FELSTED SCHOOL

England & Wales · Charity number 310870

Details

Status	Registered
Legal form	Other
Registered	1964-04-10
Register	View on the Charity Commission register

Contact

Address	Felsted School Felsted Dunmow CM6 3LL
Phone	01371822621
Email	bursar@felsted.org
Website	www.felsted.org

Activities

Objects: THE ADVANCEMENT OF EDUCATION SPECIFICALLY BUT NOT EXCLUSIVELY BY:(1) THE PROVISION AND MAINTENANCE OF A SECONDARY SCHOOL (“THE SCHOOL”) FOR BOYS AND GIRLS;(2) THE PROVISION AND MAINTENANCE, IF THE TRUSTEE THINKS FIT, OF NURSERY, PRE-SCHOOL, PRE-PREPARATORY AND PREPARATORY DEPARTMENTS WITHIN THE SCHOOL; AND(3) THE CONDUCT IN CONNECTION WITH THE SCHOOL OF SUCH ANCILLARY OR INCIDENTAL EDUCATIONAL ACTIVITIES AND OTHER ASSOCIATED ACTIVITIES FOR THE BENEFIT OF THE COMMUNITY AS THE TRUSTEE THINKS FIT.

Activities: Education of young people

Classification

- **How:** Provides Services, Other Charitable Activities
- **What:** Education/training
- **Who:** Children/young People

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Geography

- **Area of benefit:** ESSEX
- Essex

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£31,584,896	£29,935,542	£46,914,108	549
2024-08-31	£30,305,777	£30,275,972	£45,264,754	401
2023-08-31	£28,613,925	£27,859,302	£45,234,949	411
2022-08-31	£27,037,563	£25,841,873	£44,506,236	413
2021-08-31	£23,742,148	£22,765,465	£43,374,636	374

Trustees

Name	Role	Appointed
FELSTED SCHOOL TRUSTEE LTD		

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Linked charities

- REVEREND EDWARD GEPP BEQUEST (310870-1)
- COURTAULD PRIZE (310870-10)
- BRAMSTON PRIZE (310870-11)
- TABOR BENEFACTION (310870-12)
- TRAILL PRIZE (310870-13)
- RAYLEIGH PRIZE (310870-14)
- COURTAULD SCHOLARSHIP NUMBER ONE (310870-15)
- THE OLD FELSTEDIAN SOCIETY BENEFACTION (310870-16)
- ROSS-ON-WYE PRIZE (310870-17)
- PAGE READING PRIZES (310870-18)
- THE MATHEWS TRUST (310870-19)
- WILLIAM HUNT BURSARY FUND (310870-2)
- THE DUDLEY PALMER MEMORIAL PRIZE (310870-20)
- COURTALDS CLASSICS SCHOLARSHIP (310870-21)
- ROUND SCHOLARSHIP (310870-22)
- COURTAULD BURSARIES FOR THE SONS OF THE CLERGY (310870-23)
- COLONEL NILS MOLLER BEQUEST (310870-24)
- JOHN ALLEN CUP OR PRIZE (310870-25)
- ISAAC BARROW PRIZE (310870-26)
- BICKERSTETH DIVINITY PRIZE (310870-27)
- THOMAS COOPER PRIZE (310870-28)
- GOLD GEOGRAPHY PRIZE (310870-29)
- MICHAEL MANN SPANISH PRIZE (310870-3)
- THE GOLD NATURAL HISTORY PRIZE (310870-30)
- COURTAULD SCHOLARSHIP NUMBER TWO (310870-31)
- TERENCE GREENALL DIVINITY PRIZES (310870-32)
- ROUND PRIZE FUND (310870-33)
- ROBERTS PRIZE (310870-34)
- FELSTED SCHOOL ENDOWMENT FUND (310870-35)
- JOHN CRITTALL MEMORIAL PRIZE FUND (310870-4)
- R W E RUDDOCK BEQUEST (310870-5)
- HENRY REEKIE PRIZE (310870-6)
- PHILIPPS OLD FELSTEDIAN FUND (310870-7)
- RIDLEY SCHOLARSHIP (310870-8)

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- RIDLEY PRIZE (310870-9)

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FELSTED SCHOOL

England & Wales - Charity number 310870

Accounts

Felsted

FELSTED SCHOOL

ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2025

TOGETHER WITH TRUSTEE'S AND AUDITOR'S REPORTS

Registered Charity Number: 310870

FELSTED SCHOOL

TRUSTEE DIRECTORS, OFFICERS AND ADVISERS

FOR THE YEAR ENDED 31 AUGUST 2025

TRUSTEE DIRECTORS

Felsted School Trustee Limited The Directors of the Trustee Company who served during the year or were subsequently appointed are listed below:	House & Finance Committee	Education Committee	Nominations Committee	Governance Committee
J Abel Smith, DL (Resigned 4 July 2025)			*	
M Beale *	*	*	* Chair	*
G P Boult (Resigned 24 March 2025)		* Chair (To 24/03/25)		
R I C Brown	*			*
G Cherry (Appointed 26 January 2026)				*
J Crouch				* Chair
J H Davies, OBE (Resigned 5 January 2026)			*	
A L Dowling (Appointed 22 April 2025)	*		*	
Dr J C Nicholson		*		*
A L M Oxnam (Resigned 4 July 2025)	*			
Prof. L Poston, CBE		* Chair (from 24/03/25)	*	
Z Rantell * (Appointed 16 November 2024)				*
A Sefton (Resigned 4 July 2025)		*		
O H J Stocken CBE				
Rev N J Stuchfield	*			
PE Wardell		*	*	*
L Wells (Appointed 16 November 2024)		*		
J Windsor	* Chair			
S Wolfe	*			
* *Parent of current pupil*				

OFFICERS

HEAD	C J Townsend, BA
HEAD OF PREPARATORY SCHOOL	M Norris, B.Ed
CHIEF FINANCIAL OFFICER	Jonathan Atkins, FCA
CLERK TO THE TRUSTEE BOARD	Rachel Earle, BA
Address and Registered Office	Felsted School Felsted Essex CM6 3LL
Website	www.felsted.org

ADVISERS

BANKERS	Barclays Bank Plc Abacus House, Castle Park, Castle Hill Cambridge CB3 0AN
AUDITORS	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
SOLICITORS	Stone King LLP 16 St John's Lane London EC1M 4BS

The Trustee of Felsted School presents its annual report together with the audited accounts for the year ended 31 August 2025 and confirms that they comply with the requirements of the Charities Act 2011, the trust deed and the Charities SORP (FRS 102) applicable to Charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

1. REFERENCE AND ADMINISTRATION INFORMATION

The Charity was founded in 1564 and is registered with the Charity Commission under charity number 310870. The Directors of Felsted School Trustee Ltd, Felsted School's single Trustee, and the Executive officers and principal addresses of the Charity are as listed on the previous page as are particulars of the Charity's professional advisers.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by its Scheme dating from 1938 and last amended in October 2018.

Governing Body

The structure of the Charity consists of a Board of Directors of the Trustee Company that oversees the management of the Charity, a school, which has two principal elements, a senior part of the school for pupils aged 13-18 and a preparatory part of the school for pupils aged 4-13.

Recruitment and Training of Trustee Directors

The Trustee Company Directors are voted onto the Board by the current Board members. The Nominations Committee comprises five current Directors and is responsible for recommending new Board members, as and when necessary. The Nominations Committee when selecting possible new Directors considers eligibility, personal competence, specialist skills and local availability.

New Directors are inducted into the Trustee Company and the School (including Board policy and procedures) by current Directors and the School Executive.

Organisational Management

The Trustee Company Directors are legally responsible for the overall management and control of the School and meet at least three times a year.

The members of the House & Finance (H&F) Committee meet about a month before each meeting of the full Board and on extra occasions as required. This Committee specifically looks at the budget and accounts for the current year, short- and medium-term forecasts, the approach and outcome of the annual external audit and infrastructure investment plans. It makes various recommendations for approval by the full Board.

The other committees are the Education Committee, the Governance Committee and the Nominations and Remuneration Committee. The Education and Governance Committees meet each term before the main Board meeting and the Nominations and Remuneration Committee meets at least once a year to discuss standing items and at other times as required. The Heads and the CFO attend meetings of the above Committees.

The day to day running of the School is delegated to the Head who, together with the Head of the Preparatory School, the Chief Financial Officer, the Senior Deputy Head, the Deputy Head (Academic) and the Deputy Head (Boarding and Pastoral) act as the Key Management Personnel. They are supported by their Senior Leadership Teams. Delivery of the School's charitable vision and purpose is primarily dependent on the Key Management Personnel.

Organisational Management

The Board set the remuneration of the Heads, Senior Deputy Head, CFO and any other roles appointed by the Board, with the policy objective of rewarding them fairly and responsibly for their individual contributions to the School's success. The Board delegates the annual review of remuneration of key personnel to the Nominations and Remuneration Committee, which refers to benchmarking information for other similar schools (including that currently compiled by AGBIS and Baines Cutler), the individual's performance in the previous year and cost of living awards made to other School staff. The remuneration package when a new key member of staff is appointed is similarly benchmarked, and appointments are made following a competitive process, taking appropriate external professional advice. The aim is to recruit, subject to experience, below or at the medium point within a band (for teaching staff), providing scope for rewarding future excellence.

Structure and Relationships

A subsidiary company, Felsted Global Education Limited was incorporated on 21 August 2006 and has remained dormant throughout the year.

Risk Management

The Trustee Company is responsible for the management of the risks faced by the School. Detailed considerations of risk have been delegated to the Committees, assisted by the Key Management Personnel (also known as the Executive Team). Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis. As part of that review other committees of the Board review risks appropriate to their areas of expertise and oversight.

Through the annual review of the risk register, the Trustee considers the key risks facing the School and agrees appropriate mitigation. The principal risks the School faces are considered to be:

- Parental affordability. Value for money and pupil retention remains a key priority, especially in light of current economic pressures, including elevated interest rates, rising staffing costs, and the introduction of VAT on Independent School Fees from 1 January 2025. The school continues to engage regularly with parents and will give thoughtful consideration to the 2026/27 and future fee structure, in due course.

- Inability to recruit staff of the right calibre. Whilst the recruitment market is challenging, the School continues to recruit, retain and develop excellent staff. A focus on supporting early career teachers, providing support for career paths, personal development and staff welfare and safety help ensure the school remains competitive.

- Inadequate investment in facilities. The aims and ethos of the School require continuing investment in facilities including ICT for teaching and learning, pastoral care and boarding, sports, drama and other activities. Failure to generate adequate annual surplus for reinvestment would compromise this. The Board sets aside investment in each annual budget and the Development team are tasked with fund raising to support specific capital projects, as and when appropriate.

- Failure to comply with relevant regulations. The School is subject to regulation by a number of bodies, particularly in relation to safeguarding, child protection and health and safety. The School appoints and trains staff appropriately, and takes the necessary specialist advice to ensure compliance.

- The key controls used by the charity include:
  - Formal agendas for all Committee and Board activity;
  - Board skills audit;
  - Detailed terms of reference for all Committees that are reviewed regularly;
  - Comprehensive strategic planning, budgeting and management accounting;
  - Established organisational structure and lines of reporting;
  - Formal written policies;
  - Regular training of all staff;

- Safeguarding procedures as required by law and best practice for the protection of the vulnerable;
- A detailed Risk Register reviewed annually by the relevant sub-Committees with key risks reported to and discussed by the Board

Through the risk management processes established for the School, the Trustee is satisfied that the major risks identified have been appropriately mitigated. It is recognised that systems can only provide reasonable and not absolute assurance that major risks have been managed. The Compliance Manager continues to support the Trustee Board and the Executive Team in the management of risk, policy review and best practice, with a particular emphasis on safeguarding and regulatory compliance. The Trustee Board regularly reviews the effectiveness of current plans and strategies for managing all identified risks for the School.

Charity Code of Governance

The Trustee is aware of the Charity Governance Code published in 2017 (updated in 2025) which sets out the principles and recommended practice for good governance within the sector. The Trustee is satisfied that the Charity applies the principles of the code within its current governance arrangements which includes the use of a Governor Compliance Checklist as recommended by the Association of Governing Bodies of Independent Schools (AGBIS).

3. OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Charity's Objects, as set out in its Scheme, are the advancement of education specifically but not exclusively by:

(1) the provision and maintenance of a secondary school ('the School') for boys and girls;

(2) the provision and maintenance, if the Trustee thinks fit, of a nursery, pre-school, pre-preparatory and preparatory departments within the School; and

(3) the conduct in connection with the School of such ancillary or incidental educational activities and other associated activities for the benefit of the community as the Trustee thinks fit.

Aims of the School

Felsted seeks to be the school of choice and aspiration for all. "Developing character and making a difference". The school has developed seven foundations of a Felsted Education. These are as follows:

1. ***Academic Aspiration***. The academic curriculum at Felsted is high-quality and expertly taught, but what sets it apart is its capacity to excite and intrigue our students.
2. ***Community***. Community is at the heart of Felsted and, whether boarding or day, every pupil benefits from the 24-hour, seven days-a-week, award winning boarding culture. This community includes our students, as well as parents, staff, Trustee Directors, Old Felstedians and the wider Felsted community.
3. ***Wellbeing***. Felsted is focussed on understanding and developing all aspects of the individual, with academic and pastoral staff working together to support every young person in its care.
4. ***Sporting Excellence***. Felsted has a strong tradition of sporting excellence. Over the decades, many professional athletes have been introduced to their sporting disciplines whilst at our school and, in common with pupils of all ages and abilities, have benefited from the expert coaching and high-quality facilities we offer.
5. ***Enrichment***. Felsted's extensive co-curricular extends our pupils academic learning and challenges them to test their limits.
6. ***Globalism***. The School's approach to education means that we guide our pupils towards developing the attributes, characteristics and principles that will stand them in good stead for life in the future world.

7. ***Neuroinclusive***. It is the Schools vision that Felsted is recognised as a mainstream school with outstanding inclusive provision for neurodiversity. Felsted celebrates the unique way in which each child learns and is on hand to support and develop pupils with or without a previous diagnosis.

These seven foundations are underpinned by the School's commitment to attract, develop and retain the very best staff and in return they are supported in their development and their careers in a diverse, inclusive and non-discriminator environment.

Public Benefit Aims and Intended Impact

Within its Objects, Felsted School's public benefit aim is to provide a first-class independent education for children aged from 4 to 18, both through strong academic tuition and through developing wider sporting, artistic and social skills in all its pupils. This is intended to provide an environment where each pupil can develop and fulfil his or her potential, thus helping to build self-confidence and inculcate a desire to contribute to the wider community. All of this is integral to the School's delivery of a holistic education.

The Trustee has given due consideration to the Charity Commission's guidance on public benefit and undertaken appropriate activities in furtherance of the School's aims for the public benefit. The year's objectives, activities and achievements are set out below.

Felsted School Public Benefit Review

Felsted School has always been mindful of its role in public service and both the School and individual staff and pupils have a long history of supporting charitable and educational causes with both financial help and practical assistance. The Trustee Board is committed to widening access for potential pupils to include those who cannot afford the School's fees and consider it important that those experiencing poverty should not be excluded from the opportunity to receive the educational support that the School can provide. The School also provides opportunities for the local and wider community to use the educational and ancillary facilities the School has to offer. The School is engaged in sharing the educational expertise of staff with others outside the School and developing the involvement of pupils in charitable activities for the wider benefit of the public.

In order to monitor and support the development of the School's practice in these areas a review is carried out each year.

The Curriculum

The School sets high academic standards and educates pupils to the highest levels of achievement. In 2025, the School's public examination results were as follows:

- 93.9% of our GCSE results were between 9 and 4 (2024: 93.8%) with 66.4% being between 9 and 6 (2024: 61.55%).
- 83.3% (2024: 81.7%) of all A-level grades were between A* and B.
- The average IB points score in 2025 was 34 (2024: 34.3).

The education of pupils encompasses all aspects of their personal development and promotes their contribution to society in adult life.

The School's educational ethos is focused on providing a holistic education and values the importance of Art, Music, DT, Drama and Sport. Therefore, the School invests in staff and facilities to ensure that their provision (both in terms of tuition and resources) enables pupils to excel in these areas.

Means-Tested Assistance

The Trustee Board considers that bursaries are important in ensuring that children from families who would otherwise not be able to afford the fees can access the education offered. Bursary awards are available to children who meet the general entry requirements and are made on the basis of parental means or to relieve hardship where an existing pupil's education and future prospects would be at risk, for example in the case of bereavement or redundancy. In assessing means the School takes a number of factors into consideration including family income, investments and savings and family circumstances. However, the School does not have a large cash endowment and in funding bursaries the School has to be mindful of ensuring a balance between fee-paying parents, many of whom make considerable personal sacrifices to fully fund their children's education, and those benefiting from the awards. A number of bursaries are also supported by donations received for that purpose. Transformational bursaries are available for up to 100% of fees and can also provide assistance with extra costs for those whose financial need is greatest. They are advertised in the press and on social media and further details of the bursary policy and how to apply are provided on the School website. Bursaries are subject to annual review so that the School can ensure that support is only provided to those who require it.

In total, the School provides fee assistance to over 283 pupils (approximately 28% of the total) at a cost of £3,108,626 per annum; 10% of our gross fee income. In 2024/25 the School provided means tested bursary assistance to 68 pupils to the value of £1,207,711; 4.1% of gross fee income. Thirteen pupils received transformational bursaries of 100%. The school's policy, in line with that of other Independent Schools, is to award scholarships on the basis of the individual's educational potential, subject to any particular conditions imposed by the original donor where the award is out of restricted funds. The majority of awards in bursaries and allowances were made from unrestricted funds.

Links with Other Schools

The School aims to widen access through a variety of initiatives and activities. Partnerships are being grown and developed with local primary schools and with the Royal Docks Community School in Newham, London E16, a mixed comprehensive school for ages 11 to 16.

Partnerships

In addition to the links with other schools, Felsted is committed to building links with partners who can improve the education of children and offer an extended pathway. Current partnerships include

- Junior Guildhall School of Music
- Royal National Children's Spring Board Foundation
- Blue Hornets Hockey
- Saracens Mavericks Netball Club
- Essex Cricket
- Lord's Taverners

Further details of the individual partnerships can be found on the Independent Schools Council website https://www.schoolstogether.org/case-studies/?schoolId=36819

Charitable Giving and Fund-raising

The School's charity team develops a programme of events and ideas to encourage Felstedians to grow as global citizens and encourage philanthropy. The charity team seeks to raise awareness, encourage volunteerism and organise fundraising events that will make a difference both for those we support and for the school.

The School is committed to building partnerships with our eight core charities:

1. **Sparkle Foundation**

Founded by Old Felstedian Sarah Brook, the foundation provides education, nutritional support and medical treatment to over 400 vulnerable orphans in Malawi. Felsted pupils have raised a large sum for this fantastic

charity over the past few years through numerous events across the School, including a Rugby 7's event which involves former pupils and parents. The charity has continued to grow and celebrates its 10th Anniversary in 2025. A number of teachers, parents, pupils and the Head have visited the orphanage in Malawi to give support and assistance.

2. **Magic Bus**

Founded by Old Felstedian Matthew Spacie, this charity aims to improve awareness, life skills and opportunities for vulnerable children in Mumbai. The charity now serves millions of young people in India and throughout Asia. Felsted is committed to sponsoring the Livelihood Programme in Dharavi, through which 400 children develop leadership and sports skills. Pupils and staff regularly travel to Mumbai to work with this charity, taking a range of items including sports equipment and clothing.

3. **Teach Uganda**

Dedicated to supporting communities in Uganda, this organisation helps to bring about permanent and sustainable development through education, health promotion, infrastructure and job creation. Felsted made their first pupil trip to support this charity in 2016. Felsted has made a big impact on this charity and currently funds several underprivileged local children to study Science A-Levels at a secondary school in Uganda. Teach Uganda supports Ugandan schools through the Great Stewards of Hope charity in Uganda. Felsted also pioneers the Safi Coffee Social Enterprise Project which seeks to join young people in Uganda and the UK through 'trade not aid' and delicious coffee.

4. **Felsted Mission**

For over a hundred years, the links between The Ascension Church and the Felsted School Mission in the East End of London have continued to grow and develop. The Ascension Church works with the local community through a Garden Café and youth activities, promoting fitness and social interaction. Pupils from Felsted visit and volunteer through a regular programme of initiatives (the team visits at least twice a term). The partnership also extends to the Royal Docks School, where one 100% Felsted Bursary is offered each year.

5. **CHESS Homeless**

Felsted pupils decided that they wanted to make a difference locally as they became increasingly concerned for those 'rough sleeping' in Chelmsford. CHESS Homeless provides an advice centre, foodbank and night-shelter for those in need in Chelmsford. CHESS has a proven track record of finding long term solutions for those who seek their help.

6. **Young Minds**

This national charity seeks to raise awareness of the mental health issues experienced by young people in the U.K. Young Minds develop initiatives that seek to support young people who otherwise might feel stigmatised for asking for help. In the UK today, an estimated five children in every classroom have a mental health problem.

7. **Essex and Herts Air Ambulance**

We are delighted to make a difference to a charity that aims to save lives and reduce suffering from critical illness and injury. The air ambulance delivers first class emergency medical service to the people of Essex, Hertfordshire, London and Suffolk.

8. **Farleigh Hospice**

Farleigh provides hospice care to people affected by life-limiting illnesses in Essex. The medical teams and support staff work in the community and with families during times of great need. The school also supports Little Havens Hospice for children.

Our core charities are supported by whole school events and each of our houses champion one of the charities so that long term partnerships can develop. In addition to our core charities Felsted School supports, The Royal British Legion, The David Randall Foundation, The Braintree Foodbank, The Ruth Strauss Foundation, The Felsted Almshouses and the Movember campaign. Pupils and staff have also contributed to MacMillan Nurses, The Lullaby Trust, The Taverners and the Guide Dogs for the Blind Association.

Use of Facilities

Felsted prides itself in supporting the village and local community, providing opportunities for educational events and school facilities to be used whenever possible. Felsted School allows the use of its facilities for a range of activities which are open to non-School members. This includes classrooms, function rooms, the Hunt Theatre, sporting facilities, the indoor pool and the Felsted gym. Felsted also hosts many concerts and drama performances throughout the year, all of which are open to the public and most of which are free to enter. The Felsted School steel band performs regularly and on request (time permitting) outside school at venues such as Essex Cricket. Pupils also exhibit their art at a local gallery each year, which is open to the public.

The following organisations have use Felsted facilities during the year:

- Chelmsford Netball Club
- Alex Hart Karate
- Felsted Choral Society
- Sally Swim School
- Police Dogs (Essex)
- Police Dogs (MET)
- Braintree Youth Netball
- Good Future Foundation
- Saracens Rugby
- Scottish Exiles Rugby
- High Roding Cricket Club
- Stebbing Primary School
- Essex County Cricket (Women)
- Essex County Cricket (U12)
- England Netball
- Braintree Youth Netball Club
- Felsted Robins Cricket
- West Essex District Cricket Association
- MCC Foundation Cricket
- ECHO - Essex Chamber Orchestra
- Essex Music
- Uttlesford Schools Sports Partnerships

Services to the Community

The School has a very positive relationship with the local village residents and business community. Richard Lord Riche (the School's founder) left funding which supports a number of Almshouses for those in need in the village. Managed by Felsted School as part of his legacy, the Almshouse residents are assisted by the School through a number of supportive activities.

A number of the Senior School students participate in weekly volunteer work as part of their holistic education. These include helping in local residential care homes (e.g. dementia, old age, physical disability, sensory impairment), visiting residents in sheltered accommodation and helping in primary schools.

Current Objectives

The School's objectives are set to reflect the educational aims and the ethos of the School, and to maintain and enhance the academic success of the School.

In setting the objectives and planning the activities the Trustee Board has given careful consideration to the Charity Commission's guidance on public benefit.

This year, the focus has been on the continued achievement of academic performance and academic value added, and development of the co-curricular programme.

Strategies to achieve the year's objectives

These included continuing to review the School's academic syllabus in order to benchmark academic standards against external public examinations and independent value-added criteria, with academic achievements being enhanced by a strong emphasis on sporting and social skills. The School continued to develop the expertise of teaching staff and ensuring succession planning and staff development and furthering the School's links with local junior schools and facilitating wider community access to the School's facilities.

Principal activities of the year

The Charity principally provides education to boys and girls from the ages of 4 - 18 and also hosts an international summer school for overseas students. In 2024/25 the senior part of the School maintained pupil numbers at 561 (2023/24: 552) of whom 399 (2023/24: 417) were boarders. The preparatory part of the School averaged 441 (2023/24: 475) pupils of whom 3 (2023/24: 3) were full boarders. Pupil numbers in September 2025 were 537 in the Senior School and 398 in the Prep School.

4. REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

2024/25 brought more success to the School, in its 461st year - with continued progress towards the aims of the development plan alongside some excellent student achievements.

Academically, good progress was made across the School. Felstedians enjoyed success at A Level, GCSE and in the IB Diploma Programme, where pupils achieved an average points score of 34 points out of 45, exceeding the global average,

Once again this year, our Felsted education has prepared students to go out into the world and make a positive difference. In September 2024, we successfully launched the Seven Foundations of Felsted. Felsted is much, much more than a school so our Senior Leadership Team set about identifying and encapsulating the core features that make life and education at Felsted truly unique. The building blocks that represent more than four centuries of our school's evolution and that will continue to underpin and give structure to our school for generations to come have been named The Seven Foundations of Felsted, and these are summarised as academic aspiration, wellbeing and inclusivity, sports, strong community, innovative approach to boarding, enrichment, global education and neuro-inclusivity, as well as a commitment to staff development and wellbeing.

We continue to invest in creating the best possible learning environments. One of the oldest buildings on the school campus, dating from 1860, has been transformed into a New York loft-style Sixth Form Centre. This follows the opening of the Marshall Centre for Learning, a contemporary 10-classroom building featuring movable walls to create larger spaces for collaborative work.

The International Summer School, now in its eleventh year, hosted pupils from over 30 different countries to experience Felsted's Global Studies programme.

In sport, there were a number of achievements, at team and individual level in both regional and national competitions. Students embarked on international tours for Cricket and Rugby to Sri Lanka and South Africa.

Pupils participated in a large number of events to promote internationalism including our own Model United Nations conference. Felstedians continued to shine on stage in musical and drama productions and took full advantage of the new Performing Arts Centre.

The entire school community continues to embrace the 'Felsted for a Sustainable Future' initiative, which focuses on the wider use of sustainable materials, new recycling points, a drive for energy efficiency, and measures to encourage the local ecosystem to flourish.

Felsted continued to equip young people with an excellent all-round education and the skills, confidence and determination to make a positive difference in the world around them.

Fundraising performance

The School enjoyed a successful year in terms of voluntary funding. Donations totalled £1.9m (2024: £0.89m), including restricted funds of £1.9m (2024: £0.89m). Significant donations include £1.6m received to fund the establishment of a centre of excellence for neuro-inclusivity and £250k received as a legacy to support the creation of a new strength and conditioning centre that is expected to be open in September 2026. Restricted regular giving will allow the School to increase its provision for means-tested bursaries to allow social mobility for children from disadvantaged backgrounds.

All fundraising activities for the School are carried out by School staff. The School has not used professional fundraisers or had any commercial participants during this financial period. All fundraising activities are managed by the Development Office and are monitored by the Head and CFO, with oversight by the Development Committee (an informal subgroup of the Board who are responsible for guiding Felsted' s philanthropic and fundraising agenda).

No complaints relating to fundraising activities have been received by the School during this financial period. The School has in place procedures that would be followed in the event of a complaint being received.

The School is enrolled with the Fundraising Preference Service and is registered with the Fundraising Regulator and is complying with the Code of Fundraising Practice published by the Fundraising Regulator. The School also subscribes to membership of the Institute of Development Professionals in Education (IDPE). The School considers that its processes and controls should ensure that vulnerable people and other members of the public are protected from any unreasonable intrusion on a person's privacy and that no fundraising activities would be unreasonably persistent or place undue pressure on a person to give money or other property.

5. FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Net Fee income receivable increased by 1% in the year to 31 August 2025 to £26,550,173 (2024: £26,201,816). Whilst net income over expenditure was amounted to £1.6m which was an increase from prior year (2024: £29,805), this was primarily driven by donations of £1.9m.

Reserves policy

During the year the School's funds increased by £1,649,354 to £46,914,108 of which £1,254,744 were restricted or endowed funds. Restricted funds increased by £1,534,179 to £1,980,274 as shown in note 19. In common with most independent schools, the School's unrestricted reserves are primarily invested in tangible fixed assets, which are all used for direct charitable activities. The nature of the School's operations is that there is a high degree of operational gearing and that the margin of net income to total income is not a high percentage. Financial viability therefore does not depend upon a high level of income reserves but upon the ability over the medium term to deliver positive cash flow to reinvest in maintaining and improving the School's assets and educational delivery. The School did not have any free reserves at 31 August 2025.

The impact of the current economic environment, including the ongoing pressure on household incomes and imposition of VAT on school fees from 1 January 2025 continues to cause uncertainty as to future pupil numbers. At the time of approving these financial statements the School has not been notified of any material reduction in prospective pupil numbers relative to those which the School has used for the purposes of financial modelling and forecasting.

Going Concern

Based upon forecasts, current cash reserves, bank facilities (including the extension of the existing overdraft facility for 12 months to June 2026) and the ability to rescale the School's activities, should that prove necessary, in the future, the Trustee believes that the conditions for preparing these financial statements on the going concern basis are met and has therefore prepared them accordingly.

Investment powers and policy

The Trustee's investment powers are governed by the Trust Deed , which permits the Charity's funds to be invested by an approved investment manager.

The Trustee's policy is to balance the maintenance of the real value of the invested funds with an adequate income to fund expenses met by the investments. Notwithstanding fluctuations in the stock market this aim has been realised in the longer term.

6. FUTURE PLANS

A "whole school" approach is being taken wherever appropriate to bring together the Prep School and the Senior School.

The school's development plans are reviewed regularly by the Board and include:

- Developing a long-term, financially sustainable model for the school that includes the diversification of income streams and a review of the school's operating model to ensure the continued evolution of the pupil experience but with a renewed focus on value for money.
- Focussing on pupil retention and recruitment into the start of each key stage.
- Continuing to develop a strong national and international profile in relation to teaching and learning, welfare and pastoral processes to add value to every individual.
- Investing in the school premises and facilities to match and surpass the provision of other similar schools.

7. STATEMENT RESPONSIBILITIES

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that year. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustee on 21 March 2026 and signed on its behalf by:

M Beale
Chair of Felsted School Trustee Limited

Opinion

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

In our opinion the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 August 2025 and of 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 trustee with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- sufficient and proper accounting records have not been kept by the charity; or

the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustee

As explained more fully in the trustees' responsibilities statement set out on page 13 the trustee is 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 trustee determines 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 trustee is responsible for assessing the charity'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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102) and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the House & Finance Committee about their own identification and

assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate and reading minutes of meetings of those charged with governance.

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

Use of our report

This report is made solely to the charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP
Statutory Auditor

London

Date

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

FELSTED SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2025

		Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total Year to 31 August 2025 £	Total Year to 31 August 2024 £
Income and endowments from:						
Charitable Activities						
School fees receivable	2	26,550,173	-	-	26,550,173	26,201,816
Ancillary trading income	3	1,690,135	-	-	1,690,135	2,830,120
Other trading activities						
Non-ancillary trading income	4	531,903	-	-	531,903	455,876
Other activities	4	163,133	-	-	163,133	107,493
Investments						
Investment Income	5	37,858	38,871	-	76,729	220,914
Bank and other interest		634,887	-	-	634,887	400,712
Voluntary sources						
Grants and donations	6	-	1,937,936	-	1,937,936	88,846
Total Income		29,608,089	1,976,807	-	31,584,896	30,305,777
Expenditure on						
Raising funds						
Non-ancillary trading		364,393	-	-	364,393	391,257
Other income generating activities		1,099,987	-	-	1,099,987	1,634,803
Financing costs		411,467	-	-	411,467	306,352
Fundraising and development		266,766	-	-	266,766	344,047
Total deductible costs	7	2,142,613	-	-	2,142,613	2,676,459
Charitable activities						
Education and grant making		27,468,613	44,882	229,295	27,742,790	27,704,472
Total expenditure		29,611,226	44,882	229,295	29,885,403	30,380,931
Net incoming funds from operations before transfers and investment gains		(3,137)	1,931,925	(229,295)	1,699,493	(75,154)
(Loss)/Gain on investments	11	-	-	(50,139)	(50,139)	104,959
Transfer between funds	19	397,746	(397,746)	-	-	-
Net income/(expenditure) and movement in funds for the year		394,609	1,534,179	(279,434)	1,649,354	29,805
Fund balances at 1 September 2024		**27,803,788**	**446,095**	**17,014,871**	**45,264,754**	**45,234,949**
Fund balances at 31 August 2025		**28,198,397**	**1,980,274**	**16,735,437**	**46,914,108**	**45,264,754**

The notes on pages 24 to 40 form part of these financial statements

FELSTED SCHOOL

BALANCE SHEET

FOR THE YEAR ENDED 31 AUGUST 2025

AS AT 31 AUGUST 2025

	Notes	£	2025 £	£	2024 £
Fixed Assets					
Tangible Assets	10		44,550,041		44,629,143
Investments	11		1,359,292		1,409,432
			45,909,333		46,038,575
Current Assets					
Inventories		297,494		285,570	
Debtors	12	3,747,252		1,513,659	
VAT Capital Goods Scheme Recoverable	12	99,266		-	
Cash at bank and in hand		10,760,909		10,307,935	
Short Term Deposits		1,010,000		4,260,000	
		15,914,921		16,367,164	
Current Liabilities					
Liabilities due within one year	13	(10,649,941)		(10,411,471)	
Net Current Assets			5,264,980		5,955,693
Total Assets less current liabilities			51,174,313		51,994,268
Debtors due in more than one year					
VAT Capital Goods Scheme Recoverable	12	496,331			
			496,331		
Creditors due in more than one year					
Fees in advance	14	(4,031,262)		(5,989,525)	
Bank Loan	13	(725,274)		(739,989)	
			(4,756,536)		(6,729,514)
Net Assets	18		**46,914,108**		**45,264,754**
Funds					
Unrestricted - General Reserve	19		28,210,526		27,806,521
Unrestricted - Pension Reserve	22		(12,130)		(2,733)
Restricted	19		1,980,275		446,095
Endowment	19		16,735,437		17,014,871
			46,914,108		**45,264,754**

These financial statements were approved and authorised for issue by the Trustee on 21 March 2026 and signed on its behalf by:

M Beale
Chair of Felsted School Trustee Limited

The notes on pages 24 to 40 form part of these financial statements

FELSTED SCHOOL

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2025

		2025	2025	2024	2024
Cashflows from operating activities					
Net cash provided used in operating activities	(i)		(1,874,342)		6,452,586
Cashflows from investing activities					
Payments for tangible fixed assets		(1,239,627)		(886,484)	
Proceeds on sales of tangible fixed assets		29,000		18,400	
Investment income and bank interest received		711,618		621,625	
Net cash used in investing activities			(499,009)		(246,459)
Cashflows from financing activities					
Barclays 5 year Term Loan		-		760,000	
Repayments on borrowing		(12,208)		(7,939)	
Phillips Loan		-		150,000	
Finance costs paid		(411,467)		(306,352)	
Net cash provided by financing activities			(423,675)		595,709
Change in cash and cash equivalents in the reporting period			(2,797,026)		6,801,836
Cash and cash equivalents bfwd			14,567,935		7,766,099
Cash and cash equivalents cfwd	(ii)		**11,770,909**		**14,567,935**

The notes on pages 24 to 40 form part of these financial statements

FELSTED SCHOOL

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2025

(i) Reconciliation of net income to net cash flow from operating activities

Net incoming/(outgoing) for the reporting period as per the Statement of Financial Activities	1,699,493	(75,154)
Adjustments for:		
- investment income and bank interest	(711,618)	(621,625)
- finance costs	411,467	306,352
Waiver of Phillips Fund Loan	(679,867)	-
Depreciation charge	1,317,980	1,192,704
Defined pension scheme adjustments	9,397	(6,279)
Gain on sale of fixed assets	(28,250)	(12,482)
(Increase) / Decrease in stocks	(11,924)	97,444
Increase in debtors	(2,829,190)	(368,178)
Increase / (Decrease) in creditors (excluding FIA and deposits)	1,785,532	(33,904)
(Decrease) / Increase in FIA	(2,742,876)	6,042,704
Decrease in parents deposits	(94,486)	(68,996)
	(3,573,835)	6,527,740
Net cash (outflow)/inflow from operations	(1,874,342)	6,452,586

(ii) Analysis of cash and cash equivalents

Cash at bank	10,760,909	10,307,935
Short Term Deposits	1,010,000	4,260,000
	11,770,909	**14,567,935**

(iii) Analysis of changes in Net Debt

	01 September 2024	Cashflows	31 August 2025
Net cash			
Cash & Cash Equivalents	10,307,935	452,974	10,760,909
ST deposits	4,260,000	(3,250,000)	1,010,000
	14,567,935	(2,797,026)	11,770,909
Borrowings			
Bank Loan	(752,061)	12,208	(739,853)
Total	**13,815,874**	**(2,784,818)**	**11,031,056**

The notes on pages 24 to 40 form part of these financial statements

1 STATEMENT OF ACCOUNTING POLICIES

Basis of Accounts Preparation
The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and 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 (FRS102) – effective 1 January 2015.

These accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments. The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice which has since been withdrawn).

At the time of approval of the Annual Report, there are currently significant cash balances should additional liquidity be required through this period of uncertainty to meet the liabilities as they fall due. The school has confirmed with its bankers that the existing overdraft facility continues for 12 months to June 2026 together with additional headroom if required. A four-year secured revolving credit facility of £4m expired on 11 November 2024. This has been renewed and the facility in place since April 2025. There are no plans currently in place that are reliant on the availability of this facility. The Barclays Term Loan of £760,000 is a floating rate basis term loan at 2.25% per annum. The term of the loan is 5 years with the final repayment date of the full amount by 17th October 2028.

The Trustee has considered various scenarios including a reduction in pupil numbers. At the time of approving these financial statements the School has not been notified of any material reduction in prospective pupil numbers relative to those which the School has used for the purposes of financial modelling and forecasting. The School has considered various financial forecasts taking account of the then current cash reserves and bank facilities and the ability to rescale the School's activities. Accordingly, the Trustee believes the School's financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on the going concern basis.

The School is a Public Benefit Entity registered as a charity in England and Wales. It was registered as a charity on 10 April 1964 (charity number 310870).

Critical accounting judgments and key sources of estimation uncertainty
In the application of the accounting policies, The Trustee is required to make judgments, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. 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 an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustee, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying value in the next financial year.

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

1 STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Fees and similar income
Fees receivable and charges for services and use of premises are accounted for in the year in which the service is provided and are inclusive of VAT where applicable. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School but include contributions received from Restricted Funds for Scholarships, Bursaries and other grants. Fees received in advance of education to be provided in future years under an Advance Fee Payments Scheme contract are held as interest-bearing liabilities until either taken to income in the term when used or else refunded.

Donations and legacies
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 the Trustee Board. Donation and legacy income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Expenditure
Expenditure is accrued as soon as a liability is considered probable, discounted to the present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SOFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use of the underlying assets, as appropriate. The irrecoverable element of VAT is included within the item of expense to which it relates.

Governance costs comprise the cost of the external audit and reimbursement of Trustee expenses when attending meetings.

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

a) The Teachers' Pension Scheme – this scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, the School accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable. The Charity contributes to the Teachers' Pension Scheme; a multi-employer defined benefit pension scheme, at rates, varying between 7.4% and 11.7% for employees and an employer contribution rate set by the Scheme Actuary and advised to the Board by the Scheme Administrator of 28.68% for the period 1 September 2024 to 31 March 2025, remaining at 28.68% from 1 April 2025.
b) The Pension Trust Scheme – this scheme is a multi-employer pension scheme. It is not possible to identify each individual employee's share of the underlying assets and liabilities. In most respects it is a multi-employer scheme but it has some guarantees. As a result, it is not possible to identify the School's share of the underlying assets and liabilities of the scheme. However, the School remains potentially liable for a debt on withdrawal from the scheme. In accordance with FRS102 the scheme is accounted for as if it were a defined contribution scheme – see also note 22 (b). The School's contributions of 5% are charged in the period in which the salaries to which they relate are payable for senior non-teaching members of staff.
c) The People's Pension Scheme – this is a money purchase pension scheme. The School's contributions are charged in the period in which the salaries to which they relate are payable for other non-teaching staff
d) Aviva Pension Trust for Independent Schools (APTIS) - this is a money purchase pension scheme. The School's contributions are charged in the period in which the salaries to which they relate are payable for teaching staff.

School land and buildings, equipment and plant and machinery
Capitalisation and replacement
Freehold land and buildings were professionally valued by Mullucks Wells, chartered surveyors, in August 2014. The basis of the valuation was that residential freehold and educational buildings were valued on an open market valuation with vacant possession. The August 2014 valuation highlighted a material increase in the value of the freehold land and buildings and the assets are included at this value.

The School has elected, in accordance with Section 35.10(d) of FRS102, to use the carrying values on 1 September 2014, the date of transition to FRS102, of any of the above freehold land and buildings previously carried at valuation, as their deemed cost. All tangible fixed assets are held for use on charitable activities.

School land and buildings, equipment and plant and machinery

Depreciation

Depreciation is provided on other fixed assets to write off their cost, less estimated residual value based on current market prices, in equal instalments over estimated useful lives at the following rates:

Freehold buildings	2% to 10% straight line
IT network - cabling	10% straight line (10 year life)
IT network - hardware (inc switches etc)	14.3% straight line (7 year life)
Other IT equipment (inc smartscreens)	20% straight line
Other plant and equipment	10% straight line
Motor vehicles	25% straight line

Items costing over £2,500 are capitalised.

Investments

Investments are valued in the balance sheet at their mid-market value at the balance sheet date. Unrealised gains and losses arising on revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate fund according to the "ownership" of the underlying assets.

Inventories

Inventories are valued at the lower of cost and estimated selling price less costs to sell.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade, other debtors and accrued income but excludes prepayments. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions and fees received from parents in advance of Autumn term. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

Advance Fee Scheme payments

Amounts received under the School's Advance Fee Scheme contracts for education not yet utilised to settle School fees are recorded as deferred income and allocated as current liabilities where the education will be provided within 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

2 CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2025 £	2024 £
Fees receivable consist of:		
School Fees	29,618,128	29,133,886
Less: total scholarships & Bursaries	(3,108,626)	(3,160,895)
	26,509,502	25,972,991
Add back: Bursaries and other awards paid for by restricted funds	40,671	228,825
	26,550,173	**26,201,816**

Scholarships, bursaries and other awards were paid to 283 pupils (2024: 278).
Within this, means tested bursaries totalling £1,207,711 were paid to 68 pupils (2024: £1,230,514 to 54 pupils)

3 CHARITABLE ACTIVITIES - OTHER INCOME

	2025 £	2024 £
Extras	986,408	1,238,960
Entrance and registration fees	28,482	56,778
Transport	285,460	295,644
International Summer School & Courses	389,785	1,224,394
School bookshop	-	14,344
	1,690,135	**2,830,120**

4 OTHER TRADING ACTIVITIES

	2025 £	2024 £
Trading income		
Lettings and Sports Clubs	168,645	144,326
Other School Shops	363,258	311,550
	531,903	455,876
Other activities		
Interest on overdue fees	-	10,596
Other income	163,133	96,897
	163,133	107,493

5 INVESTMENT INCOME

	Unrestricted £	Restricted £	Endowed £	Total 2025 £	Total 2024 £
Securities investment income:					
Equities	-	38,871	-	38,871	180,894
Property investment income					
Rents receivable	37,858	-	-	37,858	40,020
	37,858	38,871	-	76,729	220,914

6 GRANTS AND DONATIONS RECEIVABLE

	Unrestricted	Restricted	Endowed	Total 2025	Total 2024
	£	£	£	£	£
Bursaries	-	1,933,105	-	1,933,105	84,396
Development donations	-	4,831	-	4,831	4,450
	-	1,937,936	-	1,937,936	88,846

7 ANALYSIS OF EXPENDITURE

A) Total Expenditure
Year to 31 August 2025

	Staff Costs (note 9)	Depreciation (note 10)	Other costs	2025
	£	£	£	£
Costs of raising funds				
Trading costs	160,863	-	203,530	364,393
Costs of other activities	545,005	-	554,982	1,099,987
Financing costs (note 8)	-	-	411,467	411,467
Development costs	218,186	-	48,580	266,766
Total costs of raising funds	**924,054**	**-**	**1,218,559**	**2,142,613**
Charitable Expenditure				
Education and Grant making				
Teaching	10,693,503	-	1,983,980	12,677,483
Welfare	3,364,369	-	1,392,534	4,756,903
Premises repair and maintenance	1,070,895	1,317,980	2,918,905	5,307,780
Support costs & Governance	3,697,635	-	1,258,107	4,955,742
Grants, awards and prizes (note 7b)	-	-	44,882	44,882
Total Charitable expenditure	**18,826,402**	**1,317,980**	**7,598,408**	**27,742,790**
Total Expenditure	**19,750,456**	**1,317,980**	**8,816,967**	**29,885,403**

7 ANALYSIS OF EXPENDITURE (CONTINUED)

A) Total Expenditure Year to 31 August 2024	Staff Costs (note 9) £	Depreciation (note 10) £	Other costs £	2024 £
Costs of raising funds				
Trading costs	150,516	-	240,741	391,257
Costs of other activities	608,962	-	1,025,841	1,634,803
Financing costs (note 8)	-	-	306,352	306,352
Development costs	176,123	-	167,924	344,047
Total costs of raising funds	**935,601**	**-**	**1,740,858**	**2,676,459**
Charitable Expenditure				
Education and Grant making				
Teaching	10,398,532	-	1,975,218	12,373,750
Welfare	3,254,109	-	1,443,583	4,697,692
Premises repair and maintenance	1,014,336	1,192,704	3,282,310	5,489,350
Support costs & Governance	3,519,757	-	1,392,813	4,912,570
Grants, awards and prizes (note 7b)	-	-	231,110	231,110
Total Charitable expenditure	**18,186,734**	**1,192,704**	**8,325,034**	**27,704,472**
Total Expenditure	**19,122,335**	**1,192,704**	**10,065,892**	**30,380,931**

Depreciation and other costs relating to Felsted School endowed fund properties totalling £229,295 (2024: £229,295), have been charged directly to the endowment fund.

B) Grants, awards and prizes	Total & Restricted Funds	
	2025 £	2024 £
From Restricted Funds		
Bursaries and other grants and awards	44,882	231,110

C) Governance included in support costs	2025 £	2024 £
		8,000
Remuneration paid to auditor for Full Audit 2025	31,700	32,506
Reimbursement of expenses to Trustee Director - travel costs	912	1,024
	32,612	41,530

Travel expenses were reclaimed by three members, £912 (2024: £1,024 reclaimed by 2 members) of the Trustee Board.

8 FINANCE AND OTHER COSTS

	2025	2024
	£	£
Fees in advance debit financing cost	326,506	228,538
Pension Scheme financing cost	24,067	8,043
Bank Interest	60,894	69,771
	411,467	**306,352**

9 STAFF COSTS

	2025	2024
	£	£
The aggregate payroll costs for the year were as follows:		
Wages and Salaries	15,938,872	15,625,266
Social Security Costs	1,796,638	1,557,362
Pension Contributions	2,014,947	1,939,706
	19,750,457	**19,122,334**

None of the Trustee Board received any remuneration or other benefits from Felsted School or from any connected body.

Aggregate employee benefits of key management personnel	704,096	628,295

Number of higher paid employees in bands of:

	2025 Number	2024 Number
£60,001 - £70,000	27	26
£70,001 - £80,000	6	6
£80,001 - £90,000	2	3
£90,001 - £100,000	1	1
£100,001 - £110,000	2	2
£130,001 - £140,000	1	1
£140,001 - £150,000	1	-
£170,001 - £180,000	-	1
£180,001 - £190,000	1	-

The number of higher paid employees with retirement benefits accruing		
-in Defined Contribution Schemes was	9	5
Of which the contributions amounted to	£55,250	£62,103
- Defined Benefit Schemes was	32	31

9 STAFF COSTS (CONTINUED)

The average number of employees during the year was:

	2025 Actual Number	2024 Actual Number	2025 FTE Number	2024 FTE Number
Teaching	151	163	133	139
Welfare	172	196	105	115
Premises	32	30	26	25
Support	169	177	104	106
Other	25	27	17	16
Total	**549**	**593**	**385**	**401**

During the year there were no redundancy payments made. Termination payments of £36,534 were made (2024: £56,859). Of the total, £20,181 was still outstanding for payment at 31st August 2025.

10 TANGIBLE FIXED ASSETS

	Assets Under Construction	Freehold Land and Building	Plant and Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2024	-	52,068,681	1,960,933	866,598	54,896,212
Additions	25,381	1,590,709	123,428	95,707	1,835,225
Disposals	-	-	-	(172,997)	(172,997)
CGS Amendment	-	(595,598)	-	-	(595,598)
At 31 August 2025	25,381	53,063,792	2,084,361	789,308	55,962,842
DEPRECIATION					
At 1 September 2024	-	8,379,649	1,160,851	726,569	10,267,069
Charge for the year	-	1,087,573	156,720	73,687	1,317,980
Disposals	-	-	-	(172,248)	(172,248)
At 31 August 2025	-	9,467,222	1,317,571	628,008	11,412,801
NET BOOK VALUE					
At 31 August 2025	**25,381**	**43,596,570**	**766,790**	**161,300**	**44,550,041**
At 31 August 2024	-	**43,689,032**	**800,082**	**140,029**	**44,629,143**

* The School has elected, in accordance with Section 35.10(d) of FRS102, to use the carrying values on 1 September 2014, the date of transition to FRS102, of any of the above freehold land and buildings previously carried at valuation, as their deemed cost. All tangible fixed assets are held for use on charitable activities.

Following the introduction of VAT on tuition fees from 1 January 2025, we have recognised a VAT asset of £596k. The payment due back to the school under the Capital Goods Scheme is recorded as a Capital Good. These amounts are subject to agreement with HMRC. During the year a VAT adjustment was made under the Capital Goods Scheme relating to building developments incurred prior to VAT registration.

11 SECURITIES INVESTMENTS

	2025	2024
	£	£
At 1 September 2024	1,409,432	1,304,473
(Decrease)/Increase in value of investments	(50,140)	104,959
Investments at 31 August 2025	**1,359,292**	**1,409,432**
Investments comprise:		
Listed Investments		
Fixed Interest	167,329	114,728
Equities	990,788	1,061,443
Alternative assets	168,960	205,636
Cash	32,215	27,625
Investments at 31 August 2025	**1,359,292**	**1,409,432**

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits. The main Securities investments are managed for the School by CCLA. All investments are managed and held in the UK.

12 DEBTORS

Due within one year	2025	2024
	£	£
Fees and extras	3,303,764	1,011,433
Trade	51,954	34,370
Other debtors	152,797	205,675
Other prepayments and accrued income	238,737	262,181
VAT Capital Goods Scheme Recoverable	99,266	-
	3,846,518	**1,513,659**

Due after one year	2025	2024
	£	£
VAT Capital Goods Scheme Recoverable	496,331	-

The VAT recoverable on the Capital Goods Scheme will be claimed every year until 2032, against the expenditure incurred on the building and development of the Marshall Centre.

As a result of the introduction of VAT, the 2025 Fees and extras balance of £3.3m includes £1.7m of output VAT on invoices raised to parents in August 2025 in respect of the Autumn 2025 termly fees.

13 CREDITORS:

Due within one year	2025	2024
	£	£
Deposits from parents	1,596,500	1,690,986
Fees received from parents in advance of term	3,536,670	3,167,385
Trade Creditors	118,431	159,756
Taxation and social security	2,004,749	450,988
Fees in Advance Scheme	2,246,628	3,031,240
Accruals and deferred income	1,132,384	1,219,177
Phillips Fund Loan	0	679,867
	10,635,362	**10,399,399**

As a result of the introduction of VAT, the 2025 Taxation and Social Security balance of £2.0m includes £1.6m of output VAT on invoices raised to parents in August 2025 in respect of the Autumn 2025 termly fees.

Bank Loan	2025 £	2024 £
Within 2 to 5 years	709,292	726,782
Within 1 to 2 years	15,982	13,207
	725,274	739,989
Within 1 year	14,579	12,072
	739,853	**752,061**

There is a bank overdraft standing facility of £800,000. A four-year secured revolving credit facility of £4m expired on 11 November 2024. This has been renewed and the facility in place since April 2025. There are no plans currently in place that are reliant on the availability of this facility.

The loan from the Philipps Fund has been waived and the funds released from the Balance Sheet.

The Barclays Term Loan of £760,000 is a floating rate basis term loan at 2.25% per annum. The term of the loan is 5 years with the final repayment date of the full amount by 17th October 2028.

Pupil Fees Deposits – the total amount held in relation to fee deposits of £1,596,500 is included above. In the normal course of business, the expected repayment of these amounts will be £315,000 (2024: £326,488) within one year and £1,281,500 (2024: £1,303,000) after more than one year. The Trustee has considered the contract terms under which Pupil fee deposits are held by the School. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the School, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 August 2025 have been included within current liabilities.

14 FEES IN ADVANCE SCHEME

There was a significant decrease in the number of parents taking out fees in advance contracts with the school since the implementation of VAT on school fees. Assuming pupils will remain in the School, advance fees will be applied as follows:

	2025	2024
	£	£
After 5 years	383,686	604,052
Within 2 to 5 years	1,925,163	3,371,712
Within 1 to 2 years	1,722,413	2,013,761
	4,031,262	5,989,525
Within 1 year	2,246,628	3,031,240
	6,277,890	**9,020,765**

Summary of movement in Liability

	2025	2024
	£	£
Balance at 1 September 2024	9,020,765	2,978,061
New Contracts	685,042	8,157,365
Repayments	(211,919)	(70,701)
Amounts used to pay Fees	(3,542,504)	(2,272,498)
Amounts accrued to contract as debt financing cost	326,506	228,538
	6,277,890	**9,020,765**

15 FINANCIAL INSTRUMENTS

	2025	2024
	£	£
Financial assets measured at Fair Value (a)	1,359,292	1,409,432

(a) Financial assets held at fair value include assets held as investments

Total Income for Financial Assets held at Market Value	38,871	180,894

16 LEASES

The future minimum lease payments under non-cancellable operating leases for equipment which are all payable as follows:

	2025 £	2024 £
Within 1 year	84,319	5,800
Within 2 to 5 years	28,940	1,368
	113,259	7,168

Lease payments in year recognised as expenditure amounted to £88,092 (2024: £71,524).

17 FUNDS OF THE SCHOOL

The School's funds are analysed under the following headings

(a) Endowed funds

Endowment funds consist of investments and freehold land and buildings held by the School under permanent endowment, and special funds on which the capital must be retained and the income applied to specific purposes of the School.

(b) Restricted funds

- Annual Fund - this raises funds for small projects and extra-curricular activities that will be realised within a 12-month period.
- Prize Funds – donations were received to nominate a pupil each year for a Prize. An amount is released each year to cover the cost of the prize awarded on Speech Day.
- Neurodivergent Learning Centre Fund - this is the donation specifically ring fenced for the design and build of the new centre.
- Strength & Conditioning Works Fund - this is a donation specifically ring fenced to finance the works being carried out to the gym.

All other funds have been released off the balance sheet after a detailed review was undertaken on historic spends in relation to the funds.

(c) Unrestricted funds

Unrestricted funds represent accumulated income from the School's activities and other sources that are available for the general purposes of the School.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	Endowment £	Total 31 August 2025 £
Tangible Fixed Assets	29,070,029	103,867	15,376,144	44,550,040
Securities investments	-	-	1,359,293	1,359,293
Net current Assets	3,884,905	1,876,407	-	5,761,312
Long Term Liabilities	(4,756,537)	-	-	(4,756,537)
	28,198,397	**1,980,274**	**16,735,437**	**46,914,108**

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 31 AUGUST 2024

	Unrestricted £	Restricted £	Endowment £	Total 31 August 2024 £
Tangible Fixed Assets	28,892,504	131,200	15,605,439	44,629,143
Securities investments	-	-	1,409,432	1,409,432
Net current Assets	5,640,798	314,895	-	5,955,693
Long Term Liabilities	(6,729,514)	-	-	(6,729,514)
	27,803,788	**446,095**	**17,014,871**	**45,264,754**

19 SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	31 August 2024 £	Income £	Expenditure £	Revaluation/ Transfers £	31 August 2025 £
Unrestricted funds					
General reserve	27,806,521	29,608,089	(29,601,829)	397,746	28,210,527
Pension reserve	(2,733)	-	(9,397)	-	(12,130)
	27,803,788	**29,608,089**	**(29,611,226)**	**397,746**	**28,198,397**
Restricted funds					
Annual Fund	114,448	4,831	(4,211)	-	115,068
Bury Fund	2,799	-	-	(2,799)	-
Bursary Funds	301,830	116,976	(40,671)	(378,135)	-
Deacons' refurbishment	4,666	-	-	(4,666)	-
Prize Funds	10,351	-	-	(145)	10,206
Windsors – Malone legacy	8,177	-	-	(8,177)	-
Neurodivergent Learning Centr	-	1,600,000	-	-	1,600,000
Strength & Conditioning Gym	-	255,000	-	-	255,000
Other	3,824	-	-	(3,824)	-
	446,095	**1,976,807**	**(44,882)**	**(397,746)**	**1,980,274**
Endowed – permanent					
Endowed reserve	17,014,871	-	(229,295)	(50,139)	16,735,437
Total funds	**45,264,754**	**31,584,896**	**(29,885,403)**	**(50,139)**	**46,914,108**

19 SUMMARY OF MOVEMENTS ON MAJOR FUNDS AS AT 31 AUGUST 2024

	31 August 2023	Income	Expenditure	Revaluation/ Transfers	31 August 2024
	£	£	£	£	£
Unrestricted funds					
General reserve	27,697,194	30,036,037	(29,926,805)	95	27,806,521
Pension reserve	(9,012)	-	6,279	-	(2,733)
	27,688,182	**30,036,037**	**(29,920,526)**	**95**	**27,803,788**
Restricted funds					
Annual Fund	112,283	4,450	(2,285)	-	114,448
Bury Fund	2,799	-	-	-	2,799
Bursary Funds	265,365	265,290	(228,825)	-	301,830
Deacons' refurbishment	4,666	-	-	-	4,666
Prize Funds	10,446	-	-	(95)	10,351
Windsors – Malone legacy	8,177	-	-	-	8,177
Other	3,824	-	-	-	3,824
	407,560	**269,740**	**(231,110)**	**(95)**	**446,095**
Endowed – permanent					
Endowed reserve	17,139,207	-	(229,295)	104,959	17,014,871
Total funds	**45,234,949**	**30,305,777**	**(30,380,931)**	**104,959**	**45,264,754**

20 CAPITAL COMMITMENTS

Commitments for future capital expenditure not provided for in these accounts were as follows:

	2025	2024
	£	£
Authorised and contracted	-	-

21 PENSION COMMITMENTS

The School makes annual payments to former employees, and during the year these amounted to £1,723 (2024: £1,714). These payments are subject to an annual review.

22 PENSION SCHEMES

a) Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,584,006 (2024 £1,625,971) and at the year-end £117,001 (2024: £138,099) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023. The Valuation Report shows notional assets of £222.2bn and liabilities of £262bn, resulting in a scheme deficit of £39.8bn.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

b) The Pensions Trust Retirement Solutions - The Growth Plan

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 company 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 as follows:

From 1 April 2022 to 31 January 2025, the deficit contributions of the scheme totalled £3,312,000 per annum. Unless a concession has been agreed with the Trustees the term to 31 January 2025 applies.

From 1 April 2025 to 31 March 2028, the deficit contributions of the scheme totalled £2,100,000 per annum.

The School's deficit contributions were £14,670 per annum. For the financial year September 2024 – August 2025, the School's deficit contributions totalled £13,568.

The recovery plan contributions are allocated to each participating employer in line with their estimate 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.

Present values of provision

Reconciliation of opening and closing provisions

	2025	2024
	£	£
Provision at start of period	2,733	9,012
Unwinding of the discount factor (interest expense)	18	330
Deficit contribution paid	(14,670)	(14,322)
Remeasurements - impact of any changes in assumptions	9,959	7,713
Remeasurements - amendments to the contribution schedule	14,090	-
	12,130	**2,733**

	2025	2024
	£	£
Within 1 year	12,130	2,733
	12,130	**2,733**

Income and Expenditure Impact

	2025	2024
	£	£
Interest Expense	18	330
Remeasurements - impact of any changes in assumptions	9,959	7,713
Costs recognised in Statement of Financial Activities	24,049	14,322

Assumptions

	At 31 August 2025	At 31 August 2024	At 31 August 2023	At 31 August 2022
	% per annum	% per annum	% per annum	% per annum
Rate of discount	4.37	5.13	6.04	4.46

The discount rates shown above are the equivalent single discount rates 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.

The School has been notified by The Pensions Trust Retirement Solutions of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2025. As of this date the estimated employer debt on withdrawal for the School was £81,101 (2024: £77,000).

c) Aviva Pension Trust for Independent Schools

The School also participates in the Aviva Trust for Independent School ("APTIS") for its teaching staff. The pension charge for the year includes contributions payable to APTIS of £800,136 (2024: £597,300) and at the year-end £nil was accrued in respect of contributions to this scheme (2024: £nil). It is a money purchase pension scheme.

23 RELATED PARTY TRANSACTIONS

Certain Directors of the Trustee Company had interests in transactions involving the School:

M Beale, S Wolfe and Z Rantell are parents of current pupils in the School. All of these families paid School fees in accordance with the School's standard terms and conditions. During the year, 1 (2024: 1) member of staff was employed on standard terms and conditions by the School who was related to Directors of the Trustee Company and these staff received remuneration of £10,893 (2024: £10,499).

During the year donations of £5,000 (2024: £7,800) were received from Directors of the Trustee Company.

During the year, 3 (2024: 2) members of staff were employed on standard terms and conditions by the School who were related to key management personnel.

24 CONNECTED CHARITIES AND COMPANIES

Felsted School is supported by The Philipps Fund, which raises funds for the benefit of the School. The Phillips Fund has waived the loan and donated the funds to the school. Therefore, the balance at 31 August 2025 is £nil.

A trading company, Felsted School Enterprises Ltd, was incorporated on 21 August 2006 and remained dormant throughout the year. It changed its name on 16 August 2022 to Felsted Global Education Limited.

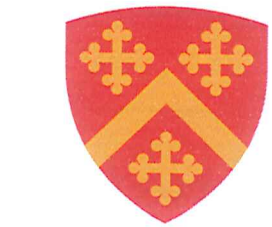
25 STATEMENT OF FINANCIAL ACTIVITIES – PRIOR YEAR COMPARATIVE FIGURES BY FUND TYPE

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Year to 31 August 2024 £
Income and endowments from:					
Charitable activities					
School fees receivable	2	26,201,816	-	-	26,201,816
Ancillary trading income	3	2,830,120	-	-	2,830,120
Other trading activities					
Non-ancillary trading income	4	455,876	-	-	455,876
Other activities	4	107,493	-	-	107,493
Investments					
Investment income	5	40,020	180,894	-	220,914
Bank and other interest		400,712	-	-	400,712
Voluntary sources					
Grants and donations	6	-	88,846	-	88,846
Total income		30,036,037	269,740	-	30,305,777
Expenditure on:					
Raising funds					
Non-ancillary trading		391,257	-	-	391,257
Other income-generating activities		1,634,803	-	-	1,634,803
Financing costs	8	306,352	-	-	306,352
Fundraising & Development		344,047	-	-	344,047
Total deductible costs	7	2,676,459	-	-	2,676,459
Charitable activities					
Education and grant making	7	27,244,067	231,110	229,295	27,704,472
Total expenditure		29,920,526	231,110	229,295	30,380,931
Net (outgoing)/incoming funds from operations before transfers and investment gains		115,511	38,630	(229,295)	(75,154)
(Loss)/gains on investments	11	-	-	104,959	104,959
Transfers between funds	19	95	(95)	-	-
Net (expenditure)/income and movement in funds for the year		115,606	38,535	(124,336)	29,805
Fund balances at 1 September 2023 25		**27,688,182**	**407,560**	**17,139,207**	**45,234,949**
FUND BALANCES at 31 AUGUST 2024		**27,803,788**	**446,095**	**17,014,871**	**45,264,754**

FELSTED SCHOOL

England & Wales - Charity number 310870

Accounts



Felsted

FELSTED SCHOOL

ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2024

TOGETHER WITH TRUSTEE'S AND AUDITOR'S REPORTS

Registered Charity Number: 310870

TRUSTEE DIRECTORS

Felsted School Trustee Limited The Directors of the Trustee Company who served during the year or were subsequently appointed are listed below:	(h)	(e)	(n)	(g)
J Abel Smith, DL			●	
M Beale * (Appointed as Chair on 1 September 2024)	●	● From 01/09/2024	●	● From 01/09/2024
G P Boult		● Chair		
R I C Brown – Chair (Resigned from Chair on 1 September 2024)	●	● To 01/09/2024	● To 01/09/2024	●
C A Carrington (Resigned 4 July 2024)		●		●
J Crouch				● Chair
J H Davies, OBE			●	
Dr J C Nicholson		● From 09/02/2024		●
A L M Oxnam	●			
Prof. L Poston, CBE		● From 9/02/24	● From 14/06/2024	
Z Rantell* (Appointed 16 November 2024)				
A Sefton		●		
O H J Stocken CBE				
Rev N J Stuchfield	●			
W Sunnucks (resigned 30/6/23)				
J B St J Tibbitts (resigned 30/6/23)	●		●	●
PE Wardell		●	● From 16/12/2023	●
L Wells (Appointed 16 November 2024)				
J Windsor	● Chair			
S Wolfe *	●			
(h) Member of the House and Finance Committee (e) Member of the Education Committee (n) Member of the Nominations Committee (g) Member of the Governance Committee * Parent of current pupil				

OFFICERS

HEAD	C J Townsend, BA
HEAD OF PREPARATORY SCHOOL	M Norris, BEd,
BURSAR AND CLERK TO TRUSTEE BOARD[1] (To 31 August 2024)	A G Clayton BA, MBA
CHIEF FINANCIAL OFFICER (From 2 September 2024)	Jonathan Atkins, FCA
CLERK TO THE TRUSTEE BOARD (From 1 September 2024)	Rachel Earle, BA
Address and Registered Office	Felsted School Felsted Essex CM6 3LL
Website	www.felsted.org

ADVISERS

BANKERS	Barclays Bank Plc Abacus House, Castle Park, Castle Hill Cambridge CB3 0AN
AUDITORS	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
SOLICITORS	Stone King LLP 16 St John's Lane London EC1M 4BS

[1] As part of an organisational restructure, the role of School Bursar ceased to exist on 31 August 2024 and a CFO was appointed. As part of these changes, the Compliance Manager was appointed Clerk to the Board.

The Trustee of Felsted School presents its annual report together with the audited accounts for the year ended 31 August 2024 and confirms that they comply with the requirements of the Charities Act 2011, the trust deed and the Charities SORP (FRS 102) applicable to Charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

1. REFERENCE AND ADMINISTRATION INFORMATION

The Charity was founded in 1564 and is registered with the Charity Commission under charity number 310870. The Directors of Felsted School Trustee Ltd, Felsted School's single Trustee, and the Executive officers and principal addresses of the Charity are as listed on the previous page as are particulars of the Charity's professional advisers.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by its Scheme dating from 1938 and last amended in October 2018.

Governing Body

The structure of the Charity consists of a Board of Directors of the Trustee Company that oversees the management of the Charity, a school, which has two principal elements, a Senior School for pupils aged 13-18 and a Preparatory School for pupils aged 4-13.

Recruitment and Training of Trustee Directors

The Trustee Company Directors are voted onto the Board by the current Board members. The Nominations Committee comprises five current Directors and is responsible for recommending new Board members, as and when necessary. The Nominations Committee when selecting possible new Directors considers eligibility, personal competence, specialist skills and local availability.

New Directors are inducted into the Trustee Company and the Schools (including Board policy and procedures) by current Directors and the School Executive.

Organisational Management

The Trustee Company Directors are legally responsible for the overall management and control of the School and meet at least three times a year.

The members of the House & Finance (H&F) Committee meet about a month before each meeting of the full Board and on extra occasions as required. This Committee specifically looks at the budget and accounts for the current year, short and medium term forecasts and at infrastructure investment plans and makes recommendations for approval by the Board.

The other committees are the Education Committee, the Governance Committee and the Nominations Committee. The Education and Governance Committees meet each term before the main Board meeting and the Nominations Committee meets once a year to discuss standing items and at other times as required. The Heads and the Bursar/CFO attend meetings of the above Committees.

The day to day running of the Schools is delegated to the Head who, together with the Head of the Preparatory School, the Chief Financial Officer, the Senior Deputy Head and the Deputy Head (Academic) act as the Key Management Personnel. They are supported by their Senior Leadership Teams. Delivery of the School's charitable vision and purpose is primarily dependent on the Key Management Personnel.

Organisational Management

The Board set the remuneration of the Heads, Senior Deputy Head, CFO (formerly the Bursar) and any other roles appointed by the Board, with the policy objective of rewarding them fairly and responsibly for their individual contributions to the School's success. The Board delegates the annual review of remuneration of key personnel to the Nominations Committee, which refers to benchmarking information for other similar schools (including that currently compiled by AGBIS), the individual's performance in the previous year, and cost of living awards to other staff. The remuneration package when a new key member of staff is appointed is similarly benchmarked, and appointments are made following a competitive process, taking appropriate external professional advice. The aim is to recruit, subject to experience, below or at the medium point within a band (for teaching staff), providing scope for rewarding excellence.

Structure and Relationships

A subsidiary company, Felsted Global Education Limited was incorporated on 21 August 2006 and has remained dormant throughout the year.

Risk Management

The Trustee Company is responsible for the management of the risks faced by the School. Detailed considerations of risk have been delegated to the Committees, assisted by the Key Management Personnel (also known as the Executive Team). Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis, as part of that review other committees of the Board review risks appropriate to their areas of oversight.

Through the annual review of the risk register, the Trustee considers the key risks facing the School and agrees appropriate mitigation. The principal risks the School faces are considered to be:

- Ongoing parental affordability remains a high priority particularly in the current circumstances with relatively high interest rates, increasing costs of employing staff and the imposition of VAT to Independent School Fees with effect from 1 January 2025. The school is undertaking regular communication with parents and will consider carefully 2025/6 fees, in due course.

- Inability to recruit staff of the right calibre. Whilst the recruitment market is challenging, the School continues to recruit, retain and develop excellent staff. A focus on supporting early career teachers, providing support for career paths, personal development and staff welfare and safety help ensure the school remains competitive.

- Inadequate investment in facilities. The aims and ethos of the School require continuing investment in facilities including ICT for teaching and learning, pastoral care and boarding, sports, drama and other activities. Failure to generate adequate annual surplus for reinvestment would compromise this. The Board sets aside investment in each annual budget and the Development team are tasked with fund raising to support specific capital projects, as and when appropriate.

- Failure to comply with relevant regulations. The School is subject to regulation by a number of bodies, particularly in relation to safeguarding, child protection and health and safety. The School appoints and trains staff appropriately, and takes the necessary specialist advice to ensure compliance.

- The key controls used by the charity include:
    - Formal agendas for all Committee and Board activity;
    - Detailed terms of reference for all Committees that are reviewed regularly;
    - Comprehensive strategic planning, budgeting and management accounting;
    - Established organisational structure and lines of reporting;
    - Formal written policies;
    - Regular training of all staff;
    - Safeguarding procedures as required by law and best practice for the protection of the vulnerable;

- A detailed Risk Register reviewed annually by the relevant sub-Committees with key risks reported to and discussed by the Board

Through the risk management processes established for the School, the Trustee is satisfied that the major risks identified have been appropriately mitigated where necessary. It is recognised that systems can only provide reasonable and not absolute assurance that major risks have been managed. The Compliance Manager continues to support the Trustee Board and the Executive Team in the management of risk, policy review and best practice, with a particular emphasis on safeguarding and regulatory compliance. The Trustee Board regularly reviews the effectiveness of current plans and strategies for managing all identified risks for the School.

Charity Code of Governance

The Trustee remains aware of the Charity Governance Code published in 2017 (updated in 2020) which sets out the principles and recommended practice for good governance within the sector. The Trustee is satisfied that the Charity applies the principles of the code within its current Governance arrangements which includes the use of a Governor Compliance Checklist recommended by the Association of Governing Bodies of Independent Schools (AGBIS).

3. OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Charity's Objects, as set out in its Scheme, are the advancement of education specifically but not exclusively by:

(1) the provision and maintenance of a secondary school ('the School') for boys and girls;

(2) the provision and maintenance, if the Trustee thinks fit, of a nursery, pre-school, pre-preparatory and preparatory departments within the School; and

(3) the conduct in connection with the School of such ancillary or incidental educational activities and other associated activities for the benefit of the community as the Trustee thinks fit.

Aims of the School

Felsted seeks to be the school of choice and aspiration for all. "Developing character and making a difference". The school has developed seven foundations of a Felsted Education. These are as follows:

1. ***Academic Aspiration***. The academic curriculum at Felsted is high-quality and expertly taught, but what sets it apart is its capacity to excite and intrigue our students.
2. ***Community***. Community is at the heart of Felsted and, whether boarding or day, every pupil benefits from the 24-hour, seven days-a-week, award winning boarding culture. This community includes our students, as well as parents, staff, Trustee Directors, Old Felstedians and the wider Felsted community.
3. ***Wellbeing***. Felsted is focussed on understanding and developing all aspects of the individual, with academic and pastoral staff working together to support every young person in its care.
4. ***Sporting Excellence***. Felsted has a strong tradition of sporting excellence. Over the decades, many professional athletes have been introduced to their sporting disciplines whilst at our school and, in common with pupils of all ages and abilities, have benefited from the expert coaching and high-quality facilities we offer.
5. ***Enrichment***. Felsted's extensive co-curricular extends our pupils academic learning and challenges them to test their limits.
6. ***Globalism***. The School's approach to education means that we guide our pupils towards developing the attributes, characteristics and principles that will stand them in good stead for life in the future world.

7. ***Neuroinclusive***. It is the Schools vision that Felsted is recognised as a mainstream school with outstanding inclusive provision for neurodiversity. Felsted celebrates the unique way in which each child learns and is on hand to support and develop pupils with or without a previous diagnosis.

These seven foundations are underpinned by the School's commitment to attract, develop and retain the very best staff and in return they are supported in their development and their careers in a diverse, inclusive and non-discriminator environment.

Public Benefit Aims and Intended Impact

Within its Objects, Felsted School's public benefit aim is to provide a first-class independent education for children aged from 4 to 18, both through strong academic tuition and through developing wider sporting, artistic and social skills in all its pupils. This is intended to provide an environment where each pupil can develop and fulfil his or her potential, thus helping to build self-confidence and inculcate a desire to contribute to the wider community. All of this is integral to the School's delivery of a holistic education.

The Trustee has given due consideration to the Charity Commission's guidance on public benefit and undertaken appropriate activities in furtherance of the School's aims for the public benefit. The year's objectives, activities and achievements are set out below.

Felsted School Public Benefit Review

Felsted School has always been mindful of its role in public service and both the School and individual staff and pupils have a long history of supporting charitable and educational causes with both financial help and practical assistance. The Trustee Board is committed to widening access for potential pupils to include those who cannot afford the School's fees and consider it important that those experiencing poverty should not be excluded from the opportunity to receive the educational support that the School can provide. The School also provides opportunities for the local and wider community to use the educational and ancillary facilities the School has to offer. The School is engaged in sharing the educational expertise of staff with others outside the School and developing the involvement of pupils in charitable activities for the wider benefit of the public.

In order to monitor and support the development of the School's practice in these areas a review is carried out each year.

The Curriculum

The School sets high academic standards and educates pupils to the highest levels of achievement. In 2024, the School's public examination results were as follows:

- 93.8% of our GCSE results were between 9 and 4 (2023: 92.67%) with 61.55% being between 9 and 6 (2023: 60.33%).
- 81.7% (2023: 84.2%) of A-level grades were between A* and C.
- The average IB points score in 2024 was 34.3 (2023: 36.3).

The education of pupils encompasses all aspects of their personal development and promotes their contribution to society in adult life.

The school's educational ethos is focused on providing a holistic education and values the importance of Art, Music, DT, Drama and Sport. Therefore, the school invests in staff and facilities to ensure that their provision (both in terms of tuition and resources) enables pupils to excel in these areas.

Means-Tested Assistance

The Trustee Board considers that bursaries are important in ensuring that children from families who would otherwise not be able to afford the fees can access the education offered. Bursary awards are available to children

who meet the general entry requirements and are made on the basis of parental means or to relieve hardship where an existing pupil's education and future prospects would be at risk, for example in the case of bereavement or redundancy. In assessing means the School takes a number of factors into consideration including family income, investments and savings and family circumstances. However, the School does not have a large cash endowment and in funding bursaries the School has to be mindful of ensuring a balance between fee-paying parents, many of whom make considerable personal sacrifices to fully fund their children's education, and those benefiting from the awards. A number of bursaries are also supported by donations received for that purpose. Bursaries are available for up to 100% of fees and can also provide assistance with extra costs for those whose financial need is greatest. They are advertised in the press and on social media and further details of the bursary policy and how to apply are provided on the School website. Bursaries are subject to annual review so that the School can ensure that support is only provided to those who require it.

In total, the School provides fee assistance to over 278 pupils (approximately 29% of the total) at a cost of £3,160,895 per annum; 11% of our gross fee income. In 2023/24 the School provided means tested bursary assistance to 54 pupils to the value of £1,230,514; 4.2% of gross fee income. Fifteen pupils received bursaries of 100% or thereabouts. The school's policy, in line with that of other Independent Schools, is to award scholarships on the basis of the individual's educational potential, subject to any particular conditions imposed by the original donor where the award is out of restricted funds. The majority of awards in bursaries and allowances were made from unrestricted funds.

Links with Other Schools

The School aims to widen access through a variety of initiatives and activities. Partnerships are being grown and developed with local primary schools and with the Royal Docks Community School in Newham, London E16, a mixed comprehensive school for ages 11 to 16.

Partnerships

In addition to the links with other Schools, Felsted is committed to building links with partners who can improve the education of children and offer an extended pathway. Current partnerships include

- Junior Guildhall School of Music
- Royal National Children's Spring Board Foundation
- Blue Hornets Hockey
- Saracens Mavericks Netball Club
- Essex Cricket
- Lord's Taverners

Further details of the individual partnerships can be found on the Independent Schools Council website https://www.schoolstogether.org/case-studies/?schoolId=36819

Charitable Giving and Fund-raising

The School Charity Team develops a programme of events and ideas to encourage Felstedians to grow as global citizens and encourage philanthropy. The Charity Team seeks to raise awareness, encourage volunteerism and organise fundraising events that will make a difference both for those we support and for the school.

The School is committed to building partnerships with our eight core charities:

1. Sparkle Foundation

Founded by Old Felstedian Sarah Brook, the foundation provides education, nutritional support and medical treatment to over 150 vulnerable orphans in Malawi. Felsted pupils have raised a large sum for this fantastic charity over the past few years through numerous events across the School, including an annual Rugby 7's event which involves former pupils and parents. This has allowed the charity to invest in a fresh water borehole and pump, cleaning facilities, classrooms plus a vital vehicle for supplies and emergency treatment. A number of teachers, parents, pupils and the Head have visited the orphanage in Malawi to give support and assistance.

2. Magic Bus

Founded by Old Felstedian Matthew Spacie, this charity aims to improve awareness, life skills and opportunities for vulnerable children in Mumbai. Pupils and staff regularly travel to Mumbai to work with this charity, taking a range of items including mobile phones, sports equipment and clothing.

3. Teach Uganda

Dedicated to supporting communities in Uganda, this organisation helps to bring about permanent, sustainable development through education, health promotion, infrastructure and job creation. Felsted made their first pupil trip to support this charity in 2016 and returned there again in 2018. Felsted has made a big impact to this charity and currently funds several underprivileged local children to study Science A-Levels at a secondary school in Uganda.

4. Felsted Mission

For over a hundred years, the links between The Ascension Church and the Felsted School Mission in the East End of London have continued to grow and develop. The Ascension Church works with the local community through a Garden Café and youth activities, promoting fitness and social interaction. This now extends to the Royal Docks School, where one 100% bursary is offered to a pupil each year to attend Felsted School.

5. CHESS Homeless

Felsted pupils decided that they wanted to make a difference locally as they became increasingly concerned for those 'rough sleeping' in Chelmsford. CHESS Homeless provides an advice centre, food-bank and night-shelter for those in need in Chelmsford. CHESS has a proven track record of finding long term solutions for those who seek their help.

6. Young Minds

This national charity seeks to raise awareness of the mental health issues experienced by young people in the U.K. Young Minds develop initiatives that seek to support young people who otherwise might feel stigmatised for asking for help. In the UK today, an estimated five children in every classroom have a mental health problem. A quarter of 17-year-old girls have self-harmed in the last year, while suicide remains the single biggest killer of boys and young men.

7. Essex and Herts Air Ambulance

We are delighted to make a difference to a charity that aims to save lives and reduce suffering from critical illness and injury. The air ambulance delivers first class emergency medical service to the people of Essex, Hertfordshire, London and Suffolk.

8. Farleigh Hospice

Farleigh provides hospice care to people affected by life-limiting illnesses in Essex. The medical teams and support staff work in the community and with families during times of great need. The school also supports Little Havens Hospice for children.

Our core charities are supported by Whole School Events and each of our Houses champions one of the charities so that long term partnerships can develop. In addition to our core charities Felsted School supports, The Royal British Legion, The David Randall Foundation, The Braintree Foodbank, The Ruth Strauss Foundation, The Felsted Almshouses and the Movember campaign. Pupils and staff have also contributed to MacMillan Nurses, The Lullaby Trust, The Taverners and SSAFA.

Use of Facilities

Felsted prides itself in supporting the village and local community, providing opportunities for educational events and school facilities to be used whenever possible. Felsted School allows the use of its facilities for a range of activities which are open to non-School members. This includes classrooms, function rooms, the Hunt Theatre,

sporting facilities, the indoor pool and the Felsted Gym. Felsted also hosts many concerts and drama performances throughout the year, all of which are open to the public and most of which are free entry. The Felsted School Steel Band performs regularly and on request (time permitting) outside school at venues such as Essex Cricket. Pupils also exhibit their art at a local gallery each year, which is open to the public.

The following organisations have use Felsted facilities during the year:

- Felsted Choral Society
- Braintree Youth Netball
- Saracens Rugby
- Stebbing Primary School
- Essex Cricket (Women)
- England Netball
- Ride London 2024
- ECHO - Essex Chamber Orchestra
- Essex Music

Services to the Community

The School has a very positive relationship with the local village residents and business community. Richard Lord Riche (the School's founder) left funding which supports a number of Almshouses for those in need in the village. Managed by Felsted as part of his legacy, Almshouse residents are assisted by the School through a number of supportive activities.

A number of the Senior School students participate in weekly volunteer work as part of their holistic education. These include helping in local residential care homes (e.g. dementia, old age, physical disability, sensory impairment), visiting residents in sheltered accommodation and helping in primary schools.

Current Objectives

The School's objectives are set to reflect the educational aims and the ethos of the School, and to maintain and enhance the academic success of the School.

In setting the objectives and planning the activities the Trustee Board has given careful consideration to the Charity Commission's guidance on public benefit.

This year, the focus has been on the continued achievement of academic performance and academic value added, and development of the co-curricular programme. The key objectives for the year included:

- To develop further mechanisms for the improvement of academic performance and grow academic culture, especially through effective use of data
- To continue to develop relational practice in behaviour management throughout the school
- To progress the site development plan, including new indoor sports facilities, possible boarding improvements, additions and classroom upgrades
- To develop the Seven Foundations of Felsted as the basis for the school's holistic education
- To enhance the programme of staff training including reviewing pay scales and professional development
- To maintain, and grow where appropriate, pupil numbers in both the Prep and Senior Schools
- To continue to build on the School's extra-curricular strength and internationalism through membership of organisations such as the Round Square
- To develop and implement the School's policy on the provision of means-tested bursaries
- To continue to develop the school's rich and diverse links with and educational delivery to the wider community
- To develop partnerships to deliver improved outcomes for all involved
- To continue to integrate the work of Senior and Preparatory Schools to share best practice and provide a more integrated pupil experience
- To identify opportunities in line with the School's ethos that deliver additional income streams
- To ensure that the school is financially prepared for the challenges of VAT

Strategies to achieve the year's objectives

These included continuing to review the School's academic syllabus in order to benchmark academic standards against external public examinations and independent value-added criteria, with academic achievements being enhanced by a strong emphasis on sporting and social skills. The School continued to develop the expertise of teaching staff and ensuring succession planning and staff development and furthering the School's links with local junior schools and facilitating wider community access to the School's facilities.

Principal activities of the year

The Charity principally provides education to boys and girls from the ages of 4 - 18 in its two schools, the Preparatory School and the Senior School, and also hosts summer schools for overseas students. In 2024 the Senior School maintained pupil numbers at 552 (2023: 561) of whom 417 (2023: 438) were boarders. The Preparatory School averaged 475 (2023: 477) pupils of whom 3 (2023: 9) were full boarders. Pupil numbers in September 2024 were 563 in the Senior School and 452 in the Prep School.

4. REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

2023/24 brought more success to the School which celebrated its 460th year - with continued progress towards the aims of the development plan alongside some excellent student achievements.

In December 2023, Felsted was one of the first schools in the country to be inspected according to ISI's new framework of standards. The inspectors judged Felsted to be meeting the required standards in every area and commented positively on all aspects of the provision covered by the report.

Academically, good progress was made across the school. Felstedians enjoyed success at A Level, GCSE and in the IB Diploma Programme, where pupils achieved an average points score of almost 35 points out of 45, exceeding the global average.

The Summer School celebrated its 10 year anniversary and hosted pupils from over 30 different countries to experience Felsted's Global Studies programme.

In sport, there were a number of achievements, including a standout national title for rugby, claimed at Twickenham Stadium in front of 1,000 Felsted spectators cheering on from the stands. Regional success was also seen in hockey, show-jumping and netball.

Pupils participated in a large number of events to promote internationalism including our own Model United Nations and Round Square Conferences. Felstedians continued to shine on stage in musical and drama productions and took full advantage of the brand new Performing Arts Centre which opened its doors to the community in September 2023.

The entire school community embraced the 'Felsted for a Sustainable Future' initiative, which focused on the wider use of sustainable materials, new recycling points, a drive for energy efficiency, and measures to encourage the local ecosystem to flourish.

Felsted continued to equip young people with an excellent all-round education and the skills, confidence and determination to make a positive difference in the world around them.

Fundraising performance

The School continues its ongoing work of raising voluntary funding. Donations totalled £88,847 (2023: £110,156), including Restricted Funds £88,847 (2023: £105,724). Restricted funds will allow the School to increase its provision for means-tested bursaries to allow social mobility for children from disadvantaged backgrounds.

Felsted hosted its first ever Giving Day in April 2024. The entire school community threw themselves into activities, events and challenges during a fun-packed 36 hours of fundraising, to increase the number of transformational bursaries available to students.

All fundraising activities for the School are carried out by School staff. The School has not used professional fundraisers or had any commercial participants during this financial period. All fundraising activities are managed by the Development Office and are monitored by the Head and CFO (formerly Bursar), with oversight by the Development Committee (responsible for guiding Felsted' s philanthropic and fundraising agenda).

No complaints relating to fundraising activities have been received by the School during this financial period. The School has in place procedures that would be followed in the event of a complaint being received.

The School is enrolled with the Fundraising Preference Service and is registered with the Fundraising Regulator and is complying with the Code of Fundraising Practice published by the Fundraising Regulator. The School also subscribes to membership of the Institute of Development Professionals in Education (IDPE). The School considers that its processes and controls should ensure that vulnerable people and other members of the public are protected from any unreasonable intrusion on a person's privacy and that no fundraising activities would be unreasonably persistent or place undue pressure on a person to give money or other property.

5. FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Net Fee income receivable increased by 5% in the year to 31 August 2024 to £26,201,816 (2023: £24,914,018). However, cost pressures driven by increases in employer pension contributions, business rates, staff salary reviews and continued high energy and food costs means that the net income over expenditure for the year was down on the prior year to £29,805 (2023: £728,713).

Reserves policy

During the year the School's funds increased by £29,805 to £45,264,754 of which £17,460,965 were restricted or endowed funds. Restricted funds increased by £38,535 to £446,095 as shown in note 19. In common with most independent schools, the School's unrestricted reserves are primarily invested in tangible fixed assets, which are all used for direct charitable activities. The nature of the School's operations is that there is a high degree of operational gearing and that the margin of net income to total income is not a high percentage. Financial viability therefore does not depend upon a high level of income reserves but upon the ability over the medium term to deliver positive cash flow to reinvest in maintaining and improving the School's assets and educational delivery. The School did not have any free reserves at 31 August 2024.

The impact of the current economic environment, including the ongoing pressure on household incomes and imposition of VAT on school fees from 1 January 2025 continues to cause uncertainty as to future pupil numbers. At the time of approving these financial statements the School has not been notified of any material reduction in prospective pupil numbers relative to those which the School has used for the purposes of financial modelling and forecasting. Based upon those forecasts, taking account of the then current cash reserves and bank facilities and the ability to rescale the School's activities should that prove necessary in the future, the Trustee believes that the conditions for preparing these financial statements on the going concern basis are met and has therefore prepared them accordingly.

Investment powers and policy

The Trustee's investment powers are governed by the Trust Deed , which permits the Charity's funds to be invested by an approved investment manager.

The Trustee's policy is to balance the maintenance of the real value of the invested funds with an adequate income to fund expenses met by the investments. Notwithstanding fluctuations in the stock market this aim has been realised in the longer term.

6. FUTURE PLANS

A "whole school" approach is being taken wherever appropriate to bring together the Prep School and the Senior School.

The school's development plans are reviewed regularly by the Board and include:

- Developing a long-term, financially sustainable model for the school that includes the diversification of income streams and a review of the school's operating model to ensure the continued evolution of the pupil experience but with a renewed focus on value for money.
- Focussing on pupil retention and recruitment into the start of each key stage.
- Continuing to develop a strong national and international profile in relation to teaching and learning, welfare and pastoral processes to add value to every individual.
- Investing in the school premises and facilities to match and surpass the provision of other similar schools.

7. STATEMENT RESPONSIBILITIES

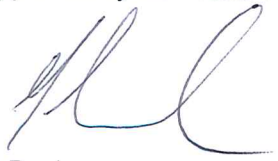
The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that year. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustee on 22 March 2025 and signed on its behalf by:



M Beale

Chair of Felsted School Trustee Limited

Opinion

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

In our opinion the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 August 2024 and of 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 trustee with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- sufficient and proper accounting records have not been kept by the charity, or

the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustee

As explained more fully in the trustees' responsibilities statement set out on page 14 the trustee is 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 trustee determines 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 trustee is responsible for assessing the charity'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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102) and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the House & Finance Committee about their own identification and

assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate and reading minutes of meetings of those charged with governance.

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

Use of our report

This report is made solely to the charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor

London

Date 22 May 2025

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

FELSTED SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2024

		Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total Year to 31 August 2024 £	Total Year to 31 August 2023 £
Income and endowments from:						
Charitable Activities						
School fees receivable	2	26,201,816	-	-	26,201,816	24,914,018
Ancillary trading income	3	2,830,120	-	-	2,830,120	2,811,523
Other trading activities						
Non-ancillary trading income	4	455,876	-	-	455,876	440,295
Other activities	4	107,493	-	-	107,493	29,243
Investments						
Investment Income	5	40,020	180,894	-	220,914	67,286
Bank and other interest		400,712	-	-	400,712	241,403
Voluntary sources						
Grants and donations	6	-	88,846	-	88,846	110,157
Total Income		30,036,037	269,740	-	30,305,777	28,613,925
Expenditure on						
Raising funds						
Non-ancillary trading		391,257	-	-	391,257	347,871
Other income generating activities		1,634,803	-	-	1,634,803	1,479,537
Financing costs		306,352	-	-	306,352	81,730
Fundraising and development		344,047	-	-	344,047	273,632
Total deductible costs	7	2,676,459	-	-	2,676,459	2,182,770
Charitable activities						
Education and grant making		27,244,067	231,110	229,295	27,704,472	25,676,532
Total expenditure		29,920,526	231,110	229,295	30,380,931	27,859,302
Net incoming funds from operations before transfers and investment gains		115,511	38,630	(229,295)	(75,154)	754,623
Gain/(Loss) on investments	11	-	-	104,959	104,959	(25,910)
Transfer between funds	19	95	(95)	-	-	-
Net income/(expenditure) and movement in funds for the year		115,606	38,535	(124,336)	29,805	728,713
Fund balances at 1 September 2023		**27,688,182**	**407,560**	**17,139,207**	**45,234,949**	**44,506,236**
Fund balances at 31 August 2024		**27,803,788**	**446,095**	**17,014,871**	**45,264,754**	**45,234,949**

The notes on pages 21 to 38 form part of these financial statements

BALANCE SHEET

FOR THE YEAR ENDED 31 AUGUST 2024

AS AT 31 AUGUST 2024

	Notes	£	2024 £	£	2023 £
Fixed Assets					
Tangible Assets	10		44,629,143		44,941,281
Investments	11		1,409,432		1,304,473
			46,038,575		46,245,754
Current Assets					
Inventories		285,570		383,014	
Debtors	12	1,513,659		1,145,481	
Cash at bank and in hand		10,307,935		7,766,099	
Short Term Deposits		4,260,000		-	
		16,367,164		9,294,594	
Current Liabilities					
Liabilities due within one year	13	(10,411,471)		(8,439,752)	
Net Current Assets			5,955,694		854,842
Total Assets less current liabilities			51,994,268		47,100,596
Creditors due in more than one year					
Fees in advance	14	(5,989,525)		(1,865,647)	
Bank Loan	13	(739,989)		-	
			(6,729,514)		(1,865,647)
Net Assets	18		**45,264,754**		**45,234,949**
Funds					
Unrestricted - General Reserve	19		27,806,521		27,697,194
Unrestricted - Pension Reserve	22		(2,733)		(9,012)
Restricted	19		446,095		407,560
Endowment	19		17,014,871		17,139,207
			45,264,754		**45,234,949**

These financial statements were approved and authorised for issue by the Trustee on 22 March 2025 and signed on its behalf by:



M Beale
Chair of Felsted School Trustee Limited

The notes on pages 21 to 38 form part of these financial statements

FELSTED SCHOOL

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2024

		2024	2024	2023	2023
Cashflows from operating activities					
Net cash provided used in operating activities	(i)		6,452,586		2,457,135
Cashflows from investing activities					
Payments for tangible fixed assets		(886,484)		(485,266)	
Proceeds on sales of tangible fixed assets		18,400		5,250	
Investment income and bank interest received		621,625		308,689	
Net cash used in investing activities			(246,459)		(171,327)
Cashflows from financing activities					
Barclays 5 year Term Loan		760,000			
Repayments on borrowing		(7,939)			
Phillips Loan		150,000		-	
Finance costs paid		(306,352)		(81,730)	
Net cash provided by financing activities			595,709		(81,730)
Change in cash and cash equivalents in the reporting period			6,801,836		2,204,078
Cash and cash equivalents bfwd			7,766,099		5,562,021
Cash and cash equivalents cfwd	(ii)		**14,567,935**		**7,766,099**

The notes on pages 21 to 38 form part of these financial statements

FELSTED SCHOOL

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2024

(i) Reconciliation of net income to net cash flow from operating activities

Net (outgoing)/incoming for the reporting period as per the Statement of Financial Activities	(75,154)	754,623
Adjustments for:		
- investment income and bank interest	(621,625)	(308,689)
- finance costs	306,352	81,730
Depreciation charge	1,192,704	1,194,296
Defined pension scheme adjustments	(6,279)	(6,183)
Gain on sale of fixed assets	(12,482)	(5,250)
Decrease/(Increase) in stocks	97,444	(34,228)
(Increase)/Decrease in debtors	(368,178)	9,394
Decrease in creditors (excluding FIA and deposits)	(33,904)	(374,783)
Increase in FIA	6,042,704	1,150,711
Decrease in parents deposits	(68,996)	(4,485)
	6,527,740	1,702,513
Net cash inflow from operations	6,452,586	2,457,135

(ii) Analysis of cash and cash equivalents

Cash at bank	10,307,935	7,766,099
Short Term Deposits	4,260,000	-
	14,567,935	**7,766,099**

(iii) Analysis of changes in Net Debt

	01 September 2023	Cashflows	New Borrowings	31 August 2024
Net cash				
Cash & Cash Equivalents	7,766,099	2,541,836	-	10,307,935
ST deposits	-	4,260,000	-	4,260,000
	7,766,099	6,801,836	-	14,567,935
Borrowings				
Bank Loan	-	7,939	(760,000)	(752,061)
Total	**7,766,099**	**6,809,775**	**(760,000)**	**13,815,874**

The notes on pages 21 to 38 form part of these financial statements

1 STATEMENT OF ACCOUNTING POLICIES

Basis of Accounts Preparation
The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and 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 (FRS102) – effective 1 January 2015.

These accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments. The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice which has since been withdrawn).

At the time of approval of the Annual Report, there are currently significant cash balances should additional liquidity be required through this period of uncertainty to meet the liabilities as they fall due. The school has confirmed with its bankers that the existing overdraft facility continues for 12 months to June 2025 together with additional headroom if required. A four year secured revolving credit facility of £4m expired on 11 November 2024. This is being renewed. Formal approval has been granted by Barclays Bank but due to changes in the Bank's personnel, the facility will not be in place until March 2025. There are no plans currently in place that are reliant on the availability of this facility. The Trustee has considered various scenarios including a reduction in pupil numbers. At the time of approving these financial statements the School has not been notified of any material reduction in prospective pupil numbers relative to those which the School has used for the purposes of financial modelling and forecasting. The School has considered various financial forecasts taking account of the then current cash reserves and bank facilities and the ability to rescale the School's activities. Accordingly, the Trustee believes the School's financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on the going concern basis.

The School is a Public Benefit Entity registered as a charity in England and Wales. It was registered as a charity on 10 April 1964 (charity number 310870).

Critical accounting judgments and key sources of estimation uncertainty
In the application of the accounting policies, The Trustee is required to make judgments, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. 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 an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustee, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying value in the next financial year.

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

1 STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Fees and similar income
Fees receivable and charges for services and use of premises are accounted for in the year in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School but include contributions received from Restricted Funds for Scholarships, Bursaries and other grants. Fees received in advance of education to be provided in future years under an Advance Fee Payments Scheme contract are held as interest-bearing liabilities until either taken to income in the term when used or else refunded.

Donations and legacies
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 the Trustee Board. Donation and legacy income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Expenditure
Expenditure is accrued as soon as a liability is considered probable, discounted to the present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SOFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use of the underlying assets, as appropriate. The irrecoverable element of VAT is included within the item of expense to which it relates.

Governance costs comprise the cost of the external audit and reimbursement of Trustee expenses when attending meetings.

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

a) The Teachers' Pension Scheme – this scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, the School accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable. The Charity contributes to the Teachers' Pension Scheme; a multi-employer defined benefit pension scheme, at rates, varying between 7.4% and 11.7% for employees and an employer contribution rate set by the Scheme Actuary and advised to the Board by the Scheme Administrator of 23.68% for the period 1 September 2023 to 31 March 2024, rising to 28.68% from 1 April 2024.
b) The Pension Trust Scheme – this scheme is a multi-employer pension scheme. It is not possible to identify each individual employee's share of the underlying assets and liabilities. In most respects it is a multi-employer scheme but it has some guarantees. As a result, it is not possible to identify the School's share of the underlying assets and liabilities of the scheme. However, the School remains potentially liable for a debt on withdrawal from the scheme. In accordance with FRS102 the scheme is accounted for as if it were a defined contribution scheme – see also note 22 (b). The School's contributions of 5% are charged in the period in which the salaries to which they relate are payable for senior non-teaching members of staff.
c) The People's Pension Scheme – this is a money purchase pension scheme. The School's contributions are charged in the period in which the salaries to which they relate are payable for other non-teaching staff
d) Aviva Pension Trust for Independent Schools (APTIS) - this is a money purchase pension scheme. The School's contributions are charged in the period in which the salaries to which they relate are payable for teaching staff.

School land and buildings, equipment and plant and machinery
Capitalisation and replacement
Freehold land and buildings were professionally valued by Mullucks Wells, chartered surveyors, in August 2014. The basis of the valuation was that residential freehold and educational buildings were valued on an open market valuation with vacant possession. The August 2014 valuation highlighted a material increase in the value of the freehold land and buildings and the assets are included at this value.

The School has elected, in accordance with Section 35.10(d) of FRS102, to use the carrying values on 1 September 2014, the date of transition to FRS102, of any of the above freehold land and buildings previously carried at valuation, as their deemed cost. All tangible fixed assets are held for use on charitable activities.

School land and buildings, equipment and plant and machinery
Depreciation
Depreciation is provided on other fixed assets to write off their cost, less estimated residual value based on current market prices, in equal instalments over estimated useful lives at the following rates:

Freehold buildings	-	2% to 10% straight line
Plant and equipment	-	10% straight line
Motor vehicles	-	25% straight line

Items costing over £2,500 are capitalised.

Investments
Investments are valued in the balance sheet at their mid-market value at the balance sheet date. Unrealised gains and losses arising on revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate fund according to the "ownership" of the underlying assets.

Inventories
Inventories are valued at the lower of cost and estimated selling price less costs to sell.

Operating leases
Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term

Financial Instruments
Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade, other debtors and accrued income but excludes prepayments. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions and fees received from parents in advance of Autumn term. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

Advance Fee Scheme payments
Amounts received under the School's Advance Fee Scheme contracts for education not yet utilised to settle School fees are recorded as deferred income and allocated as current liabilities where the education will be provided within 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

2 CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2024 £	2023 £
Fees receivable consist of:		
School Fees	29,133,886	27,702,718
Less: total scholarships & Bursaries	(3,160,895)	(2,915,065)
	25,972,991	24,787,653
Add back: Bursaries and other awards paid for by restricted funds	228,825	126,365
	26,201,816	**24,914,018**

Scholarships, bursaries and other awards were paid to 278 pupils (2023: 327).
Within this, means tested bursaries totalling £1,230,514 were paid to 54 pupils (2023: £1,068,666 to 60 pupils)

3 CHARITABLE ACTIVITIES - OTHER INCOME

	2024 £	2023 £
Extras	1,238,960	1,246,610
Entrance and registration fees	56,778	53,388
Transport	295,644	289,050
International Summer School & Courses	1,224,394	1,205,719
School bookshop	14,344	16,756
	2,830,120	**2,811,523**

4 OTHER TRADING ACTIVITIES

	2024 £	2023 £
Trading income		
Lettings and Sports Clubs	144,326	119,051
Other School Shops	311,550	321,244
	455,876	440,295
Other activities		
Interest on overdue fees	10,596	5,959
Other income	96,897	23,284
	107,493	29,243

5 INVESTMENT INCOME

	Unrestricted £	Restricted £	Endowed £	Total 2024 £	Total 2023 £
Securities investment income:					
Equities	-	180,894	-	180,894	39,761
Property investment income					
Rents receivable	40,020	-	-	40,020	27,525
	40,020	180,894	-	220,914	67,286

6 GRANTS AND DONATIONS RECEIVABLE

	Unrestricted £	Restricted £	Endowed £	Total 2024 £	Total 2023 £
Bursaries	-	84,396	-	84,396	72,284
Development donations	-	4,450	-	4,450	32,588
Legacies	-	-	-	-	3,031
Other	-	-	-	-	2,253
	-	88,846	-	88,846	110,156

Donations received include £39,028 collected on Giving Day.

7 ANALYSIS OF EXPENDITURE

A) Total Expenditure
Year to 31 August 2024

	Staff Costs (note 9) £	Depreciation (note 10) £	Other costs £	2024 £
Costs of raising funds				
Trading costs	150,516	-	240,741	391,257
Costs of other activities	608,962	-	1,025,841	1,634,803
Financing costs (note 8)	-	-	306,352	306,352
Development costs	176,123	-	167,924	344,047
Total costs of raising funds	**935,601**	**-**	**1,740,858**	**2,676,459**
Charitable Expenditure				
Education and Grant making				
Teaching	10,398,532	-	1,975,218	12,373,750
Welfare	3,254,109	-	1,443,583	4,697,692
Premises repair and maintenance	1,014,336	1,192,704	3,282,310	5,489,350
Support costs & Governance	3,519,757	-	1,392,813	4,912,570
Grants, awards and prizes (note 7b)	-	-	231,110	231,110
Total Charitable expenditure	**18,186,734**	**1,192,704**	**8,325,034**	**27,704,472**
Total Expenditure	**19,122,335**	**1,192,704**	**10,065,892**	**30,380,931**

7 ANALYSIS OF EXPENDITURE (CONTINUED)

Year to 31 August 2023	Staff Costs (note 9) £	Depreciation (note 10) £	Other costs £	2023
Costs of raising funds				
Trading costs	125,778	-	222,093	347,871
Costs of other activities	440,621	-	1,038,916	1,479,537
Financing costs (note 8)	-	-	81,730	81,730
Development costs	140,995	-	132,637	273,632
Total costs of raising funds	**707,394**	**-**	**1,475,376**	**2,182,770**
Charitable Expenditure				
Education and Grant making				
Teaching	9,412,423	-	2,215,084	11,627,507
Welfare	2,703,329	-	1,425,431	4,128,760
Premises repair and maintenance	963,320	1,194,296	3,045,314	5,202,930
Support costs & Governance	3,211,447	-	1,332,459	4,543,906
Grants, awards and prizes (note 7b)	-	-	173,429	173,429
Total Charitable expenditure	**16,290,519**	**1,194,296**	**8,191,717**	**25,676,532**
Total Expenditure	**16,997,913**	**1,194,296**	**9,667,093**	**27,859,302**

Depreciation and other costs relating to Felsted School endowed fund properties totalling £229,295 (2023: £229,295), have been charged directly to the endowment fund.

B) Grants, awards and prizes	Total & Restricted Funds	
	2024 £	2023 £
From Restricted Funds		
Bursaries and other grants and awards	231,110	173,429

C) Governance included in support costs	2024 £	2023 £
Remuneration paid to auditor for Audit - July 2024	8,000	-
Remuneration paid to auditor for Full Audit 2024	32,506	30,958
Reinbursement of personal expenses to Trustee Director - travel costs	1,024	1,138
	41,530	32,096

Travel expenses were reclaimed by two members, £1,024 (2023: £1,138) of the Trustee Board.

8 FINANCE AND OTHER COSTS

	2024	2023
	£	£
Fees in advance debit financing cost	228,538	55,964
Pension Scheme financing cost	8,043	7,914
Bank Interest	69,771	17,852
	306,352	**81,730**

9 STAFF COSTS

	2024	2023
	£	£
The aggregate payroll costs for the year were as follows:		
Wages and Salaries	15,625,266	13,949,148
Social Security Costs	1,557,362	1,362,138
Pension Contributions	1,939,706	1,686,627
	19,122,334	**16,997,913**

None of the Trustee Board received any remuneration or other benefits from Felsted School or from any connected body.

Aggregate employee benefits of key management personnel	628,295	644,812

Number of higher paid employees in bands of:

	2024	2023
	Number	Number
£60,001 - £70,000	26	17
£70,001 - £80,000	6	2
£80,001 - £90,000	3	-
£90,001 - £100,000	1	3
£100,001 - £110,000	2	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
£160,001 - £170,000	-	1
£170,001 - £180,000	1	-

The number of higher paid employees with retirement benefits accruing		
-in Defined Contribution Schemes was	5	5
Of which the contributions amounted to	£62,103	£33,815
- Defined Benefit Schemes was	31	19

9 STAFF COSTS (CONTINUED)

The average number of employees during the year was:

	2024 Actual Number	2023 Actual Number	2024 FTE Number	2023 FTE Number
Teaching	163	153	139	143
Welfare	196	173	115	120
Premises	30	28	25	26
Support	177	151	106	106
Other	27	16	16	16
Total	**593**	**521**	**401**	**411**

During the year there were no redundancy payments made. Termination payments of £56,859 were made (2023: £34,000). Of the total, £45,284 was still outstanding for payment at 31st August 2024.

10 TANGIBLE FIXED ASSETS

	Freehold Land and Building £	Plant and Equipment £	Motor Vehicles £	Total £
Cost				
At 1 September 2023	51,648,399	1,643,203	845,582	54,137,184
Additions	420,282	375,802	90,400	886,484
Disposals	-	(58,072)	(69,384)	(127,456)
At 31 August 2024	52,068,681	1,960,933	866,598	54,896,212
DEPRECIATION				
At 1 September 2023	7,383,948	1,084,239	727,716	9,195,903
Charge for the year	995,701	128,766	68,237	1,192,704
Disposals	-	(52,154)	(69,384)	(121,538)
At 31 August 2024	8,379,649	1,160,851	726,569	10,267,069
NET BOOK VALUE				
At 31 August 2024	**43,689,032**	**800,082**	**140,029**	**44,629,143**
At 31 August 2023	**44,264,451**	**558,964**	**117,866**	**44,941,281**

* The School has elected, in accordance with Section 35.10(d) of FRS102, to use the carrying values on 1 September 2014, the date of transition to FRS102, of any of the above freehold land and buildings previously carried at valuation, as their deemed cost. All tangible fixed assets are held for use on charitable activities.

11 SECURITIES INVESTMENTS

	2024	2023
	£	£
At 1 September 2023	1,304,473	1,330,383
Increase/(Decrease) in value of investments	104,959	(25,910)
Investments at 31 August 2024	**1,409,432**	**1,304,473**
Investments comprise:		
Listed Investments		
Fixed Interest	114,728	115,968
Equities	1,061,443	992,182
Alternative assets	205,636	162,929
Cash	27,625	33,394
Investments at 31 August 2024	**1,409,432**	**1,304,473**

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits. The main Securities investments are managed for the School by CCLA. All investments are managed and held in the UK.

12 DEBTORS

	2024	2023
	£	£
Fees and extras	1,011,433	834,591
Trade	34,370	15,079
Other debtors	205,675	132,674
Other prepayments and accrued income	262,181	100,484
Tax Recoverable	-	62,653
	1,513,659	**1,145,481**

All debtors are due within one year.

13 CREDITORS:

Due within one year	2024 £	2023 £
Deposits from parents	1,690,986	1,759,982
Fees received from parents in advance of term	3,167,385	2,891,670
Trade Creditors	159,756	285,670
Taxation and social security	450,988	415,448
Fees in Advance Scheme	3,031,240	1,112,414
Accruals and deferred income	1,219,177	1,444,701
Phillips Fund Loan	679,867	529,867
	10,399,399	**8,439,752**

Bank Loan	2024 £	2023 £
Within 2 to 5 years	726,782	-
Within 1 to 2 years	13,207	-
	739,989	-
Within 1 year	12,072	-
	752,061	-

There is a bank overdraft standing facility of £800,000. A four year secured revolving credit facility of £4m expired on 11 November 2024. This is being renewed. Formal approval has been granted by Barclays Bank but due to changes in the Bank's personnel, the facility will not be in place until March 2025. There are no plans currently in place that are reliant on the availability of this facility.

The loan from the Philipps Fund is interest free and repayable on demand.

The Barclays Term Loan of £760,000 is a floating rate basis term loan at 2.25% per annum. The term of the loan is 5 years with the final repayment date of the full amount by 17th October 2028.

Pupil Fees Deposits – the total amount held in relation to fee deposits of £1,690,986 is included above. In the normal course of business, the expected repayment of these amounts will be £326,488 (2023: £302,994) within one year and £1,303,000 (2023: £1,378,488) after more than one year. The Trustee has considered the contract terms under which Pupil fee deposits are held by the School. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the School, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 August 2024 have been included within current liabilities.

14 FEES IN ADVANCE SCHEME

Parents may enter into a contract to a minimum of three terms School fees in advance. There was a significant increase in the number of parents taking out fees in advance contracts with the school. Assuming pupils will remain in the School, advance fees will be applied as follows:

	2024	2023
	£	£
After 5 years	604,052	510,117
Within 2 to 5 years	3,371,712	841,482
Within 1 to 2 years	2,013,761	514,048
	5,989,525	1,865,647
Within 1 year	3,031,240	1,112,414
	9,020,765	**2,978,061**

Summary of movement in Liability

	2024	2023
	£	
Balance at 1 September 2023	2,978,061	1,827,350
New Contracts	8,157,365	2,819,992
Repayments	(70,701)	(78,341)
Amounts used to pay Fees	(2,272,498)	(1,646,904)
Amounts accrued to contract as debt financing cost	228,538	55,964
	9,020,765	**2,978,061**

15 FINANCIAL INSTRUMENTS

	2024	2023
	£	£
Financial assets measured at Fair Value (a)	1,409,432	1,304,473

(a) Financial assets held at fair value include assets held as investments

Total Income for Financial Assets held at Market Value	180,894	39,761

16 LEASES

The future minimum lease payments under non-cancellable operating leases for equipment which are all payable as follows:

	2024	2023
	£	£
Within 1 year	5,800	73,386
Within 2 to 5 years	1,368	7,168
	7,168	80,554

Lease payments in year recognised as expenditure amounted to £71,524 (2023: £107,213)

17 FUNDS OF THE SCHOOL

The School's funds are analysed under the following headings

(a) Endowed funds

Endowment funds consist of investments and freehold land and buildings held by the School under permanent endowment, and special funds on which the capital must be retained and the income applied to specific purposes of the School.

(b) Restricted funds

- Annual Fund - this raises funds for small projects and extra-curricular activities that will be realised within a 12-month period.
- Bury Fund – the fund is provided to promote artistic and cultural endeavour by Felstedians and to provide support for art and travel costs.
- Bursary Funds – there are a number of bursary funds some of which are allocated to provide 100% bursary support for individual pupils as nominated by the benefactor. The income from endowed investments is used to support bursaries awarded during the year.
- Deacons' refurbishment – an appeal was undertaken to raise funds to refurbish Deacons Boarding House.
- Prize Funds – donations were received to nominate a pupil each year for a Prize. An amount is released each year to cover the cost of the prize awarded on Speech Day.
- Windsors – Malone legacy – a legacy was received to be used in the Sixth Form boys house Windsors

(c) Unrestricted funds

Unrestricted funds represent accumulated income from the School's activities and other sources that are available for the general purposes of the School.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	Endowment £	Total 31 August 2024 £
Tangible Fixed Assets	28,892,503	131,200	15,605,439	44,629,142
Securities investments	-	-	1,409,432	1,409,432
Net current Assets	5,639,667	314,895	-	5,954,562
Long Term Liabilities	(6,728,382)	-	-	(6,728,382)
	27,803,788	**446,095**	**17,014,871**	**45,264,754**

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 31 AUGUST 2023

	Unrestricted £	Restricted £	Endowment £	Total 31 August 2023 £
Tangible Fixed Assets	28,948,013	158,534	15,834,734	44,941,281
Securities investments	-	-	1,304,473	1,304,473
Net current Assets	605,816	249,026	-	854,842
Long Term Liabilities	(1,865,647)	-	-	(1,865,647)
	27,688,182	**407,560**	**17,139,207**	**45,234,949**

19 SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	31 August 2023	Income	Expenditure	Revaluation/ Transfers	31 August 2024
	£	£	£	£	£
Unrestricted funds					
General reserve	27,697,194	30,036,037	(29,926,805)	95	27,806,521
Pension reserve	(9,012)	-	6,279	-	(2,733)
	27,688,182	**30,036,037**	**(29,920,526)**	**95**	**27,803,788**
Restricted funds					
Annual Fund	112,283	4,450	(2,285)	-	114,448
Bury Fund	2,799	-	-	-	2,799
Bursary Funds	265,365	265,290	(228,825)	-	301,830
Deacons' refurbishment	4,666	-	-	-	4,666
Prize Funds	10,446	-	-	(95)	10,351
Windsors – Malone legacy	8,177	-	-	-	8,177
Other	3,824	-	-	-	3,824
	407,560	**269,740**	**(231,110)**	**(95)**	**446,095**
Endowed – permanent					
Endowed reserve	17,139,207	-	(229,295)	104,959	17,014,871
Total funds	**45,234,949**	**30,305,777**	**(30,380,931)**	**104,959**	**45,264,754**

19 SUMMARY OF MOVEMENTS ON MAJOR FUNDS AS AT 31 AUGUST 2023

	31 August 2022	Income	Expenditure	Revaluation/ Transfers	31 August 2023
	£	£	£	£	£
Unrestricted funds					
General reserve	26,689,167	28,468,440	(27,462,761)	2,348	27,697,194
Pension reserve	(15,195)	-	6,183	-	(9,012)
	26,673,972	**28,468,440**	**(27,456,578)**	**2,348**	**27,688,182**
Restricted funds					
Annual Fund	128,160	31,187	(47,064)	-	112,283
Bury Fund	2,799	-	-	-	2,799
Bursary Funds	279,685	112,045	(126,365)	-	265,365
Deacons' refurbishment	4,666	-	-	-	4,666
Prize Funds	10,541	-	-	(95)	10,446
Marshall Centre	-	2,253	-	(2,253)	-
Windsors – Malone legacy	8,177	-	-	-	8,177
Other	3,824	-	-	-	3,824
	437,852	**145,485**	**(173,429)**	**(2,348)**	**407,560**
Endowed – permanent					
Endowed reserve	17,394,412	-	(229,295)	(25,910)	17,139,207
Total funds	**44,506,236**	**28,613,925**	**(27,859,302)**	**(25,910)**	**45,234,949**

20 CAPITAL COMMITMENTS

Commitments for future capital expenditure not provided for in these accounts were as follows:

	2024 £	2023 £
Authorised and contracted	-	-

21 PENSION COMMITMENTS

The School makes annual payments to former employees, and during the year these amounted to £1,714 (2023: £2,141). These payments are subject to an annual review.

22 PENSION SCHEMES

a) Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,625,971 (2023 £1,068,054) and at the year-end £138,099 (2023: £126,451) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023. The latest valuation showed total scheme liabilities of £262,000 million and notional assets of £222,200 million, giving a notional past service deficit of £39,800 million.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the School has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

b) The Pensions Trust Retirement Solutions - The Growth Plan

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 company 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 as follows:

From 1 April 2022 to 31 January 2025, the deficit contributions of the scheme totalled £3,312,000 per annum. Unless a concession has been agreed with the Trustees the term to 31 January 2025 applies.

From 1 April 2024 the School's deficit contributions were £14,455 per annum. For the financial year September 2023 – August 2024, the School's deficit contributions totalled £14,322.

The recovery plan contributions are allocated to each participating employer in line with their estimate 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.

Present values of provision

Reconciliation of opening and closing provisions

	2024	2023
	£	£
Provision at start of period	9,012	15,195
Unwinding of the discount factor (interest expense)	330	519
Deficit contirbution paid	(14,322)	(6,613)
Remeasurements - impact of any changes in assumptions	7,713	(89)
	2,733	**9,012**

	2024	2023
	£	£
Within 1 year	2,733	9,012
	2,733	**9,012**

Income and Expenditure Impact	2024	2023
	£	£
Interest Expense	330	519
Remeasurements - impact of any changes in assumptions	7,713	(89)
Costs recognised in Statement of Financial Activities	14,322	6,613

Assumptions

	At 31 August 2024	At 31 August 2023	At 31 August 2022	At 31 August 2021
	% per annum	% per annum	% per annum	% per annum
Rate of discount	5.13	6.04	4.46	0.63

The discount rates shown above are the equivalent single discount rates 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.

The School has been notified by The Pensions Trust Retirement Solutions of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2024. As of this date the estimated employer debt on withdrawal for the School was £77,000 (2023: £108,116).

c) Aviva Pension Trust for Independent Schools

The School also participates in the Aviva Trust for Independent School ("APTIS") for its teaching staff. The pension charge for the year includes contributions payable to APTIS of £597,300 (2023: £551,221) and at the year-end £nil was accrued in respect of contributions to this scheme (2023: £nil). It is a money purchase pension scheme.

23 RELATED PARTY TRANSACTIONS

Certain Directors of the Trustee Company had interests in transactions involving the School:

M Beale, S Wolfe and Z Rantell are parents of current pupils in the School. J Windsor's child completed their Felsted education at the end of the 23/4 academic year. All of these families paid School fees in accordance with the School's standard terms and conditions. During the year, 1 (2023: 1) member of staff was employed on standard terms and conditions by the School who were related to Directors of the Trustee Company and these staff received remuneration of £10,499 (2023: £9,723).

During the year donations of £7,800 (2023: £2,503) were received from Directors of the Trustee Company.

During the year, 2 (2023: 2) members of staff were employed on standard terms and conditions by the School who were related to key management personnel.

24 CONNECTED CHARITIES AND COMPANIES

Felsted School is supported by The Philipps Fund, which raises funds for the benefit of the School. At 31 August 2024 £679,867 (2023: £529,867) was owed to the Philipps Fund. This is repayable on demand.

A trading company, Felsted School Enterprises Ltd, was incorporated on 21 August 2006 and remained dormant throughout the year. It changed its name on 16 August 2022 to Felsted Global Education Limited.

25 STATEMENT OF FINANCIAL ACTIVITIES – PRIOR YEAR COMPARATIVE FIGURES BY FUND TYPE

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Year to 31 August 2023 £
Income and endowments from:					
Charitable activities					
School fees receivable	2	24,914,018	-	-	24,914,018
Ancillary trading income	3	2,811,523	-	-	2,811,523
Other trading activities					
Non-ancillary trading income	4	440,295	-	-	440,295
Other activities	4	29,243	-	-	29,243
Investments					
Investment income	5	27,525	39,761	-	67,286
Bank and other interest		241,403	-	-	241,403
Voluntary sources					
Grants and donations	6	4,433	105,724	-	110,157
Total income		28,468,440	145,485	-	28,613,925
Expenditure on:					
Raising funds					
Non-ancillary trading		347,871	-	-	347,871
Other income-generating activities		1,479,537	-	-	1,479,537
Financing costs	8	81,730	-	-	81,730
Fundraising & Development		273,632	-	-	273,632
Total deductible costs	7	2,182,770	-	-	2,182,770
Charitable activities					
Education and grant making	7	25,273,808	173,429	229,295	25,676,532
Total expenditure		27,456,578	173,429	229,295	27,859,302
Net (outgoing)/incoming funds from operations before transfers and investment gains		1,011,862	(27,944)	(229,295)	754,623
(Loss)/gains on investments	11	-	-	(25,910)	(25,910)
Transfers between funds	19	2,348	(2,348)	-	-
Net (expenditure)/income and movement in funds for the year		1,014,210	(30,292)	(255,205)	728,713
Fund balances at 1 September 2022	25	**26,673,972**	**437,852**	**17,394,412**	**44,506,236**
FUND BALANCES at 31 AUGUST 2023		**27,668,182**	**407,560**	**17,139,207**	**45,234,949**

FELSTED SCHOOL

England & Wales - Charity number 310870

Accounts



FELSTED SCHOOL

ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2023

TOGETHER WITH TRUSTEE'S AND AUDITOR'S REPORTS

Registered Charity Number: 310870

FELSTED SCHOOL

TRUSTEE DIRECTORS, OFFICERS AND ADVISERS

FOR THE YEAR ENDED 31 AUGUST 2023

TRUSTEE DIRECTORS

Felsted School Trustee Limited The Directors of the Trustee Company who served during the year or were subsequently appointed are listed below:		(h)	(e)	(n)	(g)
J Abel Smith, DL				●	
M Beale *		●		●	
G P Boult			●		
R I C Brown – Chair		●	●	●	●
C A Carrington			●		●
J Crouch					●
J H Davies, OBE				●	
Dr J C Nicholson					●
A L M Oxnam		●			
L Poston					
A Sefton			●		
O H J Stocken CBE					
Rev N J Stuchfield		●			
W Sunnucks (resigned 30/6/23)					
J B St J Tibbitts (resigned 30/6/23)		●		●	●
PE Wardell			●		●
J Windsor * (appointed 19/11/22)		●			
S Wolfe *		●			
(h) Member of the House and Finance Committee (e) Member of the Education Committee (n) Member of the Nominations Committee (g) Member of the Governance Committee * Parent of current pupil					

OFFICERS

HEADMASTER	C J Townsend, BA
HEAD OF PREPARATORY SCHOOL	M Norris, BEd,
BURSAR AND CLERK TO TRUSTEE BOARD	A G Clayton BA, MBA
Address and Registered Office	Felsted School Felsted Essex CM6 3LL
Website	www.felsted.org

ADVISERS

BANKERS	Barclays Bank Plc Abacus House, Castle Park, Castle Hill Cambridge CB3 0AN
AUDITORS	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
SOLICITORS	Stone King LLP 16 St John's Lane London EC1M 4BS

The Trustee of Felsted School presents its annual report together with the audited accounts for the year ended 31 August 2023 and confirms that they comply with the requirements of the Charities Act 2011, the trust deed and the Charities SORP (FRS 102) applicable to Charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

1. REFERENCE AND ADMINISTRATION INFORMATION

The Charity was founded in 1564 and is registered with the Charity Commission under charity number 310870. The Directors of Felsted School Trustee Ltd, Felsted School's single Trustee, and the Executive officers and principal addresses of the Charity are as listed on the previous page as are particulars of the Charity's professional advisers.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by its Scheme dating from 1938 and last amended in October 2018.

Governing Body

The structure of the Charity consists of a Board of Directors of the Trustee Company that oversees the management of the Charity, a school, which has two principal elements, a Senior School for pupils aged 13-18 and a Preparatory School for pupils aged 4-13.

Recruitment and Training of Trustee Directors

The Trustee Company Directors are voted onto the Board by the current Board members. The Nominations Committee comprises five current Directors. The Nominations Committee when selecting possible new Directors considers specifications concerning eligibility, personal competence, specialist skills and local availability.

New Directors are inducted into the Trustee Company and the Schools (including Board policy and procedures) by current Directors and the School Executive.

Organisational Management

The Trustee Company Directors are legally responsible for the overall management and control of the School and meet at least three times a year.

The members of the House & Finance (H&F) Committee meet about a week before each meeting of the full Board and on extra occasions as required. This Committee specifically looks at the budget and accounts for the current year, short and medium term forecasts and at infrastructure investment plans and makes recommendations for approval by the Board.

The other committees are the Education Committee, the Governance Committee and the Nominations Committee. The Education and Governance Committees meet each term before the main Board meeting and the Nominations Committee meets once a year to discuss standing items and at other times as required. The Heads and the Bursar attend meetings of the above Committees.

The day to day running of the Schools is delegated to the Headmaster, with the Head of the Preparatory School and the Bursar as the Key Management Personnel. They are supported by their Senior Leadership Teams. Delivery of the School's charitable vision and purpose is primarily dependent on the Key Management Personnel.

Organisational Management

The remuneration of the Heads and Bursar is set by the Board, with the policy objective of rewarding them fairly and responsibly for their individual contributions to the School's success. The Board delegates the annual review of remuneration of key personnel to the Nominations Committee, which refers to benchmarking information for other similar schools (including that currently compiled by AGBIS), the individual's performance in the previous year, and cost of living awards to other staff. The remuneration package when a new key member of staff is appointed is similarly benchmarked, and appointments are made following a competitive process, taking appropriate external professional advice. The aim is to recruit, subject to experience, below or at the medium point within a band (for teaching staff), providing scope for rewarding excellence.

Structure and Relationships

A subsidiary company, Felsted Global Education Limited was incorporated on 21 August 2006 and has remained dormant throughout the year.

Risk Management

The Trustee Company is responsible for the management of the risks faced by the School. Detailed considerations of risk have been delegated to the Committees, assisted by the Executive (Key Management Personnel). Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis, as part of that review other committees of the Board review risks appropriate to their areas of oversight.

Through the annual review of the risk register, the Trustee considers the key risks facing the School and agrees appropriate mitigation. The principal risks the School faces are considered to be:

- Ongoing parental affordability remains a high priority particularly in the current uncertain economic environment where it is impacted by high inflation, high interest rates and the current political threats to the Independent School sector including the potential addition of VAT to fees and the loss of business rates relief.

- Inability to recruit staff of the right calibre. The School aims to recruit, retain and develop excellent staff, and this quality would be at risk if less than optimum staff remuneration and conditions were to depress morale. The School also employs specialist staff and has clear policies and procedures to ensure high levels of staff welfare and safety.

- Inadequate investment in facilities. The aims and ethos of the School require continuing investment in facilities including ICT for teaching and learning, pastoral care and boarding, sports, drama and other activities. Failure to generate adequate annual surplus for reinvestment would compromise this.

- Failure to comply with relevant regulations. The School is subject to regulation by a number of bodies, particularly in relation to safeguarding, child protection and health and safety. The School appoints and trains staff appropriately, and takes the necessary specialist advice to ensure compliance.

- The key controls used by the charity include:

    - formal agendas for all Committee and Board activity;

    - detailed terms of reference for all Committees; these were last reviewed in detail in November 2021 and are reviewed every three years;

    - comprehensive strategic planning, budgeting and management accounting;

Risk Management - continued

- established organisational structure and lines of reporting;
- formal written policies;
- safeguarding procedures as required by law and best practice for the protection of the vulnerable;
- a detailed Risk Register reviewed annually by the relevant sub-Committees with key risks reported to and discussed by the Board

Through the risk management processes established for the School, the Trustee is satisfied that the major risks identified have been appropriately mitigated where necessary. It is recognised that systems can only provide reasonable and not absolute assurance that major risks have been managed. The Compliance Manager continues to support the Trustee Board and the Leadership Team in the management of risk, policy review and best practice, with a particular emphasis on safeguarding and regulatory compliance. The Trustee Board regularly reviews the effectiveness of current plans and strategies for managing all identified risks for the School.

Charity Code of Governance

The Trustee remains aware of the Charity Governance Code published in 2017 (updated in 2020) which sets out the principles and recommended practice for good governance within the sector. The Trustee is satisfied that the Charity applies the principles of the code within its current Governance arrangements which includes the use of a Governor Compliance Checklist recommended by the Association of Governing Bodies of Independent Schools (AGBIS).

3. OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Charity's Objects, as set out in its Scheme, are

The advancement of education specifically but not exclusively by:

(1) the provision and maintenance of a secondary school ('the School') for boys and girls;

(2) the provision and maintenance, if the Trustee thinks fit, of a nursery, pre-school, pre-preparatory and preparatory departments within the School; and

(3) the conduct in connection with the School of such ancillary or incidental educational activities and other associated activities for the benefit of the community as the Trustee thinks fit.

Aims of the School

Felsted seeks to be the school of choice and aspiration for all. "Developing character and making a difference".

1. Felsted seeks to educate all Felstedians to develop them as individual characters, through provision of outstanding all round education.
2. Felsted seeks to develop and stretch students academically, to be life-long learners, well-rounded, aspirational, globally minded, with the skills to flourish beyond school, applying the principles of a growth mind set, to be the best that they can be.

Aims of the School - continued

3. Felsted seeks to provide outstanding pastoral care, a safe and supportive environment, co-curricular opportunities, lessons in leadership, service, challenge, personal growth, and emotional/intellectual development.
4. Felsted seeks to develop a strong sense of community, based on development of personal faith, tolerance and respect. This community will include all students, as well as parents, staff, Trustee Directors, Old Felstedians and the wider Felsted community.
5. Felsted seeks to make a difference, through developing truly effective global citizens, under the IDEALS of the Round Square, fulfilling our charitable purpose, including making a Felsted education available to families, through bursary, scholarship and outreach.
6. Felsted seeks to provide a strong foundation for the future of the school.

Public Benefit Aims and Intended Impact

Within its Objects, Felsted School's public benefit aim is to provide a first-class independent education for children aged from 4 to 18, both through strong academic tuition and through developing wider sporting, artistic and social skills in all its pupils. This is intended to provide an environment where each pupil can develop and fulfil his or her potential, thus helping to build self-confidence and inculcate a desire to contribute to the wider community. All of this is integral to the School's delivery of a holistic education.

The Trustee has given due consideration to the Charity Commission's guidance on public benefit and undertaken appropriate activities in furtherance of the School's aims for the public benefit. The year's objectives, activities and achievements are set out below.

Felsted School Public Benefit Review

Felsted School has always been mindful of its role in public service and both the School and individual staff and pupils have a long history of supporting charitable and educational causes with both financial help and practical assistance. The Trustee Board is committed to widening access for potential pupils to include those who cannot afford the School's fees and consider it important that those experiencing poverty should not be excluded from the opportunity to receive the educational support that the School can provide. The School also provides opportunities for the local and wider community to use the educational and ancillary facilities the School has to offer. The School is engaged in sharing the educational expertise of staff with others outside the School and developing the involvement of pupils in charitable activities for the wider benefit of the public.

In order to monitor and support the development of the School's practice in these areas a review is carried out each year.

The Curriculum

The School has high academic standards and educates pupils to excellent levels of achievement.

- The School's public examination results are extremely good. In 2023 92.7% of our GCSE results were between 9 and 4 with 60% being between 9 and 6 (40% between 9 and 7) and over 84% of A-level grades were between A* and C. The average IB points score in 2023 was 36.3.

- The education of pupils encompasses all aspects of their personal development and promotes their contribution to society in adult life.

- The school's educational ethos is focused on providing a holistic education and values the importance of Art, Music, DT, Drama and Sport. Therefore, the school invests in staff and facilities to ensure that their provision (both in terms of tuition and resources) enables pupils to excel in these areas.

The School trains and inducts teachers each year to the long-term educational benefit of the wider community. In 2022/23 the School supported 4 teachers through their PGCE and 9 teachers through their first year of their induction programme as 'Early Career Teachers' (ECTs).

Means-Tested Assistance

The Trustee Board considers that bursaries are important in ensuring that children from families who would otherwise not be able to afford the fees can access the education offered. Bursary awards are available to children who meet the general entry requirements and are made on the basis of parental means or to relieve hardship where an existing pupil's education and future prospects would be at risk, for example in the case of bereavement or redundancy. In assessing means the School takes a number of factors into consideration including family income, investments and savings and family circumstances. However, the School does not have a large cash endowment and in funding bursaries the School has to be mindful of ensuring a balance between fee-paying parents, many of whom make considerable personal sacrifices to fully fund their children's education, and those benefiting from the awards. A number of bursaries are also supported by donations received for that purpose. Bursaries are available for up to 100% of fees and can also provide assistance with extra costs for those whose financial need is greatest. They are advertised in the press and on social media and further details of the bursary policy and how to apply are provided on the School website. Bursaries are subject to annual review so that the School can ensure that support is only provided to those who require it.

In total, the School provides fee assistance to over 327 pupils (approximately 31% of the total) at a cost of £2,915,065 per annum; 11% of our gross fee income. In 2022/23 the School provided means tested bursary assistance to 60 pupils to the value of £949,693; 3.5% of gross fee income. Ten pupils received bursaries of 100% or thereabouts. The school's policy, in line with that of other Independent Schools, is to award scholarships on the basis of the individual's educational potential, subject to any particular conditions imposed by the original donor where the award is out of restricted funds. The majority of awards in bursaries and allowances were made from unrestricted funds.

Links with Other Schools

The School aims to widen access through a variety of initiatives and activities. Partnerships are being grown and developed with local primary schools and with the Royal Docks Community School in Newham, London E16, a mixed comprehensive school for ages 11 to 16.

A number of local children benefit from being able to take part in both term time and holiday time educational activities. These normally include:

- The Felsted Model United Nations and Prep School's Model United Nations conferences were hosted for local and international schools;
- Gifted and Talented Days for local children in Art, Sport, Science and Modern Languages
- A Science day for pupils from junior schools
- Hosting various sporting events and tournaments for state and independent schools

Partnerships

In addition to the links with other Schools, Felsted is committed to building links with partners who can improve the education of children and offer an extended pathway. Current partnerships include

- Junior Guildhall School of Music
- Essex County Cricket Club
- Sunrisers Cricket
- Saracens FC Rugby
- Braintree Blue Hornets Hockey
- Benecos Mavericks Super League Netball Club
- Lord's Taverners

Further details of the individual partnerships can be found on the Independent Schools Council website https://www.schoolstogether.org/case-studies/?schoolId=36819

Charitable Giving and Fund-raising

The School Charity Team develops a programme of events and ideas to encourage Felstedians to grow as global citizens and encourage philanthropy. The Charity Team seeks to raise awareness, encourage volunteerism and organise fundraising events that will make a difference both for those we support and for the school.

The School is committed to building partnerships with our eight core charities:

1. Sparkle Foundation

Founded by Old Felstedian Sarah Brook, the foundation provides education, nutritional support and medical treatment to over 150 vulnerable orphans in Malawi. Felsted pupils have raised a large sum for this fantastic charity over the past few years through numerous events across the School, including an annual Rugby 7's event which involves former pupils and parents. This has allowed the charity to invest in a fresh water borehole and pump, cleaning facilities, classrooms plus a vital vehicle for supplies and emergency treatment. A number of teachers, parents, pupils and the Headmaster have visited the orphanage in Malawi to give support and assistance.

2. Magic Bus

Founded by Old Felstedian Matthew Spacie, this charity aims to improve awareness, life skills and opportunities for vulnerable children in Mumbai. Pupils and staff regularly travel to Mumbai to work with this charity, taking a range of items including mobile phones, sports equipment and clothing.

3. Teach Uganda

Dedicated to supporting communities in Uganda, this organisation helps to bring about permanent, sustainable development through education, health promotion, infrastructure and job creation. Felsted made their first pupil trip to support this charity in 2016 and returned there again in 2018. Felsted has made a big impact to this charity and currently funds several underprivileged local children to study Science A-Levels at a secondary school in Uganda.

4. Felsted Mission

For over a hundred years, the links between The Ascension Church and the Felsted School Mission in the East End of London have continued to grow and develop. The Ascension Church works with the local community through a Garden Café and youth activities, promoting fitness and social interaction. This now extends to the Royal Docks School, where one 100% bursary is offered to a pupil each year to attend Felsted School. Funded mainly by Old Felstedians, the Felsted School Mission contributes some £40,000 per annum to the Ascension Church.

5. CHESS Homeless

Felsted pupils decided that they wanted to make a difference locally as they became increasingly concerned for those 'rough sleeping' in Chelmsford. CHESS Homeless provides an advice centre, food-bank and night-shelter for those in need in Chelmsford. CHESS has a proven track record of finding long term solutions for those who seek their help. Pupils volunteer at the night-shelter and raise funds to support this vital work. During the summer national lockdown of 2021 Felsted pupils helped to raise over £5,000 that was used to refurbish a new night-shelter.

6. Young Minds

This national charity seeks to raise awareness of the mental health issues experienced by young people in the U.K. Young Minds develop initiatives that seek to support young people who otherwise might feel stigmatised for asking for help. In the UK today, an estimated five children in every classroom have a mental health problem. A quarter of 17-year-old girls have self-harmed in the last year, while suicide remains the single biggest killer of boys and young men.

Charitable Giving and Fund-raising - continued

7. Essex and Herts Air Ambulance

We are delighted to make a difference to a charity that aims to save lives and reduce suffering from critical illness and injury. The air ambulance delivers first class emergency medical service to the people of Essex, Hertfordshire, London and Suffolk.

8. Farleigh Hospice

Farleigh provides hospice care to people affected by life-limiting illnesses in Essex. The medical teams and support staff work in the community and with families during times of great need. The school also supports Little Havens Hospice for children.

Our core charities are supported by Whole School Events and each of our Houses champions one of the charities so that long term partnerships can develop. In addition to our core charities Felsted School supports, The Royal British Legion, The David Randall Foundation, The Braintree Foodbank, The Ruth Strauss Foundation, The Felsted Almshouses and the Movember campaign. Pupils and staff have also contributed to MacMillan Nurses, The Lullaby Trust, The Taverners and SSAFA.

Use of Facilities

Felsted prides itself in supporting the village and local community, providing opportunities for educational events and school facilities to be used whenever possible. Felsted School allows the use of its facilities for a range of activities which are open to non-School members. This includes classrooms, function rooms, the Hunt Theatre, sporting facilities, the indoor pool and the Felsted Gym. Felsted also hosts many concerts and drama performances throughout the year, all of which are open to the public and most of which are free entry. The Felsted School Steel Band performs regularly and on request (time permitting) outside school at venues such as Essex Cricket. Pupils also exhibit their art at a local gallery each year, which is open to the public.

The following Arts organisations have use Felsted facilities during the year:

- Beverley Minster Choir
- Felsted Choral Society
- Associated Board of the Royal Schools of Music (ABRSM - for music exams)
- Take Note Concert Band
- ECHO - Essex Chamber Orchestra
- Essex Music
- Brogen School of Dance

Services to the Community

The School has a very positive relationship with the local village residents and business community. Richard Lord Riche (the School's founder) left funding which supports a number of Almshouses for those in need in the village. Managed by Felsted as part of his legacy, Almshouse residents are assisted by the School through a number of supportive activities.

A number of the Senior School students participate in weekly volunteer work as part of their holistic education. These include helping in local residential care homes (e.g. dementia, old age, physical disability, sensory impairment), visiting residents in sheltered accommodation and helping in primary schools.

Community Service Projects: Alongside the regular community service volunteering, the Senior School pupils have been involved in a number of projects:

- Raising funds and helping as part of the Felsted Mission Night-shelter volunteer team
- Sponsored whole school events, raising significant sums for Felsted's charity partners

- Each House adopted its own charity for a period of two years. Pupils voted for which charity to select in their own Houses. The School Forum and Student Charity Team chose Young Minds and CHESS Homeless as whole school charities.

Every year at the Prep School, charity fundraising projects raise approximately £13,000 for various charities. Activities normally include sponsored walks, fetes, food parcels, clothes and shoe donations, cakes sales and chapel collections. Christmas gift boxes and Easter cards were also provided for elderly residents of the village.

Economic Impact

In 2018 Oxford Economics was commissioned by the Independent Schools Council, on behalf of their 1,205 schools in Britain, to assess the economic contribution made by those schools annually. Using the tool developed as part of their review and based on the most recent exercise (2021/22), Felsted School has contributed the following;

- Total savings generated for the UK taxpayer, as a result of Felsted pupils not taking up their free UK state school place is £8.1m per annum.
- Felsted employed 560 people during the period.
- Total amount of UK tax supported by Felsted School's activities is £13.4m per annum (£6.56m of 'direct tax contribution', £1.5m of 'indirect tax contribution' and £5.4m of 'induced tax contribution)'. Total contribution to UK GDP of £40.8m per annum (£18.9m of 'direct GDP', £6.6m of 'indirect GDP' and £15.2m of 'induced GDP').

Current Objectives

The School's objectives are set to reflect the educational aims and the ethos of the School, and to maintain and enhance the academic success of the School.

In setting the objectives and planning the activities the Trustee Board has given careful consideration to the Charity Commission's guidance on public benefit.

This year, the focus has been on the continued achievement of academic performance and academic value added, and development of the co-curricular programme. The key objectives for the year included:

- To develop further mechanisms for the improvement of academic performance
- To progress the site development plan, principally enhanced provision for academic activities
- To develop measures of added value in all areas of school life for our youngest pupils
- To enhance the programme of staff training and development
- To maintain, and grow where possible, pupil numbers in both the Prep and Senior Schools
- To continue to build on the School's extra- curricular strength and internationalism through membership of organisations such as the Round Square
- To develop and implement the School's policy on the provision of means-tested bursaries
- To continue to develop the school's rich and diverse links with and educational delivery to the local community
- To develop partnerships to deliver improved outcomes for all involved
- To continue to integrate the work of Senior and Preparatory Schools to share best practice and provide a more integrated pupil experience
- To identify opportunities in line with the School's ethos that deliver additional income streams

Strategies to achieve the year's objectives

These included continuing to review the School's academic syllabus in order to benchmark academic standards against external public examinations and independent value-added criteria, with academic achievements being enhanced by a strong emphasis on sporting and social skills. The School continued to develop the expertise of teaching staff and ensuring succession planning and staff development and furthering the School's links with local junior schools and facilitating wider community access to the School's facilities.

Principal activities of the year

The charity principally provides education to boys and girls from the ages of 4 - 18 in its two schools, the Preparatory School and the Senior School, and also hosts summer schools for overseas students. In 2023 the Senior School maintained pupil numbers at 561 (2022: 563) of whom 438 (2022: 419) were boarders. The Preparatory School averaged 477 (2022: 497) pupils of whom 9 (2022: 14) were full boarders. Waiting lists in some years are encouraging. Pupil numbers in September 2023 were 552 in the Senior School and 477 in the Prep School. This is a result of the continued resolve to build the academic, co-curricular and sporting standards for which the school is recognised.

4. REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

2022/23 was another successful year for the School with continued progress towards the aims of the development plan coupled with some excellent student achievements after the return to public examinations.

Academically, good progress was made in both schools. Felsted students enjoyed significant success at 'A' level, GCSE and IB. The resumption of the Summer School offered pupils from 38 countries the chance to enjoy the unique Felsted experience of Global Studies, English language pathways and an immersive activities programme. Both the Prep and Senior Schools continue to benefit from international pupils joining as a result of their Summer School experiences.

In sport and the co-curriculum there were a number of achievements, including national or regional success in hockey, show jumping, cricket, netball, tennis, rugby XV, Tens and VIIs, skiing, football, golf, athletics and squash. We had individual representation at international and professional level in rugby, hockey and cricket.

Pupils participated in a large number of events to promote internationalism including our own Model United Nations and Round Square events.

Fundraising performance

The School continues its ongoing work of raising voluntary funding. Donations totalled £110,156 (2022: £111,236), including Restricted Funds £105,724 (2022: £90,948). Restricted funds will allow the School to increase its provision for means-tested bursaries to allow social mobility for children from disadvantaged backgrounds.

All fundraising activities for the School are carried out by School staff. The School has not used professional fundraisers or had any commercial participants during this financial period. All fundraising activities are managed by the Development Office and are monitored by the Headmaster and Bursar, with oversight by the Development Committee (responsible for determining and leading Felsted' s philanthropic and fundraising agenda).

No complaints relating to fundraising activities have been received by the School during this financial period. The School has in place procedures that would be followed in the event of a complaint being received with the initial response being the responsibility of the Bursar. Any continuing issues would then be passed to the Trustee Board to determine what further action might be required.

The School is enrolled with the Fundraising Preference Service and is registered with the Fundraising Regulator and is complying with the Code of Fundraising Practice published by the Fundraising Regulator. The School also subscribes to membership of the Institute of Development Professionals in Education (IDPE). The School considers that its processes and controls should ensure that vulnerable people and other members of the public are protected from any unreasonable intrusion on a person's privacy and that no fundraising activities would be unreasonably persistent or place undue pressure on a person to give money or other property.

5. FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The school generated a surplus in the year of £754,623 (2022: surplus £1,195,690). Net school fee income for the year to 31 August 2023 increased by 4% (2022: increase 12.2%). Net income was £728,713 (2022 income £1,131,600).

Reserves policy

During the year the School's funds increased by £728,713 to £45,234,949 of which £17,546,767 were restricted or endowed funds. Restricted funds decreased by £30,292 to £407,560 as shown in note 19. In common with most independent schools, the School's unrestricted reserves are primarily invested in tangible fixed assets, which are all used for direct charitable activities. The nature of the School's operations is that there is a high degree of operational gearing and that the margin of net income to total income is not a high percentage. Financial viability therefore does not depend upon a high level of income reserves but upon the ability over the medium term to deliver positive cash flow to reinvest in maintaining and improving the School's assets and educational delivery. The School did not have any free reserves at 31 August 2023.

The impact of the current economic environment, including the ongoing pressure on household incomes and the threat of Labour coming to power and imposing VAT on school fees continues to cause uncertainty as to future pupil numbers. At the time of approving these financial statements the School has not been notified of any material reduction in prospective pupil numbers relative to those which the School has used for the purposes of financial modelling and forecasting. Based upon those forecasts, taking account of the then current cash reserves and bank facilities and the ability to rescale the School's activities should that prove necessary in the future, the Trustee believes that the conditions for preparing these financial statements on the going concern basis are met and has therefore prepared them accordingly.

Investment powers and policy

The Trustee's investment powers are governed by the Trust Deed, which permits the Charity's funds to be invested by an approved investment manager.

The Trustee's policy is to balance the maintenance of the real value of the invested funds with an adequate income to fund expenses met by the investments. Notwithstanding fluctuations in the stock market this aim has been realised in the longer term.

6. FUTURE PLANS

The Senior School's and the Preparatory School's development plans are reviewed regularly by the Board.

The key objectives are:

- Enhancing recruitment and retention of pupils through a focused strategy with an emphasis on increased boarding
- Developing a long-term strategy with defined income streams to take into account the current external threats to the Independent School sector
- To realign the position of the School in the market place in line with parental demand, in particular in relation to boarding
- To develop a strong national profile in relation to teaching and learning, welfare and pastoral processes to add value to every individual
- To develop premises and facilities to match and surpass provision in other similar schools

7. STATEMENT OF RESPONSIBILITIES

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that year. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustee on 22 April 2024 and signed on its behalf by:

RIC Brown

Chair of Felsted School Trustee Limited

Opinion

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

In our opinion the financial statements:

give a true and fair view of the state of the charity's affairs as at 31 August 2023 and of 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 trustee with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- sufficient and proper accounting records have not been kept by the charity; or

- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustee

As explained more fully in the trustees' responsibilities statement set out on page 14 the trustee is 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 trustee determines 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 trustee is responsible for assessing the charity'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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102) and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the House & Finance Committee about their own identification and

assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate and reading minutes of meetings of those charged with governance.

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

Use of our report

This report is made solely to the charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

[This report has not yet been signed]

Crowe U.K. LLP
Statutory Auditor

London

Date

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

FELSTED SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Year to 31 August 2023 £	Total Year to 31 August 2022 £
Income and endowments from:						
Charitable activities						
School fees receivable	2	24,914,018	-	-	24,914,018	23,902,586
Ancillary trading income	3	2,811,523	-	-	2,811,523	2,442,079
Other trading activities						
Non-ancillary trading income	4	440,295	-	-	440,295	417,809
Other activities	4	29,243	-	-	29,243	70,334
Investments						
Investment income	5	27,525	39,761	-	67,286	71,981
Bank and other interest		241,403	-	-	241,403	20,758
Voluntary sources						
Grants and donations	6	4,433	105,724	-	110,157	112,016
Total income		28,468,440	145,485	-	28,613,925	27,037,563
Expenditure on:						
Raising funds						
Non-ancillary trading	7	347,871	-	-	347,871	353,067
Other income-generating activities	7	1,479,537	-	-	1,479,537	1,275,145
Financing costs	8	81,730	-	-	81,730	(18,025)
Fundraising & Development	7	273,632	-	-	273,632	187,163
Total deductible costs	7	2,182,770	-	-	2,182,770	1,797,350
Charitable activities						
Education and grant making	7	25,273,808	173,429	229,295	25,676,532	24,044,523
Total expenditure		27,456,578	173,429	229,295	27,859,302	25,841,873
Net incoming/(outgoing) funds from operations before transfers and investment gains		1,011,862	(27,944)	(229,295)	754,623	1,195,690
(Loss)/gains on investments	11	-	-	(25,910)	(25,910)	(64,090)
Transfers between funds	19	2,348	(2,348)	-	-	-
Net income/(expenditure) and movement in funds for the year		1,014,210	(30,292)	(255,205)	728,713	1,131,600
Fund balances at 1 September 2022 25		**26,673,972**	**437,852**	**17,394,412**	**44,506,236**	**43,374,636**
FUND BALANCES at 31 AUGUST 2023		**27,668,182**	**407,560**	**17,139,207**	**45,234,949**	**44,506,236**

The notes on pages 21 to 38 form part of these financial statements

FELSTED SCHOOL

BALANCE SHEET

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Tangible assets	10		44,941,281		45,650,310
Investments	11		1,304,473		1,330,383
			46,245,754		46,980,693
CURRENT ASSETS					
Inventories		383,014		348,786	
Debtors	12	1,145,481		1,154,875	
Cash		7,766,099		5,562,021	
		9,294,594		7,065,682	
CURRENT LIABILITIES					
Due within one year	13	(8,439,752)		(8,556,630)	
NET CURRENT ASSETS			854,842		(1,490,948)
TOTAL ASSETS LESS CURRENT LIABILITIES			47,100,596		45,489,745
CREDITORS: due after more than one year					
Fees in Advance Scheme	14	(1,865,647)		(982,319)	
Pension Scheme funding deficit	22	-		(1,190)	
			(1,865,647)		(983,509)
NET ASSETS	18		**45,234,949**		**44,506,236**
FUNDS					
Unrestricted – general reserve	19		27,697,194		26,689,167
Unrestricted – pension reserve	22		(9,012)		(15,195)
Restricted	19		407,560		437,852
Endowment	19		17,139,207		17,394,412
			45,234,949		**44,506,236**

These financial statements were approved and authorised for issue by the Trustee on 22 April 2024 and signed on its behalf by:

R I C Brown
Chair of Felsted School Trustee Limited

The notes on pages 21 to 38 form part of these financial statements

FELSTED SCHOOL

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities	(i)				
Net cash provided/(utilised) by operating activities			2,457,135		2,138,981
Cash flows from investing activities:					
Payments for tangible fixed assets		(485,266)		(4,245,166)	
Proceeds on sale of tangible fixed assets		5,250		2,975	
Investment income and bank interest received		308,689		71,981	
Net cash (used in) investing activities			(171,327)		(4,170,210)
Cash flows from financing activities					
Increase in Philipps Fund loan		-		300,000	
Finance costs paid		(81,730)		18,025	
Net cash (used in) financing activities			(81,730)		318,025
Change in cash and cash equivalents in the reporting period			2,204,078		(1,713,204)
Cash and cash equivalents at the beginning of the period			5,562,021		7,275,225
Cash and cash equivalents at the end of the period	(ii)		7,766,099		5,562,021

The notes on pages 21 to 38 form part of these financial statements

(i) Reconciliation of net income to net cash flow from operating activities	2023 £	2022 £
Net income/(outgoings) for the reporting period (as per the Statement of Financial Activities)	754,623	1,195,690
Adjustments for:		
- investment income and bank interest	(308,689)	(71,981)
- finance costs	81,730	(18,025)
Depreciation charge	1,194,296	998,874
Defined benefit pension scheme adjustments	(6,183)	(79,681)
Gain on sale of fixed assets	(5,250)	(1,602)
Increase in inventories	(34,228)	(61,214)
Decrease/(Increase) in debtors	9,394	(287,606)
Decrease in creditors (excluding fees in advance scheme and entrance deposits)	(374,783)	832,233
Increase in fees in advance scheme creditors	1,150,711	(320,676)
Decrease in entrance deposits	(4,485)	(47,031)
	1,702,513	943,291
Net cash provided/(utilised)/ by operating activities	2,457,135	2,138,981

ii) Analysis of cash and cash equivalents	2023 £	2022 £
Cash at bank	7,766,099	5,562,021

1 STATEMENT OF ACCOUNTING POLICIES

Basis of Accounts Preparation
The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and 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 (FRS102) – effective 1 January 2015.

These accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments. The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice which has since been withdrawn).

At the time of approval of the Annual Report, there are currently significant cash balances should additional liquidity be required through this period of uncertainty to meet the liabilities as they fall due. The school has confirmed with its bankers that the existing overdraft facility continues for 12 months to June 2024 together with additional headroom if required. In addition, a £4m committed bank facility for 4 years was entered into on 11 November 2020. The Trustee has considered various scenarios including a reduction in pupil numbers. At the time of approving these financial statements the School has not been notified of any material reduction in prospective pupil numbers relative to those which the School has used for the purposes of financial modelling and forecasting. The School has considered various financial forecasts taking account of the then current cash reserves and bank facilities and the ability to rescale the School's activities. Accordingly, the Trustee believes the School's financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on the going concern basis.

The School is a Public Benefit Entity registered as a charity in England and Wales. It was registered as a charity on 10 April 1964 (charity number 310870).

Critical accounting judgments and key sources of estimation uncertainty
In the application of the accounting policies, The Trustee is required to make judgments, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. 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 an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustee, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying value in the next financial year.

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

1 STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Fees and similar income
Fees receivable and charges for services and use of premises are accounted for in the year in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School but include contributions received from Restricted Funds for Scholarships, Bursaries and other grants. Fees received in advance of education to be provided in future years under an Advance Fee Payments Scheme contract are held as interest-bearing liabilities until either taken to income in the term when used or else refunded.

Donations and legacies
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 the Trustee Board. Donation and legacy income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Expenditure
Expenditure is accrued as soon as a liability is considered probable, discounted to the present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SOFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use of the underlying assets, as appropriate. The irrecoverable element of VAT is included within the item of expense to which it relates.

Governance costs comprise the cost of the external audit and reimbursement of Trustee expenses when attending meetings.

Pension schemes
Retirement benefits to employees of the School are provided through three pension schemes, one defined benefit, one money purchase scheme and one defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

a) The Teachers' Pension Scheme – this scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, the School accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable. The Charity contributes to the Teachers' Pension Scheme; a multi-employer defined benefit pension scheme, at rates, varying between 7.4% and 11.7% for employees and 23.68% for employers, set by the Scheme Actuary and advised to the Board by the Scheme Administrator.
b) The Pension Trust Scheme – this scheme is a multi-employer pension scheme. It is not possible to identify each individual employee's share of the underlying assets and liabilities. In most respects it is a multi-employer scheme but it has some guarantees. As a result, it is not possible to identify the School's share of the underlying assets and liabilities of the scheme. However, the School remains potentially liable for a debt on withdrawal from the scheme. In accordance with FRS102 the scheme is accounted for as if it were a defined contribution scheme – see also note 22 (b). The School's contributions of 5% are charged in the period in which the salaries to which they relate are payable for senior non-teaching members of staff.
c) The People's Pension Scheme – this is a money purchase pension scheme. The School's contributions are charged in the period in which the salaries to which they relate are payable for other non-teaching staff
d) Aviva Pension Trust for Independent Schools (APTIS) - this is a money purchase pension scheme. The School's contributions are charged in the period in which the salaries to which they relate are payable for teaching staff.

School land and buildings, equipment and plant and machinery
Capitalisation and replacement
Freehold land and buildings were professionally valued by Mullucks Wells, chartered surveyors, in August 2014. The basis of the valuation was that residential freehold and educational buildings were valued on an open market valuation with vacant possession. The August 2014 valuation highlighted a material increase in the value of the freehold land and buildings and the assets are included at this value.

The School has elected, in accordance with Section 35.10(d) of FRS102, to use the carrying values on 1 September 2014, the date of transition to FRS102, of any of the above freehold land and buildings previously carried at valuation, as their deemed cost. All tangible fixed assets are held for use on charitable activities.

School land and buildings, equipment and plant and machinery
Depreciation
Depreciation is provided on other fixed assets to write off their cost, less estimated residual value based on current market prices, in equal instalments over estimated useful lives at the following rates:

Freehold buildings	-	2% to 10% straight line
Plant and equipment	-	10% straight line
Motor vehicles	-	25% straight line

Items costing over £2,500 are capitalised.

Investments
Investments are valued in the balance sheet at their mid-market value at the balance sheet date. Unrealised gains and losses arising on revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate fund according to the “ownership” of the underlying assets.

Inventories
Inventories are valued at the lower of cost and estimated selling price less costs to sell.

Operating leases
Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term

Financial Instruments
Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade, other debtors and accrued income but excludes prepayments. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions and fees received from parents in advance of Autumn term. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

Advance Fee Scheme payments
Amounts received under the School’s Advance Fee Scheme contracts for education not yet utilised to settle School fees are recorded as deferred income and allocated as current liabilities where the education will be provided within 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

2 CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2023 £	2022 £
Fees receivable consist of:		
School fees	27,702,718	26,901,695
Less: total bursaries, scholarships and allowances	(2,915,065)	(3,172,233)
	24,787,653	23,729,462
Add back: Bursaries and other awards paid for by restricted funds	126,365	173,124
	24,914,018	**23,902,586**

Scholarships, bursaries and other awards were paid to 327 pupils (2022: 354).
Within this, means tested bursaries totalling £949,633 were paid to 60 pupils (2022: £1,079,560 to 63 pupils)

3 CHARITABLE ACTIVITIES - OTHER INCOME

	2023 £	2022 £
Ancillary trading income		
Extras	1,246,610	1,121,685
Entrance and registration fees	53,388	50,040
Transport	289,050	245,556
International Summer School and courses	1,205,719	996,122
School bookshop	16,756	28,676
	2,811,523	**2,442,079**

4 OTHER TRADING ACTIVITIES

	2023 £	2022 £
Trading income		
Lettings and sports clubs	119,051	105,338
Other School Shops	321,244	312,471
	440,295	**417,809**
Other activities		
Interest on overdue fees	5,959	6,867
Other income	23,284	63,467
	29,243	**70,334**

5 INVESTMENT INCOME

	Unrestricted £	Restricted £	Endowed £	Total 2023 £	Total 2022 £
Securities investment income:					
Equities	-	39,761	-	39,761	38,098
Property investment income:					
Rents receivable	27,525	-	-	27,525	33,883
	27,525	39,761	-	67,286	71,981

6 GRANTS AND DONATIONS RECEIVABLE

	Unrestricted £	Restricted £	Endowed £	Total 2023 £	Total 2022 £
Bursaries	-	72,284	-	72,284	34,675
Development donations	1,401	31,187	-	32,588	25,429
Legacies	3,031	-	-	3,031	20,288
Other	-	2,253	-	2,253	30,844
Coronavirus Job Retention Scheme	-	-	-	-	780
	4,432	105,724	-	110,156	112,016

7 ANALYSIS OF EXPENDITURE

a) Total expenditure

Year to 31 August 2023	Staff Costs (note 9) £	Depreciation (note 10) £	Other costs £	2023 £
Cost of raising funds:				
Trading costs	125,778	-	222,093	347,871
Costs of other activities	440,621	-	1,038,916	1,479,537
Financing costs (note 8)	-	-	81,730	81,730
Development costs	140,995	-	132,637	273,632
Total costs of raising funds	707,394	-	1,475,376	2,182,770
Charitable expenditure				
Education and grant making				
Teaching	9,412,423	-	2,215,084	11,627,507
Welfare	2,703,329	-	1,425,431	4,128,760
Premises repair and maintenance	963,320	1,194,296	3,045,314	5,202,930
Support costs and governance	3,211,447	-	1,332,459	4,543,906
Grants, awards and prizes (note 7b)	-	-	173,429	173,429
Total charitable expenditure	16,290,519	1,194,296	8,191,717	25,676,532
Total expenditure	16,997,913	1,194,296	9,667,093	27,859,302

7 ANALYSIS OF EXPENDITURE (CONTINUED)

Year to 31 August 2022	Staff Costs (note 9) £	Depreciation (note 10) £	Other costs £	2022 £
Cost of raising funds:				
Trading costs	126,364	-	226,703	353,067
Costs of other activities	450,772	-	824,373	1,275,145
Financing costs (note 8)	-	-	(18,025)	(18,025)
Development costs	108,342	-	78,821	187,163
Total costs of raising funds	685,478	-	1,111,872	1,797,350
Charitable expenditure				
Education and grant making				
Teaching	9,590,232	-	1,723,525	11,313,757
Welfare	2,799,199	-	1,334,593	4,133,792
Premises repair and maintenance	889,387	998,874	2,641,477	4,529,738
Support costs and governance	2,795,572	-	1,088,805	3,884,377
Grants, awards and prizes (note 7b)	-	-	182,859	182,859
Total charitable expenditure	16,074,390	998,874	6,971,259	24,044,523
Total expenditure	16,759,868	998,874	8,083,131	25,841,873

Depreciation and other costs relating to Felsted School endowed fund properties totalling £229,295 (2022: £229,295), have been charged directly to the endowment fund.

b) Grants, awards and prizes

	Total and Restricted Funds 2023 £	2022 £
From Restricted Funds		
Bursaries and other grants and awards	173,429	182,859

c) Governance included in support costs

	2023 £	2022 £
Remuneration paid to auditor for audit services (including irrecoverable VAT)	30,958	28,665
Reimbursement of personal expenses to Trustee Directors – travel costs	1,138	91
	32,096	28,756

Travel expenses were reclaimed by two members, £1,138 (2022: £91 - one member) of the Trustee Board.

8 FINANCE AND OTHER COSTS

	2023	2022
	£	£
Fees in advance debt financing cost	55,964	40,217
Pension Scheme financing cost	7,914	(58,242)
Bank Interest	17,852	-
	81,730	(18,025)

9 STAFF COSTS

	2023	2022
	£	£
The aggregate payroll costs for the year were as follows:		
Wages and salaries	13,949,148	13,662,478
Social security costs	1,362,138	1,289,002
Pension contributions	1,686,627	1,808,388
	16,997,913	16,759,868

None of the Trustee Board received any remuneration or other benefits from Felsted School or from any connected body.

Aggregate employee benefits of key management personnel	644,812	663,213

Number of higher paid employees in bands of:

	2023	2022
	Number	Number
£60,001 - £70,000	17	21
£70,001 - £80,000	2	3
£90,001 - £100,000	3	2
£110,001 - £120,000	-	1
£120,001 - £130,000	1	1
£160,001 - £170,000	1	1

The number of higher paid employees with retirement benefits accruing		
-in Defined Contribution Schemes was	5	5
Of which the contributions amounted to	£33,815	£31,775
- Defined Benefit Schemes was	19	24

9 STAFF COSTS (CONTINUED)

The average number of employees during the year was:

	2023 Actual Number	2022 Actual Number	2023 Full time equivalent Number	2022 Full time equivalent Number
Teaching	153	163	143	142
Welfare	173	183	120	125
Premises	28	26	26	25
Support	151	163	106	106
Other activities	16	25	16	15
Total	521	560	411	413

During the year there were no redundancy payments made. Termination payments of £34,000 were made (2022: no such payments were made). There were no amounts outstanding at the year end.

10 TANGIBLE FIXED ASSETS

	Freehold Land and Building £	Plant and Equipment £	Motor Vehicles £	Total £
Cost				
At 1 September 2022	51,295,226	1,589,092	767,600	53,651,918
Additions	353,173	54,111	77,982	485,266
At 31 August 2023	51,648,399	1,643,203	845,582	54,137,184
DEPRECIATION				
At 1 September 2022	6,396,653	946,879	658,075	8,001,607
Charge for the year	987,295	137,360	69,641	1,194,296
Disposals	-	-	-	-
At 31 August 2023	7,383,948	1,084,239	727,716	9,195,903
NET BOOK VALUE				
At 31 August 2023	**44,264,451**	**558,964**	**117,866**	**44,941,281**
At 31 August 2022	**44,898,573**	**642,213**	**109,525**	**45,650,311**

* The School has elected, in accordance with Section 35.10(d) of FRS102, to use the carrying values on 1 September 2014, the date of transition to FRS102, of any of the above freehold land and buildings previously carried at valuation, as their deemed cost. All tangible fixed assets are held for use on charitable activities.

11 SECURITIES INVESTMENTS

	2023	2022
	£	£
At 1 September 2022	1,330,383	1,394,473
(Decrease)/Increase in value of investments	(25,910)	(64,090)
Investments at 31 August 2023	**1,304,473**	**1,330,383**
Investments comprise:		
Listed investments		
Fixed interest	115,968	38,049
Equities	992,182	972,909
Alternative assets	162,929	196,764
Cash	33,394	122,661
Investments at 31 August 2023	**1,304,473**	**1,330,383**

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits. The main Securities investments are managed for the School by CCLA. All investments are managed and held in the UK.

12 DEBTORS

	2023	2022
	£	£
Fees and extras	834,591	799,178
Trade debtors	15,079	12,804
Other debtors	132,674	186,180
Other prepayments and accrued income	100,484	110,309
Tax recoverable	62,653	46,404
	1,145,481	**1,154,875**

All debtors are due within one year.

13 CREDITORS: due within one year

	2023 £	2022 £
Deposits from parents	1,759,982	1,764,467
Fees received from parents in advance of term	2,891,670	2,480,053
Trade creditors	285,670	453,615
Taxation and social security	415,448	391,413
Fees in Advance Scheme	1,112,414	845,031
Accruals and deferred income	1,444,701	2,092,184
Philipps Fund loan	529,867	529,867
	8,439,752	**8,556,630**

There is a bank overdraft standing facility of £800,000, with an approved termly temporary increase to £1.3m, secured on 9 of the school's properties, to provide working capital as the need arises. A secured revolving credit facility of £4m was approved on 11 November 2020 and is also in place for working capital purposes. This facility is in place for four years. The loan from the Philipps Fund is interest free and payable on demand.

Pupil Fees Deposits – the total amount held in relation to fee deposits of £1,759,982 is included above. In the normal course of business, the expected repayment of these amounts will be £302,994 (2022: £383,985) within one year and £1,378,488 (2022: £1,380,482) after more than one year. The Trustee has considered the contract terms under which Pupil fee deposits are held by the School. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the School, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 August 2023 have been included within current liabilities.

14 FEES IN ADVANCE SCHEME

Parents may enter into a contract to a minimum of three terms School fees in advance. The funds may be returned should the pupil leave the school for whatever reason. Assuming pupils will remain in the School, advance fees will be applied as follows:

	2023 £	2022 £
After 5 years	510,117	49,246
Within 2 to 5 years	841,482	444,604
Within 1 to 2 years	514,048	488,469
	1,865,647	982,319
Within 1 year	1,112,414	845,031
	2,978,061	**1,827,350**

Summary of movement in liability

	£
Balance at 1 September 2022	**1,827,350**
New Contracts	2,819,992
Repayments	(78,341)
Amounts used to pay fees	(1,646,904)
Amounts accrued to contract as debt financing cost	55,964
Balance at 31 August 2023	**2,978,061**

15 FINANCIAL INSTRUMENTS

	2023 £	2022 £
Financial assets measured at fair value (a)	1,304,473	1,330,383

(a) Financial assets held at fair value include assets held as investments

16 LEASES

The future minimum lease payments under non-cancellable operating leases for equipment which are all payable as follows:

	2023 £	2022 £
Within 1 year	73,386	76,888
Within 2 to 5 years	7,168	65,982
	80,554	142,870

Lease payments in year recognised as expenditure amounted to £107,213 (2022: £80,330)

17 FUNDS OF THE SCHOOL

The School's funds are analysed under the following headings

(a) Endowed funds

Endowment funds consist of investments and freehold land and buildings held by the School under permanent endowment, and special funds on which the capital must be retained and the income applied to specific purposes of the School.

(b) Restricted funds

- Annual Fund - this raises funds for small projects and extra-curricular activities that will be realised within a 12-month period.
- Bury Fund – the fund is provided to promote artistic and cultural endeavour by Felstedians and to provide support for art and travel costs.
- Bursary Funds – there are a number of bursary funds some of which are allocated to provide 100% bursary support for individual pupils as nominated by the benefactor. The income from endowed investments is used to support bursaries awarded during the year.
- Deacons' refurbishment – an appeal was undertaken to raise funds to refurbish Deacons Boarding House.
- Prize Funds – donations were received to nominate a pupil each year for a Prize. An amount is released each year to cover the cost of the prize awarded on Speech Day.
- Windsors – Malone legacy – a legacy was received to be used in the Sixth Form boys house Windsors

(c) Unrestricted funds

Unrestricted funds represent accumulated income from the School's activities and other sources that are available for the general purposes of the School.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	Endowment £	Total 31 August 2023 £
Tangible fixed assets	28,948,013	158,534	15,834,734	44,941,281
Securities investments	-	-	1,304,473	1,304,473
Net current assets	605,816	249,026	-	854,842
Long term liabilities	(1,865,647)	-	-	(1,865,647)
	27,688,182	**407,560**	**17,139,207**	**45,234,949**

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 31 AUGUST 2022

	Unrestricted £	Restricted £	Endowment £	Total 31 August 2022 £
Tangible fixed assets	29,400,413	185,868	16,064,029	45,650,310
Securities investments	-	-	1,330,383	1,330,383
Net current assets	(1,742,932)	251,984	-	(1,490,948)
Long term liabilities	(983,509)	-	-	(983,509)
	26,673,972	**437,852**	**17,394,412**	**44,506,236**

19 SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	31 August 2022	Income	Expenditure	Revaluation/ Transfers	31 August 2023
	£	£	£	£	£
Unrestricted funds					
General reserve	26,689,167	28,468,440	(27,462,761)	2,348	27,697,194
Pension reserve	(15,195)	-	6,183	-	(9,012)
	26,673,972	28,468,440	(27,456,578)	2,348	27,688,182
Restricted funds					
Annual Fund	128,160	31,187	(47,064)	-	112,283
Bury Fund	2,799	-	-	-	2,799
Bursary Funds	279,685	112,045	(126,365)	-	265,365
Deacons' refurbishment	4,666	-	-	-	4,666
Prize Funds	10,541	-	-	(95)	10,446
Marshall Centre	-	2,253	-	(2,253)	-
Windsors – Malone legacy	8,177	-	-	-	8,177
Other	3,824	-	-	-	3,824
	437,852	145,485	(173,429)	(2,348)	407,560
Endowed – permanent					
Endowed reserve	17,394,412	-	(229,295)	(25,910)	17,139,207
Total funds	44,506,236	28,613,925	(27,859,302)	(25,910)	45,234,949

19 SUMMARY OF MOVEMENTS ON MAJOR FUNDS AS AT 31 AUGUST 2022

	31 August 2021	Income	Expenditure	Revaluation/ Transfers	31 August 2022
	£	£	£	£	£
Unrestricted funds					
General reserve	25,045,005	26,908,517	(25,509,401)	245,046	26,689,167
Pension reserve	(94,876)		79,681	-	(15,195)
	24,950,129	26,908,517	(25,429,720)	245,046	26,673,972
Restricted funds					
Annual Fund	112,464	25,429	(9,733)	-	128,160
Bury Fund	2,799	-	-	-	2,799
Bursary Funds	380,037	72,773	(173,125)	-	279,685
Deacons' refurbishment	4,666	-	-	-	4,666
Prize Funds	4,386	6,250	-	(95)	10,541
Marshall Centre	220,431	4,520	-	(224,951)	-
Windsors – Malone legacy	8,177	-	-	-	8,177
Tennis Pavillion	-	20,000	-	(20,000)	-
Other	3,750	74			3,824
	736,710	129,046	(182,858)	(245,046)	437,852
Endowed – permanent					
Endowed reserve	17,687,797	-	(229,295)	(64,090)	17,394,412
Total funds	43,374,636	27,037,563	(25,841,873)	(64,090)	44,506,236

20 CAPITAL COMMITMENTS

Commitments for future capital expenditure not provided for in these accounts were as follows:

	2023 £	2022 £
Authorised and contracted	-	-

21 PENSION COMMITMENTS

The School makes annual payments to former employees, and during the year these amounted to £2,141 (2022: £2,638). These payments are subject to an annual review.

22 PENSION SCHEMES

a) Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,068,054 (2022 £1,456,182) and at the year-end £126,451 (2022: £130,488) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

b) The Pensions Trust Retirement Solutions - The Growth Plan

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 company 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 as follows:

From 1 April 2022 to 31 January 2025, the deficit contributions of the scheme totalled £3,312,000 per annum. Unless a concession has been agreed with the Trustees the term to 31 January 2025 applies.

From 1 April 2023 the School's deficit contributions were £14,227 per annum. For the financial year September 2022 – August 2023, the School's deficit contributions totalled £6,613.

The recovery plan contributions are allocated to each participating employer in line with their estimate 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.

Present values of provision

Reconciliation of opening and closing provisions

	2023	2022
	£	£
Provision at start of period	15,195	94,876
Unwinding of the discount factor (interest expense)	519	540
Deficit contribution paid	(6,613)	(21,439)
Remeasurements – impact of any changes in assumptions	(89)	(58,782)
Balance at 31 August 2023	**9,012**	**15,195**

	2023	2022
	£	£
Within 1 to 2 years	-	1,190
	-	1,190
Within 1 year	9,012	14,005
	9,012	**15,195**

Income and expenditure impact

	2023	2022
	£	£
Interest expense	519	540
Remeasurements – impact of any changes in assumptions	(89)	(58,782)
Costs recognised in Statement of Financial Activities	6,613	21,439

Assumptions

	At 31 August 2023	At 31 August 2022	At 31 August 2021	At 31 August 2020
	% per annum	% per annum	% per annum	% per annum
Rate of discount	6.04	4.46	0.63	0.55

The discount rates shown above are the equivalent single discount rates 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.

The School has been notified by The Pensions Trust Retirement Solutions of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2023. As of this date the estimated employer debt on withdrawal for the School was £108,030 (2022: £177,116.)

c) Aviva Pension Trust for Independent Schools

From September 22 – August 23, the School also participated in the Aviva Trust for Independent School ("APTIS") for its teaching staff. The pension charge for the year includes contributions payable to APTIS of £551,221.78 (2022: £162,059.33) and at the year-end £nil was accrued in respect of contributions to this scheme (2022: £38,804.86). It is a money purchase pension scheme.

23 RELATED PARTY TRANSACTIONS

Certain Directors of the Trustee Company had interests in transactions involving the School:

Mr Beale, Mr Wolfe and Mr Windsor are parents of pupils in the School. These families are paying School fees in accordance with the School's standard terms and conditions. During the year, 1 (2022: 3) member of staff was employed on standard terms and conditions by the School who were related to Directors of the Trustee Company and these staff received remuneration of £9,723 (2022: £39,845)

During the year donations of £2,503 (2022: £2,171) were received from Directors of the Trustee Company.

During the year, 2 (2022: 3) members of staff were employed on standard terms and conditions by the School who were related to key management personnel.

24 CONNECTED CHARITIES AND COMPANIES

Felsted School is supported by The Philipps Fund, which raises funds for the benefit of the School. At 31 August 2023 £529,867 (2022: £529,867) was owed to the Philipps Fund. This is repayable on demand.

A trading company, Felsted School Enterprises Ltd, was incorporated on 21 August 2006 and remained dormant throughout the year. It changed its name on 16 August 2022 to Felsted Global Education Limited.

25 STATEMENT OF FINANCIAL ACTIVITIES – PRIOR YEAR COMPARATIVE FIGURES BY FUND TYPE

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Year to 31 August 2022 £
Income and endowments from:					
Charitable activities					
School fees receivable	2	23,902,586	-	-	23,902,586
Ancillary trading income	3	2,442,079	-	-	2,442,079
Other trading activities					
Non-ancillary trading income	4	417,809	-	-	417,809
Other activities	4	70,334	-	-	70,334
Investments				-	
Investment income	5	33,883	38,098	-	71,981
Bank and other interest		20,758	-	-	20,758
Voluntary sources					
Grants and donations	6	21,068	90,948	-	112,016
Total income		26,908,517	129,046	-	27,037,563
Expenditure on:					
Raising funds					
Non-ancillary trading		353,067	-	-	353,067
Other income-generating activities		1,275,145	-	-	1,275,145
Financing costs	8	(18,025)	-	-	(18,025)
Fundraising & Development		187,163	-	-	187,163
Total deductible costs	7	1,797,350	-	-	1,797,350
Charitable activities					
Education and grant making	7	23,632,370	182,858	229,295	24,044,523
Total expenditure		25,429,720	182,858	229,295	25,841,873
Net (outgoing)/incoming funds from operations before transfers and investment gains		1,478,797	(53,812)	(229,295)	1,195,690
(Loss)/gains on investments	11	-	-	(64,090)	(64,090)
Transfers between funds	19	245,046	(245,046)	-	-
Net (expenditure)/income and movement in funds for the year		1,723,843	(298,858)	(293,385)	1,131,600
Fund balances at 1 September 2021 25		**24,950,129**	**736,710**	**17,687,797**	**43,374,636**
FUND BALANCES at 31 AUGUST 2022		**26,673,972**	**437,852**	**17,394,412**	**44,506,236**

FELSTED SCHOOL

England & Wales - Charity number 310870

Accounts



FELSTED SCHOOL

ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

TOGETHER WITH TRUSTEE'S AND AUDITOR'S REPORTS

Registered Charity Number: 310870

FELSTED SCHOOL

TRUSTEE DIRECTORS, OFFICERS AND ADVISERS

FOR THE YEAR ENDED 31 AUGUST 2022

TRUSTEE DIRECTORS

Felsted School Trustee Limited The Directors of the Trustee Company who served during the year or were subsequently appointed are listed below:		(h)	(e)	(n)	(g)
J Abel Smith, DL				●	
M Beale *		●		●	
G P Boult			●		
R I C Brown – Chair		●	●	●	●
C A Carrington			●		●
J Crouch					●
J H Davies, OBE				●	
Dr J C Nicholson					●
A L M Oxnam		●			
L Poston					
A Sefton			●		
O H J Stocken CBE					
Rev N J Stuchfield		●			
W Sunnucks					
J B St J Tibbitts		●		●	●
PE Wardell			●		●
S Wolfe *		●			
(h) Member of the House and Finance Committee (e) Member of the Education Committee (n) Member of the Nominations Committee (g) Member of the Governance Committee * Parent of current pupil					

OFFICERS

HEADMASTER	C J Townsend, BA
HEAD OF PREPARATORY SCHOOL	M Norris, BEd, (appointed 1 September 2022), S C James, BA (resigned 31 August 2022)
BURSAR AND CLERK TO TRUSTEE BOARD	A G Clayton BA, MBA
Address and Registered Office	Felsted School Felsted Essex CM6 3LL
Website	www.felsted.org

ADVISERS

BANKERS	Barclays Bank Plc PO Box 885 Mortlock House, Histon Cambridge CB24 9DE
AUDITORS	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
SOLICITORS	Stone King LLP 16 St John's Lane London EC1M 4BS

The Trustee of Felsted School presents its annual report together with the audited accounts for the year ended 31 August 2022 and confirms that they comply with the requirements of the Charities Act 2011, the trust deed and the Charities SORP (FRS 102) applicable to Charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

1. REFERENCE AND ADMINISTRATION INFORMATION

The Charity was founded in 1564 and is registered with the Charity Commission under charity number 310870. The Directors of Felsted School Trustee Ltd, Felsted School's single Trustee, and the Executive officers and principal addresses of the Charity are as listed on the previous page as are particulars of the Charity's professional advisers.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by its Scheme dating from 1938 and last amended in October 2018.

Governing Body

The structure of the Charity consists of a Board of Directors of the Trustee Company that oversees the management of the Charity, a school, which has two principal elements, a Senior School for pupils aged 13-18 and a Preparatory School for pupils aged 4-13.

Recruitment and Training of Trustee Directors

The Trustee Company Directors are voted onto the Board by the current Board members. The Nominations Committee comprises six current Directors. The Nominations Committee when selecting possible new Directors considers specifications concerning eligibility, personal competence, specialist skills and local availability.

New Directors are inducted into the Trustee Company and the Schools (including Board policy and procedures) by current Directors and the School Executive.

Organisational Management

The Trustee Company Directors are legally responsible for the overall management and control of the School and meet at least three times a year and more frequently during the recent Covid-19 pandemic.

The members of the House & Finance (H&F) Committee meet about a month before each meeting of the full Board and on extra occasions as required. This Committee specifically looks at the budget and accounts for the current year, short and medium term forecasts and at infrastructure investment plans and makes recommendations for approval by the Board.

The other committees are the Education Committee, the Governance Committee and the Nominations Committee. The Education and Governance Committees meet each term before the main Board meeting and the Nominations Committee meets once a year to discuss standing items and at other times as required. The Heads and the Bursar attend meetings of the above Committees.

The day to day running of the Schools is delegated to the Headmaster, with the Head of the Preparatory School and the Bursar as the Key Management Personnel. They are supported by their Senior Leadership Teams. Delivery of the School's charitable vision and purpose is primarily dependent on the Key Management Personnel.

Organisational Management

The remuneration of the Heads and Bursar is set by the Board, with the policy objective of rewarding them fairly and responsibly for their individual contributions to the School's success. The Board delegates the annual review of remuneration of key personnel to the Nominations Committee, which refers to benchmarking information for other similar schools (including that currently compiled by AGBIS), the individual's performance in the previous year, and cost of living awards to other staff. The remuneration package when a new key member of staff is appointed is similarly benchmarked, and appointments are made following a competitive process, taking appropriate external professional advice. The aim is to recruit, subject to experience, below or at the medium point within a band (for teaching staff), providing scope for rewarding excellence.

Structure and Relationships

A subsidiary company, Felsted School Enterprises Ltd changed its name to Felsted Global Education Limited on 16 August 2021. The company was incorporated on 21 August 2006 and has remained dormant throughout the year.

Risk Management

The Trustee Company is responsible for the management of the risks faced by the School. Detailed considerations of risk have been delegated to the Committees, assisted by the Executive (Key Management Personnel). Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis, as part of that review other committees of the Board review risks appropriate to their areas of oversight.

Through the annual review of the risk register, the Trustee considers the key risks facing the School and agrees appropriate mitigation. The principal risks the School faces are considered to be:

- Fee affordability, particularly as the School has had to absorb increases in expenditure that are outside its control, such as auto enrolment, pension costs and the apprenticeship levy and faced increased National Insurance costs from April to October 2022. This concern is given a high priority when fee increases are considered, particularly in the current uncertain economic environment with high inflation as well as the current political threats to the Independent School sector including the potential addition of VAT to fees, loss of charitable status and the loss of business rates relief.

- Inability to recruit staff of the right calibre. The School aims to recruit, retain and develop excellent staff, and this quality would be at risk if less than optimum staff remuneration and conditions were to depress morale. The School also employs specialist staff and has clear policies and procedures to ensure high levels of staff welfare and safety.

- Inadequate investment in facilities. The aims and ethos of the School require continuing investment in facilities including ICT for teaching and learning, pastoral care and boarding, sports, drama and other activities. Failure to generate adequate annual surplus for reinvestment would compromise this.

- Failure to comply with relevant regulations. The School is subject to regulation by a number of bodies, particularly in relation to safeguarding, child protection and health and safety. The School appoints and trains staff appropriately, and takes the necessary specialist advice to ensure compliance.

- The key controls used by the charity include:

    - formal agendas for all Committee and Board activity;

    - detailed terms of reference for all Committees; these were last reviewed in detail in November 2021 and are reviewed every three years;

Risk Management - continued

- comprehensive strategic planning, budgeting and management accounting;
- established organisational structure and lines of reporting;
- formal written policies;
- safeguarding procedures as required by law and best practice for the protection of the vulnerable;
- a detailed Risk Register reviewed annually by the relevant sub-Committees with key risks reported to and discussed by the Board

Through the risk management processes established for the School, the Trustee is satisfied that the major risks identified have been appropriately mitigated where necessary. It is recognised that systems can only provide reasonable and not absolute assurance that major risks have been managed. The Compliance Manager continues to support the Trustee Board and the Leadership Team in the management of risk, policy review and best practice, with a particular emphasis on safeguarding and regulatory compliance. The Trustee Board regularly reviews the effectiveness of current plans and strategies for managing all identified risks for the School.

Charity Code of Governance

The Trustee remains aware of the Charity Governance Code published in 2017 (updated in 2020) which sets out the principles and recommended practice for good governance within the sector. The Trustee is satisfied that the Charity applies the principles of the code within its current Governance arrangements which includes the use of a Governor Compliance Checklist recommended by the Association of Governing Bodies of Independent Schools (AGBIS).

3. OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Charity's Objects, as set out in its Scheme, are

The advancement of education specifically but not exclusively by:

(1) the provision and maintenance of a secondary school ('the School') for boys and girls;

(2) the provision and maintenance, if the Trustee thinks fit, of a nursery, pre-school, pre-preparatory and preparatory departments within the School; and

(3) the conduct in connection with the School of such ancillary or incidental educational activities and other associated activities for the benefit of the community as the Trustee thinks fit.

Aims of the School

Felsted seeks to be the school of choice and aspiration for all. "Developing character and making a difference".

1. Felsted seeks to educate all Felstedians to develop them as individual characters, through provision of outstanding all round education.

Aims of the School - continued

2. Felsted seeks to develop and stretch students academically, to be life-long learners, well-rounded, aspirational, globally minded, with the skills to flourish beyond school, applying the principles of a growth mind set, to be the best that they can be.
3. Felsted seeks to provide outstanding pastoral care, a safe and supportive environment, co-curricular opportunities, lessons in leadership, service, challenge, personal growth, and emotional/intellectual development.
4. Felsted seeks to develop a strong sense of community, based on development of personal faith, tolerance and respect. This community will include all students, as well as parents, staff, Trustee Directors, Old Felstedians and the wider Felsted community.
5. Felsted seeks to make a difference, through developing truly effective global citizens, under the IDEALS of the Round Square, fulfilling our charitable purpose, including making a Felsted education available to families, through bursary, scholarship and outreach.
6. Felsted seeks to provide a strong foundation for the future of the school.

Public Benefit Aims and Intended Impact

Within its Objects, Felsted School's public benefit aim is to provide a first class independent education for children aged from 4 to 18, both through strong academic tuition and through developing wider sporting, artistic and social skills in all its pupils. This is intended to provide an environment where each pupil can develop and fulfil his or her potential, thus helping to build self-confidence and inculcate a desire to contribute to the wider community. All of this is integral to the School's delivery of a holistic education.

The Trustee has given due consideration to the Charity Commission's guidance on public benefit and undertaken appropriate activities in furtherance of the School's aims for the public benefit. The year's objectives, activities and achievements are set out below.

Felsted School Public Benefit Review

Felsted School has always been mindful of its role in public service and both the School and individual staff and pupils have a long history of supporting charitable and educational causes with both financial help and practical assistance. The Trustee Board is committed to widening access for potential pupils to include those who cannot afford the School's fees and consider it important that those experiencing poverty should not be excluded from the opportunity to receive the educational support that the School can provide. The School also provides opportunities for the local and wider community to use the educational and ancillary facilities the School has to offer. The School is engaged in sharing the educational expertise of staff with others outside the School and developing the involvement of pupils in charitable activities for the wider benefit of the public.

In order to monitor and support the development of the School's practice in these areas a review is carried out each year.

The Curriculum

The School has high academic standards and educates pupils to excellent levels of achievement.

- The School's public examination results are extremely good. In 2022 98% of our GCSE results were between 9 and 4 with 60% being between 9 and 7 (our best ever results) and over 91% of A-level grades were between A* and C. The average IB points score in 2022 was just under 36.

- The education of pupils encompasses all aspects of their personal development and promotes their contribution to society in adult life.

- The school's educational ethos is focused on providing a holistic education and values the importance of Art, Music, DT, Drama and Sport. Therefore, the school invests in staff and facilities to ensure that their provision (both in terms of tuition and resources) enables pupils to excel in these areas.

The School trains and inducts teachers each year to the long term educational benefit of the wider community. In 2021/22 the School supported 2 teachers through their PGCE and 7 teachers through their first year of their induction programme as 'Early Career Teachers' (ECTs).

Means-Tested Assistance

The Trustee Board considers that bursaries are important in ensuring that children from families who would otherwise not be able to afford the fees can access the education offered. Bursary awards are available to children who meet the general entry requirements and are made on the basis of parental means or to relieve hardship where an existing pupil's education and future prospects would be at risk, for example in the case of bereavement or redundancy. In assessing means the School takes a number of factors into consideration including family income, investments and savings and family circumstances. However, the School does not have a large cash endowment and in funding bursaries the School has to be mindful of ensuring a balance between fee-paying parents, many of whom make considerable personal sacrifices to fully fund their children's education, and those benefiting from the awards. A number of bursaries are also supported by donations received for that purpose. Bursaries are available for up to 100% of fees and can also provide assistance with extra costs for those whose financial need is greatest. They are advertised in the press and on social media and further details of the bursary policy and how to apply are provided on the School website. Bursaries are subject to annual review so that the School can ensure that support is only provided to those who require it.

In total, the School provides fee assistance to over 350 pupils (approximately 34% of the total) at a cost of £3.172, 233 per annum; 12% of our gross fee income. In 2021/22 the School provided means tested bursary assistance to 76 pupils to the value of £1,079,559; 4% of gross fee income. Eleven pupils received bursaries of 100% or thereabouts. The school's policy, in line with that of other Independent Schools, is to award scholarships on the basis of the individual's educational potential, subject to any particular conditions imposed by the original donor where the award is out of restricted funds. The majority of awards in bursaries and allowances were made from unrestricted funds.

Links with Other Schools

The School aims to widen access through a variety of initiatives and activities. Partnerships are being grown and developed with local primary schools and with the Royal Docks Community School in Newham, London E16, a mixed comprehensive school for ages 11 to 16.

Links with Other Schools - continued

A number of local children benefit from being able to take part in both term time and holiday time educational activities. These normally include:

- The Felsted Model United Nations and Prep School's Model United Nations conferences were hosted for local and international schools;
- Gifted and Talented Days for local children in Art, Sport, Science and Modern Languages
- A Science day for pupils from junior schools
- Hosting various sporting events and tournaments for state and independent schools

Partnerships

In addition to the links with other Schools, Felsted is committed to building links with partners who can improve the education of children and offer an extended pathway. Current partnerships include

- Junior Guildhall School of Music
- Essex County Cricket Club
- Sunrisers Cricket
- Saracens FC Rugby
- Blue Hornets Hockey
- Benecos Mavericks Super League Netball Club
- Lord's Taverners

Further details of the individual partnerships can be found on the Independent Schools Council website https://www.schoolstogether.org/case-studies/?schoolId=36819

Charitable Giving and Fund-raising

The School Charity Team develops a programme of events and ideas to encourage Felstedians to grow as global citizens and encourage philanthropy. The Charity Team seeks to raise awareness, encourage volunteerism and organise fundraising events that will make a difference both for those we support and for the school.

The School is committed to building partnerships with our six core charities:

1. Sparkle Foundation

Founded by Old Felstedian Sarah Brook, the foundation provides education, nutritional support and medical treatment to over 150 vulnerable orphans in Malawi. Felsted pupils have raised a large sum for this fantastic charity over the past few years through numerous events across the School, including an annual Rugby 7's event which involves former pupils and parents. This has allowed the charity to invest in a fresh water borehole and pump, cleaning facilities, classrooms plus a vital vehicle for supplies and emergency treatment. A number of teachers, parents, pupils and the Headmaster have visited the orphanage in Malawi to give support and assistance.

2. Magic Bus

Founded by Old Felstedian Matthew Spacie, this charity aims to improve awareness, life skills and opportunities for vulnerable children in Mumbai. Pupils and staff regularly travel to Mumbai to work with this charity, taking a range of items including mobile phones, sports equipment and clothing.

Charitable Giving and Fund-raising - continued

3. Teach Uganda

Dedicated to supporting communities in Uganda, this organisation helps to bring about permanent, sustainable development through education, health promotion, infrastructure and job creation. Felsted made their first pupil trip to support this charity in 2016 and returned there again in 2018. Felsted has made a big impact to this charity and currently funds several underprivileged local children to study Science A-Levels at a secondary school in Uganda.

4. Felsted Mission

For over a hundred years, the links between The Ascension Church and the Felsted School Mission in the East End of London have continued to grow and develop. The Ascension Church works with the local community through a Garden Café and youth activities, promoting fitness and social interaction. This now extends to the Royal Docks School, where one 100% bursary is offered to a pupil each year to attend Felsted School. Funded mainly by Old Felstedians, the Felsted School Mission contributes some £40,000 per annum to the Ascension Church.

5. CHESS Homeless

Felsted pupils decided that they wanted to make a difference locally as they became increasingly concerned for those 'rough sleeping' in Chelmsford. CHESS Homeless provides an advice centre, food-bank and night-shelter for those in need in Chelmsford. CHESS has a proven track record of finding long term solutions for those who seek their help. Pupils volunteer at the night-shelter and raise funds to support this vital work. During the summer national lockdown of 2021 Felsted pupils helped to raise over £5,000 that was used to refurbish a new night-shelter.

6. Young Minds

This national charity seeks to raise awareness of the mental health issues experienced by young people in the U.K. Young Minds develop initiatives that seek to support young people who otherwise might feel stigmatised for asking for help. In the UK today, an estimated five children in every classroom have a mental health problem. A quarter of 17-year-old girls have self-harmed in the last year, while suicide remains the single biggest killer of boys and young men.

Use of Facilities

Felsted prides itself in supporting the village and local community, providing opportunities for educational events and school facilities to be used whenever possible. Felsted School allows the use of its facilities for a range of activities which are open to non-School members. This includes classrooms, function rooms, the Hunt Theatre, sporting facilities, the indoor pool and the Felsted Gym. Felsted also hosts many concerts and drama performances throughout the year, all of which are open to the public and most of which are free entry. The Felsted School Steel Band performs regularly and on request (time permitting) outside school at venues such as Essex Cricket. Pupils also exhibit their art at a local gallery each year, which is open to the public.

The following Arts organisations use Felsted facilities:

- The Felsted Choral Society
- Associated Board of the Royal Schools of Music (ABRSM - for music exams)
- Essex Music Services
- Essex Chamber Orchestra

Services to the Community

The School has a very positive relationship with the local village residents and business community. Richard Lord Riche (the School's founder) left funding which supports a number of Almshouses for those in need in the village. Managed by Felsted as part of his legacy, Almshouse residents are assisted by the School through a number of supportive activities.

A number of the Senior School students participate in weekly volunteer work as part of their holistic education. These include helping in local residential care homes (e.g. dementia, old age, physical disability, sensory impairment), visiting residents in sheltered accommodation and helping in primary schools.

Community Service Projects: Alongside the regular community service volunteering, the Senior School pupils have been involved in a number of projects:

- Raising funds and helping as part of the Felsted Mission Night-shelter volunteer team
- Sponsored whole school events, raising significant sums for Felsted's charity partners
- Each House adopted its own charity for a period of two years. Pupils voted for which charity to select in their own Houses. The School Forum and Student Charity Team chose Young Minds and CHESS Homeless as whole school charities.

Every year at the Prep School, charity fundraising projects raise approximately £10,000 for various charities. Activities normally include sponsored walks, fetes, food parcels, clothes and shoe donations, cakes sales and chapel collections. Christmas gift boxes and Easter cards were also provided for elderly residents of the village.

Economic Impact

In 2018 Oxford Economics was commissioned by the Independent Schools Council, on behalf of their 1,205 schools in Britain, to assess the economic contribution made by those schools annually. Based on the tool developed as part of their review, Felsted School has contributed the following in 2021/22

- Total savings generated for the UK taxpayer, as a result of Felsted pupils not taking up their free UK state school place is £8.1m per annum.
- Felsted employed 636 people during the period.
- Total amount of UK tax supported by Felsted School's activities is £13.4m per annum (£6.56m of 'direct tax contribution', £1.5m of 'indirect tax contribution' and £5.4m of 'induced tax contribution)'.Total contribution to UK GDP of £40.8m per annum (£18.9m of 'direct GDP', £6.6m of 'indirect GDP' and £15.2m of 'induced GDP').

Current Objectives

The School's objectives are set to reflect the educational aims and the ethos of the School, and to maintain and enhance the academic success of the School.

In setting the objectives and planning the activities the Trustee Board has given careful consideration to the Charity Commission's guidance on public benefit.

This year, the focus has been on the continued achievement of academic performance and academic value added, and development of the co-curricular programme. The key objectives for the year included:

- To develop further mechanisms for the improvement of academic performance
- To progress the site development plan, principally enhanced provision for academic activities

Current Objectives – continued

- To develop measures of added value in all areas of school life for our youngest pupils
- To embed the Felsted Diploma in the provision for Senior and Prep School pupils in order to facilitate and encourage the personal development of all pupils
- To enhance the programme of staff training and development
- To maintain, and grow where possible, pupil numbers in both the Prep and Senior Schools
- To continue to build on the School's extra- curricular strength and internationalism through membership of organisations such as the Round Square
- To develop and implement the School's policy on the provision of means-tested bursaries
- To continue to develop the school's rich and diverse links with and educational delivery to the local community
- To develop partnerships to deliver improved outcomes for all involved
- To continue to integrate the work of Senior and Preparatory Schools to share best practice and provide a more integrated pupil experience
- To implement and continually improve the School's response to the current pandemic to include the delivery of as wide-ranging remote learning programme as possible
- To identify opportunities in line with the School's ethos that deliver additional income streams

Strategies to achieve the year's objectives

These included continuing to review the School's academic syllabus in order to benchmark academic standards against external public examinations and independent value-added criteria, with academic achievements being enhanced by a strong emphasis on sporting and social skills. The School continued to develop the expertise of teaching staff and ensuring succession planning and staff development and furthering the School's links with local junior schools and facilitating wider community access to the School's facilities.

Principal activities of the year

The charity principally provides education to boys and girls from the ages of 4 - 18 in its two schools, the Preparatory School and the Senior School, and also hosts summer schools for overseas students. In 2022 the Senior School maintained pupil numbers at 563 (2021: 576) of whom 419 (2021: 418) were boarders. The Preparatory School averaged 497 (2021: 499) pupils of whom 14 (2021: 9) were full boarders. Waiting lists in some years are encouraging. Pupil numbers in September 2022 were 560 in the Senior School and 472 in the Prep School. This is a result of the continued resolve to build the academic, co-curricular and sporting standards for which the school is recognised.

4. REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

2021/22 was another successful year for the School with continued progress towards the aims of the development plan coupled with some excellent student achievements after the return to public examinations. The new Marshall Centre for Learning was completed and officially opened in September 2022 providing the School with 10 state of the art classrooms as well as spaces for collaborative learning.

Academically, good progress was made in both schools. Felsted students enjoyed significant success at 'A' level, GCSE and IB. The resumption of the Summer School offered pupils from 29 countries the chance to experience the unique Felsted experience of Global Studies, English language pathways and an immersive activities programme. Both the Prep and Senior Schools continue to benefit from international pupils joining as a result of their Summer School experiences.

4. REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR - CONTINUED

In sport and the co-curriculum there was a return to a regular fixture card and there were a number of achievements, including National success at hockey and show jumping and regional successes in cricket, netball, tennis, rugby XV, Tens and VII, skiing, football, golf, athletics and squash. We had individual representation at international and professional level in rugby, hockey and cricket.

Pupils participated in a large number of events to promote internationalism including our own Model United Nations and Round Square events and exchanges.

Fundraising performance

The School continues its ongoing work of raising voluntary funding. Donations totalled £111,236 (2021: £153,512), including Restricted Funds £90,948 (2021: £117,673). Restricted funds will allow the School to increase its provision for means-tested bursaries to allow social mobility for children from disadvantaged backgrounds.

All fundraising activities for the School are carried out by School staff. The School has not used professional fundraisers or had any commercial participants during this financial period. All fundraising activities are managed by the Development Office and are monitored by the Headmaster and Bursar, with oversight by the Development Committee (responsible for determining and leading Felsted' s philanthropic and fundraising agenda).

No complaints relating to fundraising activities have been received by the School during this financial period. The School has in place procedures that would be followed in the event of a complaint being received with the initial response being the responsibility of the Bursar. Any continuing issues would then be passed to the Trustee Board to determine what further action might be required.

The School is enrolled with the Fundraising Preference Service and is registered with the Fundraising Regulator and is complying with the Code of Fundraising Practice published by the Fundraising Regulator. The School also subscribes to membership of the Institute of Development Professionals in Education (IDPE). The School considers that its processes and controls should ensure that vulnerable people and other members of the public are protected from any unreasonable intrusion on a person's privacy and that no fundraising activities would be unreasonably persistent or place undue pressure on a person to give money or other property.

5. FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The school incurred a surplus in the year of £1,195,690 (2021: surplus £976,683) with the increase due to the resumption of the International Summer School in Summer 2022. Net school fee income for the year to 31 August 2022 increased by 12.2% (2021: decrease 10.2%) on the previous year as there were no periods of school closure or related fee discounts offered during this period as had been the case in 2020/21. Net income was £1,131,600 (2021 income £1,185,570)..The School has received an additional loan from the Phillips Fund (repayable on demand) and there have been some short-term timing issues in relation to the receipt of fee income and settlement of creditors which have now been resolved.

Reserves policy

During the year the school's funds increased by £1,131,600 to £44,506,236 of which £18,077,215 were restricted or endowed funds. Restricted funds decreased by £53,907 to £682,803 as shown in note 19. In common with most independent schools, the school's unrestricted reserves are primarily invested in tangible fixed assets, which are all used for direct charitable activities. The nature of the School's operations is that there is a high degree of operational gearing and that the margin of net income to total income is not a high percentage. Financial viability therefore does not depend upon a high level of income reserves but upon the ability over the medium term to deliver positive cash flow to reinvest in maintaining and improving the School's assets and educational delivery. The School did not have any free reserves, at 31 August 2022.

The impact of the current economic environment, including events in Ukraine, the cost of living crisis and the high cost of utilities, continues to cause uncertainty as to future pupil numbers. At the time of approving these financial statements the School has not been notified of any material reduction in prospective pupil numbers relative to those which the School has used for the purposes of financial modelling and forecasting. Based upon those forecasts, taking account of the then current cash reserves and bank facilities and the ability to rescale the School's activities should that prove necessary in the future, the Trustee believes that the conditions for preparing these financial statements on the going concern basis are met and has therefore prepared them accordingly.

Investment powers and policy

The Trustee's investment powers are governed by the Trust Deed, which permits the Charity's funds to be invested by an approved investment manager.

The Trustee's policy is to balance the maintenance of the real value of the invested funds with an adequate income to fund expenses met by the investments. Notwithstanding fluctuations in the stock market this aim has been realised in the longer term.

6. FUTURE PLANS

The Senior School's and the Preparatory School's development plans are reviewed regularly by the Board.

The key objectives are:

- Enhancing recruitment and retention of pupils through a focused strategy with an emphasis on increased boarding
- Developing a long-term business strategy with defined income streams to take into account the current external threats to the Independent School sector
- To realign the position of the School in the market place in line with parental demand, in particular in relation to boarding
- To develop a strong national profile in relation to teaching and learning, welfare and pastoral processes to add value to every individual
- To develop premises and facilities to match and surpass provision in other similar schools

8. STATEMENT OF RESPONSIBILITIES

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that year. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustee on 18 March 2023 and signed on its behalf by:

RIC Brown

Chair of Felsted School Trustee Limited

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF

FELSTED SCHOOL

Opinion

We have audited the financial statements of Felsted School ('the charity') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022 and of 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- sufficient and proper accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustee

As explained more fully in the Trustees' responsibilities statement set out on page 14 the Trustee is 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 Trustee determines 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 Trustee is responsible for assessing the charity'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 Trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102) and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

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

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

Use of our report

This report is made solely to the charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP
Statutory Auditor

London

Date

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

FELSTED SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Year to 31 August 2022 £	Total Year to 31 August 2021 £
Income and endowments from:						
Charitable activities						
School fees receivable	2	23,902,586	-	-	23,902,586	21,341,012
Ancillary trading income	3	2,442,079	-	-	2,442,079	1,221,303
Other trading activities						
Non-ancillary trading income	4	417,809	-	-	417,809	289,962
Other activities	4	70,334	-	-	70,334	42,656
Investments				-		
Investment income	5	33,883	38,098	-	71,981	65,788
Bank and other interest		20,758	-	-	20,758	3,496
Voluntary sources						
Grants and donations	6	21,068	90,948	-	112,016	777,931
Total income		26,908,517	129,046	-	27,037,563	23,742,148
Expenditure on:						
Raising funds						
Non-ancillary trading		353,067	-	-	353,067	398,379
Other income-generating activities		1,275,145	-	-	1,275,145	495,776
Financing costs	8	(18,025)	-	-	(18,025)	54,158
Fundraising & Development		187,163	-	-	187,163	57,012
Total deductible costs	7	1,797,350	-	-	1,797,350	1,005,325
Charitable activities						
Education and grant making	7	23,632,370	182,858	229,295	24,044,523	21,760,140
Total expenditure		25,429,720	182,858	229,295	25,841,873	22,765,465
Net (outgoing)/incoming funds from operations before transfers and investment gains		1,478,797	(53,812)	(229,295)	1,195,690	976,683
(Loss)/gains on investments	11	-	-	(64,090)	(64,090)	208,887
Transfers between funds	19	245,046	(245,046)	-	-	-
Net (expenditure)/income and movement in funds for the year		1,723,843	(298,858)	(293,385)	1,131,600	1,185,570
Fund balances at 1 September 2021	25	**24,950,129**	**736,710**	**17,687,797**	**43,374,636**	**42,189,066**
FUND BALANCES at 31 AUGUST 2022		**26,673,972**	**437,852**	**17,394,412**	**44,506,236**	**43,374,636**

The notes on pages 22 to 40 form part of these financial statements

FELSTED SCHOOL

BALANCE SHEET

AT 31 AUGUST 2022

	Notes	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Tangible assets	10		45,650,310		42,405,391
Investments	11		1,330,383		1,394,472
			46,980,693		43,799,863
CURRENT ASSETS					
Inventories		348,786		287,572	
Debtors	12	1,154,875		867,269	
Cash		5,562,021		7,275,225	
		7,065,682		8,430,066	
CURRENT LIABILITIES					
Due within one year	13	(8,556,630)		(7,611,554)	
NET CURRENT (LIABILITIES)/ASSETS			(1,490,948)		818,512
TOTAL ASSETS LESS CURRENT LIABILITIES			45,489,745		44,618,375
CREDITORS: due after more than one year					
Fees in Advance Scheme	14	(982,319)		(1,175,612)	
Pension Scheme funding deficit	22	(1,190)		(68,127)	
			(983,509)		(1,243,739)
NET ASSETS	18		**44,506,236**		**43,374,636**
FUNDS					
Unrestricted – general reserve	19		26,689,167		25,045,005
Unrestricted – pension reserve	22		(15,195)		(94,876)
Restricted	19		437,852		736,710
Endowment	19		17,394,412		17,687,797
			44,506,236		**43,374,636**

These financial statements were approved and authorised for issue by the Trustee on 18 March 2023 and signed on its behalf by:

R I C Brown
Chair of Felsted School Trustee Limited

FELSTED SCHOOL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities	(i)				
Net cash provided by operating activities			2,138,981		2,056,138
Cash flows from investing activities:					
Payments for tangible fixed assets		(4,245,166)		(2,223,503)	
Proceeds on sale of tangible fixed assets		2,975		2,040	
Investment income and bank interest received		71,981		65,788	
Net cash (used in) investing activities			(4,170,210)		(2,155,675)
Cash flows from financing activities					
Increase in Philipps Fund loan		300,000			
Finance costs paid		18,025		(54,158)	
Net cash provided (used in) financing activities			318,025		(54,158)
Change in cash and cash equivalents in the reporting period			(1,713,204)		(153,695)
Cash and cash equivalents at the beginning of the period			7,275,225		7,428,920
Cash and cash equivalents at the end of the period	(ii)		5,562,021		7,275,225

The notes on pages 22 to 40 form part of these financial statements

FELSTED SCHOOL

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

(i) Reconciliation of net income to net cash flow from operating activities	**2022** **£**	**2021** **£**
Net income for the reporting period (as per the Statement of Financial Activities)	1,195,690	976,683
Adjustments for:		
- investment income	(71,981)	(65,788)
- finance costs	(18,025)	54,158
Depreciation charge	998,874	983,466
Defined benefit pension scheme adjustments	(79,681)	(25,836)
(Profit)/loss on sale of fixed assets	(1,602)	88
(Increase)/decrease in inventories	(61,214)	4,785
(Increase)/decrease in debtors	(287,606)	15,147
Increase in creditors (excluding fees in advance scheme and entrance deposits)	832,233	407,468
(Decrease) in fees in advance scheme creditors	(320,676)	(190,559)
(Decrease) in entrance deposits	(47,031)	(103,474)
	943,291	1,079,455
Net cash provided by operating activities	2,138,981	2,056,138

ii) Analysis of cash and cash equivalents	**2022** **£**	**2021** **£**
Cash at bank	5,562,021	7,275,225

1 STATEMENT OF ACCOUNTING POLICIES

Basis of Accounts Preparation
The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and 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 (FRS102) – effective 1 January 2015.

These accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments. The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice which has since been withdrawn).

At the time of approval of the Annual Report, there are currently significant cash balances should additional liquidity be required through this period of uncertainty to meet the liabilities as they fall due. The school has confirmed with its bankers that the existing overdraft facility continues for 12 months to June 2023 together with additional headroom if required. In addition, a £4m committed bank facility for 4 years was entered into on 11 November 2020. The Trustee has considered various scenarios including a reduction in pupil numbers. At the time of approving these financial statements the School has not been notified of any material reduction in prospective pupil numbers relative to those which the School has used for the purposes of financial modelling and forecasting. The School has considered various financial forecasts taking account of the then current cash reserves and bank facilities and the ability to rescale the School's activities. Accordingly, the Trustee believes the School's financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on the going concern basis.

The School is a Public Benefit Entity registered as a charity in England and Wales. It was registered as a charity on 10 April 1964 (charity number 310870).

Critical accounting judgments and key sources of estimation uncertainty
In the application of the accounting policies, The Trustee is required to make judgments, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. 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 an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustee, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying value in the next financial year.

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

1 STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Fees and similar income
Fees receivable and charges for services and use of premises are accounted for in the year in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School but include contributions received from Restricted Funds for Scholarships, Bursaries and other grants. Fees received in advance of education to be provided in future years under an Advance Fee Payments Scheme contract are held as interest-bearing liabilities until either taken to income in the term when used or else refunded.

Donations and legacies
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 the Trustee Board. Donation and legacy income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Grant Income
Government grants are recognised on the performance model, when the charity has complied with any conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme has been recognised in the period to which the underlying furloughed staff costs relate to.

Expenditure
Expenditure is accrued as soon as a liability is considered probable, discounted to the present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SOFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use of the underlying assets, as appropriate. The irrecoverable element of VAT is included within the item of expense to which it relates.

Governance costs comprise the cost of the external audit and reimbursement of Trustee expenses when attending meetings.

Pension schemes
Retirement benefits to employees of the School are provided through four pension schemes, two defined benefit and two defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

a) The Teachers' Pension Scheme – this scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, the School accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable. The Charity contributes to the Teachers' Pension Scheme; a multi-employer defined benefit pension scheme, at rates, varying between 7.4% and 11.7% for employees and 23.68% for employers, set by the Scheme Actuary and advised to the Board by the Scheme Administrator.
b) The Pension Trust Scheme – this scheme is a multi-employer pension scheme. It is not possible to identify each individual employee's share of the underlying assets and liabilities. In most respects it is a multi-employer scheme but it has some guarantees. As a result, it is not possible to identify the School's share of the underlying assets and liabilities of the scheme. However, the School remains potentially liable for a debt on withdrawal from the scheme. In accordance with FRS102 the scheme is accounted for as if it were a defined contribution scheme – see also note 22 (b). The School's contributions of 5% are charged in the period in which the salaries to which they relate are payable for senior non-teaching members of staff
c) The People's Pension Scheme – this is a money purchase pension scheme. The School's contributions are charged in the period in which the salaries to which they relate are payable for other non-teaching staff
d) Aviva Pension Trust for Independent Schools (APTIS) - this is a money purchase pension scheme. The School's contributions are charged in the period in which the salaries to which they relate are payable for teaching staff

School land and buildings, equipment and plant and machinery
Capitalisation and replacement
Freehold land and buildings were professionally valued by Mullucks Wells, chartered surveyors, in August 2014. The basis of the valuation was that residential freehold and educational buildings were valued on an open market

1 STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

School land and buildings, equipment and plant and machinery

Capitalisation and replacement

Freehold land and buildings were professionally valued by Mullucks Wells, chartered surveyors, in August 2014. The basis of the valuation was that residential freehold and educational buildings were valued on an open market valuation with vacant possession. The August 2014 valuation highlighted a material increase in the value of the freehold land and buildings and the assets are included at this value.

The School has elected, in accordance with Section 35.10(d) of FRS102, to use the carrying values on 1 September 2014, the date of transition to FRS102, of any of the above freehold land and buildings previously carried at valuation, as their deemed cost. All tangible fixed assets are held for use on charitable activities.

Depreciation

Depreciation is provided on other fixed assets to write off their cost, less estimated residual value based on current market prices, in equal instalments over estimated useful lives at the following rates:

Freehold buildings	-	2% to 10% straight line
Plant and equipment	-	10% straight line
Motor vehicles	-	25% straight line

Items costing over £2,500 are capitalised.

Investments

Investments are valued in the balance sheet at their mid-market value at the balance sheet date. Unrealised gains and losses arising on revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate fund according to the "ownership" of the underlying assets.

Inventories

Inventories are valued at the lower of cost and estimated selling price less costs to sell.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade, other debtors and accrued income but excludes prepayments. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions and fees received from parents in advance of Autumn term. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

Advance Fee Scheme payments

Amounts received under the School's Advance Fee Scheme contracts for education not yet utilised to settle School fees are recorded as deferred income and allocated as current liabilities where the education will be provided within 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

2 CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2022 £	2021 £
Fees receivable consist of:		
School fees	26,901,695	24,208,831
Less: total bursaries, scholarships and allowances	(3,172,233)	(3,063,847)
	23,729,462	21,144,984
Add back: Bursaries and other awards paid for by restricted funds	173,124	196,028
	23,902,586	**21,341,012**

Scholarships, bursaries and other awards were paid to 354 pupils (2021: 412). Within this means tested bursaries totalling £1,079,560 were paid to 63 pupils (2021: £1,166,589 to 146 pupils)

3 CHARITABLE ACTIVITIES - OTHER INCOME

	2022 £	2021 £
Ancillary trading income		
Extras	1,121,685	972,782
Entrance and registration fees	50,040	49,855
Transport	245,556	161,362
International Summer School and courses	996,122	8,642
School bookshop	28,676	28,662
	2,442,079	**1,221,303**

4 OTHER TRADING ACTIVITIES

	2022 £	2021 £
Trading income		
Lettings and sports clubs	105,338	8,081
Other School Shops	312,471	281,881
	417,809	**289,962**
Other activities		
Interest on overdue fees	6,867	-
Other income	63,467	42,656
	70,334	**42,656**

5 INVESTMENT INCOME

	Unrestricted £	Restricted £	Endowed £	Total 2022 £	Total 2021 £
Securities investment income:					
Equities	-	38,098	-	38,098	36,155
Property investment income:					
Rents receivable	33,883	-	-	33,883	29,633
	33,883	38,098	-	71,981	65,788

6 GRANTS AND DONATIONS RECEIVABLE

	Unrestricted £	Restricted £	Endowed £	Total 2022 £	Total 2021 £
Bursaries	-	34,675	-	34,675	91,030
Development donations	-	25,429	-	25,429	39,693
Legacies	20,288	-	-	20,288	-
Other	-	30,844	-	30,844	22,789
Coronavirus Job Retention Scheme	780	-	-	780	624,419
	21,068	90,948	-	112,016	777,931

7 ANALYSIS OF EXPENDITURE

a) Total expenditure

Year to 31 August 2022	Staff Costs (note 9) £	Depreciation (note 10) £	Other costs £	2022 £
Cost of raising funds:				
Trading costs	126,364	-	226,703	353,067
Costs of other activities	450,772	-	824,373	1,275,145
Financing costs (note 8)	-	-	(18,025)	(18,025)
Development costs	108,342	-	78,821	187,163
Total costs of raising funds	685,478	-	1,111,872	1,797,350
Charitable expenditure				
Education and grant making				
Teaching	9,590,232	-	1,723,525	11,313,757
Welfare	2,799,199	-	1,334,593	4,133,792
Premises repair and maintenance	889,387	998,874	2,641,477	4,529,738
Support costs and governance	2,795,572	-	1,088,805	3,884,377
Grants, awards and prizes (note 7b)	-	-	182,859	182,859
Total charitable expenditure	16,074,390	998,874	6,971,259	24,044,523
Total expenditure	16,759,868	998,874	8,083,131	25,841,873

7 ANALYSIS OF EXPENDITURE (CONTINUED)

Year to 31 August 2021	Staff Costs (note 9) £	Depreciation (note 10) £	Other costs £	2021 £
Cost of raising funds:				
Trading costs	218,489	-	179,890	398,379
Costs of other activities	376,196	-	119,580	495,776
Financing costs (note 8)	-	-	54,158	54,158
Development costs	23,994	-	33,018	57,012
Total costs of raising funds	618,679	-	386,646	1,005,325
Charitable expenditure				
Education and grant making				
Teaching	9,514,557	-	1,022,777	10,537,334
Welfare	2,528,900	-	971,250	3,500,150
Premises repair and maintenance	825,004	983,466	2,178,305	3,986,775
Support costs and governance	2,658,505	-	874,439	3,532,944
Grants, awards and prizes (note 7b)	-	-	202,937	202,937
Total charitable expenditure	15,526,966	983,466	5,249,708	21,760,140
Total expenditure	16,145,645	983,466	5,636,354	22,765,465

Depreciation and other costs relating to Felsted School endowed fund properties totalling £229,295 (2021: £234,750), have been charged directly to the endowment fund.

b) Grants, awards and prizes

	Total and Restricted Funds 2022 £	2021 £
From Restricted Funds		
Bursaries and other grants and awards	182,859	202,937

c) Governance included in support costs

	2022 £	2021 £
Remuneration paid to auditor for audit services (including irrecoverable VAT)	28,665	27,266
Reimbursement of personal expenses to Trustee Director – travel costs	91	-
	28,756	27,266

Travel expenses were reclaimed by one member (2021: none) of the Trustee Board. In addition to the above audit remuneration the auditor received fees for taxation compliance services totalling £3,374 (2021: £3,183)

8 FINANCE AND OTHER COSTS

	2022	2021
	£	£
Fees in advance debt financing cost	40,217	53,700
Pension Scheme financing cost	(58,242)	458
	(18,025)	54,158

9 STAFF COSTS

	2022	2021
	£	£
The aggregate payroll costs for the year were as follows:		
Wages and salaries	13,662,478	13,131,563
Social security costs	1,289,002	1,185,209
Pension contributions	1,808,388	1,828,873
	16,759,868	16,145,645

None of the Trustee Board received any remuneration or other benefits from Felsted School or from any connected body.

Aggregate employee benefits of key management personnel	663,213	646,033

Number of higher paid employees in bands of:

	2022	2021
	Number	Number
£60,001 - £70,000	21	17
£70,001 - £80,000	3	2
£80,001 - £90,000	-	1
£90,001 - £100,000	2	-
£100,001 - £110,000	-	-
£110,001 - £120,000	1	1
£120,001 - £130,000	1	1
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-

The number of higher paid employees with retirement benefits accruing		
-in Defined Contribution Schemes was	5	4
Of which the contributions amounted to	£31,775	£25,914
- Defined Benefit Schemes was	24	19

9 STAFF COSTS (CONTINUED)

The average number of employees during the year was:

	2022 Actual Number	2021 Actual Number	2022 Full time equivalent Number	2021 Full time equivalent Number
Teaching	163	159	142	142
Welfare	183	180	125	102
Premises	26	26	25	25
Support	163	145	106	90
Other activities	25	23	15	15
Total	560	533	413	374

During the year there were no redundancy and termination payments made (2021: £10,007 and £5,358 respectively). There were no amounts outstanding at the year end.

10 TANGIBLE FIXED ASSETS

	Assets Under Construction £	Freehold Land and Building £	Plant and Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2021	3,147,941	44,049,353	1,529,044	751,473	49,477,811
Additions	2,914,760	1,183,170	81,188	66,048	4,245,166
Disposals	-	-	(21,141)	(49,922)	(71,063)
Transfer on completion	(6,062,701)	6,062,701	-	-	-
At 31 August 2022	-	51,295,224	1,589,091	767,599	53,651,914
DEPRECIATION					
At 1 September 2021	-	5,593,950	840,680	637,790	7,072,420
Charge for the year	-	802,702	125,968	70,204	998,874
Disposals	-	-	(19,769)	(49,921)	(69,690)
At 31 August 2022	-	6,396,652	946,879	658,073	8,001,604
NET BOOK VALUE					
At 31 August 2022	**-**	**44,898,572**	**642,212**	**109,526**	**45,650,310**
At 31 August 2021	**3,147,941**	**38,455,403**	**688,364**	**113,683**	**42,405,391**

* The School has elected, in accordance with Section 35.10(d) of FRS102, to use the carrying values on 1 September 2014, the date of transition to FRS102, of any of the above freehold land and buildings previously carried at valuation, as their deemed cost. All tangible fixed assets are held for use on charitable activities.

11 SECURITIES INVESTMENTS

	2022	2021
	£	£
At 1 September 2021	1,394,472	1,185,585
Disposals	-	-
Realised gain	-	-
(Decrease)/Increase in value of investments	(64,090)	208,887
Investments at 31 August 2022	**1,330,383**	**1,394,472**
Investments comprise:		
Listed investments		
Fixed interest	38,049	-
Equities	972,909	1,089,919
Alternative assets	196,764	235,945
Cash	122,661	68,608
Investments at 31 August 2022	**1,330,383**	**1,394,472**

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits. The main Securities investments are managed for the School by CCLA. All investments are managed and held in the UK.

12 DEBTORS

	2022	2021
	£	£
Fees and extras	799,178	541,199
Trade	12,804	3,550
Other debtors	186,180	119,729
Other prepayments and accrued income	110,309	161,741
Tax recoverable	46,404	41,050
	1,154,875	**867,269**

All debtors are due within one year

13 CREDITORS: due within one year

	2022 £	2021 £
Deposits from parents	1,764,467	1,811,498
Fees received from parents in advance of term	2,480,053	2,684,493
Trade creditors	453,615	732,256
Taxation and social security	391,413	298,457
Fees in Advance Scheme	845,031	972,414
Accruals and deferred income	2,092,184	882,568
Philipps Fund loan	529,867	229,867
	8,556,630	**7,611,553**

There is a bank overdraft standing facility of £800,000, with an approved termly temporary increase to £1.8m, secured on the freehold property to provide working capital as the need arises. A secured revolving credit facility of £4m was approved on 11 November 2021 and is also in place for working capital purposes. This facility is in place for four years. The loan from the Philipps Fund is interest free and payable on demand.

Pupil Fees Deposits – the total amount held in relation to fee deposits of £1,764,467 is included above. In the normal course of business, the expected repayment of these amounts will be £383,985 (2021: £371,531) within one year and £1,380,482 (2021: £1,439,967) after more than one year. The Trustee has considered the contract terms under which Pupil fee deposits are held by the School. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the School, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 August 2022 have been included within current liabilities.

14 FEES IN ADVANCE SCHEME

Parents may enter into a contract to a minimum of three terms School fees in advance. The funds may be returned should the pupil leave the school for whatever reason. Assuming pupils will remain in the School, advance fees will be applied as follows:

	2022 £	2021 £
After 5 years	49,246	72,061
Within 2 to 5 years	444,604	636,427
Within 1 to 2 years	488,469	467,124
	982,319	1,175,612
Within 1 year	845,031	972,414
	1,827,350	**2,148,026**

Summary of movement in liability

	£
Balance at 1 September 2021	**2,148,026**
New Contracts	1,142,636
Repayments	(13,007)
Amounts used to pay fees	(1,490,522)
Amounts accrued to contract as debt financing cost	40,217
Balance at 31 August 2022	**1,827,350**

15 FINANCIAL INSTRUMENTS

	2022 £	2021 £
Financial assets measured at fair value (a)	1,330,383	1,394,472

(a) Financial assets held at fair value include assets held as investments

16 LEASES

The future minimum lease payments under non-cancellable operating leases for equipment which are all payable as follows:

	2022 £	2021 £
Within 1 year	76,888	78,736
Within 2 to 5 years	65,982	137,122
	142,870	215,858

Lease payments in year recognised as expenditure amounted to £80,330 (2021: £182,477)

17 FUNDS OF THE SCHOOL

The School's funds are analysed under the following headings

(a) Endowed funds

Endowment funds consist of investments and freehold land and buildings held by the School under permanent endowment, and special funds on which the capital must be retained and the income applied to specific purposes of the School.

(b) Restricted funds

- Annual Fund - this raises funds for small projects and extra-curricular activities that will be realised within a 12 month period.
- Bury Fund – the fund is provided to promote artistic and cultural endeavour by Felstedians and to provide support for art and travel costs.
- Bursary Funds – there are a number of bursary funds some of which are allocated to provide 100% bursary support for individual pupils as nominated by the benefactor.
- Deacons' refurbishment – an appeal was undertaken to raise funds to refurbish Deacons Boarding House.
- Prize Funds – donations were received to nominate a pupil each year for a Prize. An amount is released each year to cover the cost of the prize awarded on Speech Day.
- Marshall Centre – donations were received which were used to defray certain costs associated with the new Marshall Centre.
- Windsors – Malone legacy – a legacy was received to be used in the Sixth Form boys house Windsors

(c) Unrestricted funds

Unrestricted funds represent accumulated income from the School's activities and other sources that are available for the general purposes of the School.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	Endowment £	Total 31 August 2022 £
Tangible fixed assets	29,400,413	185,868	16,064,029	45,650,310
Securities investments	-	-	1,330,383	1,330,383
Net current assets	(1,742,932)	251,984	-	(1,490,948)
Long term liabilities	(983,509)	-	-	(983,509)
	26,673,972	**437,852**	**17,394,412**	**44,506,236**

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 31 AUGUST 2021

	Unrestricted £	Restricted £	Endowment £	Total 31 August 2021 £
Tangible fixed assets	25,898,866	213,200	16,293,325	42,405,391
Securities investments	-	-	1,394,472	1,394,472
Net current assets	295,002	523,510	-	818,512
Long term liabilities	(1,243,739)	-	-	(1,243,739)
	24,950,129	**736,710**	**17,687,797**	**43,374,636**

19 SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	31 August 2021	Income	Expenditure	Revaluation/ Transfers	31 August 2022
	£	£	£	£	£
Unrestricted funds					
General reserve	25,045,005	26,908,517	(25,509,401)	245,046	26,689,167
Pension reserve	(94,876)		79,681	-	(15,195)
	24,950,129	26,908,517	(25,429,720)	245,046	26,673,972
Restricted funds					
Annual Fund	112,464	25,429	(9,733)	-	128,160
Bury Fund	2,799	-	-	-	2,799
Bursary Funds	380,037	72,773	(173,125)	-	279,685
Deacons' refurbishment	4,666	-	-	-	4,666
Prize Funds	4,386	6,250	-	(95)	10,541
Marshall Centre	220,431	4,520	-	(224,951)	-
Windsors – Malone legacy	8,177	-	-	-	8,177
Tennis Pavilion	-	20,000	-	(20,000)	-
Other	3,750	74			3,824
	736,710	129,046	(182,858)	(245,046)	437,852
Endowed – permanent					
Endowed reserve	17,687,797	-	(229,295)	(64,090)	17,394,412
Total funds	43,374,636	27,037,563	(25,841,873)	(64,090)	44,506,236

The Marshall Centre and Tennis Pavilion were completed during the period.

19 SUMMARY OF MOVEMENTS ON MAJOR FUNDS AS AT 31 AUGUST 2021

	31 August 2020	Income	Expenditure	Revaluation	31 August 2021
	£	£	£	£	£
Unrestricted funds					
General reserve	23,815,659	23,588,320	(22,358,974)	-	25,045,005
Pension reserve	(120,712)		25,836	-	(94,876)
	23,694,947	23,588,320	(22,333,138)		24,950,129
Restricted funds					
Annual Fund	77,560	39,693	(4,789)	-	112,464
Bury Fund	2,799	-	-	-	2,799
Bursary Funds	473,880	102,185	(196,028)	-	380,037
Deacons' refurbishment	4,666	-	-	-	4,666
Prize Funds	4,481	-	(95)	-	4,386
Marshall Centre	210,601	9,830	-	-	220,431
Malone Legacy	8,177	-	-	-	8,177
Other	3,750	2,120	(2,120)	-	3,750
	785,914	153,828	(203,032)	-	736,710
Endowed – permanent					
Endowed reserve	17,708,205	-	(229,295)	208,887	17,687,797
Total funds	42,189,066	23,742,148	(22,765,465)	208,887	43,374,636

20 CAPITAL COMMITMENTS

Commitments for future capital expenditure not provided for in these accounts were as follows:

	2022 £	2021 £
Authorised and contracted	**-**	**3,083,351**

21 PENSION COMMITMENTS

The School makes annual payments to former employees, and during the year these amounted to £2,638 (2021: £6,689). These payments are subject to an annual review.

22 PENSION SCHEMES

a) Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,456,182 (2021 £1,606,943) and at the year-end £130,488 (2021: £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' 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. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

22 PENSION SCHEMES (CONTINUED)

b) The Pensions Trust Retirement Solutions - The Growth Plan

The School participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company 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 as follows:

- Deficit contributions - from 1 April 2022 to 31 January 2025 £3,312,000 per annum payable monthly increasing by 3% each year on 1st April. Unless a concession has been agreed with the Trustees the term to 31 January 2025 applies. From 1 April 2022 the School's deficit contributions were £14,004 per annum.

The scheme's previous valuation was carried out with an effective date of 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 as follows:

- Deficit contributions - from 1 April 2019 to 30 September 2025 £11,243,000 per annum payable monthly increasing by 3% each year on 1st April.

The recovery plan contributions are allocated to each participating employer in line with their estimate 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.

Present values of provision

Reconciliation of opening and closing provisions

	2022	2021
	£	£
Provision at start of period	94,876	120,712
Unwinding of the discount factor (interest expense)	540	586
Deficit contribution paid	(21,439)	(26,294)
Remeasurements – impact of any changes in assumptions	(58,782)	(128)
Balance at 31 August 2022	**15,195**	**94,876**

22 PENSION SCHEMES (CONTINUED)

b) The Pensions Trust Retirement Solutions - The Growth Plan (continued)

	2022 £	2021 £
Within 2 to 5 years	-	41,378
Within 1 to 2 years	1,190	26,749
	1,190	68,127
Within 1 year	14,005	26,749
	15,195	**94,876**

Income and expenditure impact

	2022 £	2021 £
Interest expense	540	586
Remeasurements – impact of any changes in assumptions	(58,782)	(128)
Remeasurements – amendments to the contribution schedule	-	-
Costs recognised in Statement of Financial Activities	21,439	26,294

Assumptions

	At 31 August 2022 % per annum	At 31 August 2021 % per annum	At 31 August 2020 % per annum	At 31 August 2019 % per annum
Rate of discount	4.46	0.63	0.55	0.97

The discount rates shown above are the equivalent single discount rates 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.

The School has been notified by The Pensions Trust Retirement Solutions of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2021. As of this date the estimated employer debt on withdrawal for the School was £177,116 (2021: £289,538.)

c) Aviva Pension Trust for Independent Schools

From 1 May 2022, the School also participated in the Aviva Trust for Independent School (“APTIS”) for its teaching staff. The pension charge for the year includes contributions payable to APTIS of £162,059 (2021: Nil) and at the year-end £38,805 (2021: £nil) was accrued in respect of contributions to this scheme. It is a money purchase pension scheme.

23 RELATED PARTY TRANSACTIONS

Certain Directors of the Trustee Company had interests in transactions involving the School:

Mr Beale and Mr Wolfe are parents of pupils in the School. These families are paying School fees in accordance with the School's standard terms and conditions. During the year 3 (2021: 4) members of staff were employed on standard terms and conditions by the School who were related to Directors of the Trustee Company and these staff received remuneration of £39,845 (2021: £86,625).

During the year donations of £2,171 (2021: £9153) were received from Directors of the Trustee Company.

During the year 3 (2021: 3) members of staff were employed on standard terms and conditions by the School who were related to key management personnel and these staff received remuneration of £71,038 (2021: £69,223).

24 CONNECTED CHARITIES AND COMPANIES

Felsted School is supported by The Philipps Fund, which raises funds for the benefit of the School. A further loan of £300,00 was advanced during the year towards the construction of the Marshall Centre. At 31 August 2022 £529,867 (2021: £229,867) was owed to the Philipps Fund. This is repayable on demand.

A trading company, Felsted School Enterprises Ltd, was incorporated on 21 August 2006 and remained dormant throughout the year. It changed its name on 16 August 2022 to Felsted Global Education Limited.

25 STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED AUGUST 2021– COMPARATIVE FIGURES BY FUND TYPE

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Year to 31 August 2021 £
Income and endowments from:					
Charitable activities					
School fees receivable	2	21,341,012	-	-	21,341,012
Ancillary trading income	3	1,221,303	-	-	1,221,303
Other trading activities					
Non-ancillary trading income	4	289,962	-	-	289,962
Other activities	4	42,656	-	-	42,656
Investments				-	
Investment income	5	29,633	36,155	-	65,788
Bank and other interest		3,496	-	-	3,496
Voluntary sources					
Grants and donations	6	660,258	117,673	-	777,931
Total income		23,588,320	153,828	-	23,742,148
Expenditure on:					
Raising funds					
Non-ancillary trading		398,379	-	-	398,379
Other income-generating activities		495,776	-	-	495,776
Financing costs	8	54,158	-	-	54,158
Fundraising & Development		57,012	-	-	57,012
Total deductible costs	7	1,005,325	-	-	1,005,325
Charitable activities					
Education and grant making	7	21,327,813	203,032	229,295	21,760,140
Total expenditure		22,333,138	203,032	229,295	22,765,465
Net (outgoing)/incoming funds from operations before transfers and investment gains		1,255,182	(49,204)	(229,295)	976,683
Gains on investments	11	-	-	208,887	208,887
Transfers between funds	19	-	-	-	-
Net (expenditure)/income and movement in funds for the year		1,255,182	(49,204)	(20,408)	1,185,570
Fund balances at 1 September 2020 25		**23,694,947**	**785,914**	**17,708,205**	**42,189,066**
FUND BALANCES at 31 AUGUST 2021		**24,950,129**	**736,710**	**17,687,797**	**43,374,636**

FELSTED SCHOOL

England & Wales - Charity number 310870

Accounts

FELSTED SCHOOL

ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

TOGETHER WITH TRUSTEE'S AND AUDITOR'S REPORTS

Registered Charity Number: 310870

FELSTED SCHOOL

TRUSTEE DIRECTORS, OFFICERS AND ADVISERS

FOR THE YEAR ENDED 31 AUGUST 2021

TRUSTEE DIRECTORS

Felsted School Trustee Limited The Directors of the Trustee Company who served during the year or were subsequently appointed are listed below:		(h)	(e)	(n)	(g)
J Abel Smith, DL				●	
M Beale *		●		●	
G P Boult			●		
R I C Brown – Chair		●	●	●	●
C A Carrington			●		●
J Crouch					●
J H Davies, OBE				●	
B C W Grindlay (resigned 2 July 2021)					
Dr J C Nicholson *					●
A L M Oxnam		●			
L Poston (appointed 1 September 2021)					
A Sefton (appointed 1 September 2021)			●		
O H J Stocken CBE					
Rev N J Stuchfield		●			
W Sunnucks					
J B St J Tibbitts		●		●	●
PE Wardell			●		●
S Wolfe *		●			
(h) Member of the House and Finance Committee (e) Member of the Education Committee (n) Member of the Nominations Committee (g) Member of the Governance Committee * Parent of current pupil					

OFFICERS

HEADMASTER C J Townsend, BA

HEAD OF PREPARATORY SCHOOL S C James, BA

BURSAR AND CLERK TO TRUSTEE BOARD A G Clayton BA, MBA

Address and Registered Office
Felsted School
Felsted
Essex CM6 3LL

Website www.felsted.org

ADVISERS

BANKERS
Barclays Bank Plc
PO Box 885
Mortlock House, Histon
Cambridge CB24 9DE

AUDITORS
Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

SOLICITORS
Stone King LLP
16 St John's Lane
London EC1M 4BS

FELSTED SCHOOL

ANNUAL REPORT OF FELSTED SCHOOL TRUSTEE

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustee of Felsted School presents its annual report together with the audited accounts for the year ended 31 August 2021 and confirms that they comply with the requirements of the Charities Act 2011, the trust deed and the Charities SORP (FRS 102) applicable to Charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

1. REFERENCE AND ADMINISTRATION INFORMATION

The Charity was founded in 1564 and is registered with the Charity Commission under charity number 310870. The Directors of Felsted School Trustee Ltd, Felsted School's single Trustee, and the Executive officers and principal addresses of the Charity are as listed on the previous page as are particulars of the Charity's professional advisers.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by its Scheme dating from 1938 and last amended in October 2018.

Governing Body

The structure of the Charity consists of a Board of Directors of the Trustee Company that oversees the management of the Charity, a school, which has two principal elements, a Senior School for pupils aged 13-18 and a Preparatory School for pupils aged 4-13.

Recruitment and Training of Trustee Directors

The Trustee Company Directors are voted onto the Board by the current Board members. The Nominations Committee comprises six current Directors. The Nominations Committee when selecting possible new Directors considers specifications concerning eligibility, personal competence, specialist skills and local availability.

New Directors are inducted into the Trustee Company and the Schools (including Board policy and procedures) by current Directors and the School Executive.

Organisational Management

The Trustee Company Directors are legally responsible for the overall management and control of the School and meet at least three times a year and more frequently during the recent Covid-19 pandemic.

The members of the House & Finance (H&F) Committee meet about a month before each meeting of the full Board and on extra occasions as required. This Committee specifically looks at the budget and accounts for the current year, short and medium term forecasts and at infrastructure investment plans and makes recommendations for approval by the Board.

The other committees are the Education Committee, the Governance Committee and the Nominations Committee. The Education and Governance Committees meet each term before the main Board meeting and the Nominations Committee meets once a year to discuss standing items and at other times as required. The Heads and the Bursar attend meetings of the above Committees.

The day to day running of the Schools is delegated to the Headmaster, with the Head of the Preparatory School and the Bursar as the Key Management Personnel. They are supported by their Senior Leadership Teams. Delivery of the School's charitable vision and purpose is primarily dependent on the Key Management Personnel.

Organisational Management

The remuneration of the Heads and Bursar is set by the Board, with the policy objective of rewarding them fairly and responsibly for their individual contributions to the School's success. The Board delegates the annual review of remuneration of key personnel to the Nominations Committee, which refers to benchmarking information for other similar schools (including that currently compiled by AGBIS), the individual's performance in the previous year, and cost of living awards to other staff. The remuneration package when a new key member of staff is appointed is similarly benchmarked, and appointments are made following a competitive process, taking appropriate external professional advice. The aim is to recruit, subject to experience, below or at the medium point within a band (for teaching staff), providing scope for rewarding excellence.

Structure and Relationships

A subsidiary company, Felsted School Enterprises Ltd changed its name to Felsted Global Education Limited on 16 August 2021. The company was incorporated on 21 August 2006 and has remained dormant throughout the year.

Risk Management

The Trustee Company is responsible for the management of the risks faced by the School. Detailed considerations of risk have been delegated to the Committees, assisted by the Executive. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis, as part of that review other committees of the Board review risks appropriate to their areas of oversight.

Through the annual review of the risk register, the Trustee considers the key risks facing the School and agrees appropriate mitigation. The principal risks the School faces are considered to be:

- Fee affordability, particularly as the School has had to absorb increases in expenditure that are outside its control, such as auto enrolment, pension costs and the apprenticeship levy and now faces increased National Insurance costs from April 2022. This concern is given a high priority when fee increases are considered, particularly in the current uncertain economic environment and the current political threats to the Independent School sector including the potential loss of business rates relief.
- Inability to recruit staff of the right calibre. The School aims to recruit, retain and develop excellent staff, and this quality would be at risk if less than optimum staff remuneration and conditions were to depress morale. The School also employs specialist staff and has clear policies and procedures to ensure high levels of staff welfare and safety.
- Inadequate investment in facilities. The aims and ethos of the School require continuing investment in facilities including ICT for teaching and learning, pastoral care and boarding, sports, drama and other activities. Failure to generate adequate annual surplus for reinvestment would compromise this.
- Failure to comply with relevant regulations. The School is subject to regulation by a number of bodies, particularly in relation to safeguarding, child protection and health and safety. The School appoints and trains staff appropriately, and takes the necessary specialist advice to ensure compliance.
- An epidemic has long been on the School's risk register with home working for staff and students being part of the mitigation plans. The advent of Covid-19 (see 6 below) has resulted in those mitigation plans being implemented over the Spring of 2020 and again in January 2021. Covid-19 is proving to be a very major crystallised risk for the School on several levels, both operationally and financially.

The key controls used by the charity include:

- formal agendas for all Committee and Board activity;
- detailed terms of reference for all Committees; these were last reviewed in detail in November 2021;
- comprehensive strategic planning, budgeting and management accounting;
- established organisational structure and lines of reporting;
- formal written policies;
- safeguarding procedures as required by law and best practice for the protection of the vulnerable;
- a detailed Risk Register reviewed annually by the relevant sub-Committees with key risks reported to and discussed by the Board; and
- adherence to developing Governmental and Sector regulation and guidance with particular reference during 2021 to Covid-19.

Risk Management - continued

Through the risk management processes established for the School, the Trustee is satisfied that the major risks identified have been appropriately mitigated where necessary. It is recognised that systems can only provide reasonable and not absolute assurance that major risks have been managed. The Compliance Manager continues to support the Trustee Board and the Leadership Team in the management of risk, policy review and best practice, with a particular emphasis on safeguarding and regulatory compliance. The Trustee Board regularly reviews the effectiveness of current plans and strategies for managing all identified risks for the School.

Charity Code of Governance

The Trustee remains aware of the Charity Governance Code published in 2017 (updated in) which sets out the principles and recommended practice for good governance within the sector. The Trustee is satisfied that the Charity applies the principles of the code within its current Governance arrangements which includes the use of a Governor Compliance Checklist recommended by the Association of Governing Bodies of Independent Schools (AGBIS).

3. OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Charity's Objects, as set out in its Scheme, are

The advancement of education specifically but not exclusively by:

(1) the provision and maintenance of a secondary school ('the School') for boys and girls;
(2) the provision and maintenance, if the Trustee thinks fit, of a nursery, pre-school, pre-preparatory and preparatory departments within the School; and
(3) the conduct in connection with the School of such ancillary or incidental educational activities and other associated activities for the benefit of the community as the Trustee thinks fit.

Aims of the School

Felsted seeks to be the school of choice and aspiration for all. "Developing character and making a difference".

1. Felsted seeks to educate all Felstedians to develop them as individual characters, through provision of outstanding all round education.
2. Felsted seeks to develop and stretch students academically, to be life-long learners, well-rounded, aspirational, globally minded, with the skills to flourish beyond school, applying the principles of a growth mind set, to be the best that they can be.
3. Felsted seeks to provide outstanding pastoral care, a safe and supportive environment, co-curricular opportunities, lessons in leadership, service, challenge, personal growth, and emotional/intellectual development.
4. Felsted seeks to develop a strong sense of community, based on development of personal faith, tolerance and respect. This community will include all students, as well as parents, staff, Trustee Directors, Old Felstedians and the wider Felsted community.
5. Felsted seeks to make a difference, through developing truly effective global citizens, under the IDEALS of the Round Square, fulfilling our charitable purpose, including making a Felsted education available to families, through bursary, scholarship and outreach.
6. Felsted seeks to provide a strong foundation for the future of the school.

Public Benefit Aims and Intended Impact

Within its Objects, Felsted School's public benefit aim is to provide a first class independent education for children aged from 4 to 18, both through strong academic tuition and through developing wider sporting, artistic and social skills in all its pupils. This is intended to provide an environment where each pupil can develop and fulfil his or her potential, thus helping to build self-confidence and inculcate a desire to contribute to the wider community. All of this is integral to the School's delivery of a holistic education.

The Trustee has given due consideration to the Charity Commission's guidance on public benefit and undertaken appropriate activities in furtherance of the School's aims for the public benefit. The year's objectives, activities and achievements are set out below.

Felsted School Public Benefit Review

Felsted School has always been mindful of its role in public service and both the School and individual staff and pupils have a long history of supporting charitable and educational causes with both financial help and practical assistance. The Trustee Board is committed to widening access for potential pupils to include those who cannot afford the School's fees and consider it important that those in poverty should not be excluded from the opportunity to receive the educational support that the School can provide. The School also provides opportunities for the local and wider community to use the educational and ancillary facilities the School has to offer. The School is engaged in sharing the educational expertise of staff with others outside the School and developing the involvement of pupils in charitable activities for the wider benefit of the public.

In order to monitor and support the development of the School's practice in these areas a review is carried out each year.

The Curriculum

The School has high academic standards and educates pupils to excellent levels of achievement.

- As public exams were cancelled for June 2021, Schools were asked to submit 'Centre Assessed Grades' for each pupil and to provide a rank order for each grade within a subject. As a result, in 2021 99% of our GCSE results were between 9 and 4 and over 93% of A-level grades were between A* and C. The average IB points score in 2021 was just over 37.
- The education of pupils encompasses all aspects of their personal development and promotes their contribution to society in adult life.
- The school's educational ethos is focused on providing a holistic education and values the importance of Art, Music, DT, Drama and Sport. Therefore, the school invests in staff and facilities to ensure that their provision (both in terms of tuition and resources) enables pupils to excel in these areas.

The School trains and inducts teachers each year to the long term educational benefit of the wider community. In 2020/21 the School supported 1 teacher through their PGCE and 3 teachers throughout their NQT induction.

Means-Tested Assistance

The Trustee Board considers that bursaries are important in ensuring that children from families who would otherwise not be able to afford the fees can access the education offered. Bursary awards are available to children who meet the general entry requirements and are made on the basis of parental means or to relieve hardship where an existing pupil's education and future prospects would be at risk, for example in the case of bereavement or redundancy. In assessing means the School takes a number of factors into consideration including family income, investments and savings and family circumstances. However, the School does not have a large cash endowment and in funding bursaries the School has to be mindful of ensuring a balance between fee-paying parents, many of whom make considerable personal sacrifices to fully fund their children's education, and those benefiting from the awards. A number of bursaries are also supported by donations received for that purpose. Bursaries are available for up to 100% of fees and can also provide assistance with extra costs for those whose financial need is greatest. They are advertised in the press and on social media and further details of the bursary policy and how to apply are provided on the School website. Bursaries are subject to annual review so that the School can ensure that support is only provided to those who require it.

Means-Tested Assistance - continued

In total, the School provides fee assistance to over 370 pupils (approximately 35% of the total) at a cost of 3,064k per annum; 13% of our gross fee income. In 2020/21 the School provided means tested bursary assistance to 146 pupils to the value of £1,166k; 5% of gross fee income. Eleven pupils received bursaries of 100% or thereabouts. The school's policy, in line with that of other Independent Schools, is to award scholarships on the basis of the individual's educational potential, subject to any particular conditions imposed by the original donor where the award is out of restricted funds. Further awards in bursaries and allowances were made from unrestricted funds.

Links with Other Schools

The School aims to widen access through a variety of initiatives and activities. Partnerships are being grown and developed with local primary schools and with the Royal Docks Community School in Newham, London E16, a mixed comprehensive school for ages 11 to 16.

A number of local children benefit from being able to take part in both term time and holiday time educational activities although these have been affected by Covid-19 restrictions in the last 12 months. These normally include:

- The Felsted Model United Nations and Prep School's Model United Nations conferences were hosted for local and international schools;
- Gifted and Talented Days for local children in Art, Sport, Science and Modern Languages
- A Science day for pupils from junior schools
- Hosting various sporting events and tournaments for state and independent schools

Partnerships

In addition to the links with other Schools, Felsted is committed to building links with partners who can improve the education of children and offer an extended pathway. Current partnerships include

- Junior Guildhall School of Music
- Essex Cricket Club
- Saracens FC Rugby
- Blue Hornets Hockey
- Benecos Mavericks Super League Netball Club
- Lord's Taverners

Further details of the individual partnerships can be found on the Independent Schools Council website https://www.schoolstogether.org/case-studies/?schoolId=36819

Charitable Giving and Fund-raising

The School Charity Team develops a programme of events and ideas to encourage Felstedians to grow as global citizens. The Charity Team seeks to raise awareness, encourage volunteerism and organise fundraising events that will make a difference both for those we support and for the school.

The School is committed to building partnerships with our six core charities:

Charitable Giving and Fund-raising – continued

1. Sparkle Foundation
Founded by Old Felstedian Sarah Brook, the foundation provides education, nutritional support and medical treatment to over 150 vulnerable orphans in Malawi. Felsted pupils have raised a large sum for this fantastic charity over the past few years through numerous events across the School, including an annual Rugby 7's event which involves former pupils and parents. This has allowed the charity to invest in a fresh water borehole and pump, cleaning facilities, classrooms plus a vital vehicle for supplies and emergency treatment. A number of teachers, parents, pupils and the Headmaster have visited the orphanage in Malawi to give support and assistance.

2. Magic Bus
Founded by Old Felstedian Matthew Spacie, this charity aims to improve awareness, life skills and opportunities for vulnerable children in Mumbai. Pupils and staff regularly travel to Mumbai to work with this charity, taking a range of items including mobile phones, sports equipment and clothing.

3. Teach Uganda
Dedicated to supporting communities in Uganda, this organisation helps to bring about permanent, sustainable development through education, health promotion, infrastructure and job creation. Felsted made their first pupil trip to support this charity in 2016 and returned there again in 2018. Felsted has made a big impact to this charity and currently funds several underprivileged local children to study Science A-Levels at a secondary school in Uganda.

4. Felsted Mission
For over a hundred years, the links between The Ascension Church and the Felsted School Mission in the East End of London have continued to grow and develop. The Ascension Church works with the local community through a Garden Café and youth activities, promoting fitness and social interaction. This now extends to the Royal Docks School, where one 100% bursary is offered to a pupil each year to attend Felsted School. Funded mainly by Old Felstedians, the Felsted School Mission contributes some £40,000 per annum to the Ascension Church.

5. CHESS Homeless
Felsted pupils decided that they wanted to make a difference locally as they became increasingly concerned for those 'rough sleeping' in Chelmsford. CHESS Homeless provides an advice centre, food-bank and night-shelter for those in need in Chelmsford. CHESS has a proven track record of finding long term solutions for those who seek their help. Pupils volunteer at the night-shelter and raise funds to support this vital work. During the summer national lockdown of 2021 Felsted pupils helped to raise over £5,000 that was used to refurbish a new night-shelter.

6. Young Minds
This national charity seeks to raise awareness of the mental health issues experienced by young people in the U.K. Young Minds develop initiatives that seek to support young people who otherwise might feel stigmatised for asking for help. In the UK today, an estimated five children in every classroom have a mental health problem. A quarter of 17-year-old girls have self-harmed in the last year, while suicide remains the single biggest killer of boys and young men.

Use of Facilities

Felsted prides itself in supporting the village and local community, providing opportunities for educational events and school facilities to be used whenever possible. Felsted School allows the use of its facilities for a range of activities which are open to non-School members. This includes classrooms, function rooms, the Hunt Theatre, sporting facilities, the indoor pool and the Felsted Gym. Felsted also hosts many concerts and drama performances throughout the year, all of which are open to the public and most of which are free entry. The Felsted School Steel Band performs regularly and on request (time permitting) outside school at venues such as Essex Cricket. Pupils also exhibit their art at a local gallery each year, which is open to the public.

Charitable Giving and Fund-raising – continued

The following Arts organisations use Felsted facilities:

- The Felsted Choral Society
- Associated Board of the Royal Schools of Music (ABRSM - for music exams)
- The Junior Guildhall
- Essex Music Services
- The National Youth String Orchestra
- Essex Chamber Orchestra
- Pro Corda
- Felsted Friendship Club

However, during 2020/21 lettings to external parties were severely restricted due to the Covid-19 pandemic.

Services to the Community

The School has a very positive relationship with the local village residents and business community. Richard Lord Riche (the School's founder) left funding which supports a number of Almshouses for those in need in the village. Managed by Felsted as part of his legacy, Almshouse residents are nurtured by the School through a number of supportive activities.

Due to Covid-19 restrictions, the levels of volunteer work and community service normally undertaken have been limited but this will recommence as soon as possible.

Every year at the Prep School, charity fundraising projects raise approximately £10,000 for various charities. Activities normally include sponsored walks, fetes, food parcels, clothes and shoe donations, cakes sales and chapel collections. The level of activities undertaken in 2020/21 was impacted by the Covid-19 pandemic.

Economic Impact

In 2018 Oxford Economics was commissioned by the Independent Schools Council, on behalf of their 1,205 schools in Britain, to assess the economic contribution made by those schools annually. Based on the tool developed as part of their review, Felsted School has contributed the following in 2018/19

- Total savings generated for the UK taxpayer, as a result of attendance at Felsted by pupils who could otherwise take up a free UK state school place is £6.7m per annum.
- Felsted employed 608 people during 2018/19.
- Total amount of UK tax supported by Felsted School's activities is £11.7m per annum (£5.6m of 'direct tax contribution', £1.1m of 'indirect tax contribution' and £5.1m of 'induced tax contribution)'.

Total contribution to UK GDP of £34.9m per annum (£16.8m of 'direct GDP', £4.6m of 'indirect GDP' and £13.5m of 'induced GDP').

Primary Objectives

The objectives are set to reflect the educational aims and the ethos of the School, and to maintain and enhance the academic success of the School. This objective is, however, set in the context of the broader goals set for the School and its pupils.

In setting the objectives and planning the activities the Trustee Board has given careful consideration to the Charity Commission's guidance on public benefit.

This year, the focus has been on the continued achievement of academic performance and academic value added, and development of the co-curricular programme. The key objectives for the year included:

- To develop further mechanisms for the improvement of academic performance
- To progress the site development plan, principally enhanced provision for academic activities
- To develop measures of added value in all areas of school life for our youngest pupils
- To embed the Felsted Diploma in the provision for Senior and Prep School pupils in order to facilitate and encourage the personal development of all pupils
- To enhance the programme of staff training and development
- To maintain, and grow where possible, pupil numbers in both the Prep and Senior Schools
- To continue to build on the School's extra- curricular strength and internationalism through membership of organisations such as the Round Square
- To develop and implement the School's policy on the provision of means-tested bursaries
- To continue to develop the school's rich and diverse links with and educational delivery to the local community
- To develop partnerships to deliver improved outcomes for all involved
- To continue to integrate the work of Senior and Preparatory Schools to share best practice and provide a more integrated pupil experience
- To implement and continually improve the School's response to the current pandemic to include the delivery of as wide-ranging remote learning programme as possible
- To identify opportunities in line with the School's ethos that deliver additional income streams

Strategies to achieve the year's objectives

These included continuing to review the School's academic syllabus in order to benchmark academic standards against external public examinations and independent value-added criteria, with academic achievements being balanced by a strong emphasis on sporting and social skills. The School continued to develop the expertise of teaching staff and ensuring succession planning and staff development and furthering the School's links with local junior schools and facilitating wider community access to the School's facilities.

Principal activities of the year

The charity principally provides education to boys and girls from the ages of 4 - 18 in its two schools, the Preparatory School and the Senior School, and also hosts summer schools for overseas students. In 2021 the Senior School maintained pupil numbers at 576 (2020: 556) of whom 418 (2020: 407) were boarders. The Preparatory School averaged 499 (2020: 507) pupils of whom 9 (2020: 15) were full boarders. Waiting lists in some years are encouraging. Pupil numbers in September 2021 were 570 in the Senior School and 492 in the Prep School. This is a result of the continued resolve to build the academic, co-curricular and sporting standards for which the school is recognised.

4. REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Despite the ongoing Covid pandemic, 2020/21 was another successful year for the School with continued progress towards the aims of the development plan coupled with some excellent student achievements after the implementation of remote learning for the 2021 Summer Term.

Academically, good progress was made in both schools. Felsted students enjoyed significant success at 'A' level, GCSE and IB.

Sport and the co-curriculum were affected by the Covid pandemic with no fixtures or trips taking place until the Summer Term. However, during this term national representation was achieved in cricket and tennis.

Pupils participated in a large number of events to promote internationalism including our own Model United Nations and Round Square events and exchanges.

Fundraising performance

The School continues its ongoing work of raising voluntary funding. Donations totalled £153,512 (2020: £247,424), including Restricted Funds £117,673 (2020: £188,130). Grants received under the Coronavirus Job Retention Scheme totalled £624,419 (2020: £1,575,745). Restricted funds will allow the School to increase its provision for means-tested bursaries to allow social mobility for children from disadvantaged backgrounds.

All fundraising activities for the School are carried out by School staff. The School has not used professional fundraisers or have any commercial participants during this financial period. All fundraising activities are managed by the Development Office and are monitored by the Headmaster and Bursar, with oversight by the Development Committee (responsible for determining and leading Felsted' s philanthropic and fundraising agenda).

No complaints relating to fundraising activities have been received by the School during this financial period. However, the School has in place procedures that would be followed in the event of a complaint being received with the initial response being the responsibility of the Bursar. Any continuing issues would then be passed to the Trustee Board to determine what further action might be required.

The School is enrolled with the Fundraising Preference Service and is registered with the Fundraising Regulator and is complying with the Code of Fundraising Practice published by the Fundraising Regulator. The School also subscribes to membership of the Institute of Development Professionals in Education (IDPE). The School considers that its processes and controls should ensure that vulnerable people and other members of the public are protected from any unreasonable intrusion on a person's privacy and that no fundraising activities would be unreasonably persistent or place undue pressure on a person to give money or other property.

5. FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The school incurred a surplus in the year of £976,683 (2020: deficit £763,445) which was due to the reduce level of activities undertaken throughout the year due to the Covid restrictions. Net school fee income for the year to 31 August 2021 increased by 10.2% (2020: decrease 10.3%) on the previous year as the period of school closure was shorter and the discount offered during this period was at a lower level due to the improved remote education offering. Net income was £1,185,570 (2020 expenditure: £737,769). Total reserves at 31 August 2021 were £43,374,636 (2020: £42,189,066).

Reserves policy

During the year the school's funds increased by £1,185,570 to £43,374,636 of which £18,424,507 were restricted or endowed funds. Restricted funds decreased by £49,204 to £736,710 as shown in note 19. In common with most independent schools, the school's unrestricted reserves are primarily invested in tangible fixed assets, which are all used for direct charitable activities. The nature of the School's operations is that there is a high degree of operational gearing and that the margin of net income to total income is not a high percentage. Financial viability therefore does not depend upon a high level of income reserves but upon the ability over the medium term to deliver positive cash flow to reinvest in maintaining and improving the School's assets and educational delivery.

In the short term the Covid-19 pandemic (see 6 below) is causing, and will continue to cause, significant reductions in income and uncertainty as to future pupil numbers. At the time of approving these financial statements the School has not been notified of any material reduction in prospective pupil numbers relative to those which the School has used for the purposes of financial modelling and forecasting. Based upon those forecasts, taking account of the then current cash reserves and bank facilities and the ability to rescale the School's activities should that prove necessary in the future, the Trustee believes that the conditions for preparing these financial statements on the going concern basis are met and has therefore prepared them accordingly.

Investment powers and policy

The Trustee's investment powers are governed by the Trust Deed, which permits the Charity's funds to be invested by an approved investment manager.

The Trustee's policy is to balance the maintenance of the real value of the invested funds with an adequate income to fund expenses met by the investments. Notwithstanding fluctuations in the stock market this aim has been realised in the longer term.

6. COVID-19

In November 2019 a form of coronavirus emerged, by the Spring of 2020 it was recognised by the World Health Organisation (WHO) as a global pandemic. Since then the UK has adopted various measures that have included temporary closure of many non-essential shops and businesses and schools. As a result, the School physically closed towards the end of the Spring term 2020 and pupils went home.

The School reopened to all pupils in September 2020 with a return to face-to-face teaching but as a result of the government guidance, many changes were put in place as to how the School operated with many group activities, including the majority of co-curricular activities, being restricted. However, the School was closed again as part of a national lockdown for the 8 weeks of the Spring Term from January 2021 and remote learning was offered for all pupils. During all of this time the School provided support for all pupils who needed to remain at School over the holiday periods or return early to fulfil quarantine requirements. The School's quarantine provision for pupils returning from red-list countries was successfully inspected by the Independent Schools Inspectorate in June 2021.

6. COVID-19 – continued

The academic staff worked hard to deliver the remote learning programme alongside delivering data and assessments upon which examination grades were based in the absence of public examinations.

The Felsted International Summer School did not take place again for a second year and instead the School provided, without charge, a remote learning package for those students who would have attended, which included content to provide an understanding of the Felsted experience. The School is hoping that many of those students who have participated in these courses over the last 2 years will be able to attend the Felsted 2022 International Summer School assuming that takes place.

In the light of the change to a remote learning environment for the Spring term 2021 the School introduced an appropriately reduced fee structure for the term with fees at 90% of the scheduled equivalent day fee. At the same time the School sought to find ways to limit its costs at such a difficult time as well as furloughing some staff. The School is extremely fortunate to have a very supportive parental body, and while some families experienced reductions in income resulting mostly from the Covid-19 restrictions, the School has had very few parents seeking to take their children out of the School.

Throughout this time, it remains the consistent and passionate aim of all the School's staff to do the very best for all the pupils, current and future, whose education is entrusted to them.

7. FUTURE PLANS

The Senior School's and the Preparatory School's development plans for the year were approved by the Board in September 2021 and will be reviewed regularly.

The key objectives within the current plans are:

- Enhancing recruitment and retention of pupils through a focused strategy
- Developing a long term business strategy with defined income streams to take into account the current external threats to the Independent School sector
- To realign the position of the School in the market place in line with parental demand, in particular in relation to boarding
- To develop a strong national profile in relation to teaching and learning, welfare and pastoral processes to add value to every individual
- To develop premises and facilities to match and surpass provision in other similar schools including a new classroom facility in the Senior School which is due to be completed in early 2022.

8. POST BALANCE SHEET EVENT

As a result of a 43% increase in the employer's contribution to the Teachers' Pension Scheme (TPS), the School has completed a consultation process with teaching staff on changes to their ongoing pension provision. With effect from 1 May 2022, more sustainable arrangements will be implemented which will also provide teaching staff with more flexibility.

9. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that year. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustee on 19 March 2022 and signed on its behalf by:

RIC Brown
Chair of Felsted School Trustee Limited

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF

FELSTED SCHOOL

Opinion

We have audited the financial statements of Felsted School ('the charity') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 trustee with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- sufficient and proper accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustee

As explained more fully in the trustees' responsibilities statement set out on page 14 the trustee is 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 trustee determines 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 trustee is responsible for assessing the charity'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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102) and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely

the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP
Statutory Auditor

London

7 April 2022

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

FELSTED SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Year to 31 August 2021 £	Total Year to 31 August 2020 £
Income and endowments from:						
Charitable activities						
School fees receivable	2	21.341,012	-	-	21,341,012	19,357,636
Ancillary trading income	3	1,221,303	-	-	1,221,303	1,382,920
Other trading activities						
Non-ancillary trading income	4	289,962	-	-	289,962	343,223
Other activities	4	42,656	-	-	42,656	52,475
Investments				-		
Investment income	5	29,633	36,155	-	65,788	66,363
Bank and other interest		3,496	-	-	3,496	42,148
Voluntary sources						
Grants and donations	6	660,258	117,673	-	777,931	1,823,169
Total income		23,588,320	153,828	-	23,742,148	23,067,934
Expenditure on:						
Raising funds						
Non-ancillary trading		398,379	-	-	398,379	413,313
Other income-generating activities		495,776	-	-	495,776	630,785
Financing costs	8	54,158	-	-	54,158	87,590
Fundraising & Development		57,012	-	-	57,012	163,794
Total deductible costs	7	1,005,325	-	-	1,005,325	1,295,482
Charitable activities						
Education and grant making	7	21,327,813	203,032	229,295	21,760,140	22,535,897
Total expenditure		22,333,138	203,032	229,295	22,765,465	23,831,379
Net (outgoing)/incoming funds from operations before transfers and investment gains		1,255,182	(49,204)	(229,295)	976,683	(763,445)
Gains on investments	11	-	-	208,887	208,887	25,676
Transfers between funds	19	-	-	-	-	-
Net (expenditure)/income and movement in funds for the year		1,255,182	(49,204)	(20,408)	1,185,570	(737,769)
Fund balances at 1 September 2020 25		**23,694,947**	**785,914**	**17,708,205**	**42,189,066**	**42,189,066**
FUND BALANCES at 31 AUGUST 2021		**24,950,129**	**736,710**	**17,687,797**	**43,374,636**	**42,189,066**

The notes on pages 22 to 40 form part of these financial statements

FELSTED SCHOOL

BALANCE SHEET

AT 31 AUGUST 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible assets	10		42,405,391		41,167,481
Investments	11		1,394,472		1,185,585
			43,799,863		42,353,066
CURRENT ASSETS					
Inventories		287,572		292,357	
Debtors	12	867,269		882,416	
Cash		7,275,225		7,428,920	
		8,430,066		8,603,693	
CURRENT LIABILITIES					
Due within one year	13	(7,611,554)		(7,367,420)	
NET CURRENT ASSETS			818,512		1,236,273
TOTAL ASSETS LESS CURRENT LIABILITIES			44,618,375		43,589,339
CREDITORS: due after more than one year					
Fees in Advance Scheme	14	(1,175,612)		(1,305,531)	
Pension Scheme funding deficit	22	(68,127)		(94,742)	
			(1,243,739)		(1,400,273)
NET ASSETS	18		**43,374,636**		**42,189,066**
FUNDS					
Unrestricted – general reserve	19		25,045,005		23,815,659
Unrestricted – pension reserve	22		(94,876)		(120,712)
Restricted	19		736,710		785,914
Endowment	19		17,687,797		17,708,205
			43,374,636		**42,189,066**

These financial statements were approved and authorised for issue by the Trustee on 19 March 2022 and signed on its behalf by:

R I C Brown
Chair of Felsted School Trustee Limited

FELSTED SCHOOL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities	(i)				
Net cash provided/(utilised) by operating activities			2,056,138		(799,104)
Cash flows from investing activities:					
Payments for tangible fixed assets		(2,223,503)		(1,227,690)	
Proceeds on sale of tangible fixed assets		2,040		9,960	
Proceeds on sale of investments		-		4,900	
Investment income and bank interest received		65,788		66,363	
Net cash (used in) investing activities			(2,155,675)		(1,146,467)
Cash flows from financing activities					
Finance costs paid		(54,158)		(87,590)	
Net cash (used in) financing activities			(54,158)		(87,590)
Change in cash and cash equivalents in the reporting period			(153,695)		(2,033,161)
Cash and cash equivalents at the beginning of the period			7,428,920		9,462,081
Cash and cash equivalents at the end of the period	(ii)		7,275,225		7,428,920

The notes on pages 22 to 40 form part of these financial statements

FELSTED SCHOOL

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

(i) Reconciliation of net income to net cash flow from operating activities	**2021** **£**	**2020** **£**
Net income/(outgoings) for the reporting period (as per the Statement of Financial Activities)	976,683	(763,445)
Adjustments for:		
- investment income	(65,788)	(66,363)
- finance costs	54,158	87,590
Depreciation charge	983,466	951,372
Defined benefit pension scheme adjustments	(25,836)	(23,404)
Loss/(profit) on sale of fixed assets	88	(9,454)
Decrease/(increase) in inventories	4,785	(8,882)
Decrease in debtors	15,147	95,216
Increase/(decrease) in creditors (excluding fees in advance scheme and entrance deposits)	407,468	(460,087)
(Decrease) in fees in advance scheme creditors	(190,559)	(576,542)
(Decrease) in entrance deposits	(103,474)	(25,105)
	1,079,455	(35,659)
Net cash provided/(utilised)/ by operating activities	2,056,138	(799,104)

ii) Analysis of cash and cash equivalents	**2021** **£**	**2020** **£**
Cash at bank	7,275,225	7,428,920

1 STATEMENT OF ACCOUNTING POLICIES

Basis of Accounts Preparation
The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and 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 (FRS102) – effective 1 January 2015.

These accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments. The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice which has since been withdrawn).

At the time of approval of the Annual Report, the School remains open for all pupils. Those pupils who are isolating as a result of a positive test are able to access lessons remotely and the ability to easily switch to on-line learning for all remains in place should any further lockdowns occur. There are currently significant cash balances should additional liquidity be required through this period of uncertainty to meet the liabilities as they fall due. The school has confirmed with its bankers that the existing overdraft facility continues for 12 months to June 2022 together with additional headroom if required. In addition, a £4m committed bank facility for 4 years was entered into on 11 November 2020. The Trustee has considered various scenarios including a reduction in pupil numbers. At the time of approving these financial statements the School has not been notified of any material reduction in prospective pupil numbers relative to those which the School has used for the purposes of financial modelling and forecasting. The School has considered various financial forecasts taking account of the then current cash reserves and bank facilities and the ability to rescale the School's activities. Accordingly, the Trustee believes the School's financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on the going concern basis.

The School is a Public Benefit Entity registered as a charity in England and Wales. It was registered as a charity on 10 April 1964 (charity number 310870).

Critical accounting judgments and key sources of estimation uncertainty
In the application of the accounting policies, The Trustee is required to make judgments, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. 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 an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustee, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying value in the next financial year.

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

1 STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Fees and similar income
Fees receivable and charges for services and use of premises are accounted for in the year in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School but include contributions received from Restricted Funds for Scholarships, Bursaries and other grants. Fees received in advance of education to be provided in future years under an Advance Fee Payments Scheme contract are held as interest-bearing liabilities until either taken to income in the term when used or else refunded.

Donations and legacies
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 the Trustee Board. Donation and legacy income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Grant Income
Government grants are recognised on the performance model, when the charity has complied with any conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme has been recognised in the period to which the underlying furloughed staff costs relate to.

Expenditure
Expenditure is accrued as soon as a liability is considered probable, discounted to the present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SOFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use of the underlying assets, as appropriate. The irrecoverable element of VAT is included within the item of expense to which it relates.

Governance costs comprise the cost of the external audit and reimbursement of Trustee expenses when attending meetings.

Pension schemes
Retirement benefits to employees of the School are provided through three pension schemes, two defined benefit and one defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

a) The Teachers' Pension Scheme – this scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, the School accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable. The Charity contributes to the Teachers' Pension Scheme; a multi-employer defined benefit pension scheme, at rates, varying between 7.4% and 11.7% for employees and 23.68% for employers, set by the Scheme Actuary and advised to the Board by the Scheme Administrator.
b) The Pension Trust Scheme – this scheme is a multi-employer pension scheme. It is not possible to identify each individual employee's share of the underlying assets and liabilities. In most respects it is a multi-employer scheme but it has some guarantees. As a result, it is not possible to identify the School's share of the underlying assets and liabilities of the scheme. However, the School remains potentially liable for a debt on withdrawal from the scheme. In accordance with FRS102 the scheme is accounted for as if it were a defined contribution scheme – see also note 22 (b). The School's contributions of 5% are charged in the period in which the salaries to which they relate are payable for senior non-teaching members of staff
c) The People's Pension Scheme – this is a money purchase pension scheme. The School's contributions are charged in the period in which the salaries to which they relate are payable for other non-teaching staff

School land and buildings, equipment and plant and machinery
Capitalisation and replacement
Freehold land and buildings were professionally valued by Mullucks Wells, chartered surveyors, in August 2014. The basis of the valuation was that residential freehold and educational buildings were valued on an open market

1 STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

valuation with vacant possession. The August 2014 valuation highlighted a material increase in the value of the freehold land and buildings and the assets are included at this value.

The School has elected, in accordance with Section 35.10(d) of FRS102, to use the carrying values on 1 September 2014, the date of transition to FRS102, of any of the above freehold land and buildings previously carried at valuation, as their deemed cost. All tangible fixed assets are held for use on charitable activities.

School land and buildings, equipment and plant and machinery

Depreciation

Depreciation is provided on other fixed assets to write off their cost, less estimated residual value based on current market prices, in equal instalments over estimated useful lives at the following rates:

Freehold buildings	-	2% to 10% straight line
Plant and equipment	-	10% straight line
Motor vehicles	-	25% straight line

Items costing over £2,500 are capitalised.

Investments

Investments are valued in the balance sheet at their mid-market value at the balance sheet date. Unrealised gains and losses arising on revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate fund according to the "ownership" of the underlying assets.

Inventories

Inventories are valued at the lower of cost and estimated selling price less costs to sell.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade, other debtors and accrued income but excludes prepayments. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions and fees received from parents in advance of Autumn term. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

Advance Fee Scheme payments

Amounts received under the School's Advance Fee Scheme contracts for education not yet utilised to settle School fees are recorded as deferred income and allocated as current liabilities where the education will be provided within 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

2 CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2021 £	2020 £
Fees receivable consist of:		
School fees	24,208,831	22,072,926
Less: total bursaries, scholarships and allowances	(3,063,847)	(2,861,676)
	21,144,984	19,211,250
Add back: Bursaries and other awards paid for by restricted funds	196,028	146,386
	21,341,012	**19,357,636**

Scholarships, bursaries and other awards were paid to 412 pupils (2020: 382). Within this means tested bursaries totalling £1,166,589 were paid to 146 pupils (2020: £1,033,277 to 81 pupils)

3 CHARITABLE ACTIVITIES - OTHER INCOME

	2021 £	2020 £
Ancillary trading income		
Extras	972,782	1,089,506
Entrance and registration fees	49,855	54,250
Commission and other income	-	28
Transport	161,362	168,971
International Summer School and courses	8,642	24,256
School bookshop	28,662	45,849
	1,221,303	**1,382,920**

4 OTHER TRADING ACTIVITIES

	2021 £	2020 £
Trading income		
Lettings and sports clubs	8,081	75,139
Other School Shops	281,881	268,084
	289,962	**343,223**
Other activities		
Interest on overdue fees	-	3,004
Other income	42,656	49,471
	42,656	**52,475**

5 INVESTMENT INCOME

	Unrestricted £	Restricted £	Endowed £	Total 2021 £	Total 2020 £
Securities investment income:					
Equities	-	36,155	-	36,155	35,484
Property investment income:					
Rents receivable	29,633	-	-	29,633	30,879
	29,633	36,155	-	65,788	66,363

6 GRANTS AND DONATIONS RECEIVABLE

	Unrestricted £	Restricted £	Endowed £	Total 2021 £	Total 2020 £
Bursaries	25,000	66,030	-	91,030	75,405
Development donations	-	39,693	-	39,693	30,222
Other	10,839	11,950	-	22,789	141,797
Coronavirus Job Retention Scheme	624,419	-	-	624,419	1,575,745
	660,258	117,673	-	777,931	1,823,169

7 ANALYSIS OF EXPENDITURE

a) Total expenditure

Year to 31 August 2021	Staff Costs (note 9) £	Depreciation (note 10) £	Other costs £	2021 £
Cost of raising funds:				
Trading costs	218,489	-	179,890	398,379
Costs of other activities	376,196	-	119,580	495,776
Financing costs (note 8)	-	-	54,158	54,158
Development costs	23,994	-	33,018	57,012
Total costs of raising funds	618,679	-	386,646	1,005,325
Charitable expenditure				
Education and grant making				
Teaching	9,514,557	-	1,022,777	10,537,334
Welfare	2,528,900	-	971,250	3,500,150
Premises repair and maintenance	825,004	983,466	2,178,305	3,986,775
Support costs and governance	2,658,505	-	874,439	3,532,944
Grants, awards and prizes (note 7b)	-	-	202,937	202,937
Total charitable expenditure	15,526,966	983,466	5,249,708	21,760,140
Total expenditure	16,145,645	983,466	5,636,354	22,765,465

7 ANALYSIS OF EXPENDITURE (CONTINUED)

Year to 31 August 2020	Staff Costs (note 9) £	Depreciation (note 10) £	Other costs £	2020 £
Cost of raising funds:				
Trading costs	227,942	-	185,371	413,313
Costs of other activities	382,396	-	248,389	630,785
Financing costs (note 8)	-	-	87,590	87,590
Development costs	95,812	-	67,982	163,794
Total costs of raising funds	706,150	-	589,332	1,295,482
Charitable expenditure				
Education and grant making				
Teaching	9,519,179	-	1,792,196	11,311,375
Welfare	2,444,435	-	870,608	3,315,043
Premises repair and maintenance	843,632	951,372	2,290,798	4,085,802
Support costs and governance	2,523,801	-	1,149,354	3,673,155
Grants, awards and prizes (note 7b)	-	-	150,522	150,522
Total charitable expenditure	15,331,047	951,372	6,253,478	22,535,897
Total expenditure	16,037,197	951,372	6,842,810	23,831,379

Depreciation and other costs relating to Felsted School endowed fund properties totalling £234,750 (2020: £229,295), have been charged directly to the endowment fund.

b) Grants, awards and prizes

	Total and Restricted Funds 2021 £	2020 £
From Restricted Funds		
Bursaries and other grants and awards	202,937	150,522

c) Governance included in support costs

	2021 £	2020 £
Remuneration paid to auditor for audit services (including irrecoverable VAT)	27,266	26,472
	-	
Reimbursement of personal expenses to Trustee Director – travel costs		679
	27,266	27,151

Travel expenses were reclaimed by no members (2020: two) of the Trustee Board. In addition to the above audit remuneration the auditor received fees for taxation compliance services totalling £3,183 (2020: £3,000)

8 FINANCE AND OTHER COSTS

	2021	2020
	£	£
Fees in advance debt financing cost	53,700	86,569
Pension Scheme financing cost	458	1,021
	54,158	87,590

9 STAFF COSTS

	2021	2020
	£	£
The aggregate payroll costs for the year were as follows:		
Wages and salaries	13,131,563	13,010,196
Social security costs	1,185,209	1,200,596
Pension contributions	1,828,873	1,826,405
	16,145,645	16,037,197

None of the Trustee Board received any remuneration or other benefits from Felsted School or from any connected body.

Aggregate employee benefits of key management personnel	646,033	642,193

Number of higher paid employees in bands of:

	2021	2020
	Number	Number
£60,001 - £70,000	17	21
£70,001 - £80,000	2	4
£80,001 - £90,000	1	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	2
£120,001 - £130,000	1	-
£150,001 - £160,000	1	1

The number of higher paid employees with retirement benefits accruing		
-in Defined Contribution Schemes was	4	4
Of which the contributions amounted to	£25,914	£11,501
- Defined Benefit Schemes was	19	26

9 STAFF COSTS (CONTINUED)

The average number of employees during the year was:

	2021 Actual Number	2020 Actual Number	2021 Full time equivalent Number	2020 Full time equivalent Number
Teaching	159	159	142	143
Welfare	180	181	102	102
Premises	26	30	25	27
Support	145	159	90	95
Other activities	23	45	15	32
Total	533	574	374	399

During the year there were redundancy and termination payments made which amounted to £10,007 and £5,358 respectively (2020: £2,080 and £40,277 respectively). There were no amounts outstanding at the year end.

10 TANGIBLE FIXED ASSETS

	Assets Under Construction £	Freehold Land and Building £	Plant and Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2020	1,548,780	43,652,810	1,371,570	728,203	47,301,363
Additions	1,995,704	-	166,812	60,987	2,223,503
Disposals	-	-	(9,338)	(37,717)	(47,055)
Transfer on completion	(396,543)	396,543	-	-	-
At 31 August 2021	3,147,941	44,049,353	1,529,044	751,473	49,477,811
DEPRECIATION					
At 1 September 2020	-	4,811,906	729,333	592,643	6,133,882
Charge for the year	-	782,044	118,558	82,864	983,466
Disposals	-	-	(7,211)	(37,717)	(44,928)
At 31 August 2021	-	5,593,950	840,680	637,790	7,072,420
NET BOOK VALUE					
At 31 August 2021	**3,147,941**	**38,455,403**	**688,364**	**113,683**	**42,405,391**
At 31 August 2020	1,548,780	38,840,904	642,237	135,560	41,167,481

* The School has elected, in accordance with Section 35.10(d) of FRS102, to use the carrying values on 1 September 2014, the date of transition to FRS102, of any of the above freehold land and buildings previously carried at valuation, as their deemed cost. All tangible fixed assets are held for use on charitable activities.

11 SECURITIES INVESTMENTS

	2021	2020
	£	£
At 1 September 2020	1,185,585	1,164,809
Disposals	-	(4,900)
Realised gain	-	37
Increase in value of investments	208,887	25,639
Investments at 31 August 2021	**1,394,472**	**1,185,585**
Investments comprise:		
Listed investments		
Fixed interest	-	5,928
Equities	1,089,919	872,353
Alternative assets	235,945	219,215
Cash	68,608	88,089
Investments at 31 August 2021	**1,394,472**	**1,185,585**

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits. The main Securities investments are managed for the School by CCLA. All investments are managed and held in the UK.

12 DEBTORS

	2021	2020
	£	£
Fees and extras	541,199	292,619
Trade	3,550	8,954
Other debtors	119,729	338,376
Other prepayments and accrued income	161,741	136,520
Tax recoverable	41,050	105,947
	867,269	**882,416**

All debtors are due within one year

13 CREDITORS: due within one year

	2021 £	2020 £
Deposits from parents	1,811,498	1,914,971
Fees received from parents in advance of term	2,684,493	2,388,455
Trade creditors	732,256	381,267
Taxation and social security	298,457	296,487
Fees in Advance Scheme	972,414	1,033,055
Accruals and deferred income	882,568	1,123,318
Philipps Fund loan	229,867	229,867
	7,611,553	**7,367,420**

There is a bank overdraft standing facility of £800,000, with an approved termly temporary increase to £1.8m, secured on the freehold property to provide working capital as the need arises. A secured revolving credit facility of £4m was approved on 11 November 2020 and is also in place for working capital purposes. This facility is in place for four years. The loan from the Philipps Fund is interest free and payable on demand.

Pupil Fees Deposits – the total amount held in relation to fee deposits of £1,811,498 is included above. In the normal course of business, the expected repayment of these amounts will be £371,531 (2020: £374,131) within one year and £1,439,967 (2020: £1,565,945) after more than one year. The Trustee has considered the contract terms under which Pupil fee deposits are held by the School. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the School, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 August 2021 have been included within current liabilities.

14 FEES IN ADVANCE SCHEME

Parents may enter into a contract to a minimum of three terms School fees in advance. The funds may be returned should the pupil leave the school for whatever reason. Assuming pupils will remain in the School, advance fees will be applied as follows:

	2021 £	2020 £
After 5 years	72,061	116,173
Within 2 to 5 years	636,427	655,572
Within 1 to 2 years	467,124	533,786
	1,175,612	1,305,531
Within 1 year	972,414	1,033,055
	2,148,026	**2,338,586**

Summary of movement in liability

	£
Balance at 1 September 2020	2,338,586
New Contracts	1,242,277
Repayments	(16,082)
Amounts used to pay fees	(1,470,455)
Amounts accrued to contract as debt financing cost	53,700
Balance at 31 August 2021	**2,148,026**

15 FINANCIAL INSTRUMENTS

	2021 £	2020 £
Financial assets measured at fair value (a)	1,394,472	1,185,585

(a) Financial assets held at fair value include assets held as investments

16 LEASES

The future minimum lease payments under non-cancellable operating leases for equipment which are all payable as follows:

	2021 £	2020 £
Within 1 year	78,736	79,636
Within 2 to 5 years	137,122	187,794
	215,858	267,430

Lease payments in year recognised as expenditure amounted to £182,477 (2020: £133,992)

17 FUNDS OF THE SCHOOL

The School's funds are analysed under the following headings

(a) Endowed funds

Endowment funds consist of investments and freehold land and buildings held by the School under permanent endowment, and special funds on which the capital must be retained and the income applied to specific purposes of the School.

(b) Restricted funds

- Annual Fund - this raises funds for small projects and extra-curricular activities that will be realised within a 12 month period.
- Bury Fund – the fund is provided to promote artistic and cultural endeavour by Felstedians and to provide support for art and travel costs.
- Bursary Funds – there are a number of bursary funds some of which are allocated to provide 100% bursary support for individual pupils as nominated by the benefactor. The income from endowed investments is used to support bursaries awarded during the year.
- Deacons' refurbishment – an appeal was undertaken to raise funds to refurbish Deacons Boarding House.
- Prize Funds – donations were received to nominate a pupil each year for a Prize. An amount is released each year to cover the cost of the prize awarded on Speech Day.
- Marshall Centre – donations were received towards to the construction of the new Marshall Centre
- Windsors – Malone legacy – a legacy was received to be used in the Sixth Form boys house Windsors

(c) Unrestricted funds

Unrestricted funds represent accumulated income from the School's activities and other sources that are available for the general purposes of the School.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	Endowment £	Total 31 August 2021 £
Tangible fixed assets	25,898,866	213,200	16,293,325	42,405,391
Securities investments	-	-	1,394,472	1,394,472
Net current assets	295,002	523,510	-	818,512
Long term liabilities	(1,243,739)	-	-	(1,243,739)
	24,950,129	**736,710**	**17,687,797**	**43,374,636**

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 31 AUGUST 2020

	Unrestricted £	Restricted £	Endowment £	Total 31 August 2020 £
Tangible fixed assets	24,404,327	240,534	16,522,620	41,167,481
Securities investments	-	-	1,185,585	1,185,585
Net current assets	690,894	545,380	-	1,236,274
Long term liabilities	(1,400,274)	-	-	(1,400,274)
	23,694,947	**785,914**	**17,708,205**	**42,189,066**

19 SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	31 August 2020	Income	Expenditure	Revaluation	31 August 2021
	£	£	£	£	£
Unrestricted funds					
General reserve	23,815,659	23,588,320	(22,358,974)	-	25,045,005
Pension reserve	(120,712)		25,836	-	(94,876)
	23,694,947	23,588,320	(22,333,138)		24,950,129
Restricted funds					
Annual Fund	77,560	39,693	(4,789)	-	112,464
Bury Fund	2,799	-	-	-	2,799
Bursary Funds	473,880	102,185	(196,028)	-	380,037
Deacons' refurbishment	4,666	-	-	-	4,666
Prize Funds	4,481	-	(95)	-	4,386
Marshall Centre	210,601	9,830	-	-	220,431
Windsors – Malone legacy	8,177	-	-	-	8,177
Other	3,750	2,120	(2,120)	-	3,750
	785,914	153,828	(203,032)	-	736,710
Endowed – permanent					
Endowed reserve	17,708,205	-	(229,295)	208,887	17,687,797
Total funds	42,189,066	23,742,148	(22,765,465)	208,887	43,374,636

19 SUMMARY OF MOVEMENTS ON MAJOR FUNDS AS AT 31 AUGUST 2020

	1 September 2018	Income	Expenditure	Transfer between funds & revaluation	31 August 2020
	£	£	£	£	£
Unrestricted funds					
General reserve	24,451,071	22,844,321	(23,474,870)	(4,863)	23,815,659
Pension reserve	(144,116)	-	23,404		(120,712)
	24,306,955	22,844,321	(23,451,466)	(4,863)	23,694,947
Restricted funds					
Annual Fund	51,474	30,222	(4,136)	-	77,560
Bury Fund	2,799	-	-	-	2,799
Bursary Funds	509,378	110,889	(146,387)	-	473,880
Deacons' refurbishment	4,666	-	-	-	4,666
Prize Funds	4,576	-	(95)	-	4,481
Marshall Centre	126,949	78,752	-	4,900	210,601
Malone Legacy	8,177	-	-	-	8,177
Other	-	3,750	-	-	3,750
	708,019	223,613	(150,618)	4,900	785,914
Endowed – permanent					
Endowed reserve	17,911,861	-	(229,295)	25,639	17,708,205
Total funds	42,926,835	23,067,934	(23,831,379)	25,676	42,189,066

20 CAPITAL COMMITMENTS

Commitments for future capital expenditure not provided for in these accounts were as follows:

	2021 £	2020 £
Authorised and contracted	**3,083,351**	**4,735,095**

21 PENSION COMMITMENTS

The School makes annual payments to former employees, and during the year these amounted to £6,689 (2020: £14,015). These payments are subject to an annual review.

22 PENSION SCHEMES

a) Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,606,943 (2020 £1,591,297) and at the year-end £nil (2020: £195,218) 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.

b) The Pensions Trust Retirement Solutions - The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company 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.

22 PENSION SCHEMES (CONTINUED)

b) The Pensions Trust Retirement Solutions - The Growth Plan (continued)

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 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 as follows:

- Deficit contributions - from 1 April 2020 to 31 January 2025 £11,243,000 per annum payable monthly increasing by 3% each year on 1st April. Unless a concession has been agreed with the Trustees the term to 31 January 2025 applies. From 1 April 2021 the School's deficit contributions were £26,749 per annum.

The scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

- Deficit contributions - from 1 April 2016 to 30 September 2025 £12,945,440 per annum payable monthly increasing by 3% each year on 1st April.

The recovery plan contributions are allocated to each participating employer in line with their estimate 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.

Present values of provision

Reconciliation of opening and closing provisions

	2021	2020
	£	£
Provision at start of period	120,712	144,116
Unwinding of the discount factor (interest expense)	586	1,021
Deficit contribution paid	(26,294)	(25,528)
Remeasurements – impact of any changes in assumptions	(128)	1,103
Balance at 31 August 2021	**94,876**	**120,712**

22 PENSION SCHEMES (CONTINUED)

b) The Pensions Trust Retirement Solutions - The Growth Plan (continued)

	2021 £	2020 £
Within 2 to 5 years	41,378	68,772
Within 1 to 2 years	26,749	25,970
	68,127	94,742
Within 1 year	26,749	25,970
	94,876	**120,712**

Income and expenditure impact

	2021 £	2020 £
Interest expense	586	1,021
Remeasurements – impact of any changes in assumptions	(128)	1,103
Remeasurements – amendments to the contribution schedule	-	-
Costs recognised in Statement of Financial Activities	26,294	25,528

Assumptions

	At 31 August 2021 % per annum	At 31 August 2020 % per annum	At 31 August 2018 % per annum	At 31 August 2017 % per annum
Rate of discount	0.63	0.55	0.97	1.68

The discount rates shown above are the equivalent single discount rates 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.

The School has been notified by The Pensions Trust Retirement Solutions of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2020. As of this date the estimated employer debt on withdrawal for the School was £289,538 (2020: £314,228.)

23 RELATED PARTY TRANSACTIONS

Certain Directors of the Trustee Company had interests in transactions involving the School:

Mr Beale and Mr Wolfe are parents of pupils in the School. Dr Nicholson was a parent of a pupil in the school during 2020 only. These families are paying School fees in accordance with the School's standard terms and conditions. During the year 4 (2020: 4) members of staff were employed on standard terms and conditions by the School who were related to Directors of the Trustee Company.

During the year donations of £9,153 (2020: £45,403) were received from Directors of the Trustee Company.

24 CONNECTED CHARITIES AND COMPANIES

Felsted School is supported by The Philipps Fund, which raises funds for the benefit of the School. At 31 August 2021 £229,867 (2020: £229,867) was owed to the Philipps Fund.

A trading company, Felsted School Enterprises Ltd, was incorporated on 21 August 2006 and remained dormant throughout the year. It changed its name on 16 August 2021 to Felsted Global Education Limited.

25 STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND TYPE

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Year to 31 August 2020 £
Income and endowments from:					
Charitable activities					
School fees receivable	2	19,357,636	-	-	19,357,636
Ancillary trading income	3	1,382,920	-	-	1,382,920
Other trading activities					
Non-ancillary trading income	4	343,223	-	-	343,223
Other activities	4	52,475	-	-	52,475
Investments				-	
Investment income	5	30,879	35,484	-	66,363
Bank and other interest		42,148	-	-	42,148
Voluntary sources					
Grants and donations	6	1,635,040	188,129	-	1,823,169
Total income		22,844,321	223,613	-	23,067,934
Expenditure on:					
Raising funds					
Non-ancillary trading		413,313	-	-	413,313
Other income-generating activities		630,785	-	-	630,785
Financing costs	8	87,590	-	-	87,590
Fundraising & Development		-	-	-	-
		163,794	-	-	163,794
Total deductible costs	7	1,295,482	-	-	1,295,482
Charitable activities					
Education and grant making	7	22,155,984	150,618	229,295	22,535,897
Total expenditure		23,451,466	150,618	229,295	23,831,379
Net (outgoing)/incoming funds from operations before transfers and investment gains		(607,145)	72,995	(229,295)	(763,445)
Gains on investments	11	37	-	25,639	25,676
Transfers between funds	19	(4,900)	4,900	-	-
Net (expenditure)/income and movement in funds for the year		(612,008)	77,895	(203,656)	(737,769)
Fund balances at 1 September 2019 25		**24,306,955**	**708,019**	**17,911,861**	**42,926,835**
FUND BALANCES at 31 AUGUST 2020		**23,694,947**	**785,914**	**17,708,205**	**42,189,066**