	(14,128)
31 August 2021	14,743,220	1,670,525	284,840	1,485,607	18,184,192
Depreciation					
1 September 2020	2,129,385	1,508,502	248,482	1,412,595	5,298,964
Charge for the year	306,933	33,379	16,190	43,696	400,198
Eliminated on disposals	-	-	(14,128)	-	(14,128)
31 August 2021	2,436,318	1,541,881	250,544	1,456,291	5,685,034
Net book value					
31 August 2020	12,574,089	151,711	37,741	60,168	12,823,709
31 August 2021	12,306,902	128,644	34,296	29,316	12,499,158

The net book value at 31 August 2021 represents fixed assets, which are all used for direct charitable purposes. The gross value of freehold buildings on which depreciation is charged amounts to £5,928,085 (2020: £5,896,219).

In the Governors' opinion the aggregate open market value of the freehold land and buildings exceeds its book value.

Notes to the financial statements (continued)
For the year ended 31 August 2021

9 Fixed asset investments

Total fixed asset investments comprise:

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Investments listed on a recognised stock exchange	5,326,394	3,957,332	5,326,394	3,957,332
Other investments – deposits	244,399	326,998	244,399	326,998
Unlisted investments	-	-	1	1
	<u>5,570,793</u>	<u>4,284,330</u>	<u>5,570,794</u>	<u>4,284,331</u>

Investment movements:

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Market value at 1 September 2020	4,284,330	5,301,180	4,284,331	5,301,181
Additions	3,092,704	1,020,975	3,092,704	1,020,975
Disposal proceeds	(2,282,078)	(1,965,610)	(2,282,078)	(1,965,610)
Profit on disposal	458,682	102,636	458,682	102,636
Surplus/(Deficit) on revaluation at 31 August 2021	17,155	(174,851)	17,155	(174,851)
Market value at 31 August 2021	<u>5,570,793</u>	<u>4,284,330</u>	<u>5,570,794</u>	<u>4,284,331</u>
Historical cost at 31 August 2021	<u>4,826,129</u>	<u>3,716,770</u>	<u>4,826,129</u>	<u>3,716,770</u>

Analysis of investments:

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Cash	244,399	326,996	244,399	326,996
Equity shares	4,525,997	3,656,228	4,525,998	3,656,229
Fixed interest securities	800,397	301,106	800,397	301,106
	<u>5,570,793</u>	<u>4,284,330</u>	<u>5,570,794</u>	<u>4,284,331</u>

Notes to the financial statements (continued)
For the year ended 31 August 2021

10 Subsidiaries

Details of the charity's subsidiary at 31 August 2021 are as follows:

Name of undertaking	Registered office	Class of share held	% Held
Rothesay Events Limited	Talbot Heath School, Rothesay Road, BH4 9NJ	Ordinary	100.00

11 Debtors

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	210,006	258,308	178,353	252,620
Other debtors	37,438	6,400	50,496	21,098
Prepayments	134,127	141,186	133,543	140,019
	<u>381,571</u>	<u>405,894</u>	<u>362,392</u>	<u>413,737</u>

Included within trade debtors is a bad debt provision of £74,095 (2020: £39,206).

12 Creditors: Amounts falling due within one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Bank loans	492,220	492,220	492,220	492,220
Bank overdraft	939,250	939,250	939,250	939,250
Trade creditors	136,226	110,980	129,031	110,980
Fees received in advance	477,479	328,615	477,479	328,615
Deposits	359,700	370,581	359,700	370,581
Tax and social security	94,437	285,550	94,437	285,550
Other creditors	351,094	544,945	351,094	544,945
Accruals	79,776	81,199	78,301	79,489
	<u>2,930,182</u>	<u>3,153,340</u>	<u>2,921,512</u>	<u>3,151,630</u>

The bank overdraft was secured by way of a fixed charge over the School's investments and cash deposits held with the same institution.

Notes to the financial statements (continued)
For the year ended 31 August 2021

13 Creditors: Amounts falling due after one year

	Group and charity	
	2021	2020
	£	£
Bank loan	3,186,162	3,643,059
Analysis of loans		
Wholly repayable within 5 years:	1,968,880	1,968,880
Not wholly repayable within 5 years by instalments:	1,217,282	1,674,179
Loan maturity analysis		
In more than one year but not more than two years	492,220	492,220
In more than two years but not more than five years	1,476,660	1,476,660
In more than five years	1,217,282	1,674,179
	3,186,162	3,643,059

The bank loan of £392,642 (2020: £460,928) is secured by way of a fixed charge over the School's investments and cash deposits held with the same institution.

A 10 year bank loan with a facility of £2,000,000 was entered into during 2018 to finance The Hub project. By the year end this has been drawn down in full and included in creditors at the year end. This loan contains a legal charge over the School. Interest is charged at 2.87% per annum with monthly capital repayments from May 2019.

A second 10 year bank loan with a facility of £2,000,000 was drawn down during the year to finance The Hub Project and is included in creditors at the year end. This loan contains a legal charge over the School. Interest is charged at 2.72% per annum with monthly capital repayments from July 2019.

The bank granted a 6 month capital repayment holiday in April 2020.

14 Allocation of net assets between funds

	Fixed assets	Net current assets/liabilities	Long term liabilities	Provisions	Fund balances
	£	£	£	£	£
Unrestricted funds	18,033,951	(1,949,780)	(3,186,162)	(181,480)	12,716,529
Restricted funds	36,000	(3,118)	-	-	32,882
Total funds	18,069,951	(1,952,898)	(3,186,162)	(181,480)	12,749,411

Notes to the financial statements (continued)
For the year ended 31 August 2021

15 Unrestricted funds

	Balance 1 September 2020 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2021 £
<i>Current year</i>					
General funds:					
School funds	8,915,052	8,482,671	(7,510,275)	536,770	10,424,218
Designated funds:					
Queensmount fund	1,718,155	44,584	(13,069)	(221,128)	1,528,542
Prize funds	19,405	-	(301)	-	19,104
	<u>1,737,560</u>	<u>44,584</u>	<u>(13,370)</u>	<u>(221,128)</u>	<u>1,547,646</u>
Revaluation reserve	<u>567,557</u>	<u>-</u>	<u>-</u>	<u>177,108</u>	<u>744,665</u>
	<u>11,220,169</u>	<u>8,527,255</u>	<u>(7,523,645)</u>	<u>492,750</u>	<u>12,716,529</u>

The revaluation reserve is split between the General school funds and the Designated funds resulting in total fund balances as follows:

	General school fund £	Designated fund £
Carried forward fund balance as above	10,424,218	1,547,646
Revaluation reserve	350,932	393,733
	<u>10,775,150</u>	<u>1,941,379</u>

Unrestricted funds in the charity itself are £10,336,248. Designated funds and the Revaluation Reserve are in line with the group figures disclosed above.

Notes to the financial statements (continued)
For the year ended 31 August 2021

15 Unrestricted funds (continued)

	Balance 1 September 2019 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2020 £
<i>Prior year</i>					
General funds:					
School funds	9,404,968	7,054,772	(7,676,762)	132,074	8,915,052
Designated funds:					
Queensmount fund	1,717,714	46,956	(11,684)	(34,831)	1,718,155
Prize funds	19,104	301	-	-	19,405
	<u>1,736,818</u>	<u>47,257</u>	<u>(11,684)</u>	<u>(34,831)</u>	<u>1,737,560</u>
Revaluation reserve	737,015	-	-	(169,458)	567,557
	<u>11,878,801</u>	<u>7,102,029</u>	<u>(7,688,446)</u>	<u>(72,215)</u>	<u>11,220,169</u>

The Queensmount Fund came from another school's closure in 1990s. In line with the wishes of that school's charitable objectives, the proceeds were transferred to Talbot Heath for the furtherment of education and to support capital improvement projects. The Queensmount fund is used to generate income, which is used to fund a proportion of the bursaries and scholarships. The capital is set aside to fund future capital expenditure as and when the need arises.

The revaluation reserve is split between the General school funds and the Designated funds resulting in total fund balances as follows:

	General school fund £	Designated fund £
Carried forward fund balance as above	8,915,052	1,737,560
Revaluation reserve	308,994	258,563
	<u>9,224,046</u>	<u>1,996,123</u>

Notes to the financial statements (continued)
For the year ended 31 August 2021

16 Restricted funds

	Balance 1 September 2020 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2021 £
Prize funds:					
<i>Mary Broad Scholarship</i>	21,718	568	-	-	22,286
<i>Cordelia Westcott Travel scholarship</i>	1,825	(844)	-	-	981
<i>Angela Felgate Classics fund</i>	9,615	-	-	-	9,615
The Hub Project	15,411	1,502	-	(16,913)	-
	<u>48,569</u>	<u>1,226</u>	<u>-</u>	<u>(16,913)</u>	<u>32,882</u>
	Balance 1 September 2019 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2020 £
<i>Prior year</i>					
Prize funds:					
<i>Mary Broad Scholarship</i>	21,382	336	-	-	21,718
<i>Cordelia Westcott Travel scholarship</i>	1,343	482	-	-	1,825
<i>Angela Felgate Classics fund</i>	9,466	149	-	-	9,615
The Hub Project	20,277	8,408	(13,274)	-	15,411
	<u>52,468</u>	<u>9,375</u>	<u>(13,274)</u>	<u>-</u>	<u>48,569</u>

17 Reconciliation of movements in unrealised gains on investment assets

	Queensmount Fund £	General Fund £	Total 2021 £	Total 2020 £
Unrealised gains at 1 September 2020	258,563	308,994	567,557	737,015
Deduct disposals in the year	(14,204)	1,466	(12,738)	(33,612)
	<u>244,359</u>	<u>310,460</u>	<u>554,819</u>	<u>703,403</u>
Gains arising on revaluations in the year	149,374	40,472	189,846	(135,846)
	<u>393,733</u>	<u>350,932</u>	<u>744,665</u>	<u>567,557</u>

Notes to the financial statements (continued)
For the year ended 31 August 2021

18 Commitments under operating leases

At 31 August 2021, the school had aggregate total commitments under non-cancellable operating leases as set out below:

Non-cancellable operating leases which expire:	2021	2020
	£	£
Within one year	57,673	61,559
Within 2 to 5 years	98,506	18,871

19 Provisions

Group and charity	Hub retention
	£
At 1 September 2020	181,480
Released in the year	-
At 31 August 2021	181,480

The above provision relates to further costs expected in relation to the Hub building contract. As is normal at the end of contracts discussions are ongoing regarding the final account. It is not possible at this time to quantify the level of additional liability, if any, that will arise in this respect.

20 Related party transactions

One Governor (2020: One Governor) had children at the School during the year.

Governors' liability insurance is provided for all Governors as detailed in note 4 to the accounts.

Details of Governors expenses are included in note 4.

The charitable company and the group has taken advantage of FRS 102 section 33 from the requirement to disclose transactions with its wholly owned subsidiary undertaking.

21 Pension schemes

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £664,783 (2020: £655,194). At the year-end £nil (2020: £129,964) was accrued in respect of contributions to this scheme.

Under TPS there is an eight tier employee contribution rate structure. The employee rates range from 7.4% to 11.7%. These rates remain unchanged during the year to 31 August 2021. Employer contribution rates increased from 16.48% to 23.68% on 1 September 2019.

21 Pension schemes (continued)

Non-Teaching Staff:

The company operates non-contributory and contributory defined contribution schemes for the benefit of its non-teaching staff. The assets of the schemes are administered in funds independent from those of the company and are controlled by Ecclesiastical Insurance Group and Aegon. The contributions made by the school are up to 6% of salary dependent on the employee contributions.

The pension cost charge represents contributions payable by the School to Ecclesiastical Insurance Group and Aegon and amounts to £45,736 (2020: £48,948).

Outstanding contributions at the year-end amounted to £nil (2020: £nil). No further liability rests with the company in respect of the pension schemes.

In October 2021, the Talbot Heath School Retirement Benefit Scheme controlled by Ecclesiastical Insurance Group was formally wound up.

TALBOT HEATH SCHOOL TRUST LIMITED

England & Wales - Charity number 283708

Accounts

Company Registration No. 01584957 (England and Wales)
Charity No. 283708

Talbot Heath School Trust Limited

Report and Financial Statements

For the year ended
31 August 2020

Talbot Heath School Trust Limited

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Talbot Heath School Trust Limited

Legal and administrative information

Governors	Mrs C Sutcliffe (Chair) Dr R Day (Vice Chair) Mrs C M Norman Mrs C Edwards Rev R Higgins Mrs K Thompson Dr A Main Mrs N Bagshawe	Mr J R Paget Mrs S Richards Mrs D Sadd Mrs C Saunders Mrs R Newton Mr D A Townend Mrs A Ewins
Head	Mrs A Holloway MA (Oxon) PGCE	
Secretary	Mr G Ives	
Company registered number	01584957	
Charity Commission registration number	283708	
Registered office and principal address	Talbot Heath School Rothesay Road Bournemouth BH4 9NJ	
Bankers	Lloyds Bank Plc Bournemouth Branch 45 Old Christchurch Road Bournemouth BH1 1ED	Barclays Wealth County Gates House 300 Poole Road Bournemouth BH1 2BW
Solicitors	Steele Raymond LLP Richmond Point 43 Richmond Hill Bournemouth Dorset BH2 6LR	Wilsons Solicitors LLP St John's Street Salisbury Wiltshire SP1 2SB
Auditors	Saffery Champness LLP Chartered Accountants Midland House 2 Poole Road Bournemouth BH2 5QY	
Investment advisers	Barclays Wealth County Gates House 300 Poole Road Bournemouth BH1 2BW	

Talbot Heath School Trust Limited

Report of the Governors For the year ended 31 August 2020

The Governors present their report together with the audited financial statements for the year ended 31 August 2020. The provisions of the Statement of Recommended Practice: Accounting and Reporting by Charities 2015 (FRS 102) have been adopted in their preparation.

Governors

The Governors are also the Trustees and Directors of the company. Those who served during the year and who were in office at the date of this report are listed below:

Mrs C Sutcliffe (Chair)
Dr R Day (Vice Chair)
Mrs C M Norman
Mrs C Edwards
Rev R Higgins (Nominated by the Bishop of Salisbury)
Mrs D J Leadbetter (Resigned 09.07.2020)
Dr A Main
Mr J Paget
Mrs S Richards
Mrs D Sadd
Mrs C Saunders (Nominated by the Bishop of Winchester)
Mrs R Small (Resigned 23.06.2020)
Mr D A Townend
Mrs K Thompson
Mrs R Newton
Mrs A Ewins (appointed 23 March 2021)
Mrs N Bagshawe (appointed 23 March 2021)

Status and administration

Talbot Heath School Trust Limited is a charitable company limited by guarantee, incorporated on 9 September 1981. It is governed by its Memorandum and Articles of Association, which were last updated on 13 March 2012.

Objectives and activities

In setting the School's objectives and planning activities the Governors have given careful consideration to the Charities Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

The objects of the company are the advancement of education providing boarding and day schooling for girls between the ages of 3 and 18. The School has a Junior School with a Pre-Preparatory Department. Each stage of the curriculum is tailored to meet the specific needs of a particular age group. The transition between key stages is carefully monitored to ensure continuity of care. The school also runs a Tennis Academy, in conjunction with West Hants Tennis Club and a Swimming Academy, in conjunction with Poole Swimming Club.

The School is a Church of England School, founded on Christian principles, with a strong chaplaincy team and religious leaders from other faiths who visit the school for assemblies and as part of the Religious Studies programme to foster understanding between pupils of all faiths and to ensure the spiritual support of all members of the School community. The School has been designated as a School with a religious character.

Trustees take the views of its stakeholders very seriously. In addition to regular surveys of pupils, parents and staff, the students' voice is heard through a School Council in the Senior School, the Prefect system in the Junior School and through suggestion boxes and meetings with the Heads of House in Boarding.

Structure, governance and management

The company is controlled by the Board of Governors, which meets four times a year to determine the general policy of the School and ensure compliance with all relevant regulations. A subsidiary trading company, Rothesay Events (registered number 10139433), wholly owned by Talbot Heath School Trust Ltd, was incorporated on 21st April 2016 and became active on 1st September 2017. The results of the trading company have been consolidated in these financial statements.

The following committees exist and operate under terms of reference issued by the Board. The Chair of the Board of Governors is an ex officio member of all committees except the Appeals Committee.

- *Chairs' Committee*, comprising of six Governors together with the Head in attendance. The committee meets at least once a term to coordinate the activities of the other Committees to ensure cohesion between the work of the committees or to deal with urgent matters.
- *Education Committee*, comprising of nine Governors. The committee meets at least once a term. The role of the committee is to provide a formal link with the Head and Senior Leadership Team to monitor all aspects of education and pastoral care and to give support to the Head and staff. The Head, Deputy Head, Assistant Head (Curriculum & Progress) and the Head of Junior School attend these meetings. The Assistant Head (Teaching & Learning), Assistant Head (Academic Management), Junior School Assistant Head (Academic) and Junior School Assistant Head (Pastoral) attend by invitation as required. This committee reviews standards, curriculum provision, behaviour and pastoral care, boarding provision, special educational needs and the spiritual, moral, social and cultural development of pupils.
- *Finance and Investment Committee*, comprising of eight Governors together with the Head, Head of Junior School and Director of Finance in attendance. The committee meets twice a term, once to advise the Board on financial, contractual and management matters and separately to review the investment portfolio and its performance. The Public Relations, Events & Marketing Manager attends by invitation as required.
- *Resources, Health & Safety Committee*, comprising of seven Governors with the Head, Deputy Head, Head of Junior School and Facilities Manager in attendance. The committee meets at least once per term to review the management and development of the premises and to review and monitor relevant school policies including Health and Safety, Risk Assessment and the Crisis Management Plan.
- *Staffing Committee*, comprising of five governors with the Head, Junior School Head and Manager of Human Resources in attendance. The Assistant Head with responsibility for Teaching and Learning and the Director of Support Services attend by invitation when appropriate. The committee meets once a term to advise the Governing body on all matters relating to staff. It reviews employment policy and procedures, the school's Salary Scale, staff benefits and pay increases recommended by the Head.
- *Dismissals Committee*, comprising three Governors. The committee will meet only as required to consider staff grievances and disciplinary matters if the Chair of Governors determines so.
- *Discipline Committee*, comprising three Governors. The committee will meet only as required to consider the exclusion of a pupil if that pupil's parents/carers request this.
- *Appeals Committee*, comprising three Governors, other than the Chairman and those on the Dismissals and Discipline Committees. The committee will meet only as the need arises to consider all appeals against decisions of the Head or Dismissals Committee.
- *Complaints Committee*, comprising two members of the Governing Body, excluding the Chair of Governors, not directly involved in the matters detailed in the complaint or with a connection to the complainant, plus a person of standing in the community who is truly independent of the management and running of the school. The committee will meet only as required to consider all complaints not covered by other committees.

**Report of the Governors (continued)
For the year ended 31 August 2020**

The operational leadership and management of the school is delegated to the Head who also has delegated powers to authorise payments to a maximum of £5,000.

Appointment of Governors

The Governing Body consists of not less than 8 and not more than 18, of whom two are nominative governors, nominated by the Bishop of Winchester and the Bishop of Salisbury. At the time of this report there are 14 governors. All governors are entitled to hold office for a period of 3 years from the date of election/nomination. The Chair and Vice-Chair of Governors are elected by the Governing Body for a term of 2 years and 4 terms may be served consecutively.

Appointment of new Governors during the year is subject to re-election at the Annual General Meeting; at which one third of the Foundation Governors retire annually. Dr R Day, Mrs C Edwards and Mr J Paget are to retire by rotation at the forthcoming Annual General Meeting in March 2021 and, being eligible, will offer themselves for re-election. Mrs Leadbetter and Mrs Small retired in the Summer term 2020. At the AGM held in July 2020, Mrs Newton and Mrs Thompson were appointed and Mrs Norman retired as Chair. Mrs Sutcliffe was elected as Chair and Dr Day elected as Vice Chair for two years.

Prospective Governors are required to complete a self-declaration confirming that they are not disqualified from being a Charity Trustee. An induction is provided to all new Governors who are given a mentor and on-line access to the Governors' Information area of the school intranet site. This details statutory and operational information and guidance concerning the School, its policies and a code of conduct for Governors. The content of the Governors' Information area is subject to annual review by the Full Governing Board.

Governors complete a Skills Audit and evaluate their competency as a body, every two years. This informs training, succession planning and recruitment. The Recruitment, Induction and Training Policy was last reviewed by the Clerk, the Chair and the Vice-Chair of Governors in the Summer term 2020.

Statement of Governors' responsibilities

Company law and laws applicable to charities in England and Wales, require the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its surplus or deficit for that year. In preparing those financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Governors are responsible for maintaining proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 2006 and applicable Charity Law. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STRATEGIC REPORT

Risk management

The Board of Governors has compiled a risk register, identifying the major risks to which the company is exposed, by assessing the potential impact and likely occurrence of each risk. The assessment of such has enabled the Governors to develop risk-handling options for each major risk. The risk register is reviewed on a termly basis by the sub-committees and reported to the full Board. A description of the principal risks and uncertainties facing the company together with the plans and strategies for managing those risks are:

Main Risks	Controls
Income, expenditure and cash flow	Regular financial reporting with strong budget planning and controls
Policy and political change	Monitoring the charitable aims and maximizing public benefit
Inferior quality teaching leading to poor external examination results	Robust teacher appraisal procedures and pupil achievement tracking systems
Narrow curriculum leading to failure to recruit pupils, particularly in the Sixth Form	Sufficient finance for excellent teacher recruitment and curriculum resources
Site and infrastructure failure	Regular maintenance and asset management
Critical incidents	Effective crisis management and Health & Safety training
Dissatisfied stakeholders	Excellent communication and information through a range of media including a vibrant and up-to-date website

Investment policy

The company may make investments as it sees fit. The strategy for investments is generally one of medium risk, but this is reviewed annually. Asset allocations focus on long-term growth and sustainability of the funds to support the school beyond the foreseeable future.

The Governors consider the ethics of the companies in which the portfolio is invested from time to time and, whilst they would wish to invest in companies with a philosophy compatible to that of the School, they are mindful of the requirement placed upon them as Trustees to maximise the charity's investments.

The School has delegated investment management to Barclays Wealth. A written policy statement has been provided to, and agreed with, the investment managers. Barclays Wealth has fully delegated powers within the terms of this policy. The investment policy is to invest across a broad range of funds and markets and requires an income return sufficient to meet any shortfall in annual expenditure, and long-term growth greater than RPI to ensure the future security of the portfolio.

The policy also provides that no single investment should exceed 5% of the total value of investments, and no single market sector to exceed 15% of the total.

In the 12 months to 31 August 2020, the Queensmount portfolio made a loss of -0.20%; this is against a benchmark of -4.63% and, likewise, the General Fund portfolio increased +0.07 % compared to a benchmark of -4.36%. The Governors will continue to keep the investment portfolio under review in the forthcoming year.

In accordance with the School's accounting policies, investments are stated at market value at the balance sheet date. The investment advisors to the School have confirmed that, in the previous year, there was no permanent diminution in the value of the School's assets.

Grant making policy

During the academic year the School provided financial assistance through 30 bursaries (2019:25) amounting to £135,910 (2019: £107,336) and 73 (2019: 66) scholarships amounting to £252,648 (2019: £214,726). Some pupils received both scholarships and bursaries. In addition 12 (2019: 9) pupils received Governors' Free places amounting to £101,564 (2019: £93,625) , 3 (2019: 2) pupils received Boarding bursaries of £1,696 (2019: £2,449) , 13 (2019: 27) pupils received Sixth Form Scholarships amounting to £54,883 (2019: £50,412) , 11 (2019: 10) pupils received a tennis academy award of £82,684 (2019: £83,058), 3 (2019: 5) pupils received Music awards of £1,848 (2019: £2,843), 3 pupils (2019: 3) received a Clergy bursary of £31,240 (2019: £21,599) and 5 (2018: 2) pupils received Speech Training awards amounting to £1,488 (2019: £2,994). This year we opened our new TH Swimming Academy and 6 pupils received awards totalling £ 36,643 (2019: 0) This represents a total of £700,604 (2019: £579,042).

The scholarships and bursaries awarded for the year amount to 9.8 % (2019: 7.9%) of gross fees.

In addition, this year and due to the COVID-19 Pandemic all pupils were awarded a 20% discount on Summer Term Fees amounting to £515,204 – Governors consider this an exceptional 'one-off' discount, supported by liquidating reserves to provide the necessary cash to cover the shortfall in income.

The Board's policy is to make awards based on academic ability and/or excellence in Art, Performing Arts, Music or Sport. Bursaries are made on the basis of need and to relieve hardship where it considers that a pupil's education and future prospects are at risk. Awards are given at the discretion of the Head and bursaries are reviewed annually. The school made some emergency funding available for families who were significantly affected by COVID-19.

Reserves policy

The current level of the School's reserves is detailed in notes 15 and 16 to the accounts.

The Board is of the opinion that fixed assets, principally the School property, represent the majority of reserves and it is essential that these facilities are maintained to a high standard. It also believes that the facilities of the School, including classroom facilities, should continually be improved in order to maintain the long-term viability of the School. This will be the largest area of capital expenditure for the foreseeable future.

The current level of reserves, referred to as free reserves, and representing the reserves of the School excluding those invested in fixed assets and not specifically designated is currently in deficit by £234,306 having reduced from the £342,629 surplus last year primarily due to the exceptional circumstances regarding the Covid pandemic impacting the results for the year.

Whilst the importance of holding free reserves is accepted by the board the decisions taken in the interests of the effective operation of the school during this very difficult period were made having taken account of the fact that reserves would inevitably decline.

Reversing this notional deficit remains important but is not an immediate problem as the school has resources in the designated fund which can be called upon if required. Furthermore the calculation of free reserves does not take into account the future proceeds of a land sale which is anticipated to complete once planning permission issues are settled. In itself this transaction would reverse the deficit and allow a reasonable level of free reserves to be carried forward.

Talbot Heath School Trust Limited

Report of the Governors (continued) For the year ended 31 August 2020

The Governors have not previously set an explicit reserves policy due to the level of investment in the STEAM Hub which has meant that reserves have been utilised in this respect. Until that project was completed it was considered not appropriate to establish a fixed policy. That has now occurred, but the impact of the Pandemic has again meant that it has been difficult to set a policy at a time when reserves set aside are being utilised. As the School emerges from the Pandemic, the land sale is finalised and the level of designated reserves carried forward required is finalised a robust policy, encompassing the future requirements of the School, will be determined that will demonstrate to parents and stakeholders that the School is in a strong financial position, sufficient to meet their children's education, both in terms of quality and variety and allows the Governors them to provide a significant level of bursaries and scholarships. In addition, the financial security will allow the School flexibility to continue to support the joint ventures such as the Tennis Academy.

Fundraising policy

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities.

The school continues to raise funds directly from parents via the PSS to support the purchase of equipment for the STEAM Hub. This was through a Christmas fair in Autumn 2019.

The school launched a COVID-19 hardship fund and sought donations from the parents and alumnae community from direct appeals.

Commercial sponsorship for the school will be used solely for the purpose of additions or improvements, not for funding core operational activities and sponsorship must support the curriculum and provide added value to pupils' learning.

The charity has a separate fundraising bank account which details all individual entries, the responsibility for which rests with the Director of Finance, who in turn reports directly to the Governing Body on a termly basis.

All fundraising is carried out in accordance with the standards of the Fundraising Code of Practice. Direct appeals to our parent and alumnae community are planned carefully to ensure they are neither unreasonable, persistent or obtrusive.

No complaints have been received regarding fundraising activity during the year.

Remuneration Policy for senior staff

The Board of Governors and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All governors give of their time freely and no director received remuneration in the year. Details of the governors' expenses and related party transactions are disclosed in note 4 and 5 to the accounts.

The pay of the senior staff is reviewed annually. In view of the nature of the charity, the directors benchmark against pay levels in other Independent Schools of a similar size.

Review of financial activities

The net outgoing resources for the year, before transfers and investment gains, amounted to £590,316 (2019: incoming resources £181,273). In addition, there were realised investment gains of £102,636 (2019: £409,652) and unrealised investment losses of £174,851 (2019: £254,557) contributing to the net outgoing resources of £662,531

(2019: incoming resources 336,368). Furthermore, during the year £292,393 (2019: 5,745,047) was spent on capital items.

Talbot Heath School Trust Limited

Report of the Governors (continued)

For the year ended 31 August 2020

The STEAM Hub was successfully opened in September 2019 and the STEAM and interdisciplinary curriculum was launched. However, the global pandemic caused a national lockdown from March to September which significantly impacted income generation for the school. Lettings income stopped during this period and the school was not able to charge for services that it could not offer such as catering, transport and boarding. The school gave a discretionary 20% remission in fees to all parents for the summer term 2020. The school explored all opportunities to make cost savings including the furlough scheme and payment holidays for HMRC and TPS thereby managing to recoup some of the loss in income. However, the end of year position is an indication of the impact of the global pandemic on the schools' financial situation. Fortunately, the school's strong fiscal management, owing to secure reserves and prudent planning, ensured that the school was in a strong financial position at the end of the academic year and enabled the school to continue to operate successfully, at full strength.

In an uncertain world, the student's education was not interrupted; Talbot Heath was consistent, providing education that is future-focused and future-proofed. Talbot Heath was extremely well prepared to make the switch to remote learning smoothly when the country went into lockdown. The school's foresight and forward-thinking meant that digital learning and pastoral support was ready to go the moment it was needed. As iPads have been introduced for all pupils from the age of 3 to 18, the school were able to use these as part of their remote teaching and learning programme. All of the pupils completed their full schemes of work during lockdown, ensuring that they were up to date the moment the school was able to fully re-open. Pupils and staff have developed the technical skills, problem solving ability and adaptability of approach to take on any challenge. The specialist staff and status as an Apple Regional Training Centre means that there is a robust infrastructure in place for remote learning. In an uncertain age, Talbot Heath offers continuity of provision and education, which is very reassuring.

The numbers on roll have remained buoyant and consistently high. Parents have continued to pay their fees even though some have taken payment holidays or have had payment plans in place during the pandemic.

The school is still following its five-year improvement plan with some limitations this year. This plan incorporates significant changes and growth across all aspects of the School.

Public Benefit

The school engages with the wider community on a broad range of activities. Where the school can assist the community without detriment to advancing the education of its pupils, it is delighted to do so. The activities it has and continues to support are: a joint literacy partnership with Ocean Learning Trust (a Multi-Academy Trust involving five local primary schools), participation in the annual Dorset Heritage event. The school opens its World War II air raid shelter to school groups and community groups from across Dorset. It also provides subsidised facilities for a local netball academy. The school has opened a swimming academy in conjunction with Poole Swimming Club which provides a public facility for children and adults across the Dorset community. Unfortunately, the school had to postpone its fourth Spellbound event due to the pandemic. The Dorset branch of the Geography Association, run by the Geography Department, continues to organise two conferences a year for local sixth form students and regularly host 100-200 students and staff at their events in November and March. The school has become a member of the Linwood Teaching School Alliance and has set up a cookery programme for a group of students, whom are supported by Sixth Form helpers. The school produced over two thousand PPE during the pandemic which was supplied to local hospitals, surgeries and care homes.

School achievements and performance

The School prepares an annual report to parents for each academic year. A summary of the report is given below:

Talbot Heath School Trust Limited

Report of the Governors (continued) For the year ended 31 August 2020

Charitable activities

The whole school came together and a total of £11,553.13 was raised for charities throughout the year. Activities included; 6th form quiz, cake sales and a fun swim. Some of the local, national and global charities supported this year were Amnesty International, Children in Need, Shelter, Hope for Food, Godfrey's Kitchen, Young Minds, Autism Wessex and Crisis at Christmas. Fundraising is predominantly led by tutor groups, during their charity weeks.

Public examination results

Talbot Heath pupils achieved excellent examination results, in a year of tumult for pupils and staff. 95% of A level pupils achieved their first choice university places with 85% of all grades A*-B. GCSE pupils also performed very well with 64% of all grades 7-9. Our staff were realistic in their predictions and did not inflate grades.

Information Communication Technology

The schools transition to remote learning was extremely successful owing to the IT infrastructure and skills set within the pupil and staff community e.g. the School Birthday was held remotely. All lessons were delivered in line with the timetable and curriculum to pupils of every year group, through the pandemic, ensuring they stayed on track in terms of academic progress.

Talbot Heath's role as an Apple Regional Training Centre is progressing. Courses have been promoted through email and social media. The completion of the Design Hub will also enable the provision of courses to the general public.

Creative and performing arts

Talbot Heath musicians performed at regional and national level, with pupils involved in the National Youth Orchestra, the Dorset Youth Symphony Orchestra, the Wessex Youth Orchestra and the National Youth Choir. Awards were gained through The Associated Board of the Royal Schools of Music and The London Academy of Music and Dramatic Arts. The Senior School staged the "The Wizard of Oz" in the new STEAM Hub.

Sport

Senior pupils have had an excellent year of sport, in and outside of school, considering the adjustments pupils have had to make to their training and competitive seasons. There has been a significant variety, including National and International successes in many sports including netball, swimming, cross-country, tennis, sailing, and chess. Pupils have reached County level or above in no less than 11 different sports this year. Cross country, netball, and swimming have had an incredibly successful year.

Junior School girls have had another successful year of sport, with opportunities to take part in a wide range of sports in lessons, such as swimming, badminton, netball, hockey, dance, gymnastics, tennis, cricket, rounders, athletics, and the use of the fitness suite. They have also produced National representatives and County Champions along the way. Students have participated in community activities such as our year 2's attending a multi-skills afternoon at a local secondary school.

In 2020 we supported Sports Relief and National Fitness Day, raising money through staff fitness challenges in assembly, a fun swim, and Boogie Bounce fitness session. Students in U4 and above had the opportunity to take part in an Emergency at Work First Aid course. Our lower and upper 6th took part in some life skills workshops which included self-defence.

Other awards and challenges

A level students took part in the British Physics Olympiad national competition run by Oxford University, designed to stretch and challenge their science knowledge. Our students gained both Silver and Bronze awards.

STEM was again successful with the following competition wins. Rotary Winner March 2020, Lower 4 special mention and Lower 4 reached the finals of the Soroptimist competition.

Talbot Heath School Trust Limited

Report of the Governors (continued) For the year ended 31 August 2020

Lessons learned during the year

Robust business planning and sound fiscal management has enabled the school to weather the challenges and perform strongly, even in a pandemic. Efficient systems and a dynamic approach to education meant that the school were resilient to many of the challenges. Bold and visionary thinking has enabled the school to thrive in a remote environment.

Future plans

The Trust is in the middle of an ambitious, cutting-edge project to realise the new strategic vision for STEAM and interdisciplinary learning provision. The Design Hub, with sufficient space for the whole school to assemble and additional specialist accommodation, will be shared with the community. It has a large and versatile auditorium, studios with specialised equipment, exhibition space, breakout rooms and a covered pool suitable for children and adults. The building will also be able to take a second floor over the pool for additional Sixth Form provision in the future. The school continues to engage with strategic partners from Higher and Further Education, the Local Authority and key local businesses with the intention of becoming a community centre of excellence.

Auditors

A resolution to re-appoint Saffery Champness LLP will be submitted to the Annual General Meeting.

Statement of disclosure to auditor

(a) So far as each of the Governors is aware, there is no relevant information that has not been disclosed to the company's auditors, and

(b) Each of the Governors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

By order of the Governing Body, who also approve the strategic report in their capacity as directors.

Mrs C Sutcliffe
Chair of Governors



Date:

18/05/21

Talbot Heath School Trust Limited

Independent auditors' report to the members To the Governors of Talbot Heath School Trust Limited

Opinion

We have audited the financial statements of Talbot Heath School Trust Limited for the year ended 31 August 2020 which comprise Consolidated Statement of Financial Activities, the Consolidated Balance sheet, the Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 August 2020 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 and the parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. 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.

Independent Auditors' Report (continued)
To the Governors of Talbot Heath School Trust Limited

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

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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

- the group or parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 4, 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 the 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 group's and parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Talbot Heath School Trust Limited

**Independent Auditors' Report (continued)
To the Governors of Talbot Heath School Trust Limited**

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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.

A further description of our responsibilities for the audit of the financial statements is located 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 and the trustees, 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 and trustees 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, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Fernyhough (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

Midland House
2 Poole Road
Bournemouth
Dorset
BH2 5QY

Date: 19 May 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Talbot Heath School Trust Limited

Consolidated statement of financial activities
(incorporating an income and expenditure account)
For the year ended 31 August 2020

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2020 £	Total 2019 £
INCOME AND ENDOWMENTS FROM:						
Donations, legacies and grants		190,650	-	8,869	199,519	86,101
Income from charitable activities						
School fees receivable	2	6,507,819	-	-	6,507,819	6,739,165
Other trading activities						
Letting income		116,313	-	-	116,313	125,750
Sundry	3	172,212	-	-	172,212	207,490
Investment income		67,778	47,257	506	115,541	165,271
Total income		7,054,772	47,257	9,375	7,111,404	7,323,777
EXPENDITURE ON:						
Charitable activities						
Provision of education		7,457,812	-	13,274	7,471,086	6,979,518
Raising funds						
Financing costs		200,324	-	-	200,324	100,214
Investment management		16,698	11,684	-	28,382	30,671
Costs in relation to trading activities		1,928	-	-	1,928	32,101
		218,950	11,684	-	230,634	162,986
Total expenditure	4	7,676,762	11,684	13,274	7,701,720	7,142,504
Net income before (losses)/gains on investments		(621,990)	35,573	(3,899)	(590,316)	181,273
Net (losses)/gains on investments		(41,095)	(31,120)	-	(72,215)	155,095
Net (deficit)/surplus		(663,085)	4,453	(3,899)	(662,531)	336,368
Transfers between funds		28,807	(28,807)	-	-	-
Net movement in funds	6	(634,278)	(24,354)	(3,899)	(662,531)	336,368
Fund balances brought forward		9,858,324	2,020,477	52,468	11,931,269	11,594,901
Fund balances carried forward	15/16	9,224,046	1,996,123	48,569	11,268,738	11,931,269

The notes on pages 19 to 35 form part of these financial statements.

All amounts derive from continuing activities. All gains and losses recognised in the year are included in the Statement of Financial Activities.

Talbot Heath School Trust Limited

Consolidated balance sheet
As at 31 August 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	8		12,823,709		12,962,337
Investments	9				
- Queensmount Fund		1,993,578		2,001,373	
- Prize Fund		70,000		70,000	
- General Fund		2,220,752		3,229,807	
			4,284,330		5,301,180
			17,108,039		18,263,517
Current assets					
Stocks		24,179		20,367	
Debtors	11	405,894		254,431	
Cash at bank and in hand		708,505		565,833	
Cash held in deposit account		-		1,472	
		1,138,578		842,103	
Creditors:					
Amounts falling due within one year	12	(3,153,340)		(3,023,468)	
Net current (liabilities)/ assets			(2,014,762)		(2,181,365)
Total assets less current liabilities			15,093,277		16,082,152
Creditors:					
Amounts due in more than one year	13		(3,643,059)		(3,959,185)
Provisions	21		(181,480)		(191,698)
Net assets	14		11,268,738		11,931,269
Represented by:					
<u>Unrestricted funds</u>					
General funds	15		8,915,052		9,404,968
Designated funds	15		1,737,560		1,736,818
Revaluation reserve	15		567,557		737,015
<u>Restricted Funds</u>	16		48,569		52,468
			11,268,738		11,931,269

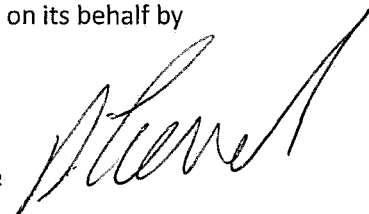
The deficit for the financial period dealt with in the financial statements of the parent company was £632,175 (2019: surplus £337,628). As permitted by Section 408 of the Companies Act 2006, no separate profit or loss account or statement of comprehensive income is presented in respect of the parent Company.

Approved by the Governing Body on 18/05/21 and signed on its behalf by

Mrs C Sutcliffe
Chairman of the
Governing Body



D A Townend
Chairman of the
Finance & Investment Committee



The notes on pages 19 to 35 form part of these financial statements.

Talbot Heath School Trust Limited

Charity balance sheet
As at 31 August 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	8		12,823,709		12,962,337
Investments	9				
- Queensmount Fund		1,993,578		2,001,373	
- Prize Fund		70,000		70,000	
- General Fund		2,220,752		3,229,807	
- Rothesay Events Limited		1		1	
			4,284,331		5,301,181
			17,108,040		18,263,518
Current assets					
Stocks		24,179		20,367	
Debtors	11	413,737		273,154	
Cash at bank and in hand		648,914		449,322	
Cash held in deposit account		-		1,472	
		1,086,830		744,315	
Creditors:					
Amounts falling due within one year	12	(3,151,630)		(3,006,074)	
Net current assets			(2,064,800)		(2,261,759)
Total assets less current liabilities			15,043,240		16,001,759
Creditors:					
Amounts due in more than one year	13		(3,643,059)		(3,959,185)
Provisions	21		(181,480)		(191,698)
Net assets			11,218,701		11,850,876
Represented by:					
<u>Unrestricted funds</u>					
General funds	15		8,865,015		9,324,575
Designated funds	15		1,737,560		1,736,818
Revaluation reserve	15		567,557		737,015
<u>Restricted Funds</u>	16		48,569		52,468
			11,218,701		11,850,876

Approved by the Governing Body on 18/05/21 and signed on its behalf by

C. Sutcliffe

Mrs C Sutcliffe
Chairman of the
Governing Body

D A Townend

D A Townend
Chairman of the
Finance & Investment Committee

The notes on pages 19 to 35 form part of these financial statements.

Talbot Heath School Trust Limited

Consolidated statement of cash flows
For the year ended 31 August 2020

	Notes	2020		2019	
		£	£	£	£
Net cash (absorbed by)/provided by operating activities	1		(312,784)		561,043
Cash flows from investing activities					
Bank and other interest received		1,013		4,011	
Dividends received		114,528		161,260	
Payments to acquire tangible fixed assets		(292,393)		(6,136,589)	
Proceeds from sales of tangible fixed assets		-		3,075	
Payments to acquire investments		(1,020,975)		(1,586,318)	
Proceeds from sales of investments		1,965,610		1,844,808	
Net cash inflow/(outflow) from capital expenditure and financial investment			767,783		(5,709,753)
Cash flows from financing activities					
New long term bank loan		-		3,443,763	
Bank loan repayments		(295,673)		(610,994)	
Net cash (outflow)/inflow from financing activities			(295,673)		2,832,769
Change in cash and cash equivalents in the reporting period			159,326		(2,315,941)
Cash and cash equivalents at the beginning of the reporting period			(390,071)		1,925,870
Cash and cash equivalents at the end of the reporting period			(230,745)		(390,071)

Talbot Heath School Trust Limited

Notes to the consolidated statement of cash flows
For the year ended 31 August 2020

	2020		2019	
	£	£	£	£
1 Reconciliation of net income to net cash flow provided by operating activities				
Net incoming resources per statement of financial activities		(590,316)		181,273
Dividends receivable	(114,528)		(161,260)	
Depreciation	431,020		275,396	
Profit on disposal of fixed assets	-		(3,075)	
Bank and other interest received	(1,012)		(4,011)	
(Increase)/Decrease in debtors	(151,462)		(181)	
Increase/(Decrease) in creditors	127,544		265,565	
Decrease in provisions	(10,218)		-	
(Increase)/Decrease in stocks	(3,812)		7,336	
		<u>277,532</u>		<u>379,770</u>
Net cash (absorbed by)/provided by operating activities		<u>(312,784)</u>		<u>561,043</u>
2 Analysis of cash and cash equivalents				
		2020		2019
		£		£
Net cash:				
Cash in hand at bank		708,505		565,833
Short term deposits		-		(16,654)
Overdraft facility		(939,250)		(939,250)
Total cash and cash equivalents		<u>(230,745)</u>		<u>(390,071)</u>

1 Accounting policies

Talbot Heath School Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Talbot Heath School, Rothesay Road, Bournemouth, Dorset, BH4 9NJ.

As it is limited by guarantee, the School does not have any share capital. The members, consisting of the Governors and Directors, undertake to contribute an amount not exceeding £1 each in the event of the company being wound up.

1.1 Accounting convention

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2019, the Charities Act 2011 and UK Generally Accepted Practice. The accounts are drawn up on the historical cost basis of accounting, with the exception of the investments which are held at market value.

The School constitutes a Public Benefit Entity as defined by FRS102.

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

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

This charitable company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charitable company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The charitable company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the charitable company are consolidated in the financial statements of Talbot Heath School Trust Limited. These consolidated financial statements are available from its registered office, Talbot Heath School, Rothesay Road, Bournemouth, BH4 9NJ.

Notes to the financial statements (continued)

For the year ended 31 August 2020

1.2 Basis of consolidation

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary Rothesay Events Limited (company number 10139433) on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charitable company has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

1.3 Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. In the UK, market activity is being impacted in all sectors and the current response to COVID 19 means that we are faced with an unprecedented set of circumstances. At the approval date of these financial statements the future impact to the private schooling market is unknown and we cannot reliably estimate its effect on trading in the short term.

In light of the current uncertainties the governors have assessed the potential financial implications of the pandemic, and have assessed that the company have sufficient resources to allow it to trade through this period without any additional working capital funding required.

1.4 Fees and similar earned income

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

1.5 Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis. Income from investment properties is accounted for in the period to which the rental income relates.

1.6 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 School is considered probable. Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. 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. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the School in the case of donated services or facilities.

1.7 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 statement of financial activities is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of running the School, including strategic planning for its future development, also external audit fees, any legal advice for the Board of Governors and all costs of complying with constitutional and statutory requirements, such as the cost of Governors meetings and of preparing statutory accounts and satisfying public accountability.

1.8 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £500 are capitalised and carried in the balance sheet at historical cost. ICT equipment costs are written off as incurred. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used. Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

Capital assets donated are capitalised in fixed assets and are included as incoming resources.

1.9 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

Freehold buildings	- 2%/4%/5%/10% on a straight line basis
Artificial sports pitches	-10% on a straight line basis
Furniture, fittings and equipment	-15% on a straight line basis
Motor vehicles	-20% on a straight line basis
Computer and office equipment	-33% on a straight line basis

1.10 Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further subdivided into permanent and expendable.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Designated income and funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. Income arising on assets within the designated fund is included within that fund. The following designated funds exist:

1.10 Fund accounting (continued)

Queensmount Fund

The fund was established in 1987. There is no formal deed establishing the fund, and no limitations other than the approval of the Board of Governors, and within the limitations of the Trustee Investment Act. The primary purpose of the fund's investment activity is to generate income and capital growth to maintain the value of the fund to provide financial assistance to pupils and to fund capital projects.

Restricted funds are funds which have been given for specific purposes; the following restricted funds exist:

Prize Funds

These funds have been accumulated over many years by donations from former pupils and parents. Prizes are distributed from the income annually at Speech Day.

Angela Felgate Classics Fund

The Angela Felgate Classics fund was set up in memory of a former Classics teacher following a bequest and will be used to provide grants to cover the cost of an external Classical Greek course for pupils wishing to study Classics at university.

The Hub Project

These funds are those which have been donated for the purpose of construction of the Hub.

Details of funds are disclosed in notes 15 and 16 to the accounts.

1.11 Pensions

Retirement benefits to employees of the School are provided through three pension schemes. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) The Teachers' Pension Scheme - This 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, the charity 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.
- (b) Talbot Heath School Retirement Benefit Scheme - Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.
- (c) The Peoples Pension - Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.

1.12 Stock

Stock represents goods for resale and is valued at the lower of cost and net realisable value.

1.13 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.14 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.15 Investments

Investments are stated at market value at the balance sheet date. Realised gains/ (losses) are calculated as the difference between market value at the date of disposal and market value at the previous balance sheet date (or date of acquisition if later). Unrealised gains/ (losses) are calculated as the difference between the market value at the balance sheet date and the market value at the previous balance sheet date (or date of acquisition if later).

1.16 Creditors and provisions

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

1.17 Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.18 Critical estimate and judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the governors 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements have had the most significant effect on amounts recognised in the financial statements.

Provisions

Included in note 19 is a provision relating to further costs expected in relation to the Hub building contract. This represents the Governors' best estimate of the additional costs at the year end. As is normal at the end of contracts, discussions are ongoing regarding the final account.

Talbot Heath School Trust Limited

Notes to the financial statements (continued)
For the year ended 31 August 2020

2 School fees

	2020 £	2019 £
Gross fees	7,723,627	7,318,207
Less:		
Total bursaries, grants and other price differentials	(1,215,808)	(579,042)
	<u>6,507,819</u>	<u>6,739,165</u>

3 Sundry other income

	2020 £	2019 £
Other fees and surcharges	168,787	197,961
Staff lunches	3,425	5,448
Sundry	-	4,081
	<u>172,212</u>	<u>207,490</u>

4 Analysis of total expenditure

2020:

	Staff costs £	Other £	Depreciation £	Total £
Charitable activities				
School operating costs:				
Teaching	4,199,712	248,882	101,862	4,550,456
Welfare	227,946	529,281	-	757,227
Premises	226,716	556,682	305,606	1,089,004
Support costs of schooling	621,690	429,157	23,552	1,074,399
	<u>5,276,064</u>	<u>1,764,002</u>	<u>431,020</u>	<u>7,471,086</u>
Cost of raising funds				
Financing costs	-	200,324	-	200,324
Investment management	-	28,382	-	28,382
Expenditure on trading activities	-	1,928	-	1,928
	<u>-</u>	<u>230,634</u>	<u>-</u>	<u>230,634</u>
Total resources expended	<u>5,276,064</u>	<u>1,994,636</u>	<u>431,020</u>	<u>7,701,720</u>

4 Analysis of total expenditure (continued)

2019:

	Staff costs £	Other £	Depreciation £	Total £
<i>Prior year</i>				
Charitable activities				
School operating costs:				
Teaching	3,800,564	243,352	117,001	4,160,917
Welfare	239,499	696,757	-	936,256
Premises	207,346	515,693	135,520	858,559
Support costs of schooling	571,278	429,633	22,875	1,023,786
	<u>4,818,687</u>	<u>1,885,435</u>	<u>275,396</u>	<u>6,979,518</u>
Cost of raising funds				
Financing costs	-	100,214	-	100,214
Investment management	-	30,671	-	30,671
Expenditure on trading activities	-	32,101	-	32,101
	<u>-</u>	<u>162,986</u>	<u>-</u>	<u>162,986</u>
Total expenditure	<u>4,818,687</u>	<u>2,048,421</u>	<u>275,396</u>	<u>7,142,504</u>

	2020 £	2019 £
Within support costs there are the following governance costs:		
Criminal Records Bureau	3,262	4,563
ISC inspection	6,569	5,842
Audit	14,826	16,600
Governors' liability insurance	1,577	4,312
Governors' expenses reimbursed	1,686	3,667
Legal fees	36,438	30,551
Other professional fees	51,717	35,425
	<u>116,075</u>	<u>100,960</u>

The Governors' liability insurance is in respect of all Governors and the expenses reimbursed relate to 4 Governors (2019: 7 Governors) and mainly relate to subscriptions to the Association of Governing Bodies of Independent Schools and travel expenses.

5 Salaries and wages

	2020 £	2019 £
Salaries	4,186,306	3,978,300
National insurance contributions	385,616	368,786
Pension costs	704,142	471,601
	<u>5,276,064</u>	<u>4,818,687</u>

Notes to the financial statements (continued)
For the year ended 31 August 2020

5 Salaries and wages (continued)

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

	Full time 2020	Part time 2020	Full time 2019	Part time 2019
Teaching	61	40	57	45
Administrative and domestic	35	25	32	25
	<u>96</u>	<u>65</u>	<u>89</u>	<u>70</u>

The number of higher paid employees was:

	2020 No	2019 No
£100,000-£110,000	1	1
£60,000-£70,000	1	1
Total	<u>2</u>	<u>2</u>

Contributions were made to the Scottish Equitable Pension Scheme, a defined contribution scheme and also to the Department for Education Superannuation Scheme, which is part of the Teachers' Pension defined benefit scheme for the higher paid employees of £38,469 (2019: £26,507).

The total remuneration received by key management personnel during the year was £725,827 (2019: £649,391).

No Governors received remuneration during the year.

6 Net movement in funds

	2020 £	2019 £
This is stated after charging:		
Auditors' remuneration (including VAT):		
- for audit	16,740	16,600
- for other services	6,486	10,644
Depreciation:		
- owned fixed assets	431,020	275,396
	<u>431,020</u>	<u>275,396</u>

7 Taxation

The wholly owned subsidiary, Rothesay Events Limited, is registered for corporation tax, however, no taxation liability arose during the year.

Talbot Heath School Trust Limited is exempt from corporation tax due to its charitable status.

Notes to the financial statements (continued)
For the year ended 31 August 2020

8 Fixed assets

	Freehold Land & Buildings £	Furniture & fittings & equipment £	Motor vehicles £	Computer & office equipment £	Total £
Group and charity Cost					
1 September 2019	14,536,606	1,601,608	284,975	1,431,607	17,854,796
Additions	166,868	67,023	15,376	43,126	292,393
Disposals	-	(8,418)	(14,128)	(1,970)	(24,516)
31 August 2020	14,703,474	1,660,213	286,223	1,472,763	18,122,673
Depreciation					
1 September 2019	1,823,779	1,481,691	239,058	1,347,931	4,892,459
Charge for the year	305,606	35,229	23,552	66,633	431,020
Eliminated on disposals	-	(8,418)	(14,128)	(1,969)	(24,515)
31 August 2020	2,129,385	1,508,502	248,482	1,412,595	5,298,964
Net book value					
31 August 2019	12,712,827	119,917	45,917	83,676	12,962,337
31 August 2020	12,574,089	151,711	37,741	60,168	12,823,709

The net book value at 31 August 2020 represents fixed assets, which are all used for direct charitable purposes. The gross value of freehold buildings on which depreciation is charged amounts to £14,154,915 (2019: £5,803,486).

In the Governors' opinion the aggregate open market value of the freehold land and buildings exceeds its book value.

Talbot Heath School Trust Limited

Notes to the financial statements (continued)
For the year ended 31 August 2020

9 Fixed asset investments

Total fixed asset investments comprise:

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Investments listed on a recognised stock exchange	3,957,332	4,881,069	3,957,332	4,881,069
Other investments – deposits	326,998	420,111	326,998	420,111
Unlisted investments	-	-	1	1
	<u>4,284,330</u>	<u>5,301,180</u>	<u>4,284,331</u>	<u>5,301,181</u>

Investment movements:

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Market value at 1 September 2019	5,301,180	5,404,575	5,301,181	5,404,576
Additions	1,020,975	1,586,318	1,020,975	1,586,318
Disposal proceeds	(1,965,610)	(1,844,808)	(1,965,610)	(1,844,808)
Profit on disposal	102,636	409,652	102,636	409,652
Deficit on revaluation at 31 August 2020	(174,851)	(254,557)	(174,851)	(254,557)
Market value at 31 August 2020	<u>4,284,330</u>	<u>5,301,180</u>	<u>4,284,331</u>	<u>5,301,181</u>
Historical cost at 31 August 2020	<u>3,716,770</u>	<u>4,564,166</u>	<u>3,716,770</u>	<u>4,564,167</u>

Analysis of investments:

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Cash	326,996	420,112	326,996	420,112
Equity shares	3,656,228	4,326,260	3,656,229	4,326,261
Fixed interest securities	301,106	554,808	301,106	554,808
	<u>4,284,330</u>	<u>5,301,180</u>	<u>4,284,331</u>	<u>5,301,181</u>

Talbot Heath School Trust Limited

Notes to the financial statements (continued)

For the year ended 31 August 2020

10 Subsidiaries

Details of the charity's subsidiary at 31 August 2019 are as follows:

Name of undertaking	Registered office	Class of share held	% Held
Rothesay Events Limited	Talbot Heath School, Rothesay Road, BH4 9NJ	Ordinary	100.00

11 Debtors

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	258,308	154,380	252,620	153,020
Other debtors	6,400	124	21,098	20,207
Prepayments	141,186	99,927	140,019	99,927
	<u>405,894</u>	<u>254,431</u>	<u>413,737</u>	<u>273,154</u>

Included within trade debtors is a bad debt provision of £39,206 (2019: £18,803).

Included within prepayments are pre-paid pension contributions of £1 (2019: £1).

12 Creditors: Amounts falling due within one year

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Bank loans	492,220	471,767	492,220	471,767
Bank overdraft	939,250	939,250	939,250	939,250
Trade creditors	110,980	334,282	110,980	310,856
Fees received in advance	328,615	375,458	328,615	375,458
Deposits	370,581	361,336	370,581	361,336
Tax and social security	285,550	95,362	285,550	95,362
Other creditors	544,945	231,021	544,945	231,021
Accruals	81,199	214,992	79,489	221,024
	<u>3,153,340</u>	<u>3,023,468</u>	<u>3,151,630</u>	<u>3,006,074</u>

The bank overdraft was secured by way of a fixed charge over the School's investments and cash deposits held with the same institution.

Talbot Heath School Trust Limited

Notes to the financial statements (continued)
For the year ended 31 August 2020

13 Creditors: Amounts falling due after one year

	Group and charity	
	2020	2019
	£	£
Bank loan	3,643,059	3,959,185
Analysis of loans		
Wholly repayable within 5 years:	1,968,880	1,887,070
Not wholly repayable within 5 years by instalments:	1,674,179	2,075,115
Loan maturity analysis		
In more than one year but not more than two years	492,220	71,767
In more than two years but not more than five years	1,476,660	215,302
In more than five years	1,674,179	3,672,116
	3,643,059	3,959,185

The bank loan of £460,928 is secured by way of a fixed charge over the School's investments and cash deposits held with the same institution.

A 10 year bank loan with a facility of £2,000,000 was entered into during 2018 to finance The Hub project. By the year end this has been drawn down in full and included in creditors at the year end. This loan contains a legal charge over the School. Interest is charged at 2.87% per annum with monthly capital repayments from May 2019.

A second 10 year bank loan with a facility of £2,000,000 was drawn down during the year to finance The Hub Project and is included in creditors at the year end. This loan contains a legal charge over the School. Interest is charged at 2.72% per annum with monthly capital repayments from July 2019.

The bank granted a 6 month capital repayment holiday in April 2020.

14 Allocation of net assets between funds

	Fixed assets	Net current assets/liabilities	Long term liabilities	Provisions	Fund balances
	£	£	£	£	£
Unrestricted funds	17,072,039	(2,027,331)	(3,643,059)	(181,480)	11,220,169
Restricted funds	36,000	12,569	-	-	48,569
Total funds	17,108,039	(2,014,762)	(3,643,059)	(181,480)	11,268,738

Talbot Heath School Trust Limited

Notes to the financial statements (continued)

For the year ended 31 August 2020

15 Unrestricted funds

	Balance 1 September 2019 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2020 £
General funds:					
School funds	9,404,968	7,054,772	(7,676,762)	132,074	8,915,052
Designated funds:					
Queensmount fund	1,717,714	46,956	(11,684)	(34,831)	1,718,155
Prize funds	19,104	301	-	-	19,405
	<u>1,736,818</u>	<u>47,257</u>	<u>(11,684)</u>	<u>(34,831)</u>	<u>1,737,560</u>
Revaluation reserve	737,015	-	-	(169,458)	567,557
	<u>11,878,801</u>	<u>7,102,029</u>	<u>(7,688,446)</u>	<u>(72,215)</u>	<u>11,220,169</u>

The revaluation reserve is split between the General school funds and the Designated funds resulting in total fund balances as follows:

	General school fund £	Designated fund £
Carried forward fund balance as above	8,915,052	1,737,560
Revaluation reserve	308,994	258,563
	<u>9,224,046</u>	<u>1,996,123</u>

Unrestricted funds in the charity itself are £8,865,015. Designated funds and the Revaluation Reserve are in line with the group figures disclosed above.

Talbot Heath School Trust Limited

Notes to the financial statements (continued)
For the year ended 31 August 2020

15 Unrestricted funds (continued)

	Balance 1 September 2018 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2019 £
<i>Prior year</i>					
General funds:					
School funds	7,752,831	7,172,052	(7,122,253)	1,602,338	9,404,968
Designated funds:					
Queensmount fund	2,753,847	64,835	(11,878)	(1,089,090)	1,717,714
Prize funds	20,924	280	(2,100)	-	19,104
	<u>2,774,771</u>	<u>65,115</u>	<u>(13,978)</u>	<u>(1,089,090)</u>	<u>1,736,818</u>
Revaluation reserve	995,168	-	-	(258,153)	737,015
	<u>11,522,770</u>	<u>7,237,167</u>	<u>(7,136,231)</u>	<u>255,095</u>	<u>11,878,801</u>

The Queensmount Fund came from another school's closure in 1990s. In line with the wishes of that school's charitable objectives, the proceeds were transferred to Talbot Heath for the furtherment of education and to support capital improvement projects. The Queensmount fund is used to generate income, which is used to fund a proportion of the bursaries and scholarships. The capital is set aside to fund future capital expenditure as and when the need arises.

The revaluation reserve is split between the General school funds and the Designated funds resulting in total fund balances as follows:

	General school fund £	Designated fund £
Carried forward fund balance as above	9,404,968	1,736,818
Revaluation reserve	453,356	283,659
	<u>9,858,324</u>	<u>2,020,477</u>

Talbot Heath School Trust Limited

Notes to the financial statements (continued)

For the year ended 31 August 2020

16 Restricted funds

	Balance 1 September 2019 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2020 £
Prize funds:					
<i>Mary Broad Scholarship</i>	21,382	336	-	-	21,718
<i>Cordelia Westcott Travel scholarship</i>	1,343	482	-	-	1,825
<i>Angela Felgate Classics fund</i>	9,466	149	-	-	9,615
The Hub Project	20,277	8,408	(13,274)	-	15,411
	<u>52,468</u>	<u>9,375</u>	<u>(13,274)</u>	<u>-</u>	<u>48,569</u>

	Balance 1 September 2018 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2019 £
Prior year					
Prize funds:					
<i>Mary Broad Scholarship</i>	21,227	285	(130)	-	21,382
<i>Cordelia Westcott Travel scholarship</i>	3,733	50	(2,440)	-	1,343
<i>Angela Felgate Classics fund</i>	12,995	174	(3,703)	-	9,466
The Hub Project	34,176	86,101	-	(100,000)	20,277
	<u>72,131</u>	<u>(4,867)</u>	<u>-</u>	<u>(100,000)</u>	<u>52,468</u>

17 Reconciliation of movements in unrealised gains on investment assets

	Queensmount Fund £	General Fund £	Total 2020 £	Total 2019 £
Unrealised gains at 1 September 2019	283,659	453,356	737,015	995,168
Deduct disposals in the year	11,428	(45,040)	(33,612)	(3,756)
	<u>295,087</u>	<u>408,316</u>	<u>703,403</u>	<u>991,412</u>
Losses arising on revaluations in the year	(36,524)	(99,322)	(135,846)	(254,397)
	<u>258,563</u>	<u>308,994</u>	<u>567,557</u>	<u>737,015</u>

18 Commitments under operating leases

At 31 August 2020, the school had aggregate total commitments under non-cancellable operating leases as set out below:

Non-cancellable operating leases which expire:	2020	2019
	£	£
Within one year	61,559	63,481
Within 2 to 5 years	<u>18,871</u>	<u>80,951</u>

19 Provisions

Group and charity	Hub retention
	£
At 1 September 2019	191,698
Released in the year	<u>(10,218)</u>
At 31 August 2020	<u>181,480</u>

The above provision relates to further costs expected in relation to the Hub building contract. As is normal at the end of contracts discussions are ongoing regarding the final account. It is not possible at this time to quantify the level of additional liability, if any, that will arise in this respect.

20 Related party transactions

One Governor (2019: One Governor) had children at the School during the year.

Governors' liability insurance is provided for all Governors as detailed in note 4 to the accounts.

Details of Governors expenses are included in note 4.

The charitable company and the group has taken advantage of FRS 102 section 33 from the requirement to disclose transactions with its wholly owned subsidiary undertaking.

21 Pension schemes

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £655,194 (2019: £424,683). At the year-end £129,964 (2019: £nil) was accrued in respect of contributions to this scheme.

Under TPS there is an eight tier employee contribution rate structure. The employee rates range from 7.4% to 11.7%. These rates remain unchanged during the year to 31 August 2020. Employer contribution rates increased from 16.48% to 23.68% on 1 September 2019.

21 Pension schemes (continued)

Non-Teaching Staff:

The company operates non-contributory and contributory defined contribution schemes for the benefit of its non-teaching staff. The assets of the schemes are administered in funds independent from those of the company and are controlled by Ecclesiastical Insurance Group and other insurance companies. The contributions made by the school are up to 6% of salary dependent on the employee contributions.

The pension cost charge represents contributions payable by the School to Ecclesiastical Insurance Group and other insurance companies and amounts to £48,948 (2019: £46,918).

Outstanding contributions at the year-end amounted to £nil (2019: £nil). No further liability rests with the company in respect of the pension schemes.

22 Events after the reporting period

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. In the UK, market activity is being impacted in all sectors and the current response to COVID-19 means that we are faced with an unprecedented set of circumstances. At the approval date of these financial statements the future impact to the private schooling market is unknown and we cannot reliably estimate its effect on trading in the short term.

Due to the impact of the Coronavirus pandemic the school was unable to meet the covenant requirements of its bank loan post year end. The bank has indicated that they will waive this requirement.

In light of the current uncertainties the directors have assessed the potential financial implications of the pandemic, and have assessed that the company have sufficient resources to allow it to trade through this period without any additional working capital funding required.

