

HEATHFIELD SCHOOL

England & Wales · Charity number 309086

Details

Other names	HEATHFIELD SCHOOL, HEATHFIELD SCHOOL LIMITED, HEATHFIELD ST MARY'S SCHOOL
Status	Registered
Legal form	Charitable company
Company number	00556463
Registered	1963-10-17
Register	View on the Charity Commission register

Contact

Address	Heathfield School London Road Ascot SL5 8BQ
Phone	01344898343
Email	rfrier@heathfieldschool.net
Website	www.heathfieldschool.net

Activities

Objects: The Charity's proposed new objects are:• the advancement of education and training for the benefit of the public in the United Kingdom or abroad, in particular (but without limitation) by providing and conducting a school for boys and girls under the name Heathfield School (the "School") in accordance with the traditions of the Church of England, including the Anglo-Catholic tradition; and• insofar as it is incidental or ancillary to the advancement of education, such other means for the benefit of the local community as shall be exclusively charitable.

Activities: The Charity runs a boarding and day school providing education in Ascot to girls from the ages of 11 to 18, and also runs a Summer School and camp for local and overseas students.

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- Bracknell Forest

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£8,992,753	£8,707,379	£12,507,256	136
2024-08-31	£8,781,407	£8,969,156	£12,217,682	140
2023-08-31	£9,009,804	£9,385,272	£12,536,847	136
2022-08-31	£8,831,877	£7,824,545	£13,006,738	129
2021-08-31	£7,631,448	£6,875,873	£12,009,207	131

Trustees

Name	Role	Appointed
Alexander Popplewell		2023-04-17
Andrew Stephen Melcher		2020-03-26
Anthony Edwin Leggett		2024-03-12
LADY KATHARINE ANNE COLQUHOUN		2024-06-26
ROBERT BENEDICT GREGORY		

HEATHFIELD SCHOOL

England & Wales - Charity number 309086

Accounts



**GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)



**Company Registration No. 00556463
Registered Charity No. 309086**

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
KEY EXECUTIVES AND PROFESSIONAL ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2025

Key executives and Professional Advisors

HEAD: Mr J Williams

BURSAR: Mrs R Frier

SENIOR LEADERSHIP TEAM:

Miss C Huyton	Deputy Head
Ms J de Villiers	Assistant Head (Learning and Partnerships)
Miss W Reynolds	Assistant Head (Co-curricular)
Mr A Valner	Assistant Head (Pastoral and Boarding)
Miss C Wells	Assistant Head (Operations and Academic)
Ms A Morgan	Director of Marketing and Admissions

BANKERS: Barclays PLC

SOLICITORS: VWV
Orchard Court
Orchard Lane
Bristol
BS1 5WS

AUDITORS: Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

COMPANY SECRETARY: Mrs R Frier

REGISTERED OFFICE: Heathfield School
London Road
Ascot
Berkshire
SL5 8BQ

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025**

The Governors present their annual report for the year ended 31 August 2025 under the Companies Act 2006, together with the audited accounts for the year, and confirms that the latter comply with the requirements of the Act, the memorandum and articles of association and the Charities SORP 2015.

REFERENCE AND ADMINISTRATIVE INFORMATION

The School was founded in 1899 and became a Charity in 1955 and is registered with the Charity Commission under Charity number 309086. The School is also a company limited by guarantee registered number 556463 (England and Wales). The Trustees of the charity are also Directors of the company and are referred to as Governors in this Report. The Governors are listed below and the executive officers, professional advisors and principal addresses of the Charity are listed on page 1.

Principal activities of the year

The School provides education in Ascot for girls from the ages of 11 to 18, and also runs a summer school and camp for local and overseas students.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

Governors

The members of the Governing Body are detailed below. The Governing Body is self-appointing. Each Governor is elected for three years and retiring Governors are able to stand for re-election. The number of serving Governors shall not be fewer than five or exceed twenty.

Organisational Management

The School's Governors, who are also the Charity Trustees and the Company Directors, are legally responsible for the overall management and control of the School and meet at least three times a year. The work of implementing most of their policies is carried out by the members of the five following subcommittees: Finance, Buildings & Development, Educational, Pastoral and Compliance, Marketing, Admissions & Communications, Development and Nominations which meet at regular intervals during the year.

The day-to-day running of the school is delegated to the Head, supported by the senior management team, together with the Bursar. The Headmistress and the Bursar attend meetings of the above committees.

At the date of approval of the financial statements the School Governors are as follows:

Name	Position
Mr Alex Popplewell	Chair of the Council, Chair N, F, Chair D
Mr Steve Melcher	Chair of F, D
Miss Charlotte Faber (resigned 31 August 2025)	Chair of MAC, N
Mrs Sally Tulk-Hart (resigned 31 August 2025)	MAC, EPC
Mrs Sarah Collister (resigned 6 June 2025)	EPC
Mr Guy Egerton-Smith (resigned 31 August 2025)	Chair BD, F
Mr Robert Gregory	N
Mrs Annabelle More O'Ferrall (resigned 18 March 2025)	EPC
Mrs Suzie Cullen (resigned 5 December 2024)	MAC
Mrs Anne Lynch (resigned 31 August 2025)	Chair EPC
Mrs Poppy Hughes (resigned 31 August 2025)	F

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Name	Position
Mr Tony Leggett	F
Lady Katharine Colquhoun	EPC

Key:

Buildings & Development Sub-committee = BD
Marketing, Admissions & Communications Sub-committee = MAC
Nominations Sub-committee = N
Education, Pastoral & Compliance Sub-committee = EPC
Finance Sub-committee = F
Development Sub-committee = D

Recruitment and Training of Governors

Potential Governors are identified by members of the Governing Body which seeks to achieve a balance of experience and background in secondary education, finance, business, law, facilities & property management, human resources management, marketing & PR and health & safety compliance. New candidates tour the School and meet the Head and other existing Governors. They are proposed by the Nominations Committee. Once appointed, new Governors are inducted into the workings of the School including Board Policy and Procedures. Training is regularly offered to all Governors on various topics including child protection and safeguarding training. Governors are encouraged to attend external seminars and course to keep them informed and updated on current issued in the sector and regulatory requirements. This includes events run by AGBIS, ISC, ISBA and professional firms.

Key management personnel remuneration

The remuneration of key management personnel (being the Head and Bursar) is set by the Governors, with the objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly for their individual contributions to the success of the School. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to benchmarking information to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our expenditure.

The School is committed to ensuring equality of opportunity through the creation of an environment in which individuals are treated on the basis of their relevant merits and abilities. The School respects all its members and values the harmonious relationships between them. As a community we are committed to the active promotion of equality between all who live, study or work in the School. Provision is made for individuals with a particular disability and religious, dietary, language or cultural needs, as appropriate.

Consultation with employees at all levels ensures that the views of employees are taken into account when decisions are made that are likely to affect their interests. All staff are briefed at the beginning of each term with shorter briefing sessions held once a week. The Senior Leadership Team meet once a week to discuss strategic plans; there are regular Heads of Department and Heads of Year meetings where teaching and learning strategies are discussed, as well as weekly meetings with Boarding staff.

Chapel

The Chapel provides a place of peace and quiet reflection, where students' spiritual development can begin. Our Chapel is the spiritual centre of the school and is often at the core of people's memories of the school when they leave, and the place they come back to first when they return to visit. Dedicated in 1904, the Chapel was built in the Victorian Gothic style with collegiate seating. Chapel follows current Anglican practice, yet it is a place for all the school community regardless of faith or belief.

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The Chaplain is a central figure in school life who leads Chapel services during the week, on Sundays and on special occasions. The Chaplain is available to all members of the school community and the school's extended community for pastoral care.

Related parties and other connected charities and organisations

The Heathfield Fellowship is a separate charity with their own trustees and committee which continues to raise money to enable students to attend the school by way of bursarial support.

The Mill Hill School Foundation (MHSF) became a related party in February 2025, upon signing of the merger deed. There were no transactions between Heathfield School and MHSF during the year.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The objects for which the Association is established are to advance education and training by:

- The provision and conduct, in the UK or abroad, of a school or schools for girls and boys under the name of Heathfield School to be conducted in accordance with the traditions of the Church of England including the Anglo-Catholic tradition; and
- Insofar as it is incidental or ancillary to the advancement of education, such other means for the benefit of the local community as shall be exclusively charitable.

These are set out in the School's governing document – the Memorandum and Articles of Association of Heathfield School dated 18 October 1955 as amended March 2009 and November 2024.

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the School's aims and objectives and in planning future activities.

Public Benefit Activities

The Governors have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The School is committed to ensuring that it is meeting its main aim and its charitable objective. The School's aims for the public benefit are:

- To recognise the need to respond to the challenge of change by giving all members of its community the opportunity to develop, by continual improvement of its facilities and by fostering links with the wider community.
- To optimise its resources and recognise its responsibilities for administering its charitable funds efficiently and for the benefit of the School and the wider community.

The Governors are committed to widening access to the School and welcomes students from all backgrounds. Each student to whom support is offered must, in the opinion of the Head, be likely to make sound academic progress following admission, possess the potential to develop the quality of her work and benefit from participation in the wider, extra-curricular activities on offer at the School. The availability of bursaries is publicised on the School's website. The Governors' policy is to award bursaries on a means tested basis only. The bursaries are available to provide financial support for up to 100% of the annual fees. During 2025 a total of £770,060 (2024: £763,124) was awarded as bursaries, scholarships and discounts. Of this, £667,979 (2024: £626,078) was awarded as means-tested bursaries to 35 (2024: 37) students. Many more applications are received than the School can reasonably support.

The School works closely with a number of other partner charities that help identify students who could benefit substantively from the education and pastoral support that the School can provide. 9 students (2024: 8) receive

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significant contributions towards their fees from these external grant-making bodies which resulted in full remission of their tuition fees.

The School actively supports the local community, charities and associations by making its facilities available at less than cost price or free to a variety of different clubs and organisations. This provision is inevitably limited by boarders use and the safeguarding restrictions of operating a small boarding school. The School has started to develop links with local maintained schools. Some specific examples of the School's outreach programme are:

- One member of the Senior Leadership Team volunteered as a Trustee at a local Multi-Academy Trust.
- The school ran several Prep Schools Swimming Galas and a Prep Schools Lacrosse coaching session event.
- Free places were offered to students receiving free school meals from local maintained schools to attend Heathfield's Summer Camp.
- Sixth Form students visited a local maintained primary school on a regular basis to help with their reading lessons.
- Textbooks were donated to local charities and community groups as well as reading books and resources to a local maintained primary school.
- Local maintained senior schools attended a number of guest speaker events.
- Members of staff are qualified school inspectors and are permitted time off from their Heathfield role to regularly carry out inspections of other schools.

Heathfield students also participate in the Duke of Edinburgh's Award scheme at Bronze, Silver and Gold level. Our students have contributed over 200 hours of volunteering during the year.

Our students also raised over £10,000 for local, national and international charities throughout the year through a variety of fundraising activities including charity concerts and dinner, a Christmas fair, cake sales, poppy sales for the British Legion and non-uniform days.

The swimming pool is host to many local communities and organisations. Schools including Kennel Lane, and Natures Nursery used the facility at various times throughout the year. In addition to these schools, there are a number of clubs that use the pool on a regular basis. These include, Scuba Trust, Bracknell and Wokingham Swimming Club and Windsor Swimming Club. Frogs and Friends Swimming School regularly run lessons at the pool as part of their 'learn to swim' programme which is offered to children in and around the local area.

Fundraising performance

The School views fundraising as a very important source of additional income to enable fees to be kept as low as possible and to reduce reliance on single income streams. The trustees are fully aware of their individual responsibility and accountability to ensure that the School fundraises legally, responsibly and effectively. They are aware of the Charity Commission CC20 guidance and use this and the accompanying checklist to help them evaluate the School's fundraising performance.

The School and Parents Association continued to raise funds for development projects. The total amount raised or donated for 2025 was £1,711,803 (2024: £184,873). Of this, £1,500,000 was donated by the Julia Rausing Trust as an endowment fund to provide fully funded bursaries for students to attend Heathfield and none was donated by governors or other related parties.

The School did not engage with a professional fundraiser in the year and is not a member of the fundraising body.

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The School has a published complaints procedure, available on its website. The number of complaints received during the year in respect of fundraising was none.

Aims and Intended Impact

Heathfield School aims to discover and develop every student's unique talents to enable them to excel.

Heathfield aims to foster:

- The confidence and self-belief to go beyond one's preconceived abilities academically, physically and spiritually;
- Authenticity, self-awareness and a desire to embrace each other's uniqueness and spirit;
- Compassion, empathy, understanding and lifelong friendship building respect for oneself and others;
- Good habits for life: work ethic, self-discipline, resilience, independence, integrity and courage based on strong moral values and having a go;
- Commitment to the community: selflessness, compassion and service to others.

These values are engendered through four central pillars of Community, Pastoral Care and Boarding, Teaching and Co-Curricular.

Objectives for the year

- To maintain and develop the School's academic performance
- To maintain and provide a first class boarding experience
- To continue to grow and boost admission numbers
- To continue to improve and increase awareness of the School and what it stands for at local, regional and national level

Strategies to achieve the year's objectives

The strategies to achieve the year's objectives have included:

Admissions

Day students, first admitted in 2015-16, are now an established and vital part of the School population with numbers increasing steadily in line with our planned growth of the student roll. They are leading a full part in the life of the school alongside the School's boarders and have every opportunity to take part in all the activities on offer at Heathfield.

Weekly boarders were admitted for the first time in September 2022 in response to parental demands and Part time boarding, which allows students to board for the same 1, 2 or 3 nights per week per term was introduced in every year group in September 2024.

From September 2026, boys will be admitted for the first time in the Sixth Form and from September 2027 boys will be admitted in Form 1 (Year 7) as the school prepares to transition to fully co-ed by 2031.

The Head continues to host prep head visits, and the School hosts prep school curriculum and non-curriculum events at Heathfield, aimed at increasing prep schools' awareness of what we offer and of our growing academic reputation.

Academic Strategy

During the year, we have continued to push forward with an over-arching strategy to improve our growing academic success at Heathfield, including more intensive individual monitoring of staff and students' performances in the classroom as well as monitoring students' study time and their use of it more closely while providing complementary activities to enhance their learning, in the form of conferences and workshops at the school through to a greater variety of co-curricular activities.

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Our Learning Support Department continues to provide expert help for students who require additional support in one or several areas, ensuring that Heathfield's outstanding reputation for helping to fulfil the potential of each individual student through our value added results is supported and enhanced at every level.

Monitoring current students

Our individual monitoring of students to highlight their academic strengths and weaknesses, and to give them extra guidance where appropriate, is paying dividends in enabling staff to identify early the areas where students need extra help. Staff can input such vital details about a child's performance into our monitoring and tracking system within the school's intranet so that they share their observations with their colleagues and areas of concern quickly become spotted and therefore acted on.

Monitoring also means that our gifted and talented programme for the brightest students has become more defined within the school and has encouraged and nurtured academic development in the brightest students.

Scholarship programme

Our scholarship programme has continued to grow in profile inside and outside the school. The scholarships attract the brightest students to Heathfield, thus helping to improve our academic reputation. Regular monitoring to ensure each child's potential is fulfilled also helps us to identify potential scholarship candidates from within the school who are able to compete for a scholarship at appropriate times.

Co-Curricular

Similarly, our co-curricular programme was developed to encourage and reflect an emphasis on academics. Making the programme increasingly Sixth Form-led has succeeded in its aim of giving the students a greater sense of responsibility and helping them to develop leadership and team building qualities.

The initiatives held to highlight and praise the students' academic achievements such as special assemblies and the

High Flyer awards are popular with the students and have a positive effect on the students' confidence as they take pride in their achievements.

STRATEGIC REPORT

Merger with The Mill Hill School Foundation

During the spring and summer of 2024, the Governors, Head and Bursar carried out a strategic review in light of the immediate and future impact of rising fuel costs, increases in National Minimum Wage and National Insurance rate and the introduction of VAT on fees accompanied with the loss of Business Rate Relief. Having carefully considered a range of options, the Board took the strategic decision to look for a suitable merger partner. Over the summer in 2024 the Board initiated discussions with the Mill Hill School Foundation, formally entering into Due Diligence in October 2024. Following detailed Due Diligence, the merger agreement was formally signed and contracts exchanged in February 2025. On completion on 1 September 2025, all assets and liabilities of Heathfield School transferred to the Mill Hill School Foundation. The future planning for Heathfield School also passed to the Foundation. The Governors unanimously agreed that the merger, with a Foundation that has the same ethos, allows the school to better meet its objectives by providing greater financial stability, the opportunity for investment and collaboration and, as a consequence, the potential to improve outcomes for students.

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REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Academic Achievements

The size of Heathfield ensures every student is known individually and enables our dedicated and talented teaching team to engage and motivate every student. Small class sizes and individual teaching boosts

achievement, and our students benefit from a 4:1 teacher / student ratio. Personalised learning plans and performance monitoring help both staff and students to analyse progress.

Academic life of a school is not just the learning that takes place in a classroom but the breadth and depth of activities both in and out of the classroom. Heathfield is renowned for its strong and vibrant creative and dramatic tradition. We are an academically ambitious and rigorous school where we prepare our students for careers which have not yet been discovered. Therefore, it is vital that our curriculum is skill based as well as ensuring that every student has the relevant academic qualifications to progress onwards to their future goals.

Our 2025 GCSE examinations resulted in successes across a broad range of subjects, with over a third of all grades awarded at 9-8 with over 50% of grades 9-7. On average, students scored well over 1.5 grades higher in every subject when compared to their standardised Value Added Scores.

Our A Level students for their fantastic achievements. The majority of A Level grades were awarded at A* – B, with more than one third of all grades awarded A* or A. Multiple subjects achieved 100% A* – A grades including subjects within the disciplines of Maths, Languages and Art. The results have students heading to top UK and international destinations of their choice including Bristol, Durham, Exeter, Imperial College London, Edinburgh and Manchester. Students will be studying subjects from Applied Medical Sciences, Physics with Theoretical Physics and Psychology to Anthropology, Modern languages, Geography and Biochemistry, to name but a few.

Staff

The Governors wish to express their gratitude to the Head, the Bursar and all other members of the Staff for their continued dedication to the interests of the students of Heathfield School.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Governors consider that the School is on a sound financial footing, given the merger with the Mill Hill School Foundation, and views the future with optimism, despite the challenges of the year due to the economic crisis. At the year end, the school held cash balances of £469,465 (2024: 2,786,323) and investments of £764,331 (2024: £150,410).

At 31 August 2025 the School had net assets of £12,507,256 (2024: 12,217,682), of which freehold property accounts for £12,331,213 (2024: £12,591,374). This is a vital area of focus for the School as the high quality facilities and living quarters are significant contributing factors in attracting new students.

During the year a net cash outflow of £2,316,858 (2024: inflow £2,100,235) occurred. Cash from operating activities was a net outflow of £1,860,157 (2024: inflow £1,546,829) in the year.

After depreciation and gains on investments, the School made a surplus of £289,574 (2024: deficit £319,165).

As a registered Charity any surpluses are applied for the benefit of the School.

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Reserves Policy

The Governors' policy is to build up free reserves to meet demands for further expenditure out of annual operating surpluses to equip the School with the up-to-date facilities needed to improve and maintain the standard of educational services and sporting facilities. The Governors are of the opinion that the total reserves on the Income and Expenditure account of £12,507,256 (2024: £12,217,682) are sufficient to meet the school's obligations for the foreseeable future (see note 15 for note on reserves).

The Governors recognise the need to review the reserve levels of the school annually at the year-end as part of its medium-term budget planning. The Governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the School and to fund future projects, whilst maintaining a contingency in the region of £1,000,000. The Governors intend to review the Reserves Policy annually to ensure that this aim can be achieved.

The school's free reserves at the year-end show a deficit of £1,907,530 and are therefore below the target level. This deficit arises because the school's long-term investment in its essential educational facilities and freehold property, which are necessary for its operations, exceeds its accumulated unrestricted surpluses. The Governors identified this underlying financial position, alongside other sector-wide financial pressures, as one of the key factors in their strategic decision to seek a merger partner. The merger with The Mill Hill School Foundation, which was completed and effective from 1 September 2025, provides the necessary long-term financial stability for the school. Given that all assets and liabilities, and therefore the future reserves strategy, have now transferred to The Mill Hill School Foundation, the Governors consider the reserves position of Heathfield School as a standalone entity at 31 August 2025 to be a true reflection of the circumstances leading to the merger. No specific action is planned to restore the reserves of this entity, which will be struck off following the completion of the merger.

Investment Policy

The Governors' policy is to invest in secure forms of investment that provide a reasonable level of income. The Finance Sub-committee keeps under review the investment risks and rewards.

Going concern accounting Policy

The Governors have assessed whether the use of the going concern basis is appropriate as post year end, on 1 September 2025, all assets and liabilities transferred to the Mill Hill School Foundation (MHSF) as part of a Merger Deed.

On this basis the Governors have prepared the financial statements on a basis other than that of a going concern. No adjustments to the recognition or measurement of assets, liabilities or other transactions have been made as a result of the financial statements being prepared on a basis other than that of a going concern. No additional provisions have been recognised as a consequence of adopting a basis of preparation other than going concern.

Future Plans

The School is continually improving its facilities with smaller refurbishment projects as well as considering options for future capital plans which may include an additional classroom block, new sports hall and fitness suite and/or staff accommodation.

The School is continuing to raise academic standards and to attract academically able students to the School.

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Post balance sheet events

On 1 September 2025, all assets and liabilities transferred to the Mill Hill School Foundation (MHSF) as part of a Merger Deed. The merger deed protects the individual character of the school whilst providing financial security and the opportunity for joint promotion and collaboration.

Following completion of the merger and full transfer of leases and other liabilities, Heathfield School will be struck off.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governing Body is responsible for the management of the risks faced by Heathfield. Detailed considerations of risk are assessed by senior staff for review by the relevant Sub-Committees and then centrally by the Governing Body. Risk is assessed in three categories; Strategic, Financial and Operational risk. Risks are identified, assessed and controls or mitigations established throughout the year. A formal review of the risk management process is undertaken on a rolling basis throughout each year.

The most significant risk to the charity, and indeed most independent schools, is a significant drop in student numbers, which would affect income. This is a matter that receives continuous attention. The risk is compounded by the government legislative changes to business rates relief and the addition of VAT to fees. Identified as significant risks with some mitigations available, this would increase operating costs and almost certainly lead to

increased fees, raising the risk of reduced student numbers even higher.

The highest costs to Heathfield are staff and pastoral costs which are paid in arrears. Conversely, school fees are received termly in advance resulting in a surplus of working capital. Any cash flow risk which will arise from the commission of any building projects will be reduced by extensive forward planning by the Governors, coupled with significant cash balances held by Heathfield which can be utilised as required.

Credit risk is the risk of financial loss to Heathfield if a fee payer fails to meet their obligations. Heathfield minimises this risk by taking deposits from each student and monitoring amounts not received on a regular basis.

Health and Safety is always a significant area for risk management. The risks range from fire to personal risks (most notably when away from the School on trips and expeditions). The risks associated with all activities are minimised by thorough planning and risk assessment.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. The charity's exposure to risk is reviewed consistently throughout the year.

The key controls used by the Charity include:

- Formal agenda for all Committee and Board activity
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable
- Formal written policies

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STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors, who are also the Trustees, are responsible for preparing a Governors' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

So far as each of the Governors are aware at the time the report is approved:

- there is no relevant information of which the company's auditors are unaware, and
- the Governors have each taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

BY ORDER OF THE BOARD



Mr Alex Popplewell
Chair of the Governors

Date: 4 March 2026

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2025

Opinion

We have audited the financial statements of Heathfield School ('the charitable company') for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to Note 1.2 in the financial statements which explains that on 1 September 2025 the operations of the charitable company merged with the Mill Hill School Foundation. Consequently all of the assets and liabilities of the charitable company and trade transferred to the Mill Hill School Foundation and the charitable company ceased its operations. The Governors therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1.2.

Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2025

- the trustees' annual 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' annual report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the governors' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2025

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2025**

Use of our report

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

Moore Kingston Smith LLP

Shivani Kothari (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

Date: 10 March 2026

Heathfield School

STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure statement) for the year ended 31 August 2025

	Notes	Unrestricted / Designated funds £	Restricted funds £	Total 2025 £	Total 2024 £
INCOME FROM:					
Charitable Activities					
School fees	3	5,777,737	-	5,777,737	6,985,943
Other educational income	4	1,165,456	-	1,165,456	1,350,445
Other income					
Other trading income	5	181,751	-	181,751	159,258
Other activities		-	-	-	-
Investments					
Investment Income	6	123,078	32,928	156,006	100,888
Voluntary sources					
Grants and donations	7	137,678	1,574,125	1,711,803	184,873
Total income		<u>7,385,700</u>	<u>1,607,053</u>	<u>8,992,753</u>	<u>8,781,407</u>
EXPENDITURE ON:					
Costs of raising funds					
Fundraising and development	8	-	-	-	415
Other trading costs		-	-	-	-
Interest and other costs		-	-	-	35,010
Charitable activities					
Education	8	8,707,379	-	8,707,379	8,933,731
Total expenditure	8	<u>8,707,379</u>	<u>-</u>	<u>8,707,379</u>	<u>8,969,156</u>
Net operating income/(expenditure)		(1,321,679)	1,607,053	285,374	(187,749)
Pension Provision change		3,177	-	3,177	(2,241)
Other Loss on sale of assets/property		(57,546)	-	(57,546)	(131,800)
Net gains on investments		-	58,569	58,569	2,625
		<u>(54,369)</u>	<u>58,569</u>	<u>4,200</u>	<u>(131,416)</u>
Net income/(expenditure)	19	(1,376,048)	1,665,622	289,574	(319,165)
Transfer between funds		-	-	-	-
Net movement in funds		(1,376,048)	1,665,622	289,574	(319,165)
Fund balances brought forward		12,217,682	-	12,217,682	12,536,847
Fund balances carried forward	19	<u>10,841,634</u>	<u>1,665,622</u>	<u>12,507,256</u>	<u>12,217,682</u>

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to activities that will be transferred to The Mill Hill School foundation on 1 September 2025, where they will continue.

The accompanying notes form part of these financial statements.

Heathfield School

BALANCE SHEET


as at 31 August 2025

	Notes	2025 £	2024 £
FIXED ASSETS			
Tangible assets	12	12,749,164	13,125,812
CURRENT ASSETS			
Investments	13	764,331	150,410
Stocks	14	31,979	32,194
Debtors	15	495,166	427,695
Cash at bank and in hand		469,465	2,786,323
		<u>1,760,941</u>	<u>3,396,622</u>
CREDITORS: Amounts falling due within one year	16	(1,259,540)	(3,065,847)
		<u>501,401</u>	<u>330,775</u>
NET CURRENT ASSETS			
		<u>13,250,565</u>	<u>13,456,587</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: Amounts falling due after more than one year	17	(739,157)	(1,237,930)
PROVISIONS FOR LIABILITIES AND CHARGES		(4,152)	(975)
		<u>12,507,256</u>	<u>12,217,682</u>
NET ASSETS			
		<u>12,507,256</u>	<u>12,217,682</u>
FUNDS			
Restricted funds	19	1,665,622	
Unrestricted funds – general	19	10,841,634	12,217,682
		<u>12,507,256</u>	<u>12,217,682</u>

Approved and authorised for issue by the Board of Trustees on 4 March 2026 and signed on their behalf by:



Mr Alex Popplewell
Governor



Mr Steve Melcher
Governor

The accompanying notes form part of these financial statements.
Company Number: 00556463

Heathfield School

CASHFLOW STATEMENT

for the year ended 31 August 2025

CASH FLOW STATEMENT	Notes	2025 £	2024 £
Net cash (outflow)/inflow from operating activities	26	(1,860,157)	1,546,829
Cash flows from investing activities:			
Bank interest received		156,006	100,888
Interest paid		(1)	(35,010)
Proceeds from sale of investments		92,864	1,370,504
Proceeds from sale of fixed assets		148,838	-
Payments to acquire fixed assets		(148,646)	(328,266)
Payments to acquire investments		(705,762)	(17,210)
Net cash (outflow)/inflow from investing activities		(456,701)	1,090,906
Financing:			
Loans repaid		-	(537,500)
Net cash outflow from financing activities		-	(537,500)
(Decrease)/Increase in cash		(2,316,858)	2,100,235
Cash and cash equivalents at the beginning of the reporting period		2,786,323	686,088
Cash and cash equivalents at the end of the reporting period		469,465	2,786,323

Analysis of changes in cash and net debt

	At 01 September 2024 £	Cashflow £	Other non-cash changes £	At 31 August 2025 £
Cash and cash equivalents	2,786,323	(2,316,858)	-	469,465
	2,786,323	(2,316,858)	-	469,465

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2025

1 ACCOUNTING POLICIES

Heathfield School is a company limited by guarantee with registered number 00556463, incorporated and domiciled in England and Wales. Its registered office is Heathfield School, London Road, Ascot, Berkshire, SL5 8BQ.

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

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

These financial statements are prepared on a basis other than the going concern basis, under the historical cost convention as modified by the revaluation of investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 GOING CONCERN

During the spring and summer of 2024, the Governors, Head and Bursar carried out a strategic review in light of the immediate and future impact of rising fuel costs, increases in National Minimum Wage and National Insurance rate and the introduction of VAT on fees accompanied with the loss of Business Rate Relief. Having carefully considered a range of options, the Board took the strategic decision to look for a suitable merger partner. Over the summer in 2024 the Board initiated discussions with the Mill Hill School Foundation, formally entering into Due Diligence in October 2024.

Following detailed Due Diligence, the merger agreement was formally signed and contracts exchanged in February 2025. On completion on 1 September 2025, all assets and liabilities of Heathfield School transferred to the Mill Hill School Foundation. The future planning for Heathfield School also passed to the Mill Hill School Foundation. The Governors unanimously agreed that the merger, with a foundation that has the same ethos, allows the school to better meet its objectives by providing greater financial stability, the opportunity for investment and collaboration and, as a consequence, the potential to improve outcomes for students. Effective on 01 September 2025, all income and expense transactions are now being handled through the Mill Hill School Foundation, which has also taken responsibility for all assets and liabilities and operations ceased.

As a result the financial statements have been prepared on a basis other than that of a going concern. No adjustments to the recognition or measurement of assets, liabilities or other transactions have been made as a result of the financial statements being prepared on a basis other than that of a going concern. No additional provisions have been recognised as a consequence of adopting a basis of preparation other than going concern.

1.3 INCOME

All income is recognised when the School has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

1.4 FEES RECEIVABLE AND SIMILAR INCOME

These represent fees charged to pupils with incidental fees and disbursements disclosed separately and are accounted for in the period in which the service is provided excluding VAT. Fees received in advance of education to be provided in future years are held as liabilities until either taken to income in the term when used or else refunded.

1.5 DONATIONS

All monetary donations are included in full in the statement of financial activities when received, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met. Donations receivable for the general purpose of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on Heathfield School's Governors.

The value of donated services and gifts in kind provided to the School are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the School can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the School's policies.

1.6 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis, excluding VAT and is classified under the following activity headings:

- Costs of raising funds comprise the finance costs incurred by the School.
- Expenditure on charitable activities includes the costs of the academic and pastoral care provided to the pupils.

Governance costs, which comprise the regulatory costs of running the charity, have been allocated wholly to the charitable activities of the School. All expenditure is inclusive of irrecoverable VAT.

1.7 GRANT MAKING POLICY

Bursaries from restricted funds are included as expenditure in the period for which the award is given. Bursaries and scholarships from unrestricted funds towards school fees at school are treated as a reduction in those fees.

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2025

1.8 FIXED ASSETS AND DEPRECIATION

The School prepares a budget for capital expenditure at the start of each academic year which is approved by the Finance Committee.

Assets that cost less than £2,500 are not capitalised and are written off in the year of purchase.

Depreciation is provided on cost less residual value at the following rates in order to write off assets over their estimated useful lives, which are

Freehold buildings - St Mary's Theatre and STEM building	-	50 years
Freehold buildings - Access road	-	10 years
Freehold buildings - Other	-	Not depreciated
Freehold buildings - Swimming pool	-	30 years
Equipment	-	5 to 10 years
Motor vehicles	-	5 years

The charity holds no inalienable or historic assets.

The policy for depreciating freehold buildings is to provide a charge of 2% on cost less residual value. However, no depreciation has been charged on the main school buildings as an annual impairment review is undertaken. This considers the maintenance programme to keep buildings in good repair, and an annual insurance review to identify any significant issues.

Assets costing more than £1,000 are capitalised and carried in the balance sheet at historical cost. Assets under the course of construction are not depreciated until they are complete and brought into use.

1.9 STOCKS

Stocks are stated at the lower of cost or net realisable value.

1.10 INVESTMENTS

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains/ (losses) on investments in the SOFA.

1.11 DEBTORS

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

1.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents 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.

1.13 CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the School 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

1.14 FINANCIAL INSTRUMENTS

The School has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the School's balance sheet when the School becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 12 and 13 for the debtor and creditor notes.

1.15 TAXATION

The company is a registered charity and is exempt from taxation as afforded by Section 505 ICTA 1988.

1.16 EMPLOYEE BENEFITS

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

1.17 PENSION COSTS

Retirement benefits to employees of the School are provided by Royal London for teachers and the TPT Retirement Solutions Independent Schools' Pension Scheme ('ISPS') for non-teaching staff. Both schemes are a defined contribution.

Contributions to the ISPS are expensed in the Statement of Financial Activities. See note 21 for details.

1.18 BENEFITS IN KIND AND GIFTS

Gifts donated to the school and any services provided by the Governors have been included in the financial statements.

1.19 OPERATING LEASES

Rentals paid under operating leases are charged against income on a straight line basis over the period of the lease.

1.20 FUND ACCOUNTING

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Restricted funds are created when donations are made either for a particular area or purpose, the use of which is restricted. Expenditure is charged to the Statement of Financial Activities when incurred.

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2025

2 KEY ESTIMATES & JUDGEMENTS

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Change in market value is an estimate. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a regular basis. The key judgements and estimates used in the preparation of these financial statements is the impairment of the freehold buildings, provision for doubtful debts and depreciation of tangible fixed assets.

Impairment of freehold buildings

The governors and management exercises significant judgement in determining whether indicators of impairment exist for the School's freehold buildings. Key judgements include assessing the impact of strategic decisions, such as plans to close a facility, or external factors, such as a sustained decline in student numbers that may render a building surplus to requirements. Following the identification of an impairment indicator for the freehold buildings, an estimate of their recoverable amount is required. This calculation is sensitive to the assumptions used. The assessment is performed as part of the School's single cash-generating unit, as the buildings do not generate cash flows independently from the rest of the School's operations.

Provision for doubtful debts

The governors and management make an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, the governors and management consider factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Depreciation of tangible fixed assets

Tangible assets are depreciated over the useful lives taking into account residual values, where appropriate. The actual lives of the asset and residual values are assessed annually and may change depending on a number of factors. In re-assessing asset lives, factors such as the working condition of the asset and whether the assets are still in use are both taken into account.

3 FEE INCOME

The School's activities are carried out within the UK.

The school's fee income comprised:

	2025	2024
	£	£
Gross fees	6,547,797	7,749,067
Less: bursaries, scholarships and discounts	(770,060)	(763,124)
	<u>5,777,737</u>	<u>6,985,943</u>

Included within the above is an amount of £nil (2024: £nil) which relates to restricted income.

4 OTHER EDUCATIONAL INCOME

	2025	2024
	£	£
Extras and disbursements	433,973	632,053
Registration fees	10,600	21,779
Fees in lieu of notice	80,987	54,013
Summer school income	639,896	642,600
	<u>1,165,456</u>	<u>1,350,445</u>

5 OTHER INCOME

	2025	2024
	£	£
Rent and lettings	181,751	159,258
Loss on sale of property	(57,546)	(131,800)
	<u>124,205</u>	<u>27,458</u>

Included within the above is an amount of £nil (2024: £nil) which relates to restricted income.

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2025

6 INVESTMENT INCOME

	2025 £	2024 £
Interest received	156,006	100,888
	<u>156,006</u>	<u>100,888</u>

Included within the above is an amount of £32,928 (2024: £4,024) which relates to restricted income.

7 DONATIONS AND GRANTS

	2025 £	2024 £
Donations and gifts	<u>1,711,803</u>	<u>184,873</u>

Included within the above is an amount of £1,574,125 (2024: £nil) which relates to restricted income.

8 EXPENDITURE

(a) Costs of Raising Funds	Staff costs (note 9) £	Other £	Depreciation £	Total 2025 £
Trading costs	-	-	-	-
Finance costs	-	-	-	-
Total Costs of Raising Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>0</u>
Charitable expenditure	Staff costs (note 9) £	Other £	Depreciation £	Total 2025 £
Teaching	3,387,569	1,274,009	-	4,661,578
Premises	1,001,138	791,101	391,161	2,183,400
Administration	956,616	663,272	-	1,619,888
Governance	-	242,513	-	242,513
Total Charitable Expenditure	<u>5,345,323</u>	<u>2,970,895</u>	<u>391,161</u>	<u>8,707,379</u>
Total Expended	<u>5,345,323</u>	<u>2,970,895</u>	<u>391,161</u>	<u>8,707,379</u>

Included within Staff Costs and Other Charitable Expenditure is an amount of £nil (2024: £nil) relating to restricted expenditure.

Costs of Raising Funds	Staff costs (note 9) £	Other £	Depreciation £	Total 2024 £
Trading costs	-	415	-	415
Finance costs	-	35,010	-	35,010
Total Costs of Raising Funds	<u>-</u>	<u>35,425</u>	<u>-</u>	<u>35,425</u>
Charitable expenditure	Staff costs (note 9) £	Other £	Depreciation £	Total 2024 £
Teaching	3,390,413	1,641,523	-	5,031,936
Premises	1,068,266	748,083	372,575	2,188,924
Administration	947,655	744,174	-	1,691,829
Governance	-	21,042	-	21,042
Total Charitable Expenditure	<u>5,406,334</u>	<u>3,154,822</u>	<u>372,575</u>	<u>8,933,731</u>
Total Expended	<u>5,406,334</u>	<u>3,190,247</u>	<u>372,575</u>	<u>8,969,156</u>

(b) Other Governance Costs include:	2025 £	2024 £
Auditors' remuneration		
- Audit Fees	31,393	37,027
Legal and Professional Fees	74,581	(18,716)

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2025

	2025	2024
	£	£
(c) Administration Costs		
Salaries	697,237	712,633
National Insurance	73,582	68,830
Pension Costs	53,834	47,909
Redundancy Costs	57,027	-
Other Staff Costs	206	192
Other Staff Related Costs	74,730	118,091
Subscriptions	22,625	20,225
Staff travel	4,218	3,600
Operating Leases	99,694	121,770
IT support	67,741	86,295
Postage and stationery	17,007	13,727
Telephones	13,153	17,603
Marketing and advertising	131,017	172,990
Bad debts	81,733	123,829
Recruitment Costs	-	2,889
Other Administration Costs	220,016	168,171
Bank charges and interest	6,068	7,307
	<u>1,619,888</u>	<u>1,691,829</u>

9 STAFF COSTS	2025	2024
	£	£
Wages and salaries	4,216,611	4,301,270
Redundancy and settlement costs	57,027	-
Social security costs	451,085	425,650
Other pension costs	498,239	502,342
Other staff costs	122,361	177,072
Temporary and agency staff costs		
	<u>5,345,323</u>	<u>5,406,334</u>

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

	2025	2024
	No.	No.
Teaching	54	63
Welfare	82	77
	<u>136</u>	<u>140</u>

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	2025	2024
	No.	No.
£60,000 - £70,000	10	2
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-
£100,001 - £110,000	2	1
£110,001 - £120,000	-	-
£120,001 - £130,000	1	-
	<u>16</u>	<u>5</u>

Pension contributions for the year amounted to £118,087 (2024: £60,113) for these employees.

During the year, a total of £57,027 was paid in relation to redundancies and settlement costs as a result of the merger.

10 TRUSTEES AND GOVERNORS REMUNERATION AND BENEFITS

There were no Trustees' or Governors' remuneration or other benefits for the year ended 31 August 2025 nor for the year ended 31 August 2024.

Expenses totalling £nil (2024: £11) for trustees and governors were paid by the charity during the year.

The charity considers that the key management personnel comprise the governors and the senior leadership team - who are the Headmistress, Deputy Head (Pastoral & Boarding), Assistant Head (Co-curricular), Deputy Head (Academic), Assistant Head (Pastoral and Boarding), Assistant Head (Operations), Bursar & Clerk to the Governors, and the Director of Marketing & Admissions. The total employee benefits including pension costs of the key management personnel of the school were £688,935 (2024: £738,486).

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2025

11 NET INCOME FOR THE YEAR

	2025 £	2024 £
Net income is stated after charging:		
Depreciation of tangible fixed assets	391,161	372,575
Operating lease rentals – other	99,694	121,770
Auditor's remuneration		
Audit services for the school- current year	21,366	27,000
Audit services for the school- prior year underprovision	10,027	10,027

12 TANGIBLE FIXED ASSETS

	Freehold Property £	Equipment £	Motor Vehicles £	Total £
Cost:				
At 1 September 2024	15,242,516	3,670,944	16,750	18,930,210
Additions	50,542	76,004	22,100	148,646
Capital Goods Scheme Adjustment	(90,642)	(56,558)	(1,638)	(148,838)
At 31 August 2025	<u>15,202,416</u>	<u>3,690,390</u>	<u>37,212</u>	<u>18,930,018</u>
Depreciation:				
At 1 September 2024	2,651,142	3,152,977	279	5,804,398
Charge for year	220,061	148,412	7,983	376,456
Disposals	-	-	-	-
At 31 August 2025	<u>2,871,203</u>	<u>3,301,389</u>	<u>8,262</u>	<u>6,180,854</u>
Net book value:				
At 31 August 2025	<u>12,331,213</u>	<u>389,001</u>	<u>28,950</u>	<u>12,749,164</u>
At 1 September 2024	<u>12,591,374</u>	<u>517,967</u>	<u>16,471</u>	<u>13,125,812</u>

The insured value of the Main School (including the Sixth Form Centre and STEM block), Sports Hall, Swimming Pool, St Mary's Theatre and other buildings is £83,397,600.

All tangible fixed assets are used for direct charitable purposes. The school does not own or have the use of any inalienable or historic assets. No impairment of the freehold property was evident, which has been confirmed by the insurance valuation.

13 INVESTMENTS

	Investment properties £	Other investments £	2025 £	2024 £
Cost/valuation At 1 September 2024	150,410	-	150,410	1,501,463
Additions	-	705,762	705,762	17,210
Disposals	(150,410)	-	(150,410)	(1,239,088)
Gains/(Losses) arising from movements in valuations	-	58,569	58,569	(129,175)
Cost/valuation At 31 August 2025	<u>-</u>	<u>764,331</u>	<u>764,331</u>	<u>150,410</u>
Historical cost	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>

14 STOCK

	2025 £	2024 £
Household and consumable materials	31,979	32,194
	<u>31,979</u>	<u>32,194</u>

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2025

15 DEBTORS

	2025 £	2024 £
Fees and extras	330,286	249,039
Less provision for doubtful debts	(178,649)	(116,544)
Other debtors	97,085	7,520
Prepayments and accrued income	246,444	287,680
	<u>495,166</u>	<u>427,695</u>

16 CREDITORS

Amounts falling due within one year:	2025 £	2024 £
Trade creditors	108,682	526,311
Taxation and social security costs	115,705	211,610
Fee Deposits	254,127	109,369
Fees in advance	510,641	2,030,358
Other creditors	144,122	107,089
Accruals	126,263	81,110
	<u>1,259,540</u>	<u>3,065,847</u>
Deferred income:	2025 £	2024 £
Brought forwards	2,030,358	991,590
Released in year	(2,030,358)	(991,590)
Received in year	592,256	2,030,358
	<u>592,256</u>	<u>2,030,358</u>

Deferred income relates to schools fees received in advance, trip income and school lettings income

17 CREDITORS DUE AFTER ONE YEAR

Amounts falling due after more than one year:	2025 £	2024 £
School fee deposits	403,606	508,750
Fees in advance	335,551	729,180
	<u>739,157</u>	<u>1,237,930</u>

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2025

17 CREDITORS DUE AFTER ONE YEAR (continued)

	2025 £	2024 £
Fee deposits repayable:		
In one year or less	254,127	109,369
Between one and two years	51,050	141,614
Between two and five years	302,561	251,732
In five years or more	49,995	115,404

657,733	618,119
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	2025 £	2024 £
Fee paid in advance repayable:		
In one year or less	510,641	2,030,358
Between one and two years	335,551	729,180

846,192	2,759,538
----------------	------------------

18 PROVISION FOR LIABILITIES

	2025 £	2024 £
Balance at 1 September	975	3,216
Movement in year (see note 21)	3,177	(2,241)

4,152	975
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19 STATEMENT OF FUNDS

	At 1 September 2024 £	Income £	Expenditure £	Gains/ (losses) £	At 31 August 2025 £
Unrestricted funds:					
General reserve	12,217,682	7,385,700	(8,707,379)	(54,369)	10,841,634
Restricted Funds					
Julia Rausing Trust - Named Bursary Fund	-	1,532,928	-	58,569	1,591,497
Fellowship bursary fund	-	74,125	-	-	74,125
Total restricted	-	1,607,053	-	58,569	1,665,622
Total funds	12,217,682	8,992,753	(8,707,379)	4,200	12,507,256

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2025

19 STATEMENT OF FUNDS (continued)

	At 1 September 2023	Income	Expenditure	Gains/ (losses)	At 31 August 2024
	£	£	£	£	£
Unrestricted funds:					
General reserve	55,517	9,030,712	(8,969,156)	(128,615)	(11,542)
Restricted funds:					
St Mary's Wantage Bursary Fund	252,106	4,024	(253,329)	(2,801)	-
Total restricted	252,106	4,024	(253,329)	(2,801)	-
Total funds	307,623	9,034,736	(9,222,485)	(131,416)	(11,542)

Designated funds

The fixed asset fund represents the net book value of tangible fixed assets. The Trustees wanted to show the assets that are not readily available in a separate fund.

The new school fund will be utilised to cover the set up costs of the new school and to defray any operating deficit in the first few years of occupation, if required.

Restricted funds

The St Mary's Wantage Bursary Fund is a fund that supports bursaries given to pupils at the School. This fund was fully divested in the year and expended against bursaries.

During the year, the School received funds from the Julia Rausing Trust. The purpose of the funds were to create a named bursary fund to exist in perpetuity. The fund is restricted for the purpose of providing bursaries

The fellowship fund is funded by Heathfield parents and supports bursaries given to pupils at the School.

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2025 Total £
Tangible fixed assets	12,749,164	-	12,749,164
Current assets	95,319	1,665,622	1,760,941
Current liabilities	(1,259,540)	-	(1,259,540)
Long term liabilities	(739,157)	-	(739,157)
Provisions	(4,152)	-	(4,152)
Total net assets	10,841,634	1,665,622	12,507,256
	Unrestricted funds £	Restricted funds £	2024 Total £
Tangible fixed assets	13,125,812	-	13,125,812
Current assets	3,396,622	-	3,396,622
Current liabilities	(3,065,847)	-	(3,065,847)
Long term liabilities	(1,237,930)	-	(1,237,930)
Provisions	(975)	-	(975)
Total net assets	12,217,682	-	12,217,682

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2025

21 PENSION OBLIGATIONS

The School employees belong to two principal pension schemes: Royal London Scheme for teaching staff; and TPT Retirement Solutions Independent Schools' Pension Scheme (ISPS) for non-teaching staff. Both are defined contribution schemes. In addition, a small number of employees belong to TPT Retirement Solutions Growth Plan (TPTGP) defined benefit scheme however this is closed to new members.

TPT Retirement Solutions

The School participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the School to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme of £3,312,000 per annum. This is payable monthly from 1 April 2022 to 31 January 2025.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities. Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Reconciliation of opening and closing provision:

	2025	2024
Provision at start of period	975	3,216
Unwinding of discount factor (interest expense)	7	118
Deficit contribution paid	(1,690)	(2,360)
Remeasurements - impact of change in assumptions	37	1
Remeasurements – amendments to the contribution schedule	4,823	-
	<u>4,152</u>	<u>975</u>

Income and expenditure impact:

	2025	2024
Interest expense	7	118
Remeasurements - impact of change in assumptions	37	1
Remeasurements – amendments to the contribution schedule	4,823	-
	<u>4,867</u>	<u>119</u>

All movements on the pension provision are recognised in the Statement of Financial Activities as staff costs.

22 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2025, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025	2024
Due within one year	61,398	60,838
Due between two and five years	126,593	196,926
	<u>187,991</u>	<u>257,764</u>

23 INDEMNITY INSURANCE

During the year the company purchased insurance for the directors of the school against liabilities arising from negligence in relation to the company as permitted under section 233 of the Companies Act 2006 with the approval of the Charities Commission. £70,907 (2024: £45,607) was paid for an all risks combined liability insurance policy. Included in this was public liability insurance and professional indemnity insurance relating to the trustees.

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2025

24 CAPITAL COMMITMENTS

The School had capital commitments of £0 (2024: £nil) at 31 August 2025.

25 CONTROL

Up to 31 August 2025, the company was controlled by its Board of Governors. As the company is limited by guarantee, in the event of winding up the members will be required to pay £1. For a portion of the year, as the merger agreement with The Mill Hill School Foundation (MHSF) was signed in February 2025, MHSF was considered a related party, and post-completion of the merger agreement on 1 September 2025, the ultimate parent entity and controlling party.

26 NOTES TO THE CASHFLOW STATEMENT

	2025	2024
	£	£
Reconciliation of operating result to net cash inflow from operating activities		
Net movement in funds	289,574	(319,165)
(Gains)/ Losses on investments	(58,569)	(2,241)
Depreciation	376,456	372,575
Amortisation	-	-
Bank interest received	(156,006)	(100,888)
Dividends received	-	-
Interest payable	1	35,010
Profit/(Loss) on sale of Fixed Assets	57,546	-
Increase/(Decrease) in creditors	(2,305,080)	1,556,627
(Increase)/Decrease in debtors	(67,471)	4,701
(Increase)/Decrease in stocks	215	2,451
Increase/(Decrease) in provision	3,177	(2,241)
	<hr/> (1,860,157) <hr/>	<hr/> 1,546,829 <hr/>

HEATHFIELD SCHOOL

England & Wales - Charity number 309086

Accounts



**GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)



**Company Registration No. 00556463
Registered Charity No. 309086**

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
KEY EXECUTIVES AND PROFESSIONAL ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2024**

Key executives and Professional Advisors

HEAD: Mrs S Rollings

BURSAR: Mrs R Frier

SENIOR LEADERSHIP TEAM:	Ms L Scott	Deputy Head (Pastoral and Boarding)
	Mr J Williams	Deputy Head (Academic)
	Miss W Reynolds	Assistant Head (Co-curricular)
	Ms A Morgan	Director of Marketing and Admissions
	Mr A Valner	Assistant Head (Pastoral and Boarding)
	Miss C Wells	Assistant Head (Operations)

BANKERS: Barclays Bank Plc

SOLICITORS: VWV
Orchard Court
Orchard Lane
Bristol
BS1 5WS

AUDITORS: Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

COMPANY SECRETARY: Mrs R Frier

REGISTERED OFFICE: Heathfield School
London Road
Ascot
Berkshire
SL5 8BQ

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Governors present their annual report for the year ended 31 August 2024 under the Companies Act 2006, together with the audited accounts for the year, and confirms that the latter comply with the requirements of the Act, the memorandum and articles of association and the Charities SORP 2015.

REFERENCE AND ADMINISTRATIVE INFORMATION

The School was founded in 1899 and became a Charity in 1955 and is registered with the Charity Commission under Charity number 309086. The School is also a company limited by guarantee registered number 556463 (England and Wales). The Trustees of the charity are also Directors of the company and are referred to as Governors in this Report. The Governors are listed below and the executive officers, professional advisors and principal addresses of the Charity are listed on page 1.

Principal activities of the year

The School provides education in Ascot for girls from the ages of 11 to 18, and also runs a summer school and camp for local and overseas students.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

Governors

The members of the Governing Body are detailed below. The Governing Body is self-appointing. Each Governor is elected for three years and retiring Governors are able to stand for re-election. The number of serving Governors shall not be fewer than ten or exceed twenty.

Organisational Management

The School's Governors, who are also the Charity Trustees and the Company Directors, are legally responsible for the overall management and control of the School and meet at least three times a year. The work of implementing most of their policies is carried out by the members of the five following subcommittees: Finance, Buildings & Development, Educational, Pastoral and Compliance, Marketing, Admissions & Communications, Development and Nominations which meet at regular intervals during the year.

The day-to-day running of the school is delegated to the Headmistress, supported by the senior management team, together with the Bursar. The Headmistress and the Bursar attend meetings of the above committees.

At the date of approval of the financial statements the School Governors are as follows:

Name	Position
Mr Alex Popplewell	Chair of the Council, Chair N, F, Chair D
Mr Steve Melcher	Chair of F, D
Miss Charlotte Faber	Chair of MAC, N
Mrs Sally Tulk-Hart	MAC, EPC
Mrs Sarah Collister	EPC
Mr Guy Egerton-Smith	Chair BD, F
Hon Mrs Frances Stanley (resigned 6 July 2024)	D
Mr Robert Gregory	N
Mrs Annabelle More O'Ferrall (resigned 18 March 2025)	EPC
Mrs Suzie Cullen (resigned 5 December 2024)	MAC
Mrs Anne Lynch	Chair EPC
Mrs Poppy Hughes (appointed 12 March 2024)	F

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

Name	Position
Mr Tony Leggett (appointed 12 March 2024)	F
Mrs Karen Hurt (resigned 1 November 2023)	
Lady Katharine Colquhoun (appointed 26 June 2024)	EPC

Key:

Buildings & Development Sub-committee = BD
Marketing, Admissions & Communications Sub-committee = MAC
Nominations Sub-committee = N
Education, Pastoral & Compliance Sub-committee = EPC
Finance Sub-committee = F
Development Sub-committee = D

Recruitment and Training of Governors

Potential Governors are identified by members of the Governing Body which seeks to achieve a balance of experience and background in secondary education, finance, business, law, facilities & property management, human resources management, marketing & PR and health & safety compliance. New candidates tour the School and meet the Head and other existing Governors. They are proposed by the Nominations Committee. Once appointed, new Governors are inducted into the workings of the School including Board Policy and Procedures. Training is regularly offered to all Governors on various topics including child protection and safeguarding training. Governors are encouraged to attend external seminars and courses to keep them informed and updated on current issues in the sector and regulatory requirements. This includes events run by AGBIS, ISC, ISBA and professional firms.

Key management personnel remuneration

The remuneration of key management personnel (being the Head and Bursar) is set by the Governors, with the objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly for their individual contributions to the success of the School. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to benchmarking information to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our expenditure.

The School is committed to ensuring equality of opportunity through the creation of an environment in which individuals are treated on the basis of their relevant merits and abilities. The School respects all its members and values the harmonious relationships between them. As a community we are committed to the active promotion of equality between all who live, study or work in the School. Provision is made for individuals with a particular disability and religious, dietary, language or cultural needs, as appropriate.

Consultation with employees at all levels ensures that the views of employees are taken into account when decisions are made that are likely to affect their interests. All staff are briefed at the beginning of each term with shorter briefing sessions held once a week. The Senior Leadership Team meet once a week to discuss strategic plans; there are regular Heads of Department and Heads of Year meetings where teaching and learning strategies are discussed, as well as weekly meetings with Boarding staff.

Chapel

The Chapel provides a place of peace and quiet reflection, where pupils' spiritual development can begin. Our Chapel is the spiritual centre of the school and is often at the core of people's memories of the school when they leave, and the place they come back to first when they return to visit. Dedicated in 1904, the Chapel was built in the Victorian Gothic style with collegiate seating. Chapel follows current Anglican practice, yet it is a place for all the school community regardless of faith or belief.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Chaplain is a central figure in school life who leads Chapel services during the week, on Sundays and on special occasions. The Chaplain is available to all members of the school community and the school's extended community for pastoral care.

Related parties and other connected charities and organisations

The Heathfield Fellowship is a separate entity which continues to raise money to enable pupils to attend the school by way of bursarial support.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The objects for which the Association is established are to advance education and training by:

- The provision and conduct, in the UK or abroad, of a school or schools for girls under the name of Heathfield School to be conducted in accordance with the traditions of the Church of England including the Anglo-Catholic tradition; and
- Insofar as it is incidental or ancillary to the advancement of education, such other means for the benefit of the local community as shall be exclusively charitable.

These are set out in the School's governing document – the Memorandum and Articles of Association of Heathfield School dated 18 October 1955 as amended March 2009 and November 2024.

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the School's aims and objectives and in planning future activities.

Public Benefit Activities

The Governors have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The School is committed to ensuring that it is meeting its main aim and its charitable objective. The School's aims for the public benefit are:

- To recognise the need to respond to the challenge of change by giving all members of its community the opportunity to develop, by continual improvement of its facilities and by fostering links with the wider community.
- To optimise its resources and recognise its responsibilities for administering its charitable funds efficiently and for the benefit of the School and the wider community.

The Governors are committed to widening access to the School and welcomes pupils from all backgrounds. Each pupil to whom support is offered must, in the opinion of the Headmistress, be likely to make sound academic progress following admission, possess the potential to develop the quality of her work and benefit from participation in the wider, extra-curricular activities on offer at the School. The availability of bursaries is publicised on the School's website. The Governors' policy is to award bursaries on a means tested basis only. The bursaries are available to provide financial support for up to 100% of the annual fees. During 2024 a total of £626,078 (2023: £464,294) was awarded in bursaries to 37 (2023: 29) pupils. Many more applications are received than the School can reasonably support.

The School works closely with a number of other partner charities that help identify pupils who could benefit substantively from the education and pastoral support that the School can provide. 8 pupils (2023: 6) receive significant contributions towards their fees from these external grant-making bodies which resulted in full remission of their tuition fees.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The School actively supports the local community, charities and associations by making its facilities available at less than cost price or free to a variety of different clubs and organisations. This provision is inevitably limited by boarders use and the safeguarding restrictions of operating a small boarding school. The School has started to develop links with local maintained schools. Some specific examples of the School's outreach programme are:

- Two members of the Senior Leadership Team volunteered as Governors at local maintained schools.
- The school ran several Prep Schools Swimming Galas, Prep Schools Choir competition and a Prep Schools Lacrosse coaching session event.
- Free places were offered to pupils receiving free school meals from local maintained schools to attend Heathfield's Summer Camp.
- Sixth Form students visited a local maintained primary school on a regular basis to help with their reading lessons.
- Text books were donated to a maintained secondary school in Surrey as well as reading books and resources to a local maintained primary school.
- Pupils, staff and parents donated time and resources to transform the playground of Harmans Water primary school.
- Local maintained senior schools attended a number of guest speaker events.
- Members of staff are qualified school inspectors and are permitted time off from their Heathfield role to regularly carry out inspections of other schools.

Heathfield pupils also participate in the Duke of Edinburgh's Award scheme at Bronze, Silver and Gold level. Our pupils have contributed over 200 hours of volunteering during the year.

Our pupils also raised over £11,000 for local, national and international charities throughout the year through a variety of fundraising activities including charity concerts, a Christmas fair, cake sales, poppy sales for the British Legion and non-uniform days.

The swimming pool is host to many local communities and organisations. Schools including Kennel Lane, and Natures Nursery used the facility at various times throughout the year. In addition to these schools, there are a number of clubs that use the pool on a regular basis. These include, Scuba Trust, Bracknell and Wokingham Swimming Club and Windsor Swimming Club. Frogs and Friends Swimming School regularly run lessons at the pool as part of their 'learn to swim' programme which is offered to children in and around the local area.

Fundraising performance

The School views fundraising as a very important source of additional income to enable fees to be kept as low as possible and to reduce reliance on single income streams. The trustees are fully aware of their individual responsibility and accountability to ensure that the School fundraises legally, responsibly and effectively. They are aware of the Charity Commission CC20 guidance and use this and the accompanying checklist to help them evaluate the School's fundraising performance.

The Development Office continued to raise funds for the Sixth Form Centre capital project and other development projects. The total amount raised for 2024 was £184,873 (2023: £290,948).

The School did not engage with a professional fundraiser in the year and is not a member of the fundraising body.

The School has a published complaints procedure, available on its website. The number of complaints received during the year in respect of fundraising was none.

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Aims and Intended Impact

Heathfield School aims to discover and develop every pupil's unique talents to enable them to excel.

Heathfield aims to foster:

- The confidence and self-belief to go beyond one's preconceived abilities academically, physically and spiritually;
- Authenticity, self-awareness and a desire to embrace each other's uniqueness and spirit;
- Compassion, empathy, understanding and lifelong friendship building respect for oneself and others;
- Good habits for life: work ethic, self-discipline, resilience, independence, integrity and courage based on strong moral values and having a go;
- Commitment to the community: selflessness, compassion and service to others.

These values are engendered through four central pillars of Community, Pastoral Care and Boarding, Teaching and Co-Curricular.

Objectives for the year

- To maintain and develop the School's academic performance
- To maintain and provide a first class boarding experience
- To continue to grow and boost admission numbers
- To continue to improve and increase awareness of the School and what it stands for at local, regional and national level

Strategies to achieve the year's objectives

The strategies to achieve the year's objectives have included:

Admissions

Day girls, first admitted in 2015-16, are now an established and vital part of the School population with numbers increasing steadily in line with our planned growth of the student roll. They are leading a full part in the life of the school alongside the School's boarders and have every opportunity to take part in all the activities on offer at Heathfield.

Weekly boarders were admitted for the first time in September 2022 in response to parental demands and Part time boarding, which allows pupils to board for the same 1, 2 or 3 nights per week per term was introduced in every year group in September 2024.

The Head continues to host prep head visits, and the School hosts prep school curriculum and non-curriculum events at Heathfield, aimed at increasing prep schools' awareness of what we offer and of our growing academic reputation.

Academic Strategy

During the year, we have continued to push forward with an over-arching strategy to improve our growing academic success at Heathfield, including more intensive individual monitoring of staff and pupils' performances in the classroom as well as monitoring girls' study time and their use of it more closely while providing complementary activities to enhance their learning, in the form of conferences and workshops at the school through to a greater variety of co-curricular activities.

Our Learning Support Department continues to provide expert help for girls who require additional support in one or several areas, ensuring that Heathfield's outstanding reputation for helping to fulfil the potential of each individual girl through our value added results is supported and enhanced at every level.

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Monitoring current pupils

Our individual monitoring of pupils to highlight their academic strengths and weaknesses, and to give them extra guidance where appropriate, is paying dividends in enabling staff to identify early the areas where girls need extra help. Staff can input such vital details about a child's performance into our monitoring and tracking system within the school's intranet so that they share their observations with their colleagues and areas of concern quickly become spotted and therefore acted on.

Monitoring also means that our gifted and talented programme for the brightest pupils has become more defined within the school and has encouraged and nurtured academic development in the brightest girls.

Scholarship programme

Our scholarship programme has continued to grow in profile inside and outside the school. The scholarships attract the brightest pupils to Heathfield, thus helping to improve our academic reputation. Regular monitoring to ensure each girl's potential is fulfilled also helps us to identify potential scholarship candidates from within the school who are able to compete for a scholarship at appropriate times.

Co-Curricular

Similarly, our co-curricular programme was developed to encourage and reflect an emphasis on academics. Making the programme increasingly Sixth Form-led has succeeded in its aim of giving the girls a greater sense of responsibility and helping them to develop leadership and team building qualities.

The initiatives held to highlight and praise the girls' academic achievements such as special assemblies and the

High Flyer awards are popular with the girls and have a positive effect on the girls' confidence as they take pride in their achievements.

STRATEGIC REPORT

Merger with The Mill Hill School Foundation

During the spring and summer of 2024, the Governors, Head and Bursar carried out a strategic review in light of the immediate and future impact of rising fuel costs, increases in National Minimum Wage and National Insurance rate and the introduction of VAT on fees accompanied with the loss of Business Rate Relief. Having carefully considered a range of options, the Board took the strategic decision to look for a suitable merger partner. Over the summer the Board initiated discussions with the Mill Hill Foundation, formally entering into Due Diligence in October 2024. Following detailed Due Diligence, the merger agreement was formally signed and contracts exchanged in February 2025. On completion on 1 September 2025, all assets and liabilities of Heathfield School will be transferred to the Mill Hill School Foundation. The future planning for Heathfield School will also pass to the Foundation. The Governors unanimously agreed that the merger, with a Foundation that has the same ethos, allows the school to better meet its objectives by providing greater financial stability, the opportunity for investment and collaboration and, as a consequence, the potential to improve outcomes for students.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Academic Achievements

The size of Heathfield ensures every pupil is known individually and enables our dedicated and talented teaching team to engage and motivate every pupil. Small class sizes and individual teaching boosts achievement, and our pupils benefit from a 4:1 teacher / pupil ratio. Personalised learning plans and performance monitoring help both staff and pupils to analyse progress.

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GOVERNORS' REPORT
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Academic life of a school is not just the learning that takes place in a classroom but the breadth and depth of activities both in and out of the classroom. Heathfield is renowned for its strong and vibrant creative and dramatic tradition. We are an academically ambitious and rigorous school where we prepare our pupils for careers which have not yet been discovered. Therefore, it is vital that our curriculum is skill based as well as ensuring that every pupil has the relevant academic qualifications to progress onwards to their future goals.

Our 2024 GCSE examinations resulted in successes across a broad range of subjects, with over 30% of all grades awarded at 9-8 with over 50% of grades 9-7. On average, students scored well over 1.32 grades higher in every subject when compared to their standardised Value Added Scores.

Our A Level students for their fantastic achievements. The results, spanning 17 diverse subjects, have students heading to top UK and international destinations of their choice including Bristol, Durham, Exeter, King's College London, Newcastle, the Royal Veterinary College London and the prestigious Glasgow School of Art. Students will be studying subjects from Biomedical Sciences, Economics, Law, Medicine and Politics to Anthropology, Art, Computer Science and Music, to name but a few. Others have chosen international destinations in the US, Greece and France.

Staff

The Governors wish to express their gratitude to the Head, the Bursar and all other members of the Staff for their continued dedication to the interests of the pupils of Heathfield School.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Governors consider that the School is on a sound financial footing, given the increasing pupil numbers year on year since 2018, and views the future with optimism, despite the challenges of the year due to the economic crisis. At the year end, the school held cash balances of £2,786,323 (2023: £686,088) and investments of £150,410 (2023: £1,501,463).

At 31 August 2024 the School had net assets of £12,217,682 (2023: £12,536,847), of which freehold property accounts for £12,591,374 (2023: £12,741,210). This is a vital area of focus for the School as the high quality facilities and living quarters are significant contributing factors in attracting new pupils.

During the year a net cash inflow of £2,100,235 (2023: outflow £565,134) occurred. Cash from operating activities was a net inflow of £1,538,087 (2023: inflow £94,360) in the year.

After depreciation and gains on investments, the School made a deficit of £319,165 (2023: deficit £469,891).

As a registered Charity any surpluses are applied for the benefit of the School.

Reserves Policy

The Governors' policy is to build up free reserves to meet demands for further expenditure out of annual operating surpluses to equip the School with the up-to-date facilities needed to improve and maintain the standard of educational services and sporting facilities. The Governors are of the opinion that the total reserves on the Income and Expenditure account of £12,217,682 (2023: £12,536,847) are sufficient to meet the school's obligations for the foreseeable future (see note 15 for note on reserves).

The Governors recognise the need to review the reserve levels of the school annually at the year-end as part of its medium-term budget planning. The Governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the School and to fund future projects, whilst maintaining

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FOR THE YEAR ENDED 31 AUGUST 2024

a contingency in the region of £1,000,000. The Governors intend to review the Reserves Policy annually to ensure that this aim can be achieved.

Investment Policy

The Governors' policy is to invest in secure forms of investment that provide a reasonable level of income. The Finance Sub-committee keeps under review the investment risks and rewards.

Going concern accounting Policy

The Governors have assessed whether the use of the going concern basis is appropriate as post year end the governors resolved to enter into a Merger Deed with the Mill Hill School Foundation, MHSF, and therefore from 1 September 2025 all assets and liabilities will transfer to MHSF.

On this basis the Governors have prepared the financial statements on a basis other than that of a going concern. No adjustments to the recognition or measurement of assets, liabilities or other transactions have been made as a result of the financial statements being prepared on a basis other than that of a going concern. No additional provisions have been recognised as a consequence of adopting a basis of preparation other than going concern.

Future Plans

The construction of a Sixth Form Study and Wellbeing Centre was completed in September 2022. The School is continually improving its facilities with smaller refurbishment projects as well as considering options for future capital plans which may include an additional classroom block, new sports hall and fitness suite and/or staff accommodation.

The School is continuing to raise academic standards and to attract academically able pupils to the School.

Post balance sheet events

On February 2025, following extensive discussion and Due Diligence, supported by the School's legal advisers, the Board of Governors resolved that it was in the best interests of Heathfield School to enter into a Merger Deed with the Mill Hill School Foundation (MHSF). The merger will complete on 1 September 2025. Under the terms of the merger, all assets and liabilities of Heathfield School will be transferred to MHSF.

The merger deed protects the individual character of the school whilst providing financial security and the opportunity for joint promotion and collaboration.

Following completion of the merger and full transfer of leases and other liabilities, Heathfield School will be struck off.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governing Body is responsible for the management of the risks faced by Heathfield. Detailed considerations of risk are assessed by senior staff for review by the relevant Sub-Committees and then centrally by the Governing Body. Risk is assessed in three categories; Strategic, Financial and Operational risk. Risks are identified, assessed and controls or mitigations established throughout the year. A formal review of the risk management process is undertaken on a rolling basis throughout each year.

The most significant risk to the charity, and indeed most independent schools, is a significant drop in pupil numbers, which would affect income. This is a matter that receives continuous attention. The risk is compounded by the government legislative changes to business rates relief and the addition of VAT to fees. Identified as significant risks with some mitigations available, this would increase operating costs and almost certainly lead to

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FOR THE YEAR ENDED 31 AUGUST 2024

increased fees, raising the risk of reduced pupil numbers even higher.

The highest costs to Heathfield are staff and pastoral costs which are paid in arrears. Conversely, school fees are received termly in advance resulting in a surplus of working capital. Any cash flow risk which will arise from the commission of any building projects will be reduced by extensive forward planning by the Governors, coupled with significant cash balances held by Heathfield which can be utilised as required.

Credit risk is the risk of financial loss to Heathfield if a fee payer fails to meet their obligations. Heathfield minimises this risk by taking deposits from each student and monitoring amounts not received on a regular basis.

Health and Safety is always a significant area for risk management. The risks range from fire to personal risks (most notably when away from the School on trips and expeditions). The risks associated with all activities are minimised by thorough planning and risk assessment.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. The charity's exposure to risk is reviewed consistently throughout the year.

The key controls used by the Charity include:

- Formal agenda for all Committee and Board activity
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable
- Formal written policies

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors, who are also the Trustees, are responsible for preparing a Governors' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024**

So far as each of the Governors are aware at the time the report is approved:

- there is no relevant information of which the company's auditors are unaware, and
- the Governors have each taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

BY ORDER OF THE BOARD

A handwritten signature in black ink that reads "Alex Popplewell". The signature is written in a cursive, flowing style.

Mr Alex Popplewell
Chair of the Governors

Date: 15 May 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEATHFIELD SCHOOL

for the year ended 31 August 2024

Opinion

We have audited the financial statements of Heathfield School ('the company') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to Note 1 in the financial statements which explains that on 1 September 2025 the operations of the school will be merged with the Mill Hill Foundation. Consequently all of the assets and liabilities of the Charitable Company will be transferred to the foundation and the Charitable Company will cease its operations. The Governors therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEATHFIELD SCHOOL
for the year ended 31 August 2024

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' annual report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEATHFIELD SCHOOL
for the year ended 31 August 2024

Auditor's Responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEATHFIELD SCHOOL
for the year ended 31 August 2024

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

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

Moore Kingston Smith LLP

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

Date 22 May 2025

6th Floor
9 Appold Street
London
EC2A 2AP

Heathfield School

STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure statement) for the year ended 31 August 2024

	Notes	Unrestricted / Designated funds £	Restricted funds £	Total 2024 £	Total 2023 £
INCOME FROM:					
Charitable Activities					
School fees	3	7,239,272	(253,329)	6,985,943	7,356,266
Other educational income	4	1,350,445	-	1,350,445	1,160,224
Other income					
Other trading income	5	159,258	-	159,258	126,330
Investments					
Investment Income	6	96,864	4,024	100,888	75,672
Voluntary sources					
Grants and donations	7	184,873	-	184,873	291,312
Total income and endowments		9,030,712	(249,305)	8,781,407	9,009,804
EXPENDITURE ON:					
Costs of raising funds					
Fundraising and development	8	415	-	415	65,085
Other trading costs		-	-	-	-
Interest and other costs		35,010	-	35,010	46,636
Charitable activities					
Education	8	8,933,731	-	8,933,731	9,271,844
Total expenditure	8	8,969,156	-	8,969,156	9,383,565
Net operating income/(expenditure)		61,556	(249,305)	(187,749)	(373,761)
Pension Provision change		(2,241)	-	(2,241)	(2,207)
Other Profit or Loss on sale of assets/property		(131,800)	-	(131,800)	500
Net gains on investments		5,426	(2,801)	2,625	(94,423)
		(128,615)	(2,801)	(131,416)	(96,130)
Net income/(expenditure)	19	(67,059)	(252,106)	(319,165)	(469,891)
Transfer between funds		-	-	-	-
Net movement in funds		(67,059)	(252,106)	(319,165)	(469,891)
Fund balances brought forward		12,284,741	252,106	12,536,847	13,006,738
Fund balances carried forward	19	12,217,682	-	12,217,682	12,536,847

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to activities that will be transferred to The Mill Hill School foundation on 1 September 2025, where they will continue.

The accompanying notes form part of these financial statements.

Heathfield School

BALANCE SHEET

as at 31 August 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Tangible assets	12	13,125,812	13,170,121
CURRENT ASSETS			
Investments	13	150,410	1,501,463
Stocks	14	32,194	34,645
Debtors	15	427,695	432,396
Cash at bank and in hand		<u>2,786,323</u>	<u>686,088</u>
		3,396,622	2,654,592
CREDITORS: Amounts falling due within one year	16	(3,065,847)	(2,167,688)
NET CURRENT LIABILITIES		330,775	486,904
TOTAL ASSETS LESS CURRENT LIABILITIES		13,456,587	13,657,025
CREDITORS: Amounts falling due after more than one year	17	(1,237,930)	(1,116,962)
PROVISIONS FOR LIABILITIES AND CHARGES		(975)	(3,216)
NET ASSETS		<u>12,217,682</u>	<u>12,536,847</u>
FUNDS			
Restricted funds	19	-	252,106
Unrestricted funds – general	19	12,217,682	12,284,741
		<u>12,217,682</u>	<u>12,536,847</u>

Approved and authorised for issue by the Board of Trustees on 15 May 2025 and signed on their behalf by:



Mr Alex Popplewell
Governor



Mr Steve Melcher
Governor

The accompanying notes form part of these financial statements.
Company Number: 00556463

Heathfield School

CASHFLOW STATEMENT

for the year ended 31 August 2024

CASH FLOW STATEMENT	Notes	2024 £	2023 £
Net cash inflow from operating activities	26	1,546,829	94,360
Cash flows from investing activities:			
Bank interest received		100,888	75,672
Interest paid		(35,010)	(46,636)
Proceeds from sale of investments		1,370,504	-
Proceeds from sale of fixed assets		-	-
Payments to acquire fixed assets		(328,266)	(435,904)
Payments to acquire investments		(17,210)	(102,626)
Net cash outflow from investing activities		<u>1,090,906</u>	<u>(509,494)</u>
Financing:			
Loans repaid		(537,500)	(150,000)
Net cash outflow from financing activities		<u>(537,500)</u>	<u>(150,000)</u>
Increase/(decrease) in cash		2,100,235	(565,134)
Cash and cash equivalents at the beginning of the reporting period		<u>686,088</u>	<u>1,251,222</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,786,323</u></u>	<u><u>686,088</u></u>

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

1 ACCOUNTING POLICIES

Heathfield School is a company limited by guarantee with registered number 00556463, incorporated and domiciled in England and Wales. Its registered office is Heathfield School, London Road, Ascot, Berkshire, SL5 8BQ.

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

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

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 GOING CONCERN

Post year end the governors resolved to enter into a Merger Deed with the Mill Hill School Foundation, MHSF, and therefore from 1 September 2025 all assets and liabilities will transfer to MHSF and the school will cease its operations.

As a result the financial statements have been prepared on a basis other than that of a going concern. No adjustments to the recognition or measurement of assets, liabilities or other transactions have been made as a result of the financial statements being prepared on a basis other than that of a going concern. No additional provisions have been recognised as a consequence of adopting a basis of preparation other than going concern.

1.3 INCOME

All income is recognised when the School has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

1.4 FEES RECEIVABLE AND SIMILAR INCOME

These represent fees charged to pupils with incidental fees and disbursements disclosed separately and are accounted for in the period in which the service is provided. Fees received in advance of education to be provided in future years are held as liabilities until either taken to income in the term when used or else refunded.

1.5 DONATIONS

All monetary donations are included in full in the statement of financial activities when received, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met. Donations receivable for the general purpose of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on Heathfield School's Governors.

The value of donated services and gifts in kind provided to the School are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the School can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the School's policies.

1.6 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and is classified under the following activity headings:

- Costs of raising funds comprise the finance costs incurred by the School.
- Expenditure on charitable activities includes the costs of the academic and pastoral care provided to the pupils.

Governance costs, which comprise the regulatory costs of running the charity, have been allocated wholly to the charitable activities of the School. All expenditure is inclusive of irrecoverable VAT.

1.7 GRANT MAKING POLICY

Bursaries from restricted funds are included as expenditure in the period for which the award is given. Bursaries and scholarships from unrestricted funds towards school fees at school are treated as a reduction in those fees.

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

1.8 FIXED ASSETS AND DEPRECIATION

The School prepares a budget for capital expenditure at the start of each academic year which is approved by the Finance Committee.

Assets that cost less than £2,500 are not capitalised and are written off in the year of purchase.

Depreciation is provided on cost less residual value at the following rates in order to write off assets over their estimated useful lives, which are

Freehold buildings - St Mary's Theatre and STEM building	-	50 years
Freehold buildings - Access road	-	10 years
Freehold buildings - Other	-	Not depreciated
Freehold buildings - Swimming pool	-	30 years
Equipment	-	5 to 10 years
Motor vehicles	-	5 years

The charity holds no inalienable or historic assets.

The policy for depreciating freehold buildings is to provide a charge of 2% on cost less residual value. However, no depreciation has been charged on the main school buildings as an annual impairment review is undertaken. This considers the maintenance programme to keep buildings in good repair, and an annual insurance review to identify any significant issues.

Assets costing more than £1,000 are capitalised and carried in the balance sheet at historical cost. Assets under the course of construction are not depreciated until they are complete and brought into use.

1.9 STOCKS

Stocks are stated at the lower of cost or net realisable value.

1.10 INVESTMENTS

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains/ (losses) on investments in the SOFA.

1.11 DEBTORS

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

1.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents 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.

1.13 CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the School 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

1.14 FINANCIAL INSTRUMENTS

The School has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the School's balance sheet when the School becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 12 and 13 for the debtor and creditor notes.

1.15 TAXATION

The company is a registered charity and is exempt from taxation as afforded by Section 505 ICTA 1988.

1.16 EMPLOYEE BENEFITS

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

1.17 PENSION COSTS

Retirement benefits to employees of the School are provided by Royal London for teachers and the TPT Retirement Solutions Independent Schools' Pension Scheme ('ISPS') for non-teaching staff. Both schemes are a defined contribution.

Contributions to the ISPS are expensed in the Statement of Financial Activities. See note 21 for details.

1.18 BENEFITS IN KIND AND GIFTS

Gifts donated to the school and any services provided by the Governors have been included in the financial statements.

1.19 OPERATING LEASES

Rentals paid under operating leases are charged against income on a straight line basis over the period of the lease.

1.20 FUND ACCOUNTING

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Restricted funds are created when donations are made either for a particular area or purpose, the use of which is restricted. Expenditure is charged to the Statement of Financial Activities when incurred.

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

2 KEY ESTIMATES & JUDGEMENTS

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Change in market value is an estimate. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a regular basis. In the view of the Governors, no assumptions concerning the estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying values.

3 FEE INCOME

The School's activities are carried out within the UK.

The school's fee income comprised:

	2024	2023
	£	£
Gross fees	7,749,067	7,960,445
Less: bursaries, scholarships and discounts	(763,124)	(604,168)
	<u>6,985,943</u>	<u>7,356,277</u>

Included within the above is an amount of £nil (2023: £nil) which relates to restricted income.

4 OTHER EDUCATIONAL INCOME

	2024	2023
	£	£
Extras and disbursements	632,053	625,813
Registration fees	21,779	23,000
Fees in lieu of notice	54,013	109,005
Summer school income	642,600	405,946
	<u>1,350,445</u>	<u>1,163,764</u>

5 OTHER INCOME

	2024	2023
	£	£
Rent and lettings	159,258	126,330
	<u>27,458</u>	<u>126,330</u>

Included within the above is an amount of £nil (2023: £nil) which relates to restricted income.

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

6 INVESTMENT INCOME

	2024 £	2023 £
Interest received	100,888	75,672
	<u>100,888</u>	<u>75,672</u>

Included within the above is an amount of £4,024 (2023: £12,683) which relates to restricted income.

7 DONATIONS AND GRANTS

	2024 £	2023 £
Donations and gifts	<u>184,873</u>	<u>291,312</u>

Included within the above is an amount of £nil (2023: £nil) which relates to restricted income.

8 EXPENDITURE

(a) Costs of Raising Funds	Staff costs (note 9) £	Other £	Depreciation £	Total 2024 £
Trading costs	-	415	-	415
Finance costs	-	35,010	-	35,010
Total Costs of Raising Funds	<u>-</u>	<u>35,425</u>	<u>-</u>	<u>35,425</u>
Charitable expenditure	Staff costs (note 9) £	Other £	Depreciation £	Total 2024 £
Teaching	3,390,413	1,641,523	-	5,031,936
Premises	1,068,266	748,083	372,575	2,188,924
Administration	947,655	744,174	-	1,691,829
Governance	-	21,042	-	21,042
Total Charitable Expenditure	<u>5,406,334</u>	<u>3,154,822</u>	<u>372,575</u>	<u>8,933,731</u>
Total Expended	<u>5,406,334</u>	<u>3,190,247</u>	<u>372,575</u>	<u>8,969,156</u>

Included within Staff Costs and Other Charitable Expenditure is an amount of £nil (2023: £nil) relating to restricted expenditure.

Costs of Raising Funds	Staff costs (note 9) £	Other £	Depreciation £	Total 2023 £
Trading costs	-	65,085	-	65,085
Finance costs	-	40,458	-	40,458
Total Costs of Raising Funds	<u>-</u>	<u>105,543</u>	<u>-</u>	<u>105,543</u>
Charitable expenditure	Staff costs (note 9) £	Other £	Depreciation £	Total 2023 £
Teaching	3,218,957	1,579,879	-	4,798,836
Premises	1,082,956	799,798	369,048	2,251,802
Administration	1,124,345	902,767	-	2,027,112
Governance	-	593,874	-	593,874
Total Charitable Expenditure	<u>5,426,258</u>	<u>3,876,318</u>	<u>369,048</u>	<u>9,671,624</u>
Total Expended	<u>5,426,258</u>	<u>3,981,861</u>	<u>369,048</u>	<u>9,777,167</u>

(b) Other Governance Costs include:	2024 £	2023 £
Auditors' remuneration		
- Audit Fees	37,027	24,567
Legal and Professional Fees	<u>(18,716)</u>	<u>569,307</u>

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

	2024	2023
	£	£
(c) Administration Costs		
Salaries	712,633	698,807
National Insurance	68,830	71,563
Pension Costs	47,909	50,678
Redundancy Costs	-	23,882
Other Staff Costs	192	3,750
Other Staff Related Costs	118,091	275,665
Subscriptions	20,225	19,079
Staff travel	3,600	4,823
Operating Leases	121,770	77,330
IT support	86,295	81,611
Postage and stationery	13,727	17,544
Telephones	17,603	20,963
Marketing and advertising	172,990	194,040
Bad debts	123,829	27,742
Recruitment Costs	2,889	-
Other Administration Costs	168,171	454,670
Bank charges and interest	7,307	4,965
	<u>1,691,829</u>	<u>2,027,112</u>

9 STAFF COSTS	2024	2023
	£	£
Wages and salaries	4,301,270	4,331,300
Redundancy and settlement costs	-	23,882
Social security costs	425,650	430,261
Other pension costs	502,342	475,635
Other staff costs	177,072	62,873
Temporary and agency staff costs		102,307
	<u>5,406,334</u>	<u>5,426,258</u>

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

	2024	2023
	No.	No.
Teaching	63	55
Welfare	77	81
	<u>140</u>	<u>136</u>

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	2024	2023
	No.	No.
£60,000 - £70,000	2	2
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
£100,001 - £110,00	1	1
	<u>5</u>	<u>4</u>

Pension contributions for the year amounted to £60,113 (2023: £40,102) for these employees.

10 TRUSTEES AND GOVERNORS REMUNERATION AND BENEFITS

There were no Trustees' or Governors' remuneration or other benefits for the year ended 31 August 2024 nor for the year ended 31 August 2023.

Expenses totalling £11 (2023: £nil) for trustees and governors were paid by the charity during the year.

The charity considers that the key management personnel comprise the governors and the senior leadership team - who are the Headmistress, Deputy Head (Pastoral & Boarding), Assistant Head (Co-curricular), Deputy Head (Academic), Assistant Head (Pastoral and Boarding), Assistant Head (Operations), Bursar & Clerk to the Governors, and the Director of Marketing & Admissions. The total employee benefits including pension costs of the key management personnel of the school were £738,486 (2023: £827,562).

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

11 NET INCOME FOR THE YEAR

	2024 £	2023 £
Net income is stated after charging:		
Depreciation of tangible fixed assets	372,575	369,048
Operating lease rentals – other	121,770	77,330
Auditor's remuneration		
Audit services for the school- current year	27,000	24,567
Audit services for the school- prior year underprovision	10,027	-

12 TANGIBLE FIXED ASSETS

	Freehold Property £	Equipment £	Motor Vehicles £	Total £
Cost:				
At 1 September 2023	15,173,505	3,637,040	-	18,810,545
Additions	69,011	242,505	16,750	328,266
Disposals	-	(208,601)	-	(208,601)
At 31 August 2024	<u>15,242,516</u>	<u>3,670,944</u>	<u>16,750</u>	<u>18,930,210</u>
Depreciation:				
At 1 September 2023	2,432,295	3,208,129	-	5,640,424
Charge for year	218,847	153,449	279	372,575
Disposals	-	(208,601)	-	(208,601)
At 31 August 2024	<u>2,651,142</u>	<u>3,152,977</u>	<u>279</u>	<u>5,804,398</u>
Net book value:				
At 31 August 2024	<u>12,591,374</u>	<u>517,967</u>	<u>16,471</u>	<u>13,125,812</u>
At 1 September 2023	<u>12,741,210</u>	<u>428,911</u>	<u>-</u>	<u>13,170,121</u>

The insured value of the Main School (including the Sixth Form Centre and STEM block), Sports Hall, Swimming Pool, St Mary's Theatre and other buildings is £58,320,000.

All tangible fixed assets are used for direct charitable purposes. The school does not own or have the use of any inalienable or historic assets. No impairment of the freehold property was evident, which has been confirmed by the insurance valuation. The School has an outstanding Coronavirus Business Interruption Loan with Barclays. Security of the loan is held on three separate residential properties held off the School site.

13 INVESTMENTS

	Investment properties £	Other investments £	2024 £	2023 £
Cost/valuation At 1 September 2023	900,000	601,463	1,501,463	593,260
Additions	17,210	-	17,210	1,002,626
Disposals	(635,000)	(604,088)	(1,239,088)	-
Gains/(Losses) arising from movements in valuations	(131,800)	2,625	(129,175)	(94,423)
Cost/valuation At 31 August 2024	<u>150,410</u>	<u>-</u>	<u>150,410</u>	<u>1,501,463</u>
Historical cost	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>1,464,555</u>

Of the other investments held £nil (2023: £344,056) relates to Fidelity Investments which is listed on the London Stock Exchange. The balance related to M&G Charibond and Charifund acquired in 2022.

14 STOCK

	2024 £	2023 £
Household and consumable materials	32,194	34,645
	<u>32,194</u>	<u>34,645</u>

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

15 DEBTORS

	2024 £	2023 £
Fees and extras	249,039	196,253
Less provision for doubtful debts	(116,544)	(128,931)
Other debtors	7,520	2,057
Prepayments and accrued income	287,680	363,017
	<u>427,695</u>	<u>432,396</u>

16 CREDITORS

Amounts falling due within one year:	2024 £	2023 £
Loans	-	150,000
Trade creditors	526,311	366,938
Taxation and social security costs	211,610	168,500
Fee Deposits	109,369	73,138
Fees in advance	2,030,358	991,590
Other creditors	107,089	51,521
Accruals	81,110	366,001
Amounts payable under finance leases	-	-
	<u>3,065,847</u>	<u>2,167,688</u>

Deferred income:	2024 £	2023 £
Brought forwards	991,590	1,311,827
Released in year	(991,590)	(1,311,827)
Received in year	2,030,358	991,590
	<u>2,030,358</u>	<u>991,590</u>

Deferred income relates to schools fees received in advance.

17 CREDITORS DUE AFTER ONE YEAR

Amounts falling due after more than one year:	2024 £	2023 £
Bank loan	-	387,500
School fee deposits	508,750	658,394
Fees in advance	729,180	71,068
	<u>1,237,930</u>	<u>1,116,962</u>

Loans repayable:	2024 £	2023 £
In one year or less	-	150,000
Between one and two years	-	387,500
	<u>-</u>	<u>537,500</u>

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

17 CREDITORS DUE AFTER ONE YEAR (continued)

	2024 £	2023 £
Fee deposits repayable:		
In one year or less	109,369	75,239
Between one and two years	141,614	71,139
Between two and five years	251,732	510,965
In five years or more	115,404	76,290
	618,119	733,633
	2024 £	2023 £
Fee paid in advance repayable:		
In one year or less	2,030,358	991,590
Between one and two years	729,180	71,068
Between two and five years	-	-
In five years or more	-	-
	2,759,538	1,062,658

In 2021, the school obtained a loan from Barclays Bank plc under the Government's Coronavirus Business Interruption Loan scheme. Interest is payable at Bank of England base rate plus 3.35% from December 2021 and the loan is repayable by November 2026. The amount due in more than five years is £nil (2023: £nil). There is a charge outstanding over properties owned by the School in relation to these loans.

18 PROVISION FOR LIABILITIES

	2024 £	2023 £
Balance at 1 September	3,216	5,423
Released in year (see note 21)	(2,241)	(2,207)
	975	3,216

19 STATEMENT OF FUNDS

	At 1 September 2023 £	Income £	Expenditure £	Gains/ (losses) £	At 31 August 2024 £
Unrestricted funds:					
General reserve	12,284,741	9,030,712	(8,969,156)	(128,615)	12,217,682
Restricted funds:					
St Mary's Wantage Bursary Fund	252,106	4,024	(253,329)	(2,801)	-
Total restricted	252,106	4,024	(253,329)	(2,801)	-
Total funds	12,536,847	9,034,736	(9,222,485)	(131,416)	12,217,682

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

19 STATEMENT OF FUNDS (continued)

	At 1 September 2022	Income	Expenditure	Gains/ (losses)	At 31 August 2023
	£	£	£	£	£
Unrestricted funds:					
General reserve	12,754,218	8,997,121	(9,385,272)	(81,326)	12,284,741
Restricted funds:					
St Mary's Wantage Bursary Fund	252,520	12,683	-	(13,097)	252,106
Total restricted	252,520	12,683	-	(13,097)	252,106
Total funds	13,006,738	9,009,804	(9,385,272)	(94,423)	12,536,847

Restricted funds

Restricted funds relate to St Mary's Wantage Bursary Fund which supports bursaries given to pupils at the School. This fund was fully divested in the year and expended against bursaries.

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2024 Total £
Tangible fixed assets	13,125,812	-	13,125,812
Current assets	3,396,622	-	3,396,622
Current liabilities	(3,065,847)	-	(3,065,847)
Long term liabilities	(1,237,930)	-	(1,237,930)
Provisions	(975)	-	(975)
Total net assets	12,217,682	-	12,217,682
	Unrestricted funds £	Restricted funds £	2023 Total £
Tangible fixed assets	13,170,121	-	13,170,121
Current assets	2,402,486	252,106	2,654,592
Current liabilities	(2,167,688)	-	(2,167,688)
Long term liabilities	(1,116,962)	-	(1,116,962)
Provisions	(3,216)	-	(3,216)
Total net assets	12,284,741	252,106	12,536,847

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

21 PENSION OBLIGATIONS

The School employees belong to two principal pension schemes: Royal London Scheme for teaching staff; and TPT Retirement Solutions Independent Schools' Pension Scheme (ISPS) for non-teaching staff. Both are defined contribution schemes. In addition, a small number of employees belong to TPT Retirement Solutions Growth Plan (TPTGP) defined benefit scheme however this is closed to new members.

TPT Retirement Solutions

The School participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the School to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme of £3,312,000 per annum. This is payable monthly from 1 April 2022 to 31 January 2025.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities. Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Reconciliation of opening and closing provision:

	2024	2023
Provision at start of period	3,216	5,423
Unwinding of discount factor (interest expense)	118	185
Deficit contribution paid	(2,360)	(2,360)
Remeasurements - impact of change in assumptions	1	(32)
	<u>975</u>	<u>3,216</u>

Income and expenditure impact:

	2024	2023
Interest expense	118	185
Remeasurements - impact of change in assumptions	1	(32)
	<u>119</u>	<u>153</u>

All movements on the pension provision are recognised in the Statement of Financial Activities as staff costs.

22 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2024, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
Due within one year	60,838	24,097
Due between two and five years	196,926	64,879
	<u>257,764</u>	<u>88,976</u>

23 INDEMNITY INSURANCE

During the year the company purchased insurance for the directors of the school against liabilities arising from negligence in relation to the company as permitted under section 233 of the Companies Act 2006 with the approval of the Charities Commission. £45,607 (2023: £36,996) was paid for an all risks combined liability insurance policy. Included in this was public liability insurance and professional indemnity insurance relating to the trustees.

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

24 CAPITAL COMMITMENTS

The School had capital commitments of £nil (2023: £nil) at 31 August 2024.

25 CONTROL

The company is controlled by its Board of Governors.

As the company is limited by guarantee, in the event of winding up the members will be required to pay £1.

26 NOTES TO THE CASHFLOW STATEMENT

	2024	2023
	£	£
Reconciliation of operating result to net cash inflow from operating activities		
Net movement in funds	(319,165)	(469,891)
(Gains)/ Losses on investments	(2,241)	94,423
Depreciation	372,575	368,558
Amortisation	-	-
Bank interest received	(100,888)	(75,672)
Dividends received	-	-
Interest payable	35,010	46,636
Profit/(Loss) on sale of Fixed Assets	-	-
Increase/(Decrease) in creditors	1,556,627	41,455
(Increase)/Decrease in debtors	4,701	102,517
(Increase)/Decrease in stocks	2,451	(11,459)
Increase/(Decrease) in provision	(2,241)	(2,207)
	<hr/> 1,546,829	<hr/> 94,360

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

NOT TO BE FILED - DETAILED INCOME BREAKDOWN

	2024		2023	
	£	£	£	£
Income				
Standard fees		7,749,067		7,973,645
Bursaries				
Staff Discounts	626,078		464,294	
Sibling Discounts	137,046		139,874	
Early Payment Discount				
Scholarship Discount				
Resales and Disbursements				
		(763,124)		(604,168)
		<u>6,985,943</u>		<u>7,369,477</u>
Extras and Disbursements		632,053		625,813
		<u>7,617,996</u>		<u>7,995,290</u>
Other Operating Income				
Registration Fees		21,779		23,000
Fees in Lieu of Notice		54,013		109,005
Sundry / other		642,600		405,946
		718,392		537,951
Incoming resources from generated funds:				
Donations and Grants		184,873		188,686
Investment income		96,864		75,672
Other :-				
Trading income		-		-
Profit / (Loss) on sale of fixed assets	(131,800)			-
Other trading rental income	159,258		126,330	
		<u>27,458</u>		<u>126,330</u>
Total Incoming Resources		<u><u>8,645,583</u></u>		<u><u>8,923,929</u></u>

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

NOT TO BE FILLED - DETAILED EXPENDITURE BREAKDOWN

	2024 £	2023 £
Teaching Costs		
Salaries	2,701,618	2,575,370
National Insurance	283,408	268,851
Pension Costs	405,387	374,735
Depreciation	-	-
Redundancy Costs	-	-
Other Staff Costs	-	-
Catering Costs	678,640	629,128
School transport	-	-
IT expenditure	-	-
Trip expenditure	140,751	159,770
Classroom expenditure	187,526	181,663
Swimming	-	-
Sport facilities hire	-	-
Trips out	-	-
Activities	4,137	3,687
Insurance	3,936	6,021
Uniform	-	-
Miscellaneous	38,876	62,294
Recruitment Costs	-	-
Other Teaching	587,657	537,316
Donations and grants	-	-
	5,031,936	4,798,835
	2024 £	2023 £
Welfare Costs		
Salaries	115,965	671,357
National Insurance	52,228	55,408
Pension Costs	36,364	34,963
Redundancy Costs	-	-
Other Staff Costs	-	-
Catering Contracts	-	-
Catering Govs/Head/Staff	-	-
Catering Equipment	-	-
Laundry and Cleaning Costs	1,510	1,208
First Aid	17,154	33,912
Staff wellbeing	-	-
Recruitment Costs	-	-
Other Welfare	82,036	91,552
	305,257	888,400
	2024 £	2023 £
Premises and Estates Costs		
Salaries	771,054	192,497
National Insurance	21,184	18,826
Pension Costs	12,682	11,098
Redundancy Costs	-	-
Other Staff Costs	40,770	36,216
Repairs and renewals	20,040	19,376
Grounds	11,705	21,447
Rent	-	-
Maintenance	161,085	167,478
Rates	-	-
Utilities	353,642	374,281
Insurance	66,158	52,403
Health and Safety	9,731	13,141
Motor expenses	-	-
Depreciation	372,575	369,048
Recruitment Costs	18,019	10,920
Other Premises	25,022	25,000
	1,883,667	1,311,731

Heathfield School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

NOT TO BE FILLED - DETAILED EXPENDITURE BREAKDOWN

	2024	2023
	£	£
Finance and Administration Costs		
Salaries	712,633	681,804
National Insurance	68,830	69,635
Pension Costs	47,909	49,998
Redundancy Costs	-	23,882
Other Staff Costs	192	3,750
Staff Training	-	-
Other Staff Related Costs	118,091	148,098
Subscriptions	20,225	19,079
Staff travel	3,600	4,823
Staff Uniform	-	-
Operating Leases	121,770	77,330
IT support	86,295	81,611
Postage and stationery	13,727	17,544
Telephones	17,603	20,963
Marketing and advertising	172,990	194,040
Website	-	-
Memberships	-	-
Inspection costs	-	-
Miscellaneous - Administration	5,768	-
Bad debts	123,829	27,742
Depreciation	-	-
Recruitment Costs	2,889	-
Legal and Professional Fees	-	-
Other Administration Costs	168,171	454,670
Bank charges and interest	42,317	45,423
Loan Interest	-	-
Other Finance	-	-
	1,726,839	1,920,392
	2024	2023
	£	£
Trading Costs		
Trading Costs	-	-
Fund Raising Costs	415	65,085
Marketing Costs	-	19,611
Investment Management Costs	-	-
Other Trading Costs	-	-
	415	84,696
	2024	2023
	£	£
Governance Costs		
Salaries	-	-
National Insurance	-	-
Pension Costs	-	-
Redundancy Costs	-	-
Other Staff Costs	-	-
Audit	37,027	24,567
Accountancy	-	-
Professional fees	(18,716)	71,422
Recruitment Costs	-	-
Other Governance	2,731	23,084
Auditors Remuneration	-	-
	21,042	119,073
Total Costs of Charitable Activities	8,969,156	9,123,127

HEATHFIELD SCHOOL

England & Wales - Charity number 309086

Accounts



**GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)



**Company Registration No. 00556463
Registered Charity No. 309086**

**HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
KEY EXECUTIVES AND PROFESSIONAL ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2023**

Key executives and Professional Advisors

HEADMISTRESS: Mrs S Rollings

BURSAR: Mrs R Frier

SENIOR LEADERSHIP TEAM:	Ms L Scott	Deputy Head (Pastoral and Boarding)
	Mr D Mitchell	Deputy Head (Academic)
	Miss W Reynolds	Assistant Head (Co-curricular)
	Ms A Morgan	Director of Marketing and Admissions
	Mr A Valner	Assistant Head (Pastoral and Boarding)
	Miss C Wells	Assistant Head (Operations)

BANKERS: Barclays Bank Plc

SOLICITORS: VWV
Orchard Court
Orchard Lane
Bristol
BS1 5WS

AUDITORS: Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

COMPANY SECRETARY: Mrs R Frier

REGISTERED OFFICE: Heathfield School
London Road
Ascot
Berkshire
SL5 8BQ

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Governors present their annual report for the year ended 31 August 2023 under the Companies Act 2006, together with the audited accounts for the year, and confirms that the latter comply with the requirements of the Act, the memorandum and articles of association and the Charities SORP 2015.

REFERENCE AND ADMINISTRATIVE INFORMATION

The School was founded in 1899 and became a Charity in 1955 and is registered with the Charity Commission under Charity number 309086. The School is also a company limited by guarantee registered number 556463 (England and Wales). The Trustees of the charity are also Directors of the company and are referred to as Governors in this Report. The Governors are listed below and the executive officers, professional advisors and principal addresses of the Charity are listed on page 1.

Principal activities of the year

The School provides education in Ascot for girls from the ages of 11 to 18, and also runs a summer school and camp for local and overseas students.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

Governors

The members of the Governing Body are detailed below. The Governing Body is self-appointing. Each Governor is elected for three years and retiring Governors are able to stand for re-election. The number of serving Governors shall not be fewer than ten or exceed twenty.

Organisational Management

The School's Governors, who are also the Charity Trustees and the Company Directors, are legally responsible for the overall management and control of the School and meet at least three times a year. The work of implementing most of their policies is carried out by the members of the five following subcommittees: Finance, Buildings & Development, Educational, Pastoral and Compliance, Marketing, Admissions & Communications, Development and Nominations which meet at regular intervals during the year.

The day-to-day running of the school is delegated to the Headmistress, supported by the senior management team, together with the Bursar. The Headmistress and the Bursar attend meetings of the above committees.

At the date of approval of the financial statements the School Governors are as follows:

Name	Position
Mr Tom Cross Brown (resigned 31 July 2023)	Chair of the Council, Chair N
Mr Alex Popplewell (appointed 17 April 2023)	Chair of the Council, Chair N, F, Chair D
The Revd Canon Dr Philip Ursell (resigned 1 December 2022)	
Mr Steve Melcher	Chair of F, D
Miss Charlotte Faber	Chair of MAC, N
Mrs Sally Tulk-Hart	MAC, EPC
Mrs Sarah Collister (appointed 29 June 2023)	EPC
Mr Guy Egerton-Smith	Chair BD, F
Hon Mrs Frances Stanley (resigned 6 July 2024)	D
Mr Robert Gregory	N
Mrs Annabelle More O'Ferrall	EPC
Mrs Suzie Cullen	MAC

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

Name	Position
Mrs Anne Lynch	Chair EPC
Mrs Poppy Hughes (appointed 12 March 2024)	F
Mr Tony Leggett (appointed 12 March 2024)	F
Mrs Karen Hurt (resigned 1 November 2023)	
Lady Katharine Colquhoun (appointed 26 June 2024)	EPC

Key:

Buildings & Development Sub-committee = BD
Marketing, Admissions & Communications Sub-committee = MAC
Nominations Sub-committee = N
Education, Pastoral & Compliance Sub-committee = EPC
Finance Sub-committee = F
Development Sub-committee = D

Recruitment and Training of Governors

Potential Governors are identified by members of the Governing Body which seeks to achieve a balance of experience and background in secondary education, finance, business, law, facilities & property management, human resources management, marketing & PR and health & safety compliance. New candidates tour the School and meet the Headmistress and other existing Governors. They are proposed by the Nominations Committee. Once appointed, new Governors are inducted into the workings of the School including Board Policy and Procedures. Training is regularly offered to all Governors on various topics including child protection and safeguarding training. Governors are encouraged to attend external seminars and course to keep them informed and updated on current issues in the sector and regulatory requirements. This includes events run by AGBIS, ISC, ISBA and professional firms.

Key management personnel remuneration

The remuneration of key management personnel (being the Headmistress and Bursar) is set by the Governors, with the objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly for their individual contributions to the success of the School. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to benchmarking information to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our expenditure.

The School is committed to ensuring equality of opportunity through the creation of an environment in which individuals are treated on the basis of their relevant merits and abilities. The School respects all its members and values the harmonious relationships between them. As a community we are committed to the active promotion of equality between all who live, study or work in the School. Provision is made for individuals with a particular disability and religious, dietary, language or cultural needs, as appropriate.

Consultation with employees at all levels ensures that the views of employees are taken into account when decisions are made that are likely to affect their interests. All staff are briefed at the beginning of each term with shorter briefing sessions held once a week. The Senior Leadership Team meet once a week to discuss strategic plans; there are regular Heads of Department and Heads of Year meetings where teaching and learning strategies are discussed, as well as weekly meetings with Boarding staff.

Chapel

The Chapel provides a place of peace and quiet reflection, where pupils' spiritual development can begin. Our Chapel is the spiritual centre of the school and is often at the core of people's memories of the school when they leave, and the place they come back to first when they return to visit. Dedicated in 1904, the Chapel was

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

built in the Victorian Gothic style with collegiate seating. Chapel follows current Anglican practice, yet it is a place for all the school community regardless of faith or belief.

The Chaplain is a central figure in school life who leads Chapel services during the week, on Sundays and on special occasions. The Chaplain is available to all members of the school community and the school's extended community for pastoral care.

Related parties and other connected charities and organisations

The Heathfield Fellowship is a separate entity which continues to raise money to enable pupils to attend the school by way of bursarial support.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The objects for which the Association is established are to advance education and training by:

- The provision and conduct, in the UK or abroad, of a school or schools for girls under the name of Heathfield School to be conducted in accordance with the traditions of the Church of England including the Anglo-Catholic tradition; and
- Insofar as it is incidental or ancillary to the advancement of education, such other means for the benefit of the local community as shall be exclusively charitable.

These are set out in the School's governing document – the Memorandum and Articles of Association of Heathfield School dated 18 October 1955 as amended March 2009.

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the School's aims and objectives and in planning future activities.

Public Benefit Activities

The Governors have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The School is committed to ensuring that it is meeting its main aim and its charitable objective. The School's aims for the public benefit are:

- To recognise the need to respond to the challenge of change by giving all members of its community the opportunity to develop, by continual improvement of its facilities and by fostering links with the wider community.
- To optimise its resources and recognise its responsibilities for administering its charitable funds efficiently and for the benefit of the School and the wider community.

The Governors are committed to widening access to the School and welcomes pupils from all backgrounds. Each pupil to whom support is offered must, in the opinion of the Headmistress, be likely to make sound academic progress following admission, possess the potential to develop the quality of her work and benefit from participation in the wider, extra-curricular activities on offer at the School. The availability of bursaries is publicised on the School's website. The Governors' policy is to award bursaries on a means tested basis only. The bursaries are available to provide financial support for up to 100% of the annual fees. During 2023 a total of £464,294 (2022: £441,808) was awarded in bursaries to 29 (2022: 24) pupils. Many more applications are received than the School can reasonably support.

The School works closely with a number of other partner charities that help identify pupils who could benefit substantively from the education and pastoral support that the School can provide. 6 pupils (2022: 9) receive significant contributions towards their fees from these external grant-making bodies which resulted in full

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FOR THE YEAR ENDED 31 AUGUST 2023

remission of their tuition fees.

The School actively supports the local community, charities and associations by making its facilities available at less than cost price or free to a variety of different clubs and organisations. This provision is inevitably limited by boarders use and the safeguarding restrictions of operating a small boarding school. The School has started to develop links with local maintained schools. Some specific examples of the School's outreach programme are:

- Two members of the Senior Leadership Team volunteered as Governors at local maintained schools.
- The school ran several Prep Schools Swimming Galas, Prep Schools Choir competition and a Prep Schools Lacrosse coaching session event.
- Free places were offered to pupils receiving free school meals from local maintained schools to attend Heathfield's Summer Camp.
- Sixth Form students visited a local maintained primary school on a regular basis to help with their reading lessons.
- Text books were donated to a maintained secondary school in Surrey as well as the OSCAR Foundation in India.
- A local Alzheimer's fundraiser is given a table at our Christmas bazaar free of charge to raise funds for their chosen charity.
- Local maintained senior schools attended a number of guest speaker events.
- Members of staff are qualified school inspectors and are permitted time off from their Heathfield role to regularly carry out inspections of other schools.

Heathfield pupils also participate in the Duke of Edinburgh's Award scheme at Bronze, Silver and Gold level. Our pupils have contributed over 200 hours of volunteering during the year.

Our pupils also raised over £24,000 for local, national and international charities throughout the year through a variety of fundraising activities including charity concerts, a Christmas fair, cake sales, poppy sales for the British Legion and non-uniform days.

The swimming pool is host to many local communities and organisations. Schools including Kennel Lane, and Natures Nursery used the facility at various times throughout the year. In addition to these schools, there are a number of clubs that use the pool on a regular basis. These include, Scuba Trust, Bracknell and Wokingham Swimming Club and Windsor Swimming Club. Frogs and Friends Swimming School regularly run lessons at the pool as part of their 'learn to swim' programme which is offered to children in and around the local area.

The swimming pool is also used for training as well as tuition. NPLQ (National Pool Lifeguard Qualification) and Swimming Teacher courses are held at the pool and are open to members of the local community.

Fundraising performance

The School views fundraising as a very important source of additional income to enable fees to be kept as low as possible and to reduce reliance on single income streams. The trustees are fully aware of their individual responsibility and accountability to ensure that the School fundraises legally, responsibly and effectively. They are aware of the Charity Commission CC20 guidance and use this and the accompanying checklist to help them evaluate the School's fundraising performance.

The Development Office continued to raise funds for the Sixth Form Centre capital project and other development projects. The total amount raised for 2023 was £188,686 (2022: £365,927).

The School did not engage with a professional fundraiser in the year and is not a member of the fundraising body.

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GOVERNORS' REPORT
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The School has a published complaints procedure, available on its website. The number of complaints received during the year in respect of fundraising was none.

Aims and Intended Impact

Heathfield School aims to discover and develop every pupil's unique talents to enable them to excel.

Heathfield aims to foster:

- The confidence and self-belief to go beyond one's preconceived abilities academically, physically and spiritually;
- Authenticity, self-awareness and a desire to embrace each other's uniqueness and spirit;
- Compassion, empathy, understanding and lifelong friendship building respect for oneself and others;
- Good habits for life: work ethic, self-discipline, resilience, independence, integrity and courage based on strong moral values and having a go;
- Commitment to the community: selflessness, compassion and service to others.

These values are engendered through four central pillars of Community, Pastoral Care and Boarding, Teaching and Co-Curricular

Objectives for the year

- To maintain and develop the School's academic performance
- To maintain and provide a first class boarding experience
- To continue to grow and boost admission numbers
- To continue to improve and increase awareness of the School and what it stands for at local, regional and national level

Strategies to achieve the year's objectives

The strategies to achieve the year's objectives have included:

Admissions

Day girls, first admitted in 2015-16, are now an established and vital part of the School population with numbers increasing steadily in line with our planned growth of the student roll. They are leading a full part in the life of the school alongside the School's boarders and have every opportunity to take part in all the activities on offer at Heathfield.

Weekly boarders were admitted for the first time in September 2022 in response to parental demands and an "Introduction to Boarding" for day pupils in Forms 1 and 2 (Year 7 and 8), which allows them to board for the same 2 or 3 nights per week over a period of time, was introduced in the Summer term 2023. Part time boarding, which allows pupils to board for the same 1, 2 or 3 nights per week per term will be introduced in every year group in September 2024.

The Headmistress continues to host prep head visits, and the School hosts prep school curriculum and non-curriculum events at Heathfield, aimed at increasing prep schools' awareness of what we offer and of our growing academic reputation.

Academic Strategy

During the year, we have continued to push forward with an over-arching strategy to improve our growing academic success at Heathfield, including more intensive individual monitoring of staff and pupils' performances in the classroom as well as monitoring girls' study time and their use of it more closely while providing complementary activities to enhance their learning, in the form of conferences and workshops at the school through to a greater variety of co-curricular activities.

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

Our Learning Support Department continues to provide expert help for girls who require additional support in one or several areas, ensuring that Heathfield's outstanding reputation for helping to fulfil the potential of each individual girl through our value added results is supported and enhanced at every level.

Monitoring current pupils

Our individual monitoring of pupils to highlight their academic strengths and weaknesses, and to give them extra guidance where appropriate, is paying dividends in enabling staff to identify early the areas where girls need extra help. Staff can input such vital details about a child's performance into our monitoring and tracking system within the school's intranet so that they share their observations with their colleagues and areas of concern quickly become spotted and therefore acted on.

Monitoring also means that our gifted and talented programme for the brightest pupils has become more defined within the school and has encouraged and nurtured academic development in the brightest girls.

Scholarship programme

Our scholarship programme has continued to grow in profile inside and outside the school. The scholarships attract the brightest pupils to Heathfield, thus helping to improve our academic reputation. Regular monitoring to ensure each girl's potential is fulfilled also helps us to identify potential scholarship candidates from within the school who are able to compete for a scholarship at appropriate times.

Co-Curricular

Similarly, our co-curricular programme was developed to encourage and reflect an emphasis on academics. Making the programme increasingly Sixth Form-led has succeeded in its aim of giving the girls a greater sense of responsibility and helping them to develop leadership and team building qualities.

The initiatives held to highlight and praise the girls' academic achievements such as special assemblies and the

High Flyer awards are popular with the girls and have a positive effect on the girls' confidence as they take pride in their achievements.

STRATEGIC REPORT

The following sections of this report constitute the Strategic Report.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Academic Achievements

The size of Heathfield ensures every pupil is known individually and enables our dedicated and talented teaching team to engage and motivate every pupil. Small class sizes and individual teaching boosts achievement, and our pupils benefit from a 4:1 teacher / pupil ratio. Personalised learning plans and performance monitoring help both staff and pupils to analyse progress.

Academic life of a school is not just the learning that takes place in a classroom but the breadth and depth of activities both in and out of the classroom. Heathfield is renowned for its strong and vibrant creative and dramatic tradition. We are an academically ambitious and rigorous school where we prepare our pupils for careers which have not yet been discovered. Therefore, it is vital that our curriculum is skill based as well as ensuring that every pupil has the relevant academic qualifications to progress onwards to their future goals.

Our 2023 GCSE examinations resulted in successes across a broad range of subjects, with over 40% of all grades awarded at 9-7 with over 60% of grades 9-6. On average, students scored well over 0.5 grades higher

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

in every subject when compared to their standardised Value Added Scores.

For our A Level students, after recent 'lockdown' years, students showed exceptional determination, resilience and adaptability as their results evidenced their unwavering focus and drive considering they missed out on taking practical GCSE examinations. Around 80% of A Level results were A* to B grades.

Students went on to attending Russell Group universities, leading Arts and Drama colleges and other overseas destinations. As with GCSEs, on average, students scored well over 0.5 grades higher in every subject when compared to their standardised Value Added Scores.

Extra Curriculum Activities:

Sport

Pupils were seventh overall in the ISGA Gymnastics competition and the same girls were second overall at the ISA competition.

In Lacrosse, the Senior team were winners of the Small Schools Invitational Tournament as well as quarter finalists in division 2 of the National Schools' Lacrosse competition. The U13 team were winners of the Plate Division in the South West Rally. Four students were selected for the Lacrosse Regional Academy.

In Netball, the U15 team were fourth in the Ascot Schools Tournament and the U14 team came third.

In Swimming, at the Ascot Schools competition the school were champions for both the U12 and Senior teams. A Form I pupil won two gold and three silver medals at the Hatfield Level 2 British Qualifying Summer Meet.

In Athletics four students were selected to represent Bracknell at the Berkshire County Championships and one student represented Berkshire at National Championships.

A team of Form I and Form II pupils came third in the Plate Division at the GSA Girls Football Festival.

Music

23 girls passed ABRSM instrumental and singing examinations during the year, with a range of instruments. One LVI pupil received a merit in their Grade 8 piano exam, whilst a pupil in FII pupil received a distinction in her Grade 2 French Horn exam, a Form 4 pupil received a distinction in her Grade 4 Organ exam and two pupils received distinction in their Grade 4 and Grade 5 singing exams.

A number of students took part in the LVS Music Festival and were awarded with a total of 14 medals including five golds for cello, clarinet, harp, flute and classical vocal, with a pupil in Form IV also being awarded the Best Instrumentalist Cup and a pupil in LVI the Best Classical Vocalist Cup too.

LAMDA and Dance

Students took 52 LAMDA examinations between December 2022 and June 2023. 6 of these examinations were at the Higher Level – Grades 6-8 – for which the students also receive UCAS points. A pupil in UVI and another in Form IV achieved Distinction at Grade 8 Musical Theatre. The students achieved 112 UCAS points in total. All 52 LAMDA exam students achieved a Distinction or Merit.

In Dance, students have achieved 100% success in RAD Grade 5, 7 and 8 Ballet Examinations, for which they also achieved UCAS points. Girls also participated in Ballet, Street Dance, Dance GCSE, Tap Dance, Pointe-work, Acro, Pilates and Yoga classes during the year.

A number of students took part in the LVS Performing Arts Festival, a student in LVI was awarded a Silver Medal for Acting and four Form IV students won the Gold Medal for Quartet Dance Group for their street dance performance. The Dance Group also won the Cup for the Best Small Group in the Festival.

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

Equestrian Events at Heathfield

Heathfield remains very active, encouraging riders and polo players with lessons and coaching available three days a week.

Heathfield polo players took part with great enthusiasm at the SUPA schools' national tournaments at all age and abilities winning the Beginners Division at the Junior Championship and placing second, third and fourth in their divisions at Senior level. There are three polo coaching sessions each week, with levels for the complete beginner, improvers and advanced.

Riders attend the Berkshire riding centre on Wednesday and due to popularity, we now have an advanced group riding on Tuesdays at the Light Cavalry, Honorable Artillery Company, based in Windsor Great Park.

Heathfield has an average of 38 pupils attending polo and/or riding lessons. Classes available are for beginners (completely new to the activity) to advanced jumping classes.

Heathfield continues to attract competent show jumping, dressage and event riders with several pupils' horses at local livery yards to continue their training whilst boarding at school. Many pupils continue with their equestrian disciplines at high levels after their start at Heathfield.

Staff

The Governors wish to express their gratitude to the Headmistress, the Bursar and all other members of the Staff for their continued dedication to the interests of the pupils of Heathfield School.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Governors consider that the School is on a sound financial footing, given the increasing pupil numbers year on year since 2018, and views the future with optimism, despite the challenges of the year due to the economic crisis. At the year end, the school held cash balances of £686,088 (2022: £1,251,222) and investments of £1,501,463 (2022: £1,493,260).

At 31 August 2023 the School had net assets of £12,536,847 (2022: £13,006,738), of which freehold property accounts for £12,741,210 (2022: £13,852,775). This is a vital area of focus for the School as the high quality facilities and living quarters are significant contributing factors in attracting new pupils.

During the year a net cash outflow of £565,134 (2022: outflow £917,402) occurred. Cash from operating activities was a net inflow of £94,360 (2022: inflow £2,575,252) in the year.

As a result of a historic claim in relation to St Mary's Wantage School, the additional legal and professional costs of £546,222 were incurred and are included in note 3. Excluding these costs, the School made an operational surplus of £436,686 (2022: surplus £1,392,621) in the year, which after depreciation and gains on investments, resulted in a deficit £469,891 (2022: surplus £997,531).

As a registered Charity any surpluses are applied for the benefit of the School.

Reserves Policy

The Governors' policy is to build up free reserves to meet demands for further expenditure out of annual operating surpluses to equip the School with the up-to-date facilities needed to improve and maintain the standard of educational services and sporting facilities. The Governors are of the opinion that the total reserves on the Income and Expenditure account of £12,536,847 (2022: £13,006,738) are sufficient to meet the school's obligations for the foreseeable future (see note 15 for note on reserves).

The Governors recognise the need to review the reserve levels of the school annually at the year-end as part of

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
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its medium-term budget planning. The Governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the School and to fund future projects, whilst maintaining a contingency in the region of £1,000,000. The Governors intend to review the Reserves Policy annually to ensure that this aim can be achieved.

Investment Policy

The Governors' policy is to invest in secure forms of investment that provide a reasonable level of income. The Finance Sub-committee keeps under review the investment risks and rewards.

Going concern accounting Policy

The Governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the School to continue as a going concern. The Governors have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Governors have considered the cost of living pressures on parents and the recession on the School's forecasts and projections. After making enquiries the Governors have concluded that the School has adequate resources to continue in operational existence for the foreseeable future.

As such the School expect to be able to meet its liabilities as they fall due in the period of at least 12 months from the date of approval of these accounts.

On this basis the Governors have concluded that the School is a going concern. The financial statements do not include any adjustments that would result from the School not being able to meet its liabilities as they fall due.

Future Plans

The construction of a Sixth Form Study and Wellbeing Centre was completed in September 2022. The School is continually improving its facilities with smaller refurbishment projects as well as considering options for future capital plans which may include an additional classroom block, new sports hall and fitness suite and/or staff accommodation.

The School is continuing to raise academic standards and to attract academically able pupils to the School.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governing Body is responsible for the management of the risks faced by Heathfield. Detailed considerations of risk are assessed by senior staff for review by the relevant Sub-Committees and then centrally by the Governing Body. Risk is assessed in three categories; Strategic, Financial and Operational risk. Risks are identified, assessed and controls or mitigations established throughout the year. A formal review of the risk management process is undertaken on a rolling basis throughout each year.

The most significant risk to the charity, and indeed most independent schools, is a significant drop in pupil numbers, which would affect income. This is a matter that receives continuous attention. The risk is compounded by the government legislative changes to business rates relief and the addition of VAT to fees. Identified as significant risks with some mitigations available, this would increase operating costs and almost certainly lead to increased fees, raising the risk of reduced pupil numbers even higher.

The highest costs to Heathfield are staff and pastoral costs which are paid in arrears. Conversely, school fees are received termly in advance resulting in a surplus of working capital. Any cash flow risk which will arise from the commission of any building projects will be reduced by extensive forward planning by the Governors, coupled with significant cash balances held by Heathfield which can be utilised as required.

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Credit risk is the risk of financial loss to Heathfield if a fee payer fails to meet their obligations. Heathfield minimises this risk by taking deposits from each student and monitoring amounts not received on a regular basis.

Health and Safety is always a significant area for risk management. The risks range from fire to personal risks (most notably when away from the School on trips and expeditions). The risks associated with all activities are minimised by thorough planning and risk assessment.

The global economic situation is now the most significant risk and a cause for concern. Increases in inflation, particularly energy and food, have increased the School's operating cost in the current period and will continue to increase over the near-term. The budget for the next financial period has identified these areas where possible. It is not yet clear whether, or to what degree pupils' parents will be affected but it should be noted that the pupil numbers for 2023-24 did not decrease. Regardless, controls have been put in place to mitigate this risk and its possible enduring nature. Governors have concluded that the Going Concern basis remains applicable.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. The charity's exposure to risk is reviewed consistently throughout the year.

The key controls used by the Charity include:

- Formal agenda for all Committee and Board activity
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable
- Formal written policies

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors, who are also the Trustees, are responsible for preparing a Governors' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other

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irregularities.

So far as each of the Governors are aware at the time the report is approved:

- there is no relevant information of which the company's auditors are unaware, and
- the Governors have each taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

BY ORDER OF THE BOARD

A handwritten signature in black ink that reads "Alex Popplewell". The signature is written in a cursive, flowing style.

Mr Alex Popplewell
Chair of the Governors

Date: 6 August 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the financial statements of Heathfield School ('the company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 2, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2023

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention

in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2023**

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

Moore Kingston Smith LLP

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

9 Appold Street
London
EC2A 2AP

Date: 16 August 2024

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
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STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £	2022 Total Funds £
INCOME FROM:					
Charitable activities					
School fees	1a	8,516,490	-	8,516,490	8,471,755
Donations and grants	1b	291,312	-	291,312	622,297
Other trading activities					
Rental income	1c	126,330	-	126,330	97,190
Investments	1d	62,989	12,683	75,672	55,100
Total income		<u>8,997,121</u>	<u>12,683</u>	<u>9,009,804</u>	<u>9,246,342</u>
EXPENDITURE ON:					
Raising and managing funds	2	111,721	-	111,721	72,710
Charitable activities	2	9,273,551	-	9,273,551	8,166,301
Total expenditure		<u>9,385,272</u>	<u>-</u>	<u>9,385,272</u>	<u>8,239,011</u>
Net (losses)/gains on investments	9	(81,326)	(13,097)	(94,423)	(9,800)
NET (DEFICIT) / SURPLUS		<u>(469,477)</u>	<u>(414)</u>	<u>(469,891)</u>	<u>997,531</u>
Reconciliation of funds					
Fund balances brought forward at 1 September	15	<u>12,754,218</u>	<u>252,520</u>	<u>13,006,738</u>	<u>12,009,207</u>
Fund balances carried forward at 31 August	15	<u><u>12,284,741</u></u>	<u><u>252,106</u></u>	<u><u>12,536,847</u></u>	<u><u>13,006,738</u></u>

All amounts derive from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
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BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Tangible assets	8		13,170,121		13,852,774
CURRENT ASSETS					
Investments	9	1,501,463		593,260	
Stocks	10	34,645		23,186	
Debtors	11	432,396		534,913	
Cash at bank and in hand		686,088		1,251,222	
		2,654,592		2,402,581	
CREDITORS - Amounts falling due within one year					
	12			(2,037,867)	
		(2,167,688)			
NET CURRENT ASSETS					
			486,905		364,714
TOTAL ASSETS LESS CURRENT LIABILITIES					
			13,657,025		14,217,488
Creditors					
Amounts falling due after more than one year	13		(1,116,962)		(1,205,327)
Provisions for liabilities and charges					
	14		(3,216)		(5,423)
Net assets					
			12,536,847		13,006,738
FUNDS					
Restricted funds					
	15		252,106		252,520
Unrestricted funds					
Income and expenditure account	15		12,284,741		12,754,218
School Funds					
			12,536,847		13,006,738

Approved by the Board of Governors of Heathfield School on 6 August 2024 and signed on its behalf by



Mr Alex Popplewell - Governor



Mr Steve Melcher - Governor

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STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Net cash inflow from operating activities	(a)	94,360	2,575,252
Cashflows from investing activities			
Investment income and interest received		75,672	27,581
Interest paid		(46,636)	(72,710)
Purchase of investments		(102,626)	-
Investments received		-	(252,520)
Payments to acquire tangible fixed assets		(435,904)	(3,132,505)
Net cash outflow from investing activities		(509,494)	(3,430,155)
Cashflow from financing activities			
Loan repayments		(150,000)	(62,500)
Decrease in cash and cash equivalents in the year		(565,134)	(917,403)
Cash and cash equivalents at beginning of the year		1,251,222	2,168,625
Cash and cash equivalents at end of the year		686,088	1,251,222

Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
(a) Net expenditure including endowments	(469,891)	997,531
Adjustments for:		
Net losses on investments	94,423	9,800
Profit disposal of tangible fixed assets	-	(267)
Investment income	(75,672)	(27,581)
Interest paid	46,636	72,710
Depreciation charges	368,558	395,090
(Increase)/decrease in stock	(11,459)	1,157
Decrease in debtors	102,517	1,086,747
Increase in creditors	41,455	63,109
Decrease in provisions	(2,207)	(23,044)
Net cash inflow from operating activities	94,360	2,575,252

	Balance at 31 August 2022 £	Cash Movements £	Balance at 31 August 2023 £
Net cash:			
Cash at bank and in hand	1,251,222	(565,134)	686,088
Bank loan	(687,500)	150,000	(537,500)
Net cash	563,722	(415,134)	148,588

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

ACCOUNTING POLICIES

Heathfield School Limited is a charitable company, incorporated in England and Wales and limited by guarantee.

The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' Report.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

(b) Going concern

The Governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the School to continue as a going concern. The Governors have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Governors have considered the School's forecasts and projections and have taken account of pressures on fee income. After making enquiries the Governors have concluded that there is a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the governors continue to adopt the going concern basis for the preparation of the financial statements.

(c) Income

All income is recognised when the School has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Fees receivable

These represent fees charged to pupils with incidental fees and disbursements disclosed separately and are accounted for in the period in which the service is provided. Fees received in advance of education to be provided in future years are held as liabilities until either taken to income in the term when used or else refunded.

Donations

All monetary donations are included in full in the statement of financial activities when received, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met. Donations receivable for the general purpose of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on Heathfield School's Governors.

The value of donated services and gifts in kind provided to the School are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the School can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the School's policies.

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FOR THE YEAR ENDED 31 AUGUST 2023

Grants receivable

Revenue grants, including government grants, are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable and transferred to unrestricted funds up to the level of expenditure incurred. Depreciation on the fixed assets purchased with such grants is then charged against unrestricted funds.

(d) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and is classified under the following activity headings:

- Costs of raising funds comprise the finance costs incurred by the School.
- Expenditure on charitable activities includes the costs of the academic and pastoral care provided to the pupils.

Governance costs, which comprise the regulatory costs of running the charity, have been allocated wholly to the charitable activities of the School. All expenditure is inclusive of irrecoverable VAT.

(e) Grant making policy

Bursaries from restricted funds are included as expenditure in the period for which the award is given. Bursaries and scholarships from unrestricted funds towards school fees at school are treated as a reduction in those fees.

(f) Tangible fixed assets

The School prepares a budget for capital expenditure at the start of each academic year which is approved by the Finance Committee.

Depreciation is provided on cost less residual value at the following rates in order to write off assets over their estimated useful lives

Freehold buildings - St Mary's Theatre and STEM building	2%
Freehold buildings - Access road	10%
Freehold buildings - Other	Not depreciated
Freehold buildings - Swimming pool	3 $\frac{1}{3}$ %
Equipment	10% - 20%
Motor vehicles	20%

The Charity holds no inalienable or historic assets.

The policy for depreciating freehold buildings is to provide a charge of 2% on cost less residual value. However, no depreciation has been charged on the main school buildings as an annual impairment review is undertaken. This considers the maintenance programme to keep buildings in good repair, and an annual insurance review to identify any significant issues.

Assets costing more than £1,000 are capitalised and carried in the balance sheet at historical cost. Assets under the course of construction are not depreciated until they are complete and brought into use.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

(g) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains/(losses) on investments" in the SOFA.

(h) Stock

Stock is included at the lower of cost and net realisable value.

(i) Debtors

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

(j) Cash at bank and in hand

Cash at bank and 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.

(k) Creditors and provisions

Creditors and provisions are recognised where the School 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.

(l) Financial Instruments

The School has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the School's balance sheet when the School becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 11, 12 and 13 for the debtor and creditor notes.

(m) Employee benefits

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

(n) Pension costs

Retirement benefits to employees of the School are provided by Royal London for teachers and the TPT Retirement Solutions Independent Schools' Pension Scheme ('ISPS') for non-teaching staff. Both schemes are a defined contribution

Contributions to the ISPS are expensed in the Statement of Financial Activities. See note 17 for details.

(o) Benefits in kind and gifts

Gifts donated to the school and any services provided by the Governors have been included in the financial statements.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

(p) Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

(q) Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Restricted funds are created when donations are made either for a particular area or purpose, the use of which is restricted. Expenditure is charged to the Statement of Financial Activities when incurred.

(r) Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Change in market value is an estimate. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a regular basis. In the view of the Governors, no assumptions concerning the estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying values.

1 ANALYSIS OF INCOME

(a) Charitable activities	2023	2022
	£	£
Fees receivable	8,060,609	7,514,399
Less: bursaries, scholarships and discounts	<u>(635,180)</u>	<u>(578,795)</u>
	7,425,429	6,935,604
Summer school income	442,249	396,481
Business Interruption insurance claim	-	550,000
Registration fees	23,000	31,600
Retained deposit and other income	41,355	1,000
Extras and disbursements	<u>584,457</u>	<u>557,070</u>
	<u><u>8,516,490</u></u>	<u><u>8,471,755</u></u>

All bursaries, scholarships and discounts were made to individuals in accordance with the School's grant-making policy.

(b) Donations and grants	2023	2023	2023	2022
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Donations received	<u>291,312</u>	-	<u>291,312</u>	<u>622,297</u>

£365,927 of donations and grants income in 2022 related to unrestricted funds.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)

REGISTERED NUMBER: 00556463

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

(c) Other trading activities	2023	2023	2023	2022
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Rental income and hire of facilities	126,330	-	126,330	97,190

All income from other trading activities in 2022 related to unrestricted funds.

(d) Investment income	2023	2023	2023	2022
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Interest receivable	62,989	12,683	75,672	55,100

£44,378 of investment income in 2022 related to unrestricted funds.

2(a) Analysis of expenditure

2023	Staff costs	Other	Depreciation	Total
Charitable activities	£	£	£	£
Teaching	3,218,957	689,217	-	3,908,174
Premises	1,086,456	1,402,204	368,558	2,857,218
Support costs (note 2b)	1,120,845	1,387,314	-	2,508,159
Raising and Managing Funds (note 2c)	-	111,721	-	111,721
	<u>5,426,258</u>	<u>3,590,456</u>	<u>368,558</u>	<u>9,385,272</u>

2022	Staff costs	Other	Depreciation	Total
Charitable activities	£	£	£	£
Teaching	3,122,263	732,577	-	3,854,840
Premises	963,991	1,519,655	396,046	2,879,692
Support costs (note 2b)	942,612	474,585	-	1,417,197
Raising and Managing Funds (note 2c)	-	72,710	-	72,710
	<u>5,028,866</u>	<u>2,799,527</u>	<u>396,046</u>	<u>8,224,439</u>

2(b) Support costs

	2023	2022
	£	£
Salaries and National Insurance	1,120,845	944,851
Printing, postage and stationery	17,544	14,071
Marketing and development	195,540	105,378
Computer costs	83,243	114,028
Bad debts & stock write off	34,371	11,253
Legal & Professional fees	71,422	84,283
Non-teachers' CPD	6,800	4,867
General expenses	384,520	117,751
Governance Costs (note 3)	593,874	20,715
	<u>2,508,159</u>	<u>1,417,197</u>

2(c) Raising and Managing Funds

Fundraising	65,085	54,849
Interest and charges	46,636	17,861
	<u>111,721</u>	<u>72,710</u>

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3	Governance Costs	2023	2022
		£	£
	Legal & Professional fees	569,307	-
	Audit fees	24,567	20,715
		<u>593,874</u>	<u>20,715</u>

4	Operating Surplus	Funds	Funds
		2023	2022
		£	£
	The operating surplus is stated after charging:		
	Depreciation and other amounts written off tangible assets	368,558	395,090
	Operating lease charges	75,143	24,994
	Auditor's remuneration - audit fee	24,567	20,715
		<u>24,567</u>	<u>20,715</u>

5 Employees

The average monthly number of employees (including staff who are also trustees) during the year was:

	2023	2022
	No.	No.
Teaching staff	55	52
Administration and support	81	77
	<u>136</u>	<u>129</u>

Employment costs

	Total	Total
	2023	2022
	£	£
Wages and salaries	4,355,182	4,128,615
Social security costs	430,261	414,815
Employer's pension contributions	475,635	451,474
Temporary and agency staff costs	102,307	2,239
Other	62,873	33,961
	<u>5,426,258</u>	<u>5,031,105</u>

Included in the above are termination payments of £23,882 for two individuals (2022: £33,961 three individuals).

Employees earning £60,000 per annum or more received remuneration in the following bands:

	2023	2022
	No.	No.
£60,000 - £69,999	2	3
£70,000 - £79,999	-	-
£80,000 - £89,999	1	2
£90,000 - £99,999	-	-
£100,000 - £109,999	1	-

The employers pension contributions for the above employees was £40,102 (2022: £41,069).

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

6 Key Management Personnel

The charity considers that the key management personnel comprise the governors and the senior leadership team - who are the Headmistress, Deputy Head (Pastoral & Boarding), Assistant Head (Co-curricular), Deputy Head (Academic), Assistant Head (Sixth Form), Assistant Head (Teaching and Learning), Assistant Head (Operations), Bursar & Clerk to the Governors, and the Director of Marketing & Admissions. The total employee benefits including pension costs of the key management personnel of the school were £827,562 (2022: £824,489).

7 Taxation

The charitable company is exempt from corporation tax on its activities.

8 Tangible Fixed Assets

	Investment properties £	Freehold properties £	Equipment £	Total £
Cost				
At 1 September 2022	750,000	15,058,591	3,316,050	19,124,641
Additions		114,914	320,990	435,904
Transfer to current assets	(750,000)	-	-	(750,000)
Disposals		-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2023	-	15,173,505	3,637,040	18,810,545
Depreciation				
At 1 September 2022	-	2,165,851	3,106,015	5,271,866
Charge for the year	-	266,444	102,114	368,558
Eliminated on disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2023	-	2,432,295	3,208,129	5,640,424
Net Book Value				
At 31 August 2023	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	-	12,741,210	428,911	13,170,121
At 31 August 2022	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	750,000	12,892,740	210,034	13,852,774

The insured value of the Main School (including the Sixth Form Centre and STEM block), Sports Hall, Swimming Pool, St Mary's Theatre and other buildings is £58,320,000.

All tangible fixed assets are used for direct charitable purposes. The school does not own or have the use of any inalienable or historic assets. No impairment of the freehold property was evident, which has been confirmed by the insurance valuation. The School has an outstanding Coronavirus Business Interruption Loan with Barclays. Security of the loan is held on three separate residential properties held off the School site.

The School had capital commitments of £nil (2022: £nil) at 31 August 2023.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9 Investments	2023	2023	2023	2022
	Investment	Other	Total	Total
	Property		£	£
At 1 September	-	593,260	593,260	350,540
Additions	1,002,626	-	1,002,626	252,520
Disposals	-	-	-	-
Net gains/(losses)	(102,626)	8,203	(94,423)	(9,800)
At 31 August	<u>900,000</u>	<u>601,463</u>	<u>1,501,463</u>	<u>593,260</u>
Historical cost	<u>900,000</u>	<u>564,555</u>	<u>1,464,555</u>	<u>564,555</u>

Of the other investments held £344,056 (2022: £340,740) relates to Fidelity Investments which is listed on the London Stock Exchange. The balance relates to M&G Charibond and Charifund acquired in 2022.

10 Stock	2023	2022
	£	£
Household and consumable materials	<u>34,645</u>	<u>23,186</u>

11 Debtors	2023	2022
	£	£
Tuition fees receivable	196,253	226,397
Bad debt provision	(128,931)	(70,115)
Other debtors	2,057	5,987
Prepayments and accrued income	<u>363,017</u>	<u>372,643</u>
	<u>432,396</u>	<u>534,912</u>

12 Creditors: Amounts falling due within one year	2023	2022
	£	£
Trade creditors	366,938	259,631
Loan	150,000	150,000
Tuition fees in advance (see below)	991,590	1,311,827
Other taxes and social security costs	168,500	102,576
Other creditors	124,659	141,511
Accruals and deferred income	<u>366,001</u>	<u>72,322</u>
	<u>2,167,688</u>	<u>2,037,867</u>

	2023	2022
	£	£
Total tuition fees in advance brought forwards	1,311,827	1,291,158
Released in year	(1,311,827)	(1,291,158)
Received in year	<u>991,590</u>	<u>1,311,827</u>
Total tuition fees in advance carried forwards	<u>991,590</u>	<u>1,311,827</u>
Repayable in one year or less, or on demand	991,590	1,311,827
Repayable in one year or more (see note 13)	<u>-</u>	<u>-</u>
	<u>991,590</u>	<u>1,311,827</u>

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

13 Creditors: Amounts falling due after more than one year	2023	2022
	£	£
Loan	387,500	537,500
Fee deposits	658,394	667,827
Fees paid in advance	71,068	-
	<u>1,116,962</u>	<u>1,205,327</u>

In 2021, the school obtained a loan from Barclays Bank plc under the Government's Coronavirus Business Interruption Loan scheme. Interest is payable at Bank of England base rate plus 3.35% from December 2021 and the loan is repayable by November 2026. The amount due in more than five years is £nil (2022: £nil). There is a charge outstanding over properties owned by the School in relation to these loans.

Fee deposits

Repayable in one year or less, or on demand	<u>75,239</u>	<u>75,070</u>
Repayable between one and two years	71,139	53,539
Repayable between two and five years	510,965	536,488
Repayable in five years or more	<u>76,290</u>	<u>77,800</u>
Total	<u>658,394</u>	<u>667,827</u>

Fees paid in advance

Repayable in one year or less, or on demand	<u>991,590</u>	<u>1,311,827</u>
Repayable between one and two years	71,068	-
Repayable between two and five years	<u>-</u>	<u>-</u>
Total	<u>71,068</u>	<u>-</u>

14 Provision for liabilities	2023	2022
	£	£
Balance at 1 September	5,423	28,467
Released in year (see note 17)	<u>(2,207)</u>	<u>(23,044)</u>
	<u>3,216</u>	<u>5,423</u>

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

15 Funds	Balance at 31 August 2022 £	Income £	Expenditure £	Gains & Transfers £	Balance at 31 August 2023 £
Unrestricted Funds - General	12,754,218	8,997,121	(9,385,272)	(81,326)	12,284,741
Restricted Funds	252,520	12,683	-	(13,097)	252,106
	<u>13,006,738</u>	<u>9,009,804</u>	<u>(9,385,272)</u>	<u>(94,423)</u>	<u>12,536,847</u>

Restricted funds relate to St Mary's Wantage Bursary Fund which supports bursaries given to pupils at the School.

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £	2022 Total Funds £
Tangible fixed assets	13,170,121	-	13,170,121	13,852,775
Current assets	2,402,486	252,106	2,654,592	2,402,580
Current liabilities	(2,167,688)	-	(2,167,688)	(2,037,867)
Creditors falling due after 1 year	(1,116,962)	-	(1,116,962)	(1,205,327)
Provisions for liabilities and charges	(3,216)	-	(3,216)	(5,423)
	<u>12,284,741</u>	<u>252,106</u>	<u>12,536,847</u>	<u>13,006,738</u>

£12,754,218 of net assets in 2022 were represented by unrestricted funds.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17 Pension obligations

The School employees belong to two principal pension schemes: Royal London Scheme for teaching staff; and TPT Retirement Solutions Independent Schools' Pension Scheme (ISPS) for non-teaching staff. Both are defined contribution schemes. In addition, a small number of employees belong to TPT Retirement Solutions Growth Plan (TPTGP) defined benefit scheme however this is closed to new members.

TPT Retirement Solutions

The scheme is subject to the funding legislation outlines in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension scheme in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme of £3,312,000 per annum. This is payable monthly from 1 April 2022 to 31 January 2025 and increases by 3% each on 1st April.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Reconciliation of opening and closing provision:	2023	2022
	£	£
Provision at start of period	5,423	28,467
Recognised in year	-	-
Unwinding of discount factor (interest expense)	185	162
Deficit contribution paid	(2,360)	(5,665)
Remeasurements - impact of change in assumptions	(32)	(239)
Remeasurements – amendments to the contribution schedule	-	(17,302)
	<u>3,216</u>	<u>5,423</u>

Income and expenditure impact:

Interest expense	185	162
Recognised in year	-	-
Remeasurements - impact of change in assumptions	(32)	(239)
Remeasurements – amendments to the contribution schedule	-	(17,302)

All movements on the pension provision are recognised in the Statement of Financial Activities as staff costs.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17 Pension obligations continued

The assumed discount rate applied is 6.04% per annum (2022: 4.46%). This rate is the equivalent single discount rate which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Royal London Scheme

The pension charge for the year includes contributions payable to Royal London of £359,667 (2022: £344,111) and at the year-end £46,168 (2022: £42,193) was accrued in respect of contributions to this scheme.

18 Indemnity insurance

During the year the company purchased insurance for the directors of the school against liabilities arising from negligence in relation to the company as permitted under section 233 of the Companies Act 2006 with the approval of the Charities Commission. £45,607 (2022: £36,996) was paid for an all risks combined liability insurance policy. Included in this was public liability insurance and professional indemnity insurance relating to the trustees.

19 Company limited by guarantee

As the company is limited by guarantee, in the event of winding up the members will be required to pay £1.

20 Related party transactions

None of the trustees received any remuneration or reimbursed expenses for their role as trustee during the current or previous year.

21 Controlling interest

The company is controlled by its Board of Governors.

22 Operating lease commitments

At 31 August 2023 the school had total commitments under non-cancellable operating leases falling due as set out below:

Due within:	2023	2022
	£	£
Less than one year	24,097	26,249
Between one and five years	<u>64,879</u>	<u>27,389</u>
	<u><u>88,976</u></u>	<u><u>53,638</u></u>

HEATHFIELD SCHOOL

England & Wales - Charity number 309086

Accounts

**Company Registration No. 00556463
Registered Charity No. 309086**

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

**FOR
HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**



HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
KEY EXECUTIVES AND PROFESSIONAL ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2022

Key executives and Professional Advisors

HEADMISTRESS:	Ms S Wilson
BURSAR:	Mrs R Frier
SENIOR LEADERSHIP TEAM:	Mrs R Whitton Deputy Head (Pastoral and Boarding) Mr D Mitchell Deputy Head (Academics) Mr J Hart Assistant Head (Sixth Form) Miss W Reynolds Assistant Head (Co-curricular) Ms A Morgan Director of Marketing and Admissions Mr A Valner Assistant Head (Pastoral and Boarding) Miss C Wells Assistant Head (Operations) Mrs Z Benjamin Assistant Head (Teaching and Learning)
BANKERS:	Barclays Bank Plc
SOLICITORS:	VWV Orchard Court Orchard Lane Bristol BS1 5WS
AUDITORS:	Moore Kingston Smith LLP 9 Appold Street London EC2A 2AP
COMPANY SECRETARY:	Mrs R Frier
REGISTERED OFFICE:	Heathfield School London Road Ascot Berkshire SL5 8BQ

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Governors present their annual report for the year ended 31 August 2022 under the Companies Act 2006, together with the audited accounts for the year, and confirms that the latter comply with the requirements of the Act, the memorandum and articles of association and the Charities SORP 2015.

REFERENCE AND ADMINISTRATIVE INFORMATION

The School was founded in 1899 and became a Charity in 1955 and is registered with the Charity Commission under Charity number 309086. The School is also a company limited by guarantee registered number 556463 (England and Wales). The Trustees of the charity are also Directors of the company and are referred to as Governors in this Report. The Governors are listed below and the executive officers, professional advisors and principal addresses of the Charity are listed on page 1.

Principal activities of the year

The School provides education in Ascot for girls from the ages of 11 to 18, and also runs a summer school and camp for local and overseas students.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

Governors

The members of the Governing Body are detailed below. The Governing Body is self-appointing. Each Governor is elected for three years and retiring Governors are able to stand for re-election. The number of serving Governors shall not be fewer than ten or exceed twenty.

Organisational Management

The School's Governors, who are also the Charity Trustees and the Company Directors, are legally responsible for the overall management and control of the School and meet at least three times a year. The work of implementing most of their policies is carried out by the members of the five following subcommittees: Finance, Buildings & Development, Educational, Pastoral and Compliance, Marketing, Admissions & Communications and Nominations which meet at regular intervals during the year.

The day-to-day running of the school is delegated to the Headmistress, supported by the senior management team, together with the Bursar. The Headmistress and the Bursar attend meetings of the above committees.

At the date of approval of the financial statements the School Governors are as follows:

Name	Position
Mr Tom Cross Brown	Chair of the Council, Chair N
Bishop Jonathan Baker (resigned 22 June 2022)	EPC
Mrs Sally-Anne Barrett (resigned 12 November 2021)	F
The Revd Canon Dr Philip Ursell (resigned 1 December 2022)	
Mr Guy Egerton-Smith	Chair BD, F
Mr Robert Gregory	N
Hon Mrs Frances Stanley	Chair MAC
Mrs Sally Tulk-Hart	MAC, EPC
Miss Charlotte Faber	Chair of EPC, N
Mr Steve Melcher	Chair of F

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Name	Position
Mrs Karen Hurt	
Mrs Anne Lynch (appointed 12 November 2021)	EPC
Mrs Suzie Cullen (appointed 12 November 2021)	MAC
Mrs Annabelle More O'Ferrall (appointed 22 March 2022)	EPC

Key:

Buildings & Development Sub-committee = BD

Marketing, Admissions & Communications Sub-committee = MAC

Nominations Sub-committee = N

Education, Pastoral & Compliance Sub-committee = EPC

Finance Sub-committee = F

Recruitment and Training of Governors

Potential Governors are identified by members of the Governing Body which seeks to achieve a balance of experience and background in secondary education, finance, business, law, facilities & property management, human resources management, marketing & PR and health & safety compliance. New candidates tour the School and meet the Headmistress and other existing Governors. They are proposed by the Nominations Committee. Once appointed, new Governors are inducted into the workings of the School including Board Policy and Procedures. Training is regularly offered to all Governors on various topics including child protection and safeguarding training. Governors are encouraged to attend external seminars and course to keep them informed and updated on current issues in the sector and regulatory requirements. This includes events run by AGBIS, ISC, ISBA and professional firms.

Key management personnel remuneration

The remuneration of key management personnel (being the Headmistress and Bursar) is set by the Governors, with the objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly for their individual contributions to the success of the School. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to benchmarking information to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our expenditure.

The School is committed to ensuring equality of opportunity through the creation of an environment in which individuals are treated on the basis of their relevant merits and abilities. The School respects all its members and values the harmonious relationships between them. As a community we are committed to the active promotion of equality between all who live, study or work in the School. Provision is made for individuals with a particular disability and religious, dietary, language or cultural needs, as appropriate.

Consultation with employees at all levels ensures that the views of employees are taken into account when decisions are made that are likely to affect their interests. All staff are briefed at the beginning of each term with shorter briefing sessions held once a week. The Senior Leadership Team meet once a week to discuss strategic plans; there are regular Heads of Department and Heads of Year meetings where teaching and learning strategies are discussed, as well as weekly meetings with Boarding staff.

Chapel

Acknowledging that our students are more than minds that need nurturing or bodies that need training, as they grow, we recognise their need to come to terms with their spirituality.

The Chapel provides a place of peace and quiet reflection, where that spiritual development can begin. Our Chapel is the spiritual centre of the school and is often at the core of people's memories of the school

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when they leave, and the place they come back to first when they return to visit. Dedicated in 1904, the Chapel was built in the Victorian Gothic style with collegiate seating. Chapel follows current Anglican practice, yet it is a place for all the school community regardless of faith or belief.

The Chaplain is a central figure in school life who leads Chapel services during the week, on Sundays and on special occasions. The Chaplain is available to all members of the school community and the school's extended community for pastoral care.

Related parties and other connected charities and organisations

The Heathfield Fellowship is a separate entity which continues to raise money to enable pupils to attend the school by way of bursarial support.

St. Mary's Wantage Bursary Fund was a separate charitable entity that closed during the year which was created from the merger of Heathfield School and St Mary's School Wantage. The object of the charity was for the advancement of education by providing bursaries for pupils to attend Heathfield School.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The objects for which the Association is established are to advance education and training by:

- The provision and conduct, in the UK or abroad, of a school or schools for girls under the name of Heathfield School to be conducted in accordance with the traditions of the Church of England including the Anglo-Catholic tradition; and
- Insofar as it is incidental or ancillary to the advancement of education, such other means for the benefit of the local community as shall be exclusively charitable.

These are set out in the School's governing document – the Memorandum and Articles of Association of Heathfield School dated 18 October 1955 as amended March 2009.

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the School's aims and objectives and in planning future activities.

Public Benefit Activities

The Governors have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The School is committed to ensuring that it is meeting its main aim and its charitable objective. The School's aims for the public benefit are:

- To recognise the need to respond to the challenge of change by giving all members of its community the opportunity to develop, by continual improvement of its facilities and by fostering links with the wider community.
- To optimise its resources and recognise its responsibilities for administering its charitable funds efficiently and for the benefit of the School and the wider community.

The Governors are committed to widening access to the School and welcomes pupils from all backgrounds. Each pupil to whom support is offered must, in the opinion of the Headmistress, be likely to make sound academic progress following admission, possess the potential to develop the quality of her work and benefit from participation in the wider, extra-curricular activities on offer at the School. The availability of bursaries is publicised on the School's website. The Governors' policy is to award bursaries on a means tested basis only. The bursaries are available to provide financial support for up to 100% of the annual fees. During

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2022 a total of £441,808 (2021: £399,263) was awarded in bursaries to 24 (2021: 24) pupils. Many more applications are received than the School can reasonably support.

The School works closely with a number of other partner charities that help identify pupils who could benefit substantively from the education and pastoral support that the School can provide. 9 pupils (2021: 7) receive significant contributions towards their fees from these external grant-making bodies which resulted in full remission of their tuition fees.

The School actively supports the local community, charities and associations by making its facilities available at less than cost price or free to a variety of different clubs and organisations. The School has started to develop links with local maintained schools. Some specific examples of the School's outreach programme are:

- Two members of the Senior Leadership Team volunteered as Governors at local maintained schools.
- The school ran several Prep Schools Swimming Galas, Prep Schools Choir competition and a Prep Schools Lacrosse coaching session event.
- Free places were offered to pupils from local maintained schools to attend Heathfield's Summer Camp
- Sixth Form students visited a local maintained primary school on a regular basis to help with their reading lessons.
- A local Girl Guide Brownie unit used the school minibuses free of charge to enable them to go to Brownie camp for a week.
- A local Alzheimer's fundraiser is given a table at our Christmas bazaar free of charge to raise funds for their chosen charity.
- Local maintained schools attended a number of guest speaker events.

The School also raised over £16,000 for local, national and international charities throughout the year.

The swimming pool is host to many local communities and organisations. Schools including Kennel Lane, Meadowbrook Montessori and Natures Nursery use the facility at various times throughout the year. In addition to these schools, there are a number of clubs that use the pool on a regular basis. These include, Scuba Trust, Bracknell and Wokingham Swimming Club and Windsor Swimming Club. Frogs and Friends Swimming School regularly run lessons at the pool as part of their 'learn to swim' programme which is offered to children in and around the local area.

The swimming pool is also used for training as well as tuition. NPLQ (National Pool Lifeguard Qualification) and Swimming Teacher courses are held at the pool and are open to members of the local community.

Fundraising performance

The School views fundraising as a very important source of additional income to enable fees to be kept as low as possible and to reduce reliance on single income streams. The trustees are fully aware of their individual responsibility and accountability to ensure that the School fundraises legally, responsibly and effectively. They are aware of the Charity Commission CC20 guidance and use this and the accompanying checklist to help them evaluate the School's fundraising performance.

The Development Office continued to run an active communication and engagement programme through the year, raising funds for the Sixth Form Centre capital project. The total amount raised for 2022 was £365,927 (2021: £1,174,881).

The School did not engage with a professional fundraiser in the year and is not a member of the fundraising body.

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The School has a published complaints procedure, available on its website. The number of complaints received during the year in respect of fundraising was none.

Aims and Intended Impact

Heathfield School aims to discover and develop every pupil's unique talents to enable them to excel.

Heathfield aims to foster:

- The confidence and self-belief to go beyond one's preconceived abilities academically, physically and spiritually;
- Authenticity, self-awareness and a desire to embrace each other's uniqueness and spirit;
- Compassion, empathy, understanding and lifelong friendship building respect for oneself and others;
- Good habits for life: work ethic, self-discipline, resilience, independence, integrity and courage based on strong moral values and having a go;
- Commitment to the community: selflessness, compassion and service to others.

These values are engendered through four central pillars:

Community

- A community where everyone drives and benefits from a culture of high expectations;
- A community where every girl is valued and known;
- A 'can do' community where all words and actions are kind, respectful and positive;
- A community which hires, retains and trains the best staff;
- A community which commits to physical and financial service to those less fortunate;
- Beautiful, well maintained surroundings encouraging wellbeing;
- Proactive and caring support for all;
- A close community where positive relationships with girls, The Fellowship (Old girls), parents past and present, staff, Governors and friends flourish.

Pastoral Care and Boarding

- Each pupil benefiting from excellent pastoral care that provides individual support and care.

Teaching

- Teaching of the highest standard which motivates, inspires and challenges every pupil;
- Every pupil benefiting from career and higher education guidance enabling her to meet her ambitious personal goals.

Co-Curricular

- Each pupil benefiting from a variety of cultural, physical, social, intellectual and creative activities and opportunities developing resilience, self-confidence and belief ensuring readiness for a place within a modern global society.

Objectives for the year

- To maintain and develop the School's academic performance
- To maintain and provide a first class boarding experience
- To continue to grow and boost admission numbers
- To improve and increase awareness of the School and what it stands for at local, regional and national level

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Strategies to achieve the year's objectives

The strategies to achieve the year's objectives have included:

Admissions

Day girls, first admitted in 2015-16, are growing in number each year and are leading a full part in the life of the school alongside the School's boarders and have every opportunity to take part in all the activities on offer at Heathfield.

Weekly boarders were admitted for the first time in September 2022 in response to parental demands.

The Headmistress continues to host prep head visits, and the School hosts prep school curriculum and non-curriculum events at Heathfield, aimed at increasing prep schools' awareness of what we offer and of our growing academic reputation.

Academic Strategy

During the year, we have continued to push forward with an over-arching strategy to improve our growing academic success at Heathfield, including more intensive individual monitoring of staff and pupils' performances in the classroom as well as monitoring girls' study time and their use of it more closely while providing complementary activities to enhance their learning, in the form of conferences and workshops at the school through to a greater variety of co-curricular activities.

Our Learning Support Department continues to provide expert help for girls who require additional support in one or several areas, ensuring that Heathfield's outstanding reputation for helping to fulfil the potential of each individual girl through our value added results is supported and enhanced at every level.

Monitoring current pupils

Our individual monitoring of pupils to highlight their academic strengths and weaknesses, and to give them extra guidance where appropriate, is paying dividends in enabling staff to identify early the areas where girls need extra help. Staff can input such vital details about a child's performance into our monitoring and tracking system within the school's intranet so that they share their observations with their colleagues and areas of concern quickly become spotted and therefore acted on.

Monitoring also means that our gifted and talented programme for the brightest pupils has become more defined within the school and has encouraged and nurtured academic development in the brightest girls.

Scholarship programme

Our scholarship programme has continued to grow in profile inside and outside the school. The scholarships attract the brightest pupils to Heathfield, thus helping to improve our academic reputation. Regular monitoring to ensure each girl's potential is fulfilled also helps us to identify potential scholarship candidates from within the school who are able to compete for a scholarship at appropriate times.

The scholarship awards contain a small financial incentive to make them more attractive to potential parents who may be considering a number of schools.

Co-Curricular

Similarly, our co-curricular programme was developed to encourage and reflect an emphasis on academics. Making the programme increasingly Sixth Form-led has succeeded in its aim of giving the girls a greater sense of responsibility and helping them to develop leadership and team building qualities.

The initiatives held to highlight and praise the girls' academic achievements such as special assemblies and the

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High Flyer awards are popular with the girls and have a positive effect on the girls' confidence as they take pride in their achievements.

STRATEGIC REPORT

The following sections of this report constitute the Strategic Report.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Academic Achievements

Heathfield celebrated another year of exceptional A-level results with 51% of its students' results securing A*/A, 71% A* to B and 90% A* to C. Other results of note included Mathematics in which 75% of students secured an A* or A, Photography, English Literature, Latin, Further Mathematics and Physics in which 100% attained an A* or A.

2022 leavers staying in the UK are destined for leading Russell Group universities such as Newcastle, Sheffield, Warwick, St Andrews and Durham to study a broad range of subjects including Politics, Sociology, Pure Mathematics, Computer Systems Engineering and English Literature.

At GCSE, across the board, 60% of grades received by Heathfield students were in the top 9-7/A*-A category. Core subjects continued to impress, with a 100% pass in Mathematics and English Language and 57% of girls securing a 9-7/A*-A in Mathematics, 81% gaining a 9-6/A*AB in English Language and 76% 9-6/A*-B in English Literature. Students also performed well in other subjects with 100% 9-7 in Art & Design, Chinese, Classical Greek, History, Latin, Music, Physics, Biology, Chemistry.

Sport

Pupils were finalists in the U13 Indoor Cricket Competitions. In Lacrosse, both the U14 and U12 teams were runners up in the South West School's Tournament and the Seniors and U14 teams were semi finalists in division 2 of the National Schools' Lacrosse competition. Five students were selected for the Lacrosse Regional Academy. In Swimming, at the Independent Boarding Schools Swimming Relays competition the school were placed 2nd in the 4 x 50m medley and 3rd in the 4 x 50m freestyle relay.

Extra Curriculum Activities:

Music

23 girls passed ABRSM instrumental and singing examinations during the year, with a range of instruments. Two LVI pupil received a distinction in their Grade VIII exams, flute and singing respectively, whilst a pupil in FII pupil also received a distinction in her Grade VIII piano exam.

LAMDA and Dance

Students took 75 LAMDA examinations between December 2021 and June 2022 – an increase of 50% on the same period 2020-2021. Twelve of these examinations were at the Higher Level – Grades 6-8 – for which the students also receive UCAS points. All 75 LAMDA exam students achieved a Distinction or Merit.

In Dance, students have achieved success in RAD Vocational and Graded Ballet Examinations and GCSE Dance this year, with exceptional results including a Grade 9 for GCSE Dance. Girls also participated in Ballet, Street Dance, Dance GCSE, Tap Dance, Pointe-work, Acro, Pilates and Yoga classes during the year.

Equestrian Events at Heathfield

Heathfield remains very active, encouraging riders and polo players with lessons and coaching available three days a week.

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Heathfield polo players took part with great enthusiasm at the SUPA schools' national tournaments at all age and abilities. There are three polo coaching sessions each week, with levels for the complete beginner, improvers and advanced.

Riders attend the Berkshire riding centre on Wednesday and due to popularity, we now have an advanced group riding on Tuesdays at the Light Cavalry, Honorable Artillery Company, based in Windsor Great Park.

Heathfield has an average of 38 pupils attending polo and/or riding lessons. Classes available are for beginners (completely new to the activity) to advanced jumping classes.

Heathfield continues to attract competent show jumping, dressage and event riders with several pupils' horses at local livery yards to continue their training whilst boarding at school. Many pupils continue with their equestrian disciplines at high levels after their start at Heathfield.

Staff

The Governors wish to express their gratitude to the Headmistress, the Bursar and all other members of the Staff for their continued dedication to the interests of the pupils of Heathfield School.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Governors consider that the School is on a sound financial footing, given the increasing pupil numbers year on year since 2018, and views the future with optimism, despite the challenges of the year due to the economic crisis. At the year end, the school held cash balances of £1,251,223 (2021: £2,168,265) and investments of £593,260 (2021: £350,540).

At 31 August 2022 the School had net assets of £13,006,738 (2021: £12,009,207), of which freehold property accounts for £13,852,775 (2021: £11,115,547). This is a vital area of focus for the School as the high quality facilities and living quarters are significant contributing factors in attracting new pupils.

During the year a net cash outflow of £917,402 (2021: inflow £1,026,196) occurred. Cash from operating activities was a net inflow of £2,575,253 (2021: £526,150) in the year.

The School made an operational surplus of £1,392,621 (2021: £1,069,883) in the year, which after depreciation and gains on investments, resulted in a surplus of income over expenditure of £997,531 (2021: £825,510). The School managed to recoup some of the lost income due to the coronavirus pandemic from 2020-21 via its Business Interruption insurance cover.

As a registered Charity all surpluses are applied for the benefit of the School.

Reserves Policy

The Governors' policy is to build up free reserves to meet demands for further expenditure out of annual operating surpluses to equip the School with the up-to-date facilities needed to improve and maintain the standard of educational services and sporting facilities. The Governors are of the opinion that the total reserves on the Income and Expenditure account of £13,006,738 (2021: £12,009,207) are sufficient to meet the school's obligations for the foreseeable future (see note 15 for note on reserves).

The Governors recognise the need to review the reserve levels of the school annually at the year-end as part of its medium-term budget planning. The Governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the School and to fund future projects, whilst maintaining a contingency in the region of £1,000,000. The Governors intend to review the Reserves Policy annually to ensure that this aim can be achieved.

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Investment Policy

The Governors' policy is to invest in secure forms of investment that provide a reasonable level of income. The Finance Sub-committee keeps under review the investment risks and rewards.

Going concern accounting Policy

The Governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the School to continue as a going concern. The Governors have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Governors have considered the cost of living pressures on parents and the recession on the School's forecasts and projections. After making enquiries the Governors have concluded that there is a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future.

As such the School can expect to be able to meet its liabilities as they fall due in the period of at least 12 months from the date of approval of these accounts.

On this basis the Governors have concluded that the School is a going concern. The financial statements do not include any adjustments that would result from the School not being able to meet its liabilities as they fall due.

Future Plans

The STEM building was completed for the start of the 2015-16 academic year and a further five building projects have been granted planning permission. The construction of a Sixth Form Study and Wellbeing Centre was completed by September 2022. The School is continually improving its facilities with smaller refurbishment projects as well as considering options for future capital plans which may include an additional classroom block, new sports hall and fitness suite and/or staff accommodation.

The School is continuing to raise academic standards and to attract academically able pupils to the School.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governing Body is responsible for the management of the risks faced by Heathfield. Detailed considerations of risk are assessed by senior staff for review by the relevant Sub-Committees and then centrally by the Governing Body. Risk is assessed in three categories; Strategic, Financial and Operational risk. Risks are identified, assessed and controls or mitigations established throughout the year. A formal review of the risk management process is undertaken on a rolling basis throughout each year.

The most significant risk to the charity, and indeed most independent schools, is a significant drop in pupil numbers, which would affect income. This is a matter that receives continuous attention. The risk is compounded by the possibility of future government legislative changes to business rates relief or the addition of VAT to fees. Identified as significant risks with some mitigations available, this would increase operating costs and almost certainly lead to increased fees, raising the risk of reduced pupil numbers even higher.

The highest costs to Heathfield are staff and pastoral costs which are paid in arrears. Conversely, school fees are received termly in advance resulting in a surplus of working capital. Any cash flow risk which will arise from the commission of any building projects will be reduced by extensive forward planning by the Governors, coupled with significant cash balances held by Heathfield which can be utilised as required.

Credit risk is the risk of financial loss to Heathfield if a fee payer fails to meet their obligations. Heathfield minimises this risk by taking deposits from each student and monitoring amounts not received on a regular basis.

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Health and Safety is always a significant area for risk management. The risks range from fire to personal risks (most notably when away from the School on trips and expeditions). The risks associated with all activities are minimised by thorough planning and risk assessment.

The COVID-19 risk has reduced to a more manageable level but it is the global economic situation, which is now the most significant risk and a cause for concern. Increases in inflation, particularly energy and food, will increase the School's operating cost over the near-term and this was already notable in the current period. The budget for the next financial period has identified these areas where possible. It is not yet clear whether, or to what degree pupils' parents will be affected but it should be noted that the pupil numbers for 2022-23 show a notable increase. Regardless, controls have been put in place to mitigate this risk and its possible enduring nature. Governors have concluded that the Going Concern basis remains applicable.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. The charity's exposure to risk is reviewed consistently throughout the year.

The key controls used by the Charity include:

- Formal agenda for all Committee and Board activity
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable
- Formal written policies

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors, who are also the Trustees, are responsible for preparing a Governors' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

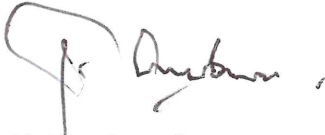
The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets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

So far as each of the Governors are aware at the time the report is approved:

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- there is no relevant information of which the company's auditors are unaware, and
- the Governors have each taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

BY ORDER OF THE BOARD



Mr Tom Cross Brown
Chair of the Governors

Date: 14 March 2023

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2022**

Opinion

We have audited the financial statements of Heathfield School ('the company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2022**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 2, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2022

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention

in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2022**

the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

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

9 Appold Street
London
EC2A 2AP

Date: 10 May 2023

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total Funds £	2021 Total Funds £
INCOME FROM:					
Charitable activities					
School fees	1a	8,057,290	-	8,057,290	6,053,040
Donations and grants	1b	365,927	256,370	622,297	1,441,186
Other trading activities					
Rental income	1c	97,190	-	97,190	97,917
Investments	1d	44,378	10,722	55,100	39,305
Total income		<u>8,564,784</u>	<u>267,092</u>	<u>8,831,876</u>	<u>7,631,448</u>
EXPENDITURE ON:					
Raising and managing funds	2	72,710	-	72,710	9,145
Charitable activities	2	7,737,263	14,572	7,751,835	6,866,728
Total expenditure		<u>7,809,974</u>	<u>14,572</u>	<u>7,824,546</u>	<u>6,875,873</u>
Net (losses)/gains on investments	9	(9,800)	-	(9,800)	69,935
NET INCOME		<u>745,011</u>	<u>252,520</u>	<u>997,531</u>	<u>825,510</u>
Reconciliation of funds					
Fund balances brought forward at 1 September	15	12,009,207	-	12,009,207	11,183,697
Fund balances carried forward at 31 August	15	<u><u>12,754,218</u></u>	<u><u>252,520</u></u>	<u><u>13,006,738</u></u>	<u><u>12,009,207</u></u>

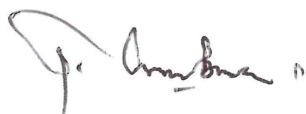
All amounts derive from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Tangible assets	8		13,852,775		11,115,547
CURRENT ASSETS					
Investments	9	593,260		350,540	
Stocks	10	23,186		24,343	
Debtors	11	534,912		1,621,659	
Cash at bank and in hand		<u>1,251,223</u>		<u>2,168,265</u>	
		2,402,580		4,164,807	
CREDITORS - Amounts falling due within one year	12				
		<u>(2,037,867)</u>		<u>(2,001,578)</u>	
NET CURRENT ASSETS			364,713		2,163,229
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,217,488</u>		<u>13,278,776</u>
Creditors					
Amounts falling due after more than one year	13		(1,205,327)		(1,241,102)
Provisions for liabilities and charges	14		<u>(5,423)</u>		<u>(28,467)</u>
Net assets			<u><u>13,006,738</u></u>		<u><u>12,009,207</u></u>
FUNDS					
Restricted funds	15		252,520		-
Unrestricted funds					
Income and expenditure account	15		<u>12,754,218</u>		<u>12,009,207</u>
School Funds			<u><u>13,006,738</u></u>		<u><u>12,009,207</u></u>

Approved by the Board of Governors of Heathfield School on 14 March 2023 and signed on its behalf by



Mr Tom Cross Brown - Governor



Mr Steve Melcher - Governor

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Net cash inflow from operating activities	(a)	2,575,253	526,510
Cashflows from investing activities			
Investment income and interest received		27,581	15,557
Interest paid		(72,710)	(2,503)
Investments received		(252,520)	-
Proceeds from disposal of investments		-	312,606
Payments to acquire investments		-	(312,035)
Payments to acquire tangible fixed assets		(3,132,505)	(263,939)
Net cash outflow from investing activities		(3,430,154)	(250,314)
Cashflow from financing activities			
Loan received		-	750,000
Loan repayments		(62,500)	-
(Decrease)/increase in cash and cash equivalents in the year		(917,402)	1,026,196
Cash and cash equivalents at beginning of the year		2,168,625	1,142,429
Cash and cash equivalents at end of the year		1,251,223	2,168,625

Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
(a) Net expenditure including endowments	997,531	825,510
Adjustments for:		
Net losses/(gains) on investments	9,800	(69,935)
(Profit)/Loss on disposal of tangible fixed assets	(267)	1,978
Investment income	(27,581)	(15,557)
Interest paid	72,710	2,503
Depreciation charges	395,090	314,308
Decrease/(increase) in stock	1,157	(3,458)
Decrease/(increase) in debtors	1,086,747	(1,098,278)
Increase in creditors	63,109	576,831
Decrease in provisions	(23,044)	(7,752)
Net cash inflow from operating activities	2,575,253	526,150

	Balance at 31 August 2021 £	Cash Movements £	Balance at 31 August 2022 £
Net cash:			
Cash at bank and in hand	2,168,265	(917,402)	1,250,863
Bank loan	(750,000)	62,500	(687,500)
Net cash	1,418,265	(854,902)	563,363

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

ACCOUNTING POLICIES

Heathfield School Limited is a charitable company, incorporated in England and Wales and limited by guarantee. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' Report.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

(b) Going concern

The Governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the School to continue as a going concern. The Governors have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Governors have considered the School's forecasts and projections and have taken account of pressures on fee income, particularly in the light of the impact of the COVID-19 pandemic which occurred before these financial statements were approved and is explained in more detail in the Principal Risks section of the Governors' Report in these financial statements. After making enquiries the Governors have concluded that there is a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the governors continue to adopt the going concern basis for the preparation of the financial statements.

(c) Income

All income is recognised when the School has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Fees receivable

These represent fees charged to pupils with incidental fees and disbursements disclosed separately and are accounted for in the period in which the service is provided. Fees received in advance of education to be provided in future years are held as liabilities until either taken to income in the term when used or else refunded.

Donations

All monetary donations are included in full in the statement of financial activities when received, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met. Donations receivable for the general purpose of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on Heathfield School's Governors.

The value of donated services and gifts in kind provided to the School are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the School can

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

Donations continued

be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the School's policies.

Grants receivable

Revenue grants, including government grants, are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable and transferred to unrestricted funds up to the level of expenditure incurred. Depreciation on the fixed assets purchased with such grants is then charged against unrestricted funds.

(d) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and is classified under the following activity headings:

- Costs of raising funds comprise the finance costs incurred by the School.
- Expenditure on charitable activities includes the costs of the academic and pastoral care provided to the pupils.

Governance costs, which comprise the regulatory costs of running the charity, have been allocated wholly to the charitable activities of the School. All expenditure is inclusive of irrecoverable VAT.

(e) Grant making policy

Bursaries from restricted funds are included as expenditure in the period for which the award is given. Bursaries and scholarships from unrestricted funds towards school fees at school are treated as a reduction in those fees.

(f) Tangible fixed assets

The School prepares a budget for capital expenditure at the start of each academic year which is approved by the Finance Committee.

Depreciation is provided on cost less residual value at the following rates in order to write off assets over their estimated useful lives

Freehold buildings - St Mary's Theatre and STEM building	2%
Freehold buildings - Access road	10%
Freehold buildings - Other	Not depreciated
Freehold buildings - Swimming pool	3¼%
Equipment	10% - 20%
Motor vehicles	20%

The Charity holds no inalienable or historic assets.

The policy for depreciating freehold buildings is to provide a charge of 2% on cost less residual value. However, no depreciation has been charged on the main school buildings as an annual impairment review is undertaken. This considers the maintenance programme to keep buildings in good repair, and an annual insurance review to identify any significant issues.

Assets costing more than £1,000 are capitalised and carried in the balance sheet at historical cost. Assets under the course of construction are not depreciated until they are complete and brought into use.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

(g) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains/(losses) on investments" in the SOFA.

(h) Stock

Stock is included at the lower of cost and net realisable value.

(i) Debtors

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

(j) Cash at bank and in hand

Cash at bank and 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.

(k) Creditors and provisions

Creditors and provisions are recognised where the School 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.

(l) Financial Instruments

The School has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the School's balance sheet when the School becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 11, 12 and 13 for the debtor and creditor notes.

(m) Employee benefits

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

(n) Pension costs

Retirement benefits to employees of the School are provided by Royal London for teachers and the TPT Retirement Solutions Independent Schools' Pension Scheme ('ISPS') for non-teaching staff. Both schemes are a defined contribution scheme.

Contributions to the ISPS are expensed in the Statement of Financial Activities. See note 17 for details.

(o) Benefits in kind and gifts

Gifts donated to the school and any services provided by the Governors have been included in the financial statements.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

(p) Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

(q) Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Restricted funds are created when donations are made either for a particular area or purpose, the use of which is restricted. Expenditure is charged to the Statement of Financial Activities when incurred.

(r) Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The estimates and underlying 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 a regular basis. In the view of the Governors, no assumptions concerning the estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying values.

1 ANALYSIS OF INCOME

	2022	2021
(a) Charitable activities	£	£
Fees receivable	7,514,399	6,588,240
Less: bursaries, scholarships and discounts	(578,795)	(531,740)
Less: COVID discount	-	(266,763)
	<u>6,935,604</u>	<u>5,789,737</u>
Summer school	396,481	-
Business Interruption insurance claim	550,000	-
Registration fees	31,600	26,996
Retained deposit	1,000	-
Extras and disbursements	<u>142,604</u>	<u>236,307</u>
	<u><u>8,057,290</u></u>	<u><u>6,053,040</u></u>

All bursaries, scholarships and discounts were made to individuals in accordance with the School's grant-making policy.

(b) Donations and grants	2022	2022	2022	2021
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Coronavirus Job Retention Scheme grant	-	-	-	266,305
Donations received	<u>365,927</u>	<u>256,370</u>	<u>622,297</u>	<u>1,174,881</u>
	<u><u>365,927</u></u>	<u><u>256,370</u></u>	<u><u>622,297</u></u>	<u><u>1,441,186</u></u>

All donations and grants income in 2021 related to unrestricted funds.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

(c) Other trading activities	2022	2022	2022	2021
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Rental income	97,190	-	97,190	97,917

All income from other trading activities in 2021 related to unrestricted funds.

(d) Investment income	2022	2022	2022	2021
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Interest receivable	44,378	10,722	55,100	39,305

All investment income in 2021 related to unrestricted funds.

2(a) Analysis of expenditure

2022	Staff costs	Other	Depreciation	Total
Charitable activities	£	£	£	£
Teaching	3,122,263	318,111	-	3,440,374
Premises	963,991	1,519,655	396,046	2,879,692
Support costs (note 2b)	942,612	474,585	-	1,417,197
Raising and Managing Funds (note 2c)	-	72,710	-	72,710
	<u>5,028,866</u>	<u>2,385,061</u>	<u>396,046</u>	<u>7,809,974</u>

2021	Staff costs	Other	Depreciation	Total
Charitable activities	£	£	£	£
Teaching	3,011,934	340,476	-	3,352,410
Premises	926,561	1,034,294	314,308	2,275,163
Support costs (note 2b)	832,125	407,030	-	1,239,155
Raising and Managing Funds (note 2c)	-	9,145	-	9,145
	<u>4,770,620</u>	<u>1,790,945</u>	<u>314,308</u>	<u>6,875,873</u>

2(b) Support costs

	2022	2021
	£	£
Salaries and National Insurance	942,612	832,125
Printing, postage and stationery	14,071	17,549
Marketing and development	105,378	79,024
Computer costs	114,028	90,094
Bad debts & stock write off	11,253	42,072
Legal & Professional fees	84,283	88,538
Non-teachers' CPD	4,867	5,986
General expenses	119,989	64,747
Governance Costs (note 3)	20,715	19,020
	<u>1,417,197</u>	<u>1,239,155</u>

2(c) Raising and Managing Funds

Fundraising	54,849	6,642
Interest and charges	17,861	2,503
	<u>72,710</u>	<u>9,145</u>

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3	Governance Costs	2022	2021
		£	£
	Legal & Professional fees	-	-
	Audit fees	20,715	19,020
		<u>20,715</u>	<u>19,020</u>

4	Operating Surplus	Funds	Funds
		2022	2021
		£	£
	The operating surplus is stated after charging:		
	Depreciation and other amounts written off tangible assets	395,090	314,308
	Operating lease charges	24,994	24,237
	Auditor's remuneration - audit fee	20,715	19,020
		<u>20,715</u>	<u>19,020</u>

5 Employees

The average monthly number of employees (including staff who are also trustees) during the year was:

	2022	2021
	No.	No.
Teaching staff	52	53
Administration and support	77	78
	<u>129</u>	<u>131</u>

Employment costs

	Total	Total
	2022	2021
	£	£
Wages and salaries	4,128,615	3,963,853
Social security costs	414,815	373,121
Employer's pension contributions	451,474	423,854
Temporary staff costs	2,239	-
Other	33,961	9,792
	<u>5,031,105</u>	<u>4,770,620</u>

Included in the above are termination payments of £33,961 for three individuals (2021: £9,792 one individual).

Employees earning £60,000 per annum or more received remuneration in the following bands:

	2022	2021
	No.	No.
£60,000 - £69,999	3	3
£70,000 - £79,999	-	-
£80,000 - £89,999	2	1

The employers pension contributions for the above employees was £41,069 (2021: £22,844).

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

6 Key Management Personnel

The charity considers that the key management personnel comprise the governors and the senior leadership team - who are the Headmistress, Deputy Head (Pastoral & Boarding), Assistant Head (Co-curricular), Deputy Head (Academic), Assistant Head Assistant Head (Teaching and Learning), Assistant Head (Operations), Bursar & Clerk to the Governors, Director of Development and the Director of Marketing & Admissions. The total employee benefits including pension costs of the key management personnel of the school were £824,489 (2021: £614,051).

7 Taxation

The charitable company is exempt from corporation tax on its activities.

8 Tangible Fixed Assets

	Investment properties	Freehold properties £	Equipment £	Total £
Cost				
At 1 September 2021	-	12,696,615	3,533,354	16,229,969
Additions	750,000	2,361,976	20,529	3,132,505
Disposals	-	-	(237,833)	(237,833)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2022	750,000	15,058,591	3,316,050	19,124,641
Depreciation				
At 1 September 2021	-	2,002,067	3,112,355	5,114,422
Charge for the year	-	163,784	231,306	395,090
Eliminated on disposals	-	-	(237,646)	(237,646)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2022	-	2,165,851	3,106,015	5,271,866
Net Book Value				
At 31 August 2022	750,000	12,892,740	210,034	13,852,775
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2021	-	10,694,548	420,999	11,115,547
	<hr/>	<hr/>	<hr/>	<hr/>

The insured value of the Main School, Sports Hall, Swimming Pool, St Mary's Theatre and other buildings is £43,230,895

All tangible fixed assets are used for direct charitable purposes. The school does not own or have the use of any inalienable or historic assets. No impairment of the freehold property was evident, which has been confirmed by the insurance valuation.

The school had capital commitments of £nil (2021: £1,984,908) at 31 August 2022.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9 Investments	2022	2021
	£	£
At 1 September	350,540	281,176
Additions	252,520	312,035
Disposals	-	(312,606)
Net gains/(losses)	<u>(9,800)</u>	<u>69,935</u>
At 31 August	<u>593,260</u>	<u>350,540</u>
Historical cost	<u>564,555</u>	<u>312,035</u>
<p>Of the investments held £340,740 (2021: £350,540) relates to Fidelity Investments which is listed on the London Stock Exchange. The balance relates to M&G Charibond and Charifund acquired in 2022.</p>		
10 Stock	2022	2021
	£	£
Household and consumable materials	<u>23,186</u>	<u>24,343</u>
11 Debtors	2022	2021
	£	£
Tuition fees receivable	226,397	576,565
Bad debt provision	(70,115)	(98,322)
Other debtors	5,987	22,699
Prepayments and accrued income	<u>372,643</u>	<u>1,120,717</u>
	<u>534,912</u>	<u>1,621,659</u>
12 Creditors: Amounts falling due within one year	2022	2021
	£	£
Trade creditors	259,631	168,171
Loan	150,000	112,500
Tuition fees in advance (see below)	1,311,827	1,291,158
Other taxes and social security costs	102,576	95,036
Other creditors	141,511	287,178
Accruals and deferred income	<u>72,321</u>	<u>47,535</u>
	<u>2,037,867</u>	<u>2,001,578</u>
	2022	2021
	£	£
Total tuition fees in advance brought forwards	1,291,158	878,388
Released in year	(1,291,158)	(878,388)
Received in year	<u>1,311,827</u>	<u>1,291,158</u>
Total tuition fees in advance carried forwards	<u>1,311,827</u>	<u>1,291,158</u>
Repayable in one year or less, or on demand	1,311,827	1,291,158
Repayable in one year or more (see note 13)	<u>-</u>	<u>-</u>
	<u>1,311,827</u>	<u>1,291,158</u>

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

13 Creditors: Amounts falling due after more than one year	2022	2021
	£	£
Loan	537,500	637,500
Fee deposits	<u>667,827</u>	<u>603,602</u>
	<u><u>1,205,327</u></u>	<u><u>1,241,102</u></u>

In 2021, the school obtained a loan from Barclays Bank plc under the Government's Coronavirus Business Interruption Loan scheme. Interest is payable at Bank of England base rate plus 3.35% from December 2021 and the loan is repayable by November 2026. The amount due in more than five years is £nil (2021: £37,500). There is a charge outstanding over properties owned by the School in relation to these loans.

Fee deposits

Repayable in one year or less, or on demand	<u>75,070</u>	<u>84,500</u>
Repayable between one and two years	53,539	109,620
Repayable between two and five years	536,488	423,482
Repayable in five years or more	<u>77,800</u>	<u>70,500</u>
Total	<u><u>667,827</u></u>	<u><u>603,602</u></u>

Fees paid in advance

Repayable in one year or less, or on demand	<u>1,311,827</u>	<u>1,291,158</u>
Repayable between one and two years	-	-
Repayable between two and five years	<u>-</u>	<u>-</u>
Total	<u><u>-</u></u>	<u><u>-</u></u>

14 Provision for liabilities	2022	2021
	£	£
Balance at 1 September	28,467	36,219
Released in year (see note 17)	<u>(23,044)</u>	<u>(7,752)</u>
	<u><u>5,423</u></u>	<u><u>28,467</u></u>

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FOR THE YEAR ENDED 31 AUGUST 2022

15 Funds	Balance at 31 August 2021 £	Income £	Expenditure £	Gains & Transfers £	Balance at 31 August 2022 £
Unrestricted Funds - General	12,009,207	8,564,784	(7,809,974)	(9,800)	12,754,218
Restricted Funds	-	267,092	(14,572)		252,520
	<u>12,009,207</u>	<u>8,831,876</u>	<u>(7,824,546)</u>	<u>(9,800)</u>	<u>13,006,738</u>

Restricted funds relate to St Mary's Wantage Bursary Fund which supports bursaries given to pupils at the School.

	Balance at 31 August 2020 £	Income £	Expenditure £	Gains & Transfers £	Balance at 31 August 2021 £
Unrestricted Funds - General	<u>11,183,697</u>	<u>7,631,448</u>	<u>(6,875,873)</u>	<u>69,935</u>	<u>12,009,207</u>

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	13,852,775	-	13,852,775
Current assets	2,150,060	252,520	2,402,580
Current liabilities	(2,037,867)	-	(2,037,867)
Creditors falling due after 1 year	(1,205,327)	-	(1,205,327)
Provisions for liabilities and charges	(5,423)	-	(5,423)
	<u>12,754,218</u>	<u>252,520</u>	<u>13,006,738</u>

All net assets in 2021 were represented by unrestricted funds.

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FOR THE YEAR ENDED 31 AUGUST 2022

17 Pension obligations

The School employees belong to two principal pension schemes: Royal London Scheme for teaching staff; and TPT Retirement Solutions Independent Schools' Pension Scheme (ISPS) for non-teaching staff. Both are defined contribution schemes. In addition, a small number of employees belong to TPT Retirement Solutions Growth Plan (TPTGP) defined benefit scheme however this is closed to new members.

TPT Retirement Solutions

The scheme is subject to the funding legislation outlines in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension scheme in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme of £3,312,000 per annum. This is payable monthly from 1 April 2022 to 31 January 2025 and increases by 3% each on 1st April.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Reconciliation of opening and closing provision:	2022	2021
	£	£
Provision at start of period	28,467	36,219
Recognised in year	-	-
Unwinding of discount factor (interest expense)	162	175
Deficit contribution paid	(5,665)	(7,889)
Remeasurements - impact of change in assumptions	(239)	(38)
Remeasurements – amendments to the contribution schedule	(17,302)	-
	<u>5,423</u>	<u>28,467</u>

Income and expenditure impact:

Interest expense	162	175
Recognised in year	-	-
Remeasurements - impact of change in assumptions	(239)	(38)
Remeasurements – amendments to the contribution schedule	(17,302)	-

All movements on the pension provision are recognised in the Statement of Financial Activities as staff costs.

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FOR THE YEAR ENDED 31 AUGUST 2022

17 Pension obligations continued

The assumed discount rate applied is 4.46% per annum (2021: 0.63%). This rate is the equivalent single discount rate which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Royal London Scheme

The pension charge for the year includes contributions payable to Royal London of £291,309 (2021: £338,747) and at the year-end £42,193 (2021: £45,481) was accrued in respect of contributions to this scheme.

18 Indemnity insurance

During the year the company purchased insurance for the directors of the school against liabilities arising from negligence in relation to the company as permitted under section 233 of the Companies Act 2006 with the approval of the Charities Commission. £36,996 (2021: £37,017) was paid for an all risks combined liability insurance policy. Included in this was public liability insurance and professional indemnity insurance relating to the trustees.

19 Company limited by guarantee

As the company is limited by guarantee, in the event of winding up the members will be required to pay £1.

20 Related party transactions

None of the trustees received any remuneration or reimbursed expenses for their role as trustee during the current or previous year.

The Chairman was also a trustee of St Mary's School Wantage Bursary Fund. The charity, which closed during 2022, raised funds to support bursaries provided by the School. During the year an amount of £267,092 (2021: £10,199) was donated to the School and at the year end £nil (2021: £nil) was owed to the School.

21 Controlling interest

The company is controlled by its Board of Governors.

22 Operating lease commitments

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

Due within:	2022	2021
	£	£
Less than one year	26,249	20,473
Between one and five years	<u>27,389</u>	<u>19,167</u>
	<u><u>53,638</u></u>	<u><u>39,640</u></u>

23 Contingent Liabilities

During the year end a legal case has arisen that could result in a future liability for the school. No financial liability can be quantified at this stage.

HEATHFIELD SCHOOL

England & Wales - Charity number 309086

Accounts

Company Registration No. 00556463
Registered Charity No. 309086

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021
FOR
HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)**



HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
KEY EXECUTIVES AND PROFESSIONAL ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2021

Key executives and Professional Advisors

HEADMISTRESS: Ms S Wilson

BURSAR: Mrs R Frier

SENIOR LEADERSHIP TEAM:

Mrs R Whitton	Deputy Head (Pastoral and Boarding)
Mr D Mitchell	Deputy Head (Academics)
Mr J Hart	Assistant Head (Sixth Form)
Miss W Reynolds	Assistant Head (Co-curricular and Operations)
Ms A Morgan	Director of Marketing and Admissions
Mrs E Boryer	Director of Development

BANKERS: Barclays Bank Plc
19 High Street
Ascot
Berkshire
SL5 7LB

SOLICITORS: Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5WS

AUDITORS: Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

COMPANY SECRETARY: Mrs R Frier

REGISTERED OFFICE: Heathfield School
London Road
Ascot
Berks
SL5 8BQ

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Governors present their annual report for the year ended 31 August 2021 under the Companies Act 2006, together with the audited accounts for the year, and confirms that the latter comply with the requirements of the Act, the memorandum and articles of association and the Charities SORP 2015.

REFERENCE AND ADMINISTRATIVE INFORMATION

The School was founded in 1899 and became a Charity in 1955 and is registered with the Charity Commission under Charity number 309086. The School is also a company limited by guarantee registered number 556463 (England and Wales). The Trustees of the charity are also Directors of the company and are referred to as Governors in this Report. The Governors are listed below and the executive officers, professional advisors and principal addresses of the Charity are listed on page 1.

Principal activities of the year

The School provides education in Ascot for girls from the ages of 11 to 18, and also runs a summer school for local and overseas students.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

Governors

The members of the Governing Body are detailed below. The Governing Body is self-appointing. Each Governor is elected for three years and retiring Governors are able to stand for re-election. The number of serving Governors shall not be fewer than ten or exceed twenty.

Organisational Management

The School's Governors, who are also the Charity Trustees and the Company Directors, are legally responsible for the overall management and control of the School and meet at least three times a year. The work of implementing most of their policies is carried out by the members of the five following subcommittees: Finance, Buildings & Development, Educational, Pastoral and Compliance, Marketing, Admissions & Communications and Nominations which meet at regular intervals during the year.

The day-to-day running of the school is delegated to the Headmistress, supported by the senior management team, together with the Bursar. The Headmistress and the Bursar attend meetings of the above committees.

At the date of approval of the financial statements the School Governors are as follows:

Name	Position
Mr Tom Cross Brown	Chair of the Council, Chair N
Bishop Jonathan Baker	EPC
Mrs Sally-Anne Barrett (resigned 12 November 2021)	F
The Revd Canon Dr Philip Ursell	
Mr Guy Egerton-Smith	Chair BD, F
Mr Robert Gregory	N
Hon Mrs Frances Stanley	Chair MAC
Mrs Sally Tulk-Hart	MAC, EPC
Mrs Elizabeth Laybourn (resigned 24 May 2021)	EPC
Miss Charlotte Faber	Chair of EPC
Mr Steve Melcher	Chair of F

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
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Name	Position
Mrs Karen Hurt (appointed 25 March 2021)	
Mrs Anne Lynch (appointed 12 November 2021)	EPC
Mrs Suzie Cullen (appointed 12 November 2021)	MAC
Mrs Annabelle More O'Ferrall (appointed 22 March 2022)	EPC

Key:

Buildings & Development Sub-committee = BD
Marketing, Admissions & Communications Sub-committee = MAC
Nominations Sub-committee = N
Education, Pastoral & Compliance Sub-committee = EPC
Finance Sub-committee = F

Recruitment and Training of Governors

Potential Governors are identified by members of the Governing Body which seeks to achieve a balance of experience and background in secondary education, finance, business, law, facilities & property management, human resources management, marketing & PR and health & safety compliance. New candidates tour the School and meet the Headmistress and other existing Governors. They are proposed by the Nominations Committee. Once appointed, new Governors are inducted into the workings of the School including Board Policy and Procedures. Training is regularly offered to all Governors on various topics including child protection and safeguarding training. Governors are encouraged to attend external seminars and course to keep them informed and updated on current issues in the sector and regulatory requirements. This includes events run by AGBIS, ISC, ISBA and professional firms.

Key management personnel remuneration

The remuneration of key management personnel (being the Headmistress and Bursar) is set by the Governors, with the objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly for their individual contributions to the success of the School. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to benchmarking information to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our expenditure.

The School is committed to ensuring equality of opportunity through the creation of an environment in which individuals are treated on the basis of their relevant merits and abilities. The School respects all its members and values the harmonious relationships between them. As a community we are committed to the active promotion of equality between all who live, study or work in the School. Provision is made for individuals with a particular disability and religious, dietary, language or cultural needs, as appropriate.

Consultation with employees at all levels ensures that the views of employees are taken into account when decisions are made that are likely to affect their interests. All staff are briefed at the beginning of each term with shorter briefing sessions held once a week. The Senior Leadership Team meet once a week to discuss strategic plans; there are regular Heads of Department and Heads of Year meetings where teaching and learning strategies are discussed, as well as weekly meetings with Boarding staff.

Chapel

Acknowledging that our students are more than minds that need nurturing or bodies that need training, as they grow, we recognise their need to come to terms with their spirituality.

The Chapel provides a place of peace and quiet reflection, where that spiritual development can begin. Our Chapel is the spiritual centre of the school and is often at the core of people's memories of the school

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when they leave, and the place they come back to first when they return to visit. Dedicated in 1904, the Chapel was built in the Victorian Gothic style with collegiate seating. Chapel follows current Anglican practice, yet it is a place for all the school community regardless of faith or belief.

The Chaplain is a central figure in school life who leads Chapel services during the week, on Sundays and on special occasions. The Chaplain is available to all members of the school community and the school's extended community for pastoral care.

Related parties and other connected charities and organisations

The Heathfield Fellowship is a separate entity which continues to raise money to enable pupils to attend the school by way of bursarial support.

St. Mary's Wantage Bursary Fund is a separate charitable entity, created from the merger of Heathfield School and St Mary's School Wantage. The object of the charity is for the advancement of education by providing bursaries for pupils to attend Heathfield School.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The objects for which the Association is established are to advance education and training by:

- The provision and conduct, in the UK or abroad, of a school or schools for girls under the name of Heathfield School to be conducted in accordance with the traditions of the Church of England including the Anglo-Catholic tradition; and
- Insofar as it is incidental or ancillary to the advancement of education, such other means for the benefit of the local community as shall be exclusively charitable.

These are set out in the School's governing document – the Memorandum and Articles of Association of Heathfield School dated 18 October 1955 as amended March 2009.

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the School's aims and objectives and in planning future activities.

Public Benefit Activities

The Governors have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The School is committed to ensuring that it is meeting its main aim and its charitable objective. The School's aims for the public benefit are:

- To recognise the need to respond to the challenge of change by giving all members of its community the opportunity to develop, by continual improvement of its facilities and by fostering links with the wider community.
- To optimise its resources and recognise its responsibilities for administering its charitable funds efficiently and for the benefit of the School and the wider community.

The Governors are committed to widening access to the School and welcomes pupils from all backgrounds. Each pupil to whom support is offered must, in the opinion of the Headmistress, be likely to make sound academic progress following admission, possess the potential to develop the quality of her work and benefit from participation in the wider, extra-curricular activities on offer at the School. The availability of bursaries is publicised on the School's website. The Governors' policy is to award bursaries on a means tested basis only. The bursaries are available to provide financial support for up to 100% of the annual fees. During

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2021 a total of £399,263 (2020: £363,741) was awarded in bursaries to 24 (2020: 18) pupils. Many more applications are received than the School can reasonably support.

The School works closely with a number of other partner charities that help identify pupils who could benefit substantively from the education and pastoral support that the School can provide. 7 pupils (2020: 5) receive significant contributions towards their fees from these external grant-making bodies which resulted in full remission of their tuition fees.

The School actively supports the local community, local charities and associations by making its facilities available at less than cost price or free to a variety of different clubs and organisations. The School has started to develop links with local maintained schools. Some specific examples of the School's outreach programme are:

- Two members of the Senior Leadership Team volunteered as Governors at local maintained schools.
- The school ran several Prep Schools' Swimming Galas and a Prep Schools' Lacrosse coaching session event.
- Local maintained schools were invited to attend a number of guest speaker events.

The swimming pool is host to many local communities and organisations. Schools including Holy Trinity, Kennel Lane, Meadowbrook Montessori and Natures Nursery use the facility at various times throughout the year. In addition to these schools, there are a number of clubs that use the pool on a regular basis. These include, Berkshire Triathlon Squad, Scuba Trust, Bracknell and Wokingham Swimming Club and Windsor Swimming Club. Frogs and Friends Swimming School regularly run lessons at the pool as part of their 'learn to swim' programme which is offered to children in and around the local area.

The swimming pool is also used for training as well as tuition. NPLQ (National Pool Lifeguard Qualification) and Swimming Teacher courses are held at the pool and are open to members of the local community.

Fundraising performance

The School views fundraising as a very important source of additional income to enable fees to be kept as low as possible and to reduce reliance on single income streams. The trustees are fully aware of their individual responsibility and accountability to ensure that the School fundraises legally, responsibly and effectively. They are aware of the Charity Commission CC20 guidance and use this and the accompanying checklist to help them evaluate the School's fundraising performance.

The Development Office continued to run an active communication and engagement programme through the pandemic, raising funds for the Sixth Form Centre capital project. The total amount raised for 2021 was £274,881 (2020: £146,937).

The School did not engage with a professional fundraiser in the year.

The School has a published complaints procedure, available on its website. The number of complaints received during the year in respect of fundraising was none.

Aims and Intended Impact

Heathfield School aims to discover and develop every pupil's unique talents to enable them to excel.

Heathfield aims to foster:

- The confidence and self-belief to go beyond one's preconceived abilities academically, physically and spiritually;

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- Authenticity, self-awareness and a desire to embrace each other's uniqueness and spirit;
- Compassion, empathy, understanding and lifelong friendship building respect for oneself and others;
- Good habits for life: work ethic, self-discipline, resilience, independence, integrity and courage based on strong moral values and having a go;
- Commitment to the community: selflessness, compassion and service to others.

These values are engendered through four central pillars:

Community

- A community where everyone drives and benefits from a culture of high expectations;
- A community where every girl is valued and known;
- A 'can do' community where all words and actions are kind, respectful and positive;
- A community which hires, retains and trains the best staff;
- A community which commits to physical and financial service to those less fortunate;
- Beautiful, well maintained surroundings encouraging wellbeing;
- Proactive and caring support for all;
- A close community where positive relationships with girls, The Fellowship (Old girls), parents past and present, staff, Governors and friends flourish.

Pastoral Care and Boarding

- Each pupil benefiting from excellent pastoral care that provides individual support and care.

Teaching

- Teaching of the highest standard which motivates, inspires and challenges every pupil;
- Every pupil benefiting from career and higher education guidance enabling her to meet her ambitious personal goals.

Co-Curricular

- Each pupil benefiting from a variety of cultural, physical, social, intellectual and creative activities and opportunities developing resilience, self-confidence and belief ensuring readiness for a place within a modern global society.

Objectives for the year

- To maintain and develop the School's academic performance
- To maintain and provide a first class boarding experience
- To continue to grow and boost admission numbers
- To improve and increase awareness of the School and what it stands for at local, regional and national level

Strategies to achieve the year's objectives

The strategies to achieve the year's objectives have included:

Admissions

Day girls, first admitted in 2015-16, are growing in number each year and are leading a full part in the life of the school alongside the School's boarders and have every opportunity to take part in all the activities on offer at Heathfield.

The Headmistress continues to host prep head visits, and the School hosts prep school curriculum and non-

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curriculum events at Heathfield, aimed at increasing prep schools' awareness of what we offer and of our growing academic reputation.

Academic Strategy

During the year, we have continued to push forward with an over-arching strategy to improve our growing academic success at Heathfield, including more intensive individual monitoring of staff and pupils' performances in the classroom as well as monitoring girls' study time and their use of it more closely while providing complementary activities to enhance their learning, in the form of conferences and workshops at the school through to a greater variety of co-curricular activities.

Our Learning Support Department continues to provide expert help for girls who require additional support in one or several areas, ensuring that Heathfield's outstanding reputation for helping to fulfil the potential of each individual girl through our value added results is supported and enhanced at every level.

Monitoring current pupils

Our individual monitoring of pupils to highlight their academic strengths and weaknesses, and to give them extra guidance where appropriate, is paying dividends in enabling staff to identify early the areas where girls need extra help. Staff can input such vital details about a child's performance into our monitoring and tracking system within the school's intranet so that they share their observations with their colleagues and areas of concern quickly become spotted and therefore acted on.

Monitoring also means that our gifted and talented programme for the brightest pupils has become more defined within the school and has encouraged and nurtured academic development in the brightest girls.

Scholarship programme

Our scholarship programme has continued to grow in profile inside and outside the school. The scholarships attract the brightest pupils to Heathfield, thus helping to improve our academic reputation. Regular monitoring to ensure each girl's potential is fulfilled also helps us to identify potential scholarship candidates from within the school who are able to compete for a scholarship at appropriate times.

The scholarship awards contain a small financial incentive to make them more attractive to potential parents who may be considering a number of schools.

Co-Curricular

Similarly, our co-curricular programme was developed to encourage and reflect an emphasis on academics. Making the programme increasingly Sixth Form-led has succeeded in its aim of giving the girls a greater sense of responsibility and helping them to develop leadership and team building qualities.

The initiatives held to highlight and praise the girls' academic achievements such as special assemblies and the

High Flyer awards are popular with the girls and have a positive effect on the girls' confidence as they take pride in their achievements.

STRATEGIC REPORT

The following sections of this report constitute the Strategic Report.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Academic Achievements

Heathfield celebrated another year of exceptional A-level results with 26% of its students' results securing A*/A, 85% A* to B and 96% A* to C. Other results of note included Mathematics in which 75% of students secured

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an A* or A, Photography, religious Studies, Spanish, Drama, Music and Economics in which 100% attained an A* or A.

Over 40% of 2021 leavers staying in the UK are destined for leading Russell Group universities such as Exeter, Edinburgh, Durham and Bristol to study a broad range of subjects including Psychology, Politics, Sociology and Animation. Girls also accepted places at Parsons, Paris and King's College London.

At GCSE, across the board, 61% of grades received by Heathfield students were in the top 9-7/A*-A category. Core subjects continued to impress, with a 100% pass in Maths and English Language and 36% of girls securing a 9-7/A*-A in Maths, 59% gaining a 9-6/A*AB in English Language and 84% 9-6/A*-B in English Literature. Girls also performed well in other subjects with 100% 9-7 in Art, Biology, Chemistry, History and Music.

Sport

It has been a quiet year on the sporting field for Heathfield due to the pandemic as inter-school fixtures were unable to take place.

Extra Curriculum Activities:

Music

Seven girls passed ABRSM instrumental and singing examinations during the year, with a range of instruments. One V pupil received a distinction in their Grade VII singing exam whilst a pupil in LVI received a distinction in her Grade VI singing exam.

LAMDA and Dance

Students took 50 LAMDA examinations between October 2020 and June 2021. 12 of these examinations were at the Higher Level – Grades 6-8 – for which the students also receive UCAS points. All 50 LAMDA students achieved a Distinction or Merit, and 100% of the Grade 8/Gold Medal candidates achieved a Distinction (30 UCAS points). The exams were taken both online and 'in person' due to Covid restrictions.

In Dance, students have achieved success in RAD Ballet, ISTD Tap and GCSE Dance examinations this year, with exceptional results in such challenging times. Much of their learning was completed online. Girls also participated in Ballet, Street Dance, Dance GCSE, Tap Dance, Pointe-work, Pilates and Yoga classes during the year.

Equestrian Events at Heathfield

Although riding and polo lessons were disrupted by Covid-19 restrictions, Heathfield remained as active as possible encouraging riders and polo players with lessons available three times a week.

Although there were no SUPA schools tournaments, Heathfield played a polo match against Eton at the end of the summer term. There are four polo coaching sessions each week.

Heathfield have an average of 38 pupils attending polo and/or riding lessons. Classes are from beginners (completely new to the activity) to advanced jumping classes. We were oversubscribed with Wednesday riders at Berkshire riding center with a waiting list of keen riders waiting for a place in one of our 4 group lessons.

Heathfield continues to attract competent show jumping, dressage and event riders with several pupils horses at local livery yards to continue their training whilst boarding at school. Many pupils continue with their equestrian disciplines at high levels after their start at Heathfield.

Staff

The Governors wish to express their gratitude to the Headmistress, the Bursar and all other members of the Staff for their continued dedication to the interests of the pupils of Heathfield School.

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FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Governors consider that the School is on a sound financial footing, given the increasing pupil numbers year on year since 2018, and views the future with optimism, despite the challenges of the year due to the pandemic. At the year end, the school held cash balances of £2,076,655 (2020: £1,142,429) and investments of £350,540 (2020: £281,176).

At 31 August 2021 the School had net assets of £12,009,207 (2020: £11,183,696), of which freehold property accounts for £10,694,548 (2020: £10,682,974). This is a vital area of focus for the School as the high quality facilities and living quarters are significant contributing factors in attracting new pupils.

During the year a net cash inflow of £934,226 (2020: outflow £362,243) occurred. Cash from operating activities was a net inflow of £434,540 (2020: outflow £368,376) in the year.

The School made an operational surplus of £1,069,883 (2020: £179,965) in the year, which after depreciation and gains on investments, resulted in a surplus of income over expenditure of £825,510 (2020: deficit £397,069). The lost income resulting from the fee reductions, cancelled Summer School, and lettings revenue from the swimming pool as a result of the coronavirus pandemic is estimated at £921,763 (2020: £823,251). This was mitigated by claims made under the CJRS (furlough) scheme totaling £266,305 (2020: £322,878). The School expects to recoup some of the lost income via its Business Interruption insurance cover.

As a registered Charity all surpluses are applied for the benefit of the School.

Reserves Policy

The Governors' policy is to build up free reserves to meet demands for further expenditure out of annual operating surpluses to equip the School with the up-to-date facilities needed to improve and maintain the standard of educational services and sporting facilities. The Governors are of the opinion that the total reserves, all of which are unrestricted funds, on the Income and Expenditure account of £12,009,207 (2020: £11,183,696) are sufficient to meet the school's obligations for the foreseeable future (see note 15 for note on reserves). After deducting the carrying value of tangible fixed assets held for the charity's own use, the freely available reserves were £893,660 (2020: £15,803).

The Governors recognise the need to review the reserve levels of the school annually at the year-end as part of its medium-term budget planning. The Governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the School and to fund future projects, whilst maintaining a contingency in the region of £1,000,000. The Governors intend to review the Reserves Policy annually to ensure that this aim can be achieved.

Investment Policy

The Governors' policy is to invest in secure forms of investment that provide a reasonable level of income. The Finance Sub-committee keeps under review the investment risks and rewards.

Going concern accounting Policy

The Governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the School to continue as a going concern. The Governors have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Governors have considered the School's forecasts and projections and have taken account of the CBILS loan drawn down in the year to aid cash flow along with pressures on fee income, particularly in the light of the impact of the COVID-19 pandemic which occurred before these financial statements were approved and is explained in more detail in the Principal Risks section of the Governors' Report in these financial statements. After making enquiries the Governors have concluded that there is a reasonable

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

expectation that the School has adequate resources to continue in operational existence for the foreseeable future.

As such the School can expect to be able to meet its liabilities as they fall due in the period of at least 12 months from the date of approval of these accounts.

On this basis the Governors have concluded that the School is a going concern. The financial statements do not include any adjustments that would result from the School not being able to meet its liabilities as they fall due.

Future Plans

The STEM building was completed for the start of the 2015-16 academic year and a further five building projects have been granted planning permission. The construction of a Sixth Form Study and Wellbeing Centre commenced in August 2021 and is scheduled to be completed by September 2022.

The School is continuing to raise academic standards and to attract academically able pupils to the School.

In September 2022, the School will admit weekly boarders for the first time, whilst continuing to offer full boarding and day places.

PRINCIPAL RISKS AND UNCERTAINTIES

The most significant risk to the charity, and indeed most independent schools, is a significant drop in pupil numbers, which would affect income. The Governors work to ensure the School has the first class resources required to attract and retain pupils.

The highest costs to Heathfield are staff and pastoral costs which are paid in arrears. Conversely, school fees are received termly in advance resulting in a surplus of working capital. Any cash flow risk which will arise from the commission of any building projects will be reduced by extensive forward planning by the Governors, coupled with significant cash balances held by Heathfield which can be utilised as required.

Credit risk is the risk of financial loss to Heathfield if a fee payer fails to meet their obligations. Heathfield minimises this risk by taking deposits from each student and monitoring amounts not received on a regular basis.

Health and Safety is always a significant area for risk management. The risks range from fire to personal risks (most notably when away from the School on trips and expeditions). The risks associated with all activities are minimised by thorough planning and risk assessment.

During the financial year like all schools in the country the School was and will continue to be impacted by the Covid-19 pandemic. The School mitigated the financial impact as optimally as it reasonably could by taking advantage of the Government's Job Retention Scheme and reducing other costs where possible. The Governors considered the likely financial impact on the School including the uncertainty over the pupil numbers and its commercial letting activities and summer school and camp. There was a negative financial impact in the short-term, with a reduction in fee and commercial income, but the Governors consider the School remains financially viable in the long term, and consequently have concluded that the Going Concern basis remains applicable. The risk of the Coronavirus pandemic has been added as a specific risk to the Risk Management Table.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. The

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
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GOVERNORS' REPORT
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charity's exposure to risk is reviewed consistently throughout the year.

The key controls used by the Charity include:

- Formal agenda for all Committee and Board activity
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable
- Formal written policies

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors, who are also the Trustees, are responsible for preparing a Governors' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

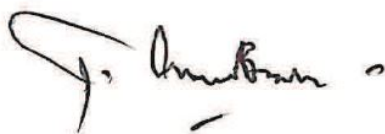
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures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

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

So far as each of the Governors are aware at the time the report is approved:

- there is no relevant information of which the company's auditors are unaware, and
- the Governors have each taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

BY ORDER OF THE BOARD



Mr Tom Cross Brown
Chairman of the Governors

Date: 22 March 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the financial statements of Heathfield School ('the company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2021

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 2, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2021

in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2021**

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

Moore Kingston Smith LLP

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

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 1 April 2022

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £	2020 Total Funds £
INCOME FROM:					
Charitable activities					
School fees	1a	6,053,040	-	6,053,040	6,059,351
Donations and grants	1b	1,441,186	-	1,441,186	469,815
Other trading activities					
Rental income	1c	97,917	-	97,917	78,454
Investments	1d	39,305	-	39,305	50,815
Total income		7,631,448	-	7,631,448	6,658,435
EXPENDITURE ON:					
Raising funds		2,503	-	2,503	2,502
Charitable activities	2	6,873,370	-	6,873,370	7,002,973
Total expenditure		6,875,873	-	6,875,873	7,005,475
Net gains/(losses) on investments	9	69,935	-	69,935	(50,028)
NET INCOME/(EXPENDITURE)		825,510	-	825,510	(397,068)
Reconciliation of funds					
Fund balances brought forward at 1 September	15	11,183,697	-	11,183,697	11,580,765
Fund balances carried forward at 31 August	15	12,009,207	-	12,009,207	11,183,697

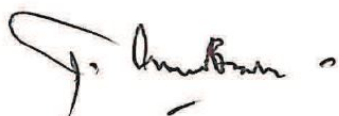
All amounts derive from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible assets	8		11,115,547		11,167,894
CURRENT ASSETS					
Investments	9	350,540		281,176	
Stocks	10	24,343		20,885	
Debtors	11	1,621,659		523,381	
Cash at bank and in hand		<u>2,168,265</u>		<u>1,142,429</u>	
		4,164,807		1,967,871	
CREDITORS - Amounts falling due within one year	12			<u>(1,320,222)</u>	
		<u>(2,001,578)</u>			
NET CURRENT ASSETS			2,163,229		647,649
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,278,776</u>		<u>11,815,543</u>
Creditors					
Amounts falling due after more than one year	13		(1,241,102)		(595,627)
Provisions for liabilities and charges	14		<u>(28,467)</u>		<u>(36,219)</u>
Net assets			<u><u>12,009,207</u></u>		<u><u>11,183,697</u></u>
FUNDS					
Restricted funds	15		-		-
Unrestricted funds					
Income and expenditure account			<u>12,009,207</u>		<u>11,183,697</u>
School Funds			<u><u>12,009,207</u></u>		<u><u>11,183,697</u></u>

Approved by the Board of Governors of Heathfield School on 22 March 2022 and signed on its behalf by



Mr Tom Cross Brown - Governor



Mr Steve Melcher - Governor

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Net cash inflow/(outflow) from operating activities	(a)	526,150	(368,376)
Cashflows from investing activities			
Investment income and interest received		15,557	32,062
Interest paid		(2,503)	(2,502)
Proceeds from disposal of investments		312,606	-
Payments to acquire investments		(312,035)	-
Payments to acquire tangible fixed assets		(263,939)	(23,427)
Net cash inflow from investing activities		(250,315)	6,133
Cashflow from financing activities			
Loan received		750,000	-
Increase/(Decrease) in cash and cash equivalents in the year		<u>1,025,836</u>	<u>(362,243)</u>
Cash and cash equivalents at beginning of the year		<u>1,142,429</u>	<u>1,504,672</u>
Cash and cash equivalents at end of the year		<u><u>2,168,265</u></u>	<u><u>1,142,429</u></u>

Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
(a) Net expenditure including endowments	825,510	(397,069)
Adjustments for:		
Net (gains)/losses on investments	(69,935)	50,028
Loss on disposal of tangible fixed assets	1,978	-
Investment income	(15,557)	(32,062)
Interest paid	2,503	2,502
Depreciation charges	314,308	527,006
Increase in stock	(3,458)	(4,325)
Increase in debtors	(1,098,278)	(6,484)
Increase/(decrease) in creditors	576,831	(501,024)
Decrease in provisions	(7,752)	(6,949)
Net cash inflow/(outflow) from operating activities	<u><u>526,150</u></u>	<u><u>(368,377)</u></u>

	Balance at 31 August 2020 £	Cash Movements £	Balance at 31 August 2021 £
Net cash:			
Cash at bank and in hand	1,142,429	1,025,836	2,168,265
Bank loan	-	(750,000)	(750,000)
Net cash	<u><u>1,142,429</u></u>	<u><u>275,836</u></u>	<u><u>1,418,265</u></u>

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

ACCOUNTING POLICIES

Heathfield School Limited is a charitable company, incorporated in England and Wales and limited by guarantee. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' Report.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

(b) Going concern

The Governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the School to continue as a going concern. The Governors have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Governors have considered the School's forecasts and projections and have taken account of pressures on fee income, particularly in the light of the impact of the COVID-19 pandemic which occurred before these financial statements were approved and is explained in more detail in the Principal Risks section of the Governors' Report in these financial statements. After making enquiries the Governors have concluded that there is a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the governors continue to adopt the going concern basis for the preparation of the financial statements.

(c) Income

All income is recognised when the School has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Fees receivable

These represent fees charged to pupils with incidental fees and disbursements disclosed separately and are accounted for in the period in which the service is provided. Fees received in advance of education to be provided in future years are held as liabilities until either taken to income in the term when used or else refunded.

Donations

All monetary donations are included in full in the statement of financial activities when received, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met. Donations receivable for the general purpose of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on Heathfield School's Governors.

The value of donated services and gifts in kind provided to the School are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the School can

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

Donations continued

be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the School's policies.

Grants receivable

Revenue grants, including government grants, are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable and transferred to unrestricted funds up to the level of expenditure incurred. Depreciation on the fixed assets purchased with such grants is then charged against unrestricted funds.

(d) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and is classified under the following activity headings:

- Costs of raising funds comprise the finance costs incurred by the School.
- Expenditure on charitable activities includes the costs of the academic and pastoral care provided to the pupils.

Governance costs, which comprise the regulatory costs of running the charity, have been allocated wholly to the charitable activities of the School. All expenditure is inclusive of irrecoverable VAT.

(e) Grant making policy

Bursaries from restricted funds are included as expenditure in the period for which the award is given. Bursaries and scholarships from unrestricted funds towards school fees at school are treated as a reduction in those fees.

(f) Tangible fixed assets

The School prepares a budget for capital expenditure at the start of each academic year which is approved by the Finance Committee.

Depreciation is provided on cost less residual value at the following rates in order to write off assets over their estimated useful lives

Freehold buildings - St Mary's Theatre and STEM building	2%
Freehold buildings - Access road	10%
Freehold buildings - Other	Not depreciated
Freehold buildings - Swimming pool	3 $\frac{1}{3}$ %
Equipment	10% - 20%
Motor vehicles	20%

The Charity holds no inalienable or historic assets.

The policy for depreciating freehold buildings is to provide a charge of 2% on cost less residual value. However, no depreciation has been charged on the main school buildings as an annual impairment review is undertaken. This considers the maintenance programme to keep buildings in good repair, and an annual insurance review to identify any significant issues.

Assets costing more than £1,000 are capitalised and carried in the balance sheet at historical cost. Assets under the course of construction are not depreciated until they are complete and brought into use.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

(g) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains/(losses) on investments" in the SOFA.

(h) Stock

Stock is included at the lower of cost and net realisable value.

(i) Debtors

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

(j) Cash at bank and in hand

Cash at bank and 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.

(k) Creditors and provisions

Creditors and provisions are recognised where the School 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.

(l) Financial Instruments

The School has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the School's balance sheet when the School becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 11, 12 and 13 for the debtor and creditor notes.

(m) Employee benefits

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

(n) Pension costs

Retirement benefits to employees of the School are provided by Royal London for teachers and the TPT Retirement Solutions Independent Schools' Pension Scheme ('ISPS') for non-teaching staff. Both schemes are a defined contribution scheme.

Contributions to the ISPS are expensed in the Statement of Financial Activities. See note 17 for details.

(o) Benefits in kind and gifts

Gifts donated to the school and any services provided by the Governors have been included in the financial statements.

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(p) Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

(q) Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Restricted funds are created when donations are made either for a particular area or purpose, the use of which is restricted. Expenditure is charged to the Statement of Financial Activities when incurred.

(r) Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

Useful Economic Lives - The annual depreciation charge for property, plant and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

1 ANALYSIS OF INCOME

(a) Charitable activities	2021	2020
	£	£
Fees receivable	6,588,240	6,588,497
Less: bursaries, scholarships and discounts	(531,740)	(467,955)
Less: COVID discount	<u>(266,763)</u>	<u>(468,251)</u>
	<u>5,789,737</u>	<u>5,652,291</u>
Summer school	-	-
Registration fees	26,996	29,000
Extras and disbursements	<u>236,307</u>	<u>378,060</u>
	<u><u>6,053,040</u></u>	<u><u>6,059,351</u></u>

All bursaries, scholarships and discounts were made to individuals in accordance with the School's grant-making policy.

(b) Donations and grants	2021	2021	2021	2020
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Coronavirus Job Retention Scheme grant	266,305	-	266,305	322,878
Donations received	<u>1,174,881</u>	-	<u>1,174,881</u>	<u>146,937</u>
	<u><u>1,441,186</u></u>	<u><u>-</u></u>	<u><u>1,441,186</u></u>	<u><u>469,815</u></u>

All donations and grants income in 2020 related to unrestricted funds.

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(c) Other trading activities	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Rental income	97,917	-	97,917	78,454
All income from other trading activities in 2020 related to unrestricted funds.				
(d) Investment income	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Interest receivable	39,305	-	39,305	50,815
All investment income in 2020 related to unrestricted funds.				
2(a) Analysis of expenditure				
2021	Staff costs £	Other £	Depreciation £	Total £
Charitable activities				
Teaching	3,011,934	340,476	-	3,352,410
Premises	926,561	1,034,294	314,308	2,275,163
Support costs (note 2b)	832,125	413,672	-	1,245,797
Finance costs (note 2c)	-	2,503	-	2,503
	<u>4,770,620</u>	<u>1,790,945</u>	<u>314,308</u>	<u>6,875,873</u>
2020	Staff costs £	Other £	Depreciation £	Total £
Charitable activities				
Teaching	2,924,756	460,339	-	3,385,095
Premises	853,379	950,553	527,006	2,330,938
Support costs (note 2b)	811,877	475,064	-	1,286,941
Finance costs (note 2c)	-	2,502	-	2,502
	<u>4,590,012</u>	<u>1,888,458</u>	<u>527,006</u>	<u>7,005,476</u>
2(b) Support costs			2021 £	2020 £
Salaries and National Insurance			832,125	811,877
Printing, postage and stationery			17,549	16,609
Marketing and development			85,666	104,219
Computer costs			90,094	131,192
Bad debts & stock write off			42,072	42,212
Legal & Professional fees			88,538	84,690
Non-teachers' CPD			5,986	6,106
General expenses			64,747	53,526
Governance Costs (note 3)			19,020	36,510
			<u>1,245,797</u>	<u>1,286,941</u>
2(c) Finance costs				
Interest and charges			<u>2,503</u>	<u>2,502</u>

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3 Governance Costs	2021	2020
	£	£
Legal & Professional fees	-	15,984
Audit fees	19,020	20,526
	<u>19,020</u>	<u>36,510</u>

4 Operating Surplus	Funds	Funds
	2021	2020
	£	£
The operating surplus is stated after charging:		
Depreciation and other amounts written off tangible assets	314,308	527,006
Operating lease charges	24,437	20,372
Auditor's remuneration - audit fee	19,020	20,526
	<u>19,020</u>	<u>20,526</u>

5 Employees

The average monthly number of employees (including staff who are also trustees) during the year was:

	2021	2020
	No.	No.
Teaching staff	53	51
Administration and support	78	75
	<u>131</u>	<u>126</u>

Employment costs

	Total	Total
	2021	2020
	£	£
Wages and salaries	3,963,854	3,636,407
Social security costs	373,121	353,839
Employer's pension contributions	423,854	597,471
Temporary staff costs	-	1,164
Other	9,792	1,131
	<u>4,770,621</u>	<u>4,590,012</u>

Included in the above are termination payments of £9,792 for one individual (2020: £1,131).

Employees earning £60,000 per annum or more received remuneration in the following bands:

	2021	2020
	No.	No.
£60,000 - £69,999	3	2
£70,000 - £79,999	-	1
£80,000 - £89,999	1	-
£90,000 - £99,999	-	1

The employers pension contributions for the above employees was £22,844 (2020: £48,374).

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6 Key Management Personnel

The charity considers that the key management personnel comprise the governors and the senior leadership team - who are the Headmistress, Deputy Head (Pastoral & Boarding), Assistant Head (Co-curricular), Deputy Head (Academic), Assistant Head (Sixth Form), Bursar & Clerk to the Governors, Director of Development and the Director of Marketing & Admissions. The total employee benefits including pension costs of the key management personnel of the school were £614,051 (2020: £658,638).

7 Taxation

The charitable company is exempt from corporation tax on its activities.

8 Tangible Fixed Assets

	Freehold properties £	Equipment £	Total £
Cost			
At 1 September 2020	12,523,980	3,466,809	15,990,789
Additions	172,635	91,304	263,939
Disposals	-	(24,759)	(24,759)
	<u>12,696,615</u>	<u>3,533,354</u>	<u>16,229,969</u>
At 31 August 2021	<u>12,696,615</u>	<u>3,533,354</u>	<u>16,229,969</u>
Depreciation			
At 1 September 2020	1,841,006	2,981,889	4,822,895
Charge for the year	161,061	153,247	314,308
Eliminated on disposals	-	(22,781)	(22,781)
	<u>2,002,067</u>	<u>3,112,355</u>	<u>5,114,422</u>
At 31 August 2021	<u>2,002,067</u>	<u>3,112,355</u>	<u>5,114,422</u>
Net Book Value			
At 31 August 2021	<u><u>10,694,548</u></u>	<u><u>420,999</u></u>	<u><u>11,115,547</u></u>
At 31 August 2020	<u><u>10,682,974</u></u>	<u><u>484,920</u></u>	<u><u>11,167,894</u></u>

The insured value of the Main School, Sports Hall, Swimming Pool, St Mary's Theatre and other buildings is £46,575,701.

All tangible fixed assets are used for direct charitable purposes. The school does not own or have the use of any inalienable or historic assets. No impairment of the freehold property was evident, which has been confirmed by the insurance valuation.

The school had capital commitments of £1,984,908 (2020: £nil) at 31 August 2021.

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9 Investments	2021	2020
	£	£
At 1 September	281,176	331,204
Additions	312,035	-
Disposals	(312,606)	-
Net gains/(losses)	<u>69,935</u>	<u>(50,028)</u>
At 31 August	<u><u>350,540</u></u>	<u><u>281,176</u></u>
Historical cost	<u><u>312,035</u></u>	<u><u>386,742</u></u>

Of the investments held £350,540 (2020: £nil) relates to Fidelity Investments and £nil (2020: £281,176) relates to Edinburgh Investment Trust Plc, which are listed on the London Stock Exchange.

10 Stock	2021	2020
	£	£
Household and consumable materials	<u>24,343</u>	<u>20,885</u>

11 Debtors	2021	2020
	£	£
Tuition fees receivable	576,565	417,167
Bad debt provision	(98,322)	(98,322)
Other debtors	22,699	11,352
Prepayments and accrued income	<u>1,120,717</u>	<u>193,184</u>
	<u><u>1,621,659</u></u>	<u><u>523,381</u></u>

12 Creditors: Amounts falling due within one year	2021	2020
	£	£
Trade creditors	168,171	51,628
Loan	112,500	-
Tuition fees in advance (see below)	1,291,158	875,356
Other taxes and social security costs	95,036	81,053
Other creditors	287,178	268,157
Accruals and deferred income	<u>47,535</u>	<u>44,028</u>
	<u><u>2,001,578</u></u>	<u><u>1,320,222</u></u>

	2021	2020
	£	£
Total tuition fees in advance brought forwards	878,388	1,267,825
Released in year	(878,388)	(1,267,825)
Received in year	<u>1,291,158</u>	<u>878,388</u>
Total tuition fees in advance carried forwards	<u><u>1,291,158</u></u>	<u><u>878,388</u></u>
Repayable in one year or less, or on demand	1,291,158	875,356
Repayable in one year or more (see note 13)	<u>-</u>	<u>3,032</u>
	<u><u>1,291,158</u></u>	<u><u>878,388</u></u>

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13 Creditors: Amounts falling due after more than one year	2021	2020
	£	£
Fees paid in advance	-	3,032
Loan	637,500	-
Fee deposits	<u>603,602</u>	<u>592,595</u>
	<u><u>1,241,102</u></u>	<u><u>595,627</u></u>

During the year the school obtained a loan from Barclays Bank plc under the Government's Coronavirus Business Interruption Loan scheme. Interest is payable at Bank of England base rate plus 3.35% from December 2021 and the loan is repayable by November 2026. The amount due in more than five years is £37,500. There is a charge outstanding over properties owned by the School in relation to these loans.

Fee deposits

Repayable in one year or less, or on demand	<u>84,500</u>	<u>83,494</u>
Repayable between one and two years	109,620	188,500
Repayable between two and five years	423,482	331,095
Repayable in five years or more	<u>70,500</u>	<u>73,000</u>
Total	<u><u>603,602</u></u>	<u><u>592,595</u></u>

Fees paid in advance

Repayable in one year or less, or on demand	<u>1,291,158</u>	<u>875,356</u>
Repayable between one and two years	-	3,032
Repayable between two and five years	<u>-</u>	<u>-</u>
Total	<u><u>-</u></u>	<u><u>3,032</u></u>

14 Provision for liabilities	2021	2020
	£	£
Balance at 1 September	36,219	43,168
Released in year (see note 17)	<u>(7,752)</u>	<u>(6,949)</u>
	<u><u>28,467</u></u>	<u><u>36,219</u></u>

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15 Funds	Balance at 31 August 2020 £	Income £	Expenditure £	Gains & Transfers £	Balance at 31 August 2021 £
Unrestricted Funds					
General	<u>11,183,696</u>	<u>7,631,448</u>	<u>(6,875,873)</u>	<u>69,935</u>	<u>12,009,206</u>
	Balance at 31 August 2019 £	Income £	Expenditure £	Gains & Transfers £	Balance at 31 August 2020 £
Unrestricted Funds					
General	<u>11,580,765</u>	<u>6,658,434</u>	<u>(7,005,475)</u>	<u>(50,028)</u>	<u>11,183,696</u>

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	11,115,547	-	11,115,547
Current assets	4,164,807	-	4,164,807
Current liabilities	(2,001,578)	-	(2,001,578)
Creditors falling due after 1 year	(1,241,102)	-	(1,241,102)
Provisions for liabilities and charges	<u>(28,467)</u>	<u>-</u>	<u>(28,467)</u>
	<u>12,009,207</u>	<u>-</u>	<u>12,009,207</u>

All net assets in 2020 were represented by unrestricted funds.

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17 Pension obligations

The School employees belong to two principal pension schemes: Royal London Scheme for teaching staff; and TPT Retirement Solutions Independent Schools' Pension Scheme (ISPS) for non-teaching staff. Both are defined contribution schemes. In addition, a small number of employees belong to TPT Retirement Solutions Growth Plan (TPTGP) defined benefit scheme however this is closed to new members.

Teachers Pension Scheme (TPS)

The School participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff until 31 August 2020. The pension charge for the year includes contributions payable to the TPS of £nil (2020: £496,255) and at the year-end £nil (2020 - £57,867) was accrued in respect of contributions to this scheme.

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

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

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

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

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation. Until the cost cap mechanism review is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

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17 Pension obligations continued

TPT Retirement Solutions

The scheme is subject to the funding legislation outlines in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension scheme in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme of £11,243,000 per annum. This is payable monthly from 1 April 2019 to 31 January 2025 and increases by 3% each on 1st April

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Reconciliation of opening and closing provision:	2021	2020
	£	£
Provision at start of period	36,219	43,168
Recognised in year	-	-
Unwinding of discount factor (interest expense)	175	380
Deficit contribution paid	(7,889)	(7,660)
Remeasurements - impact of change in assumptions	(38)	331
Remeasurements – amendments to the contribution schedule	-	-
	<u>28,467</u>	<u>36,219</u>

Income and expenditure impact:

Interest expense	175	380
Recognised in year	-	-
Remeasurements - impact of change in assumptions	(38)	331
Remeasurements – amendments to the contribution schedule	-	-

All movements on the pension provision are recognised in the Statement of Financial Activities as staff costs.

The assumed discount rate applied is 0.63% per annum (2020: 0.55%). This rate is the equivalent single discount rate which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

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17 Pension obligations continued

Royal London Scheme

The School joined the Royal London Pension Scheme for its teaching staff on 1 September 2020. The pension charge for the year includes contributions payable to Royal London of £338,747 (2020: £nil) and at the year-end £45,481 (2020: £nil) was accrued in respect of contributions to this scheme.

18 Indemnity insurance

During the year the company purchased insurance for the directors of the school against liabilities arising from negligence in relation to the company as permitted under section 233 of the Companies Act 2006 with the approval of the Charities Commission. £37,017 (2020: £27,882) was paid for an all risks combined liability insurance policy. Included in this was public liability insurance and professional indemnity insurance relating to the trustees.

19 Company limited by guarantee

As the company is limited by guarantee, in the event of winding up the members will be required to pay £1.

20 Related party transactions

None of the trustees received any remuneration or reimbursed expenses for their role as trustee during the current or previous year.

The Chairman is also a trustee of St Mary's School Wantage Bursary Fund. The charity raises funds to support bursaries provided by the School. During the year an amount of £10,199 (2020: £11,493) was donated to the School and at the year end £nil (2020: £nil) was owed to the School.

21 Controlling interest

The company is controlled by its Board of Governors.

22 Operating lease commitments

At 31 August 2021 the school had total commitments under non-cancellable operating leases falling due as set out below:

Due within:	2021	2020
	£	£
Less than one year	20,473	22,603
Between one and five years	19,167	39,641
	<u>39,640</u>	<u>62,244</u>

23 Contingent Liabilities

Post the year end a legal case has arisen that could result in a future liability for the school. No financial liability can be quantified at this stage.

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	2021 £	2021 £	2020 £	2020 £
INCOME FROM:				
Operating activities:				
Fees	6,321,477		6,120,246	
Bursaries, scholarships and remissions	(531,740)		(467,955)	
Summer school	-		-	
Extras and disbursements	<u>236,307</u>		<u>378,060</u>	
		6,026,044		6,030,351
Rent		97,917		78,454
Other income				
Donations received		1,174,881		146,937
Registration fees		26,996		29,000
UK Investment income		<u>39,305</u>		<u>50,815</u>
		<u>7,365,143</u>		<u>6,335,557</u>
EXPENDITURE ON:				
Cost of raising funds		2,488		2,466
Cost of activities in furtherance of charity objects				
Summer school	92,065		100,726	
Direct costs	4,515,638		4,481,329	
Indirect costs	493,562		472,831	
Overhead costs	431,587		454,578	
Administrative costs	146,488		181,115	
Extras and disbursements	<u>161,809</u>		<u>273,714</u>	
		5,841,149		5,964,293
Support costs	658,373		594,638	
Governance costs	<u>107,558</u>		<u>121,200</u>	
		<u>765,931</u>		<u>715,838</u>
		<u>6,609,568</u>		<u>6,682,597</u>
Net income/(expenditure)		755,575		(347,040)
Net gains/(losses) on investments		<u>69,935</u>		<u>(50,028)</u>
Net surplus/(deficit) after net gains on investments		<u>825,510</u>		<u>(397,068)</u>

These notes do not form part of the statutory financial statements.

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FOR THE YEAR ENDED 31 AUGUST 2021

	2021 £	2021 £	2020 £	2020 £
A Summer school				
Summer school receipts	-		-	
Summer school costs	<u>(92,065)</u>		<u>(100,726)</u>	
Loss on activities		<u><u>(92,065)</u></u>		<u><u>(100,726)</u></u>
B Direct costs				
Teachers' pay	2,894,424		2,842,768	
SSP and maternity pay etc	44,947		(5)	
Teachers' costs	112,872		142,657	
Redundancy payments	9,792		1,131	
Housemistresses and nursing pay	369,607		294,363	
Boarding, Surgery and Pastoral costs	41,791		27,299	
Housekeeping pay	216,251		184,904	
Housekeeping costs	45,369		38,650	
Catering costs	377,442		337,190	
Stationery	-		1,970	
Library	2,634		2,424	
Subscriptions and incidentals	13,208		19,439	
Weekend activities	37,486		33,183	
Chapel	1,317		909	
School vehicles	32,225		27,442	
Depreciation	314,309		527,006	
Loss on disposal of fixed assets	<u>1,964</u>		<u>-</u>	
		<u><u>4,515,638</u></u>		<u><u>4,481,330</u></u>
C Indirect costs				
Grounds costs	13,793		23,840	
Facilities pay	193,651		196,714	
Facilities costs	181,756		111,324	
Security	19,734		23,269	
Swimming pool	30,411		51,314	
Recruitment	<u>54,217</u>		<u>66,370</u>	
		<u><u>493,562</u></u>		<u><u>472,831</u></u>
D Overhead costs				
Rates and water	50,396		49,384	
Telephone and Postage	17,646		14,142	
Insurance	45,770		47,842	
Electricity, Gas and Oil	228,610		213,308	
Computer support costs	<u>89,166</u>		<u>129,901</u>	
		<u><u>431,587</u></u>		<u><u>454,577</u></u>

These notes do not form part of the statutory financial statements.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

	2021	2021	2020	2020
	£	£	£	£
E Administrative costs				
Office costs	12,676		16,518	
Advertising and marketing	78,516		96,270	
Travel and entertaining	8,547		18,676	
Alumni and events	6,642		7,439	
Bad debt provision	40,108		42,212	
	<u>40,108</u>	<u>146,488</u>	<u>42,212</u>	<u>181,115</u>
F Extras and disbursements		<u>161,809</u>		<u>273,714</u>
G Support costs				
Administration pay	354,970		342,994	
Admissions pay	66,900		67,008	
Marketing pay	119,786		101,945	
IT support pay	92,230		79,212	
Commissions paid	24,487		3,480	
Admission costs	-		-	
	<u>-</u>	<u>658,373</u>	<u>-</u>	<u>594,639</u>
H Governance costs				
Legal fees	20,353		26,647	
Audit fees	19,020		20,526	
Professional fees	68,185		74,027	
	<u>68,185</u>	<u>107,558</u>	<u>74,027</u>	<u>121,200</u>
I Net gains/(losses) on investments		<u>69,935</u>		<u>(50,028)</u>

These notes do not form part of the statutory financial statements.