

**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**

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# Talbot Heath School Trust Limited

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# Talbot Heath School Trust Limited

## Legal and administrative information

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### Governors

Dr R Day (Chair)	Dr D Sadd
Mrs S Richards	Mrs A Ewins
Mrs R Newton	Revd N Wells
Mrs C Sutcliffe	Mrs T Magrath
Ms K Potten	Revd J Burke
Mr W Badawy	
Mr G House	

### 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	Barclays Wealth
Bournemouth Branch	The Helm
45 Old Christchurch Road	39 Holdenhurst Road
Bournemouth	Bournemouth
BH1 1ED	BH8 8EH

### Solicitors

Steele Raymond LLP	Wilsons Solicitors LLP
Richmond Point	St John's Street
43 Richmond Hill	Salisbury
Bournemouth	Wiltshire
Dorset	SP1 2SB
BH2 6LR	

### 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

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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 21<sup>st</sup> April 2016 and

## Talbot Heath School Trust Limited

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

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became active on 1<sup>st</sup> 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**

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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

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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 tumult 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

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#### *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**

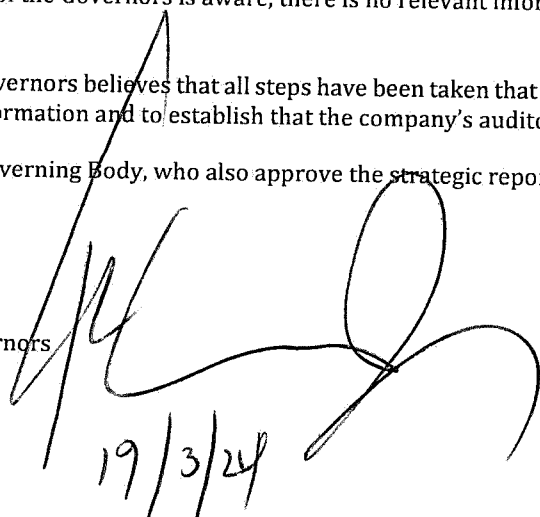
(a) So far as each of the Governors is aware, there is no relevant information that has not been disclosed to the company's auditors, and

(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

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#### 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**

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#### **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

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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.

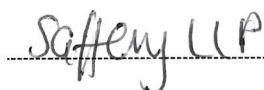
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of 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](http://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.

  
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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 £
<b>INCOME AND ENDOWMENTS</b>						
<b>FROM:</b>						
<b>Donations, legacies and grants</b>		2,617	-	2,000	4,617	40,254
<b>Income from charitable activities</b>						
School fees receivable	2	7,674,460	-	-	7,674,460	7,393,458
<b>Other trading activities</b>						
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
<b>Total income</b>		9,212,449	41,002	2,000	9,255,451	8,099,279
<b>EXPENDITURE ON:</b>						
<b>Charitable activities</b>						
Provision of education		8,398,495	-	691	8,399,186	8,001,809
<b>Raising funds</b>						
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
<b>Total expenditure</b>	4	8,538,991	18,310	691	8,557,992	8,176,589
<b>Net income before (losses)/gains on investments</b>		673,458	22,692	1,309	697,459	(77,310)
Net (losses)/gains on investments	9	(12,751)	(8,592)	-	(21,343)	(311,643)
<b>Net surplus/(deficit)</b>		660,707	14,100	1,309	676,116	(388,953)
<b>Transfers between funds</b>	15	116,367	(116,367)	-	-	-
<b>Net movement in funds</b>	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
<b>Fund balances carried forward</b>	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 £	£
<b>Fixed assets</b>					
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
<b>Current assets</b>					
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	
<b>Creditors:</b>					
Amounts falling due within one year	12	(3,222,253)		(3,350,451)	
<b>Net current liabilities</b>			(1,985,109)		(2,022,280)
<b>Total assets less current liabilities</b>			15,238,289		15,054,395
<b>Creditors:</b>					
Amounts due in more than one year	13		(2,201,715)		(2,693,938)
<b>Net assets</b>	14		13,036,574		12,360,457
<b>Represented by:</b>					
<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 £	£
<b>Fixed assets</b>					
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
<b>Current assets</b>					
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	
<b>Creditors:</b>					
Amounts falling due within one year	12	(3,220,213)		(3,335,859)	
<b>Net current liabilities</b>			(2,165,898)		(2,161,356)
<b>Total assets less current liabilities</b>			15,057,501		14,915,320
<b>Creditors:</b>					
Amounts due in more than one year	13		(2,201,715)		(2,693,938)
<b>Net assets</b>			12,855,786		12,221,382
<b>Represented by:</b>					
<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 £	£
<b>Net cash provided by operating activities</b>	1		(44,998)		693,097
<b>Cash flows from investing activities</b>					
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	
<b>Net cash (outflow)/inflow from capital expenditure and financial investment</b>			427,582		419,756
<b>Cash flows from financing activities</b>					
Bank loan repayments		(492,223)		(492,224)	
<b>Net cash outflow from financing activities</b>			(492,223)		(492,224)
<b>Change in cash and cash equivalents in the reporting period</b>			(109,639)		620,629
<b>Cash and cash equivalents at the beginning of the reporting period</b>			265,924		(354,702)
<b>Cash and cash equivalents at the end of the reporting period</b>			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**

	<b>2023</b>		<b>2022</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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	
		(742,457)		770,407
<b>Net cash (absorbed by)/provided by operating activities</b>		<b>(44,998)</b>		<b>693,097</b>

**2 Analysis of cash and cash equivalents**

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

## Talbot Heath School Trust Limited

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

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#### 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

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#### 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

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**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)
	<u>7,674,460</u>	<u>7,393,458</u>

## 3 Sundry other income

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

# 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 £
<b>Charitable activities</b>				
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>
<b>Cost of raising funds</b>				
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>
<b>Total resources expended</b>	<u>5,385,747</u>	<u>2,771,334</u>	<u>400,911</u>	<u>8,557,992</u>

#### 2022:

	Staff costs £	Other £	Depreciation £	Total £
<i>Prior Year</i>				
<b>Charitable activities</b>				
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>
<b>Cost of raising funds</b>				
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>
<b>Total resources expended</b>	<u>5,373,109</u>	<u>2,408,287</u>	<u>395,193</u>	<u>8,176,589</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 No	2022 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

### 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
	£	£	£	£	£
<b>Group and charity</b>					
<b>Cost</b>					
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)
<b>31 August 2023</b>	<b>15,212,812</b>	<b>1,976,413</b>	<b>284,840</b>	<b>1,588,403</b>	<b>19,062,468</b>
<b>Depreciation</b>					
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)
<b>31 August 2023</b>	<b>3,075,220</b>	<b>1,594,339</b>	<b>273,564</b>	<b>1,520,657</b>	<b>6,463,780</b>
<b>Net book value</b>					
<b>31 August 2022</b>	<b>12,223,735</b>	<b>120,571</b>	<b>22,786</b>	<b>48,938</b>	<b>12,416,030</b>
<b>31 August 2023</b>	<b>12,137,592</b>	<b>382,074</b>	<b>11,276</b>	<b>67,746</b>	<b>12,598,688</b>

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
Rothsay Events Limited	Talbot Heath School, Rothsay 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
<b>Analysis of loans</b>		
Wholly repayable within 5 years:	1,883,532	1,951,816
Not wholly repayable within 5 years by instalments:	318,183	742,122
<b>Loan maturity analysis</b>		
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
<b>Total funds</b>	<b>17,223,398</b>	<b>(1,985,109)</b>	<b>(2,201,715)</b>	<b>-</b>	<b>13,036,574</b>

### 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
	<b>1,574,211</b>	<b>41,002</b>	<b>(18,310)</b>	<b>(56,037)</b>	<b>1,540,866</b>
Revaluation reserve	192,253	-	-	(55,225)	137,028
	<b>12,303,345</b>	<b>9,253,451</b>	<b>(8,557,301)</b>	<b>(21,343)</b>	<b>12,978,152</b>

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
	<b>11,387,355</b>	<b>1,590,797</b>

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</i>	23,190	-	-	-	23,190
<i>Scholarship</i>					
<i>Cordelia Westcott</i>	28	-	(500)	-	(472)
<i>Travel scholarship</i>					
<i>Angela Felgate</i>	9,295	-	-	-	9,295
<i>Classics fund</i>					
<i>Edwards Awards</i>	600	-	(50)	-	550
<i>Barbara Milner Award</i>	-	2,000	(141)	-	1,859
<i>Clare Austin Smith</i>	24,000	-	-	-	24,000
<i>Bursary</i>					
	57,113	2,000	(691)	-	58,422
	Balance 1 September 2021 £	Incoming resources £	Resources expended £	Transfers and gains/ (losses) on investments £	Balance 31 August 2022 £
Prior year					
Prize funds:					
<i>Mary Broad</i>	22,286	904	-	-	23,190
<i>Scholarship</i>					
<i>Cordelia Westcott</i>	981	-	(1,085)	132	28
<i>Travel scholarship</i>					
<i>Angela Felgate</i>	9,615	-	(320)	-	9,295
<i>Classics fund</i>					
<i>Edwards Awards</i>	-	600	-	-	600
<i>Clare Austin Smith</i>	-	24,000	-	-	24,000
<i>Bursary</i>					
	32,882	25,504	(1,405)	132	57,113

**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)
	126,734	195,050	321,784	603,084
(Losses)/Gains arising on revaluations in the year	(76,802)	(107,951)	(184,753)	(410,830)
Unrealised gains at 31 August 2023	49,932	87,099	137,031	192,254

## Talbot Heath School Trust Limited

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

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#### 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.

