

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

England & Wales · Charity number 312052

Details

Other names FRENSHAM HEIGHTS

Status Registered

Legal form Charitable company

Company number [00207173](#)

Registered 1966-08-15

Register [View on the Charity Commission register](#)

Contact

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Farnham
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Activities

Objects: TO ESTABLISH AND CARRY ON AT FRENSHAM, IN THE COUNTY OF SURREY OR ELSEWHERE, A SCHOOL OR COLLEGE WHERE STUDENTS MAY OBTAIN A SOUND RELIGIOUS, CLASSICAL, MATHEMATICAL AND GENERAL EDUCATION OF THE HIGHEST ORDER, AND TO PROVIDE FOR THE DELIVERY AND HOLDING OF LECTURES, EXHIBITIONS, PUBLIC MEETINGS, CLASSES AND CONFERENCES CALCULATED, DIRECTLY OR INDIRECTLY, TO ADVANCE THE CAUSE OF EDUCATION, WHETHER GENERAL, PROFESSIONAL OR TECHNICAL.

Activities: Frensham Heights is an educational charity which aims to provide a first class education independent of the state system for boys and girls between the ages of 3 and 18 years. The school pursues educational policies that emphasise liberal values and focus on pupils as individuals, with creative and performing arts given equal status along with more traditional academic subjects.

Classification

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

Geography

- Surrey

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£12,387,000	£12,766,000	£15,925,000	154
2024-07-31	£11,764,000	£11,571,000	£16,313,000	164
2023-07-31	£10,544,000	£11,486,000	£16,660,000	141
2022-07-31	£10,674,000	£10,492,000	£17,602,000	140
2021-07-31	£9,441,000	£9,221,000	£17,420,000	132
2020-07-31	£9,677,000	£9,284,000	£17,200,000	129

Trustees

Name	Role	Appointed
Simon Wilcox	Chair	2023-03-25
Catherine Edwards		2025-07-01
Catriona Sutherland-Hawes		2024-09-01
Danuta Staunton		2023-03-25
David Armitage		2023-10-04
Emma Jane Hendry		2025-07-01
Gregory West		2023-03-25
Joris Wonders		2023-06-30
Katie Armstrong		2026-04-14
Neil Clutterbuck		2024-09-01
Richard John Fry		2018-12-08
Sally Marriott		2019-11-30
William Marriott		2019-11-30

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

England & Wales - Charity number 312052

Accounts



Frensham Heights Educational Trust Limited
Annual Report and Consolidated
Accounts
Period ended 31 August 2025

Company No: 207173
Charity No: 312052

Frensham Heights Educational Trust Limited
Period Ended 31 August 2025

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Frensham Heights Educational Trust Limited

Review by the Head for the Period Ended 31 August 2025

Frensham Heights was founded in 1925 as part of the progressive schools' movement. Our distinctive ethos, underpinned by a belief in the generosity of the human spirit and in the importance of educating young people that self-knowledge, shared values and community mindedness, has never been more relevant than it is in today's world.

Having started my tenure as Head of Frensham Heights with the implementation of VAT looming large on the horizon, with recent changes to the school's leadership causing unease for some of our families and with a sense of trepidation permeating the independent school sector as a whole, it gives me great pleasure, twelve months later, to share a set of accounts which demonstrate our financial resilience and the growth potential of our unique school. Despite discounting our fees for all families to mitigate the impact of VAT, providing means assessed bursaries to support those families for whom the increased costs from January 2025 were not affordable and despite absorbing the loss of Business Rates Relief and increasing Employer National Insurance contributions, the significant growth of our school over the past twelve months (along with the strong performance of our Enterprises subsidiary and our investments) means that we have recorded a modest contribution to our reserves for the year¹ (whilst also significantly increasing investment into the estate).

Following several years of declining numbers in the Junior School, the strong performance of this important part of our school this year has been integral to the success of the Trust as a whole (with student numbers in the Junior School growing by 20% over the period). Investment in the fabric of the Junior School (including the refurbishment of the Hall, the introduction of a farm in the kitchen garden, the opening of a "Library Pod" in the quad, the opening of the "Zen Den" for students in Years 4-6 and the renovation and rebranding of Fireflies Nursery) has certainly played a part in this growth. More importantly though, the redesign of the Project curriculum around three key pillars aligned with our philosophy has ensured that the education we provide in our Junior School is refreshingly distinctive and the growth in student numbers demonstrates its relevance and appeal to modern parents.

Whilst a Frensham Heights education is about far more than exam results, it should also be noted that our performance in this area continues to be exceptionally strong with outcomes well above national averages, high value added scores at both KS4 and KS5 and excellent attainment across a broad range of subjects which vindicates the Frensham approach.

Retaining students into Sixth Form has long been a challenge at Frensham Heights and we are therefore delighted that our Sixth Form numbers remain the strongest they have been in living memory, supported by a flourishing Arts Award programme and by the enduring appeal of a Frensham Sixth Form experience to young people attending more traditional schools in both the state and independent sector. With nearly half of our Sixth Form students boarding (and almost a third of the senior school boarding in one capacity or another), our vibrant boarding community remains an integral part of the school.

This year also saw a significant acceleration of our programme of investment in our facilities and estate. The restoration and extension of our high ropes course in the Autumn of 2024 was symbolic of a renewed focus on the things which have always made Frensham Heights unique (and paved the way for the return of weekly outdoor education lessons across KS3 from September 2025); a programme of classroom refurbishment was established with redesigned spaces and furniture more conducive to collaborative and flexible approaches to learning and spaces in Main House were repurposed as a Sixth Form library and coffee shop.

It is well documented that young people in the UK have never been so disaffected with their education. Nationally, levels of school attendance and persistent absenteeism remain stubbornly high and mental health services are in a state of perpetual crisis. Frensham Heights stands apart from so many schools in the sector because it recognises that, to feel safe, happy and secure, young people need agency, flexibility and respect rather than the systems of command and control which so many institutions use to micromanage their daily lives. Ours is a community where kids find a sense of belonging through their connections to those around them and to the school itself. You can't measure the impact of two friends eating ice lollies on colourful deckchairs on a sunny day whilst cuddling a fancy chicken in the same way as you can measure someone's progress in Mathematics however, in an increasingly disconnected and uncertain world, Frensham Heights is proving that these human connections are no less important.



Mr Ben McCarey
Head

¹ Based on a twelve month period from August 2024 to July 2025 and noting that these accounts represent a thirteen month period from August 2024 to August 2025

Frensham Heights Educational Trust Limited
Governors, Officers and Advisors
for the Period Ended 31 August 2025

Governors

Simon Wilcox (Chair)
Richard Fry (Vice Chair)
Gregory West (Vice Chair)
David Armitage
Neil Clutterbuck (appointed on 1 September 2024)
Catherine Edwards (appointed on 1 July 2025)
Emma-Jane Hendry (appointed on 1 July 2025)
Jacqueline Johnson (appointed on 1 September 2024 and resigned on 14 May 2025)
Catherine Love
Sally Marriott
William Marriott
Sean Pereira (appointed on 1 July 2025)
Danuta Staunton
Catriona Sutherland Hawes (appointed on 1 September 2024)
Joris Wonders

Governor Sub Committees

Finance Resources and Capital Projects ('FRCP')
Curriculum, Quality and Standards ('CQS')
Governance, Search and Strategy ('GSS')
Audit ('AC')
Remuneration ('RC')

Membership of Governor Sub Committees

	FRCP	CQS	GSS	AC	RC
Simon Wilcox	✓		✓ (Chair)		
Richard Fry	✓ (Chair)		✓		
Gregory West	✓	✓			✓
David Armitage	✓				
Neil Clutterbuck	✓			✓	
Catherine Edwards		✓			
Emma-Jane Hendry		✓		✓	
Catherine Love			✓		✓ (Chair)
Sally Marriott		✓			✓
William Marriott	✓		✓		
Sean Pereira				✓	
Danuta Staunton		✓ (Chair)	✓	✓	
Catriona Sutherland Hawes		✓			
Joris Wonders			✓	✓ (Chair)	✓

Frensham Heights Educational Trust Limited
Governors, Officers and Advisors
for the Period Ended 31 August 2025

HEAD	Benedict McCarey (from 1 September 2024)
INTERIM HEAD	Andrew Fisher (until 31 August 2024)
DIRECTOR OF FINANCE AND OPERATIONS	Rosalind Doctor (from 1 January 2025)
COMPANY SECRETARY	Karen Frost
PRINCIPAL ADDRESS	Frensham Heights Rowledge Farnham Surrey GU10 4EA
BANKERS	HSBC Bank plc 30 Princes Mead Shopping Centre Farnborough Hampshire GU14 6YB
SOLICITORS	GBH Law 7-8 Innovation Place Douglas Drive Godalming Surrey GU7 1JX
AUDITOR	JamesCowper Kreston Audit Apex Forbury Road Reading RG1 1AX
INSURANCE BROKERS	Marsh Brokers Limited Capital House 1-5 Perrymount House Hayward Heath West Sussex RH16 3SY

Change in Auditor

During the year, Crowe U.K. LLP resigned as auditor and James Cowper Kreston Audit was appointed to fill the vacancy in accordance with section 485 of the Companies Act 2006. The Trustees will be proposing the reappointment of James Cowper Kreston Audit as auditor at the forthcoming Annual General Meeting.

Frensham Heights Educational Trust Limited
Report of the Governors
for the Period Ended 31 August 2025

The Governors of Frensham Heights Educational Trust Limited, who are also the Directors and Charity Trustees, present their Annual Report for the 13 month period, from 1 August 2024 and ended 31 August 2025, under the Charities Act 2011 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' SORP 2015 (FRS 102) including the Directors and Strategic Reports under the Companies Act 2006, together with the audited financial statements for the period.

The year end has been changed from 31 July to 31 August to coincide with the academic year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Group consists of Frensham Heights Educational Trust Limited (the 'School'), a registered Charity (charity number 312052) and Frensham Heights Enterprises Limited (company number 2866864), a wholly owned subsidiary company.

The School is constituted as a company limited by shares, incorporated in 1925, and registered in England (company number 207173).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is governed by its Articles of Association and Memorandum dated 10 July 2025 and last amended on 5 December 2020.

Governors

The Chair of Governors is required to give written consent to the appointment of a new Head. The Board of Governors, who under Charity Law are the trustees of the charity, meet three times a year and are responsible for the strategic leadership, management, and administration of the charity. The Memorandum and Articles of Association set out the legal position of the governors.

All governors give of their time freely with no remuneration. No governor or person connected with a governor received any benefit from either means-tested bursaries or scholarships awarded to pupils.

Group Structure and Relationships

Frensham Heights Enterprises Limited was incorporated in 1993 and is wholly owned by the School. The trading activities of this company chiefly comprise residential lettings in the summer holidays, weddings in the Main House and the hire of the swimming pool, theatre and astro. The trading company results are incorporated in the financial statements to comply with the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' SORP 2015 (FRS 102).

The Board of Governors has noted the Charity Commission's document 'Guidance for Charities with a connection to a non-charity and can confirm that the relationship between the School and its trading company is compliant.

Board of Governors

The Board's Governance, Search and Strategy Committee is responsible for the selection and nomination of any new Governor. A Board Skills and Diversity Audit is carried out annually, and this information informs the decisions of the Board both in determining the skill sets and

Frensham Heights Educational Trust Limited
Report of the Governors
for the Period Ended 31 August 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

experience sought through advertising of forthcoming vacancies, and in the recommendations for succession planning and Board appointments.

Recruitment and Training of Governors

The Memorandum and Articles of Association provide detail on the procedure for the appointment of Council Members and governors.

The Board of Governors will consist of no less than three and no more than fifteen governors. One third of all Governors retire by rotation each year. Any retiring Governor will be available for immediate re-election and the expectation is that Governors will serve either two or three terms of three years each.

One third of all Governors retire by rotation each year (including any Governor who is an officer). Any retiring Governor will be available for immediate re-election and the expectation is that Governors will serve either two or three terms of three years each.

When a vacancy arises, the Governance, Search and Strategy Committee consider the results of the skills and diversity audit to ensure that the Board has appropriate skills and expertise amongst its membership to enable it to discharge its responsibilities. Vacancies may be advertised either through the placing of an advert in local organisations, via recruitment agencies or by advertising the vacancy on the school's website. Applications are submitted in writing to the Head of Governance. Interviewing is undertaken by a panel determined by the Governance, Search and Strategy Committee. Minimum membership of the panel is the Head, the Chair and the Head of Governance. When recruiting new governors, the Board is mindful that a successful board has an appropriate mix of governors with diverse skills, experience and backgrounds and encourages people from a range of backgrounds and experiences to apply.

During 2024-25, the Panel led the recruitment of 3 new governors. The new governors brought a broad range of skills and experience including business development, digital strategy, diversity and inclusion, cultural engagement, financial oversight, project management, governance, and risk management. The Chair and Head of Governance worked with Nurole, a specialist governor search agency to identify candidates with the right skills. This takes the total number of current governors to 14. One governor retired during the year.

An induction process is in place for new governors which includes an introduction to the School and Board processes, meetings with key staff, training in Safeguarding and Prevent and external induction training courses offered by AGBIS. The induction sessions brief new governors on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the strategy and the recent financial performance of the charity. Newly appointed governors are offered support from a mentor, who is an experienced member of the Board. The School offers a variety of training and development opportunities for both individual governors and the Board so that collectively the Board has the necessary skills and understanding to fulfil its responsibilities. Training and development opportunities include online training modules, briefings, reports, external conferences, training events, webinars, attendance at network groups and events sponsored by ISC, AGBIS, HMC, IAPS and ISBA.

Frensham Heights Educational Trust Limited
Report of the Governors
for the Period Ended 31 August 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Board carries out an annual self-assessment of its own performance. In 2024-25 the self-assessment process included:

- Review of Board Effectiveness.
- 1-1 Meetings with the Chair and Head of Governance.
- Update of the Skills and Diversity Audit.
- Review of the Chair's Performance.
- Executive Team Feedback.
- Review of Compliance with the Charity Code of Governance.
- Update of the Governor Action Plan.

Governors Share Interests

The Governors are all Directors of the School and their non-beneficial interests in the ordinary share capital in the year are as shown in the following table:

	31 August 2025	31 July 2024
David Armitage	10	15
Neil Clutterbuck	5	-
Richard Fry	10	15
Catherine Love	5	10
Catherine Edwards	5	-
Emma-Jane Hendry	5	-
Sally Marriott	5	10
William Marriott	5	5
Sean Pereira	5	-
Danuta Staunton	10	10
Catriona Sutherland-Hawes	5	-
Gregory West	10	10
Simon Wilcox	15	15
Joris Wonders	5	10
Total	100	100

Charity Governance Code

The Board noted the publication of the Charity Governance Code in 2017 by the Charity Commission and that it was updated in March 2021. The Board has reviewed the seven areas covered by the code (organisational purpose; leadership; decision making; risk and control; board effectiveness; equality; diversity and inclusion; and openness and accountability) and are satisfied that the Charity meets the principles and outcomes articulated in the code.

Related parties and co-operation with other organisations

No Governors received remuneration or other benefit from their work with the School in the year. Any connection between a trustee or senior manager of the School must be disclosed to the full Board of Governors in the same way as any other contractual relationship with a related party.

Organisational Management

The Board of Governors, as the Charity Trustees, is legally responsible for the overall management and control of the School. They meet at least three times a year.

The work of implementing its policies is conducted by five committees:

Frensham Heights Educational Trust Limited
Report of the Governors
for the Period Ended 31 August 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Finance, Resources and Capital Projects Committee ('FRCP'). FRCP reviews the monthly management accounts, the annual budget and capital expenditure prior to consideration by the Board. The Committee also considers any general issues raised by the Head or the Director of Finance and Operations who attend the meetings. This committee also considers and reviews health and safety matters.

Audit Committee. This committee meets annually with the auditors and finalises the audited financial statements and annual report for approval by the Board.

Curriculum, Quality and Standards Committee ('CQS'). CQS works with the Head and Senior Academic Staff on all strategic education issues and reviews public examination results and outcomes on an annual basis.

Governance, Search and Strategy Committee ('GSS'). GSS meets to consider the appointment and selection of new governors and the future strategic direction of the School.

Remuneration Committee. The pay and remuneration of the Head is set by this Committee having considered independent benchmark reports across the independent school education sector.

One Governor (currently the Chair of the Board) sits on the School's Health and Safety Committee and attends one termly meeting at the School and participates in one walk round each term with the Director of Finance and Operations.

The Board of Governors delegates the day to day running of the School to the Head. The Head chairs the Executive Leadership Team which consists of: Director of Finance and Operations, Deputy Head (Senior School), Deputy Head (Head of Junior School), Director of Education and the Director of Admissions, Communications and Marketing.

Ben McCarey started in April 2024, allowing a one term handover with Andrew Fisher, Interim Head. Andrew Fisher had been the Head of the School for several years previously and was recruited by the governors for one year to cover the period prior to Ben being able to start fully due to his notice period. Andrew Fisher finished his one year as Interim Head in August 2024 and Ben McCarey became the Head of the School from 1 September 2024.

Safeguarding

The Board of Governors places a very high priority on their duty to safeguard the pupils. Governors ensure Frensham Heights is fully compliant with safeguarding legislation and guidance in line with the requirements of 'Working together to safeguard children (2023)' and 'Keeping children safe in education (September 2024)'. The Board has appointed one governor with experience of safeguarding to have a readership responsibility for the School's safeguarding arrangements. In addition, to support this governor, the Board has created a safeguarding sub-committee which meets up termly with the Head and the School's Designated Safeguarding Lead (DSL) and reports back to the Board at each Board meeting. The Board formally reviews the Safeguarding Policy on an annual basis as well as ensuring that staff training and safer recruitment is taking place. The Board is satisfied that within the School there is a strong safeguarding culture and that the School is compliant with both 'Working together to safeguard children' and 'Keeping children safe in education'.

Frensham Heights Educational Trust Limited
Report of the Governors
for the Period Ended 31 August 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Duty under Section 172(1) of the Companies Act 2006

The Board can report that it has complied with its duty to have regard to the matters in Section 172(6) (a)-(f) of the Companies Act 2006. This duty sets out that the governors, as directors of the charitable company, must in the way they consider, in good faith, would be most likely to promote the successful achievement of the objects of the charity in the current periods and in the long term. In discharging their duties, the governors carefully consider amongst other matters, the impact on and interests of other stakeholders in the School and factor these into their decision making process.

Employment policy and engagement

The School is an equal opportunities employer and this is articulated in the School's Staff Employment Manual. Full and fair consideration is given to job applications from disabled persons and consideration is given to their training and employment needs.

Communication and consultation with employees are a priority of the School. There is a Staff Common Room Committee which represents teaching and support staff and meets termly to raise any issues which are then discussed with the Head and the Director of Finance and Operations.

At the start of each academic term all staff and residential staff attend Staff Conference during which briefings and staff training take place. This includes safeguarding training and health and safety training as well as more strategic briefings.

There is a strong culture of consultation with staff before introducing significant change and these issues are reported back to the Board at Board meetings. Last year the Board of Governors consulted with teaching staff over membership of the Teachers' Pension Scheme, and this led to a phased withdrawal approach (new teaching employees were offered membership of the School's Royal London Group Personal Pension Plan from September 2024 and a full withdrawal from January 2025 (all teaching staff were transferred to the Royal London scheme). Support staff remain in the School's Standard Life scheme although this is under review as Royal London has lower administration charges.

Business relationships

The School continues to engage with many stakeholders, the most important of which are the pupils and their parents.

The governors continue to place a significant emphasis on the need for strong and positive relationships with self employed staff such as peripatetic music teachers and sports coaches. Although the relationship with self employed staff is necessarily different to that of employed staff, the School is proud that many of these individuals have remained loyal to the School for so many years, reflecting the strong and harmonious relationship that the School fosters.

The governors also value positive relationships with suppliers whose work in support of the School is invaluable. Governors require the Director of Finance and Operations to seek value for money when engaging any supplier but this is balanced with forging strong relationships that are ultimately beneficial to both parties. The Director of Finance and Operations also takes into account environmental credentials, when appropriate, when choosing a new supplier. The School is also proud to place a priority on local businesses where it can such as in the supply of meat and other provisions to the School's caterers.

Frensham Heights Educational Trust Limited
Report of the Governors
for the Period Ended 31 August 2025

OBJECTS, VISION and ETHOS

Charitable objects

The formal objects of the Charity as amended in the Memorandum of Association in 2006 are:

OBJECTS, VISION and ETHOS (continued)

'To establish and carry on at Frensham, in the County of Surrey or elsewhere, a school or college where students may obtain a sound religious, classical, mathematical and general education of the highest order, and to provide for the delivery and holding of lectures, exhibitions, public meetings, classes and conferences calculated, directly or indirectly, to advance the cause of education, whether general, professional or technical'.

Vision

To provide a progressive, holistic and joyous education.

Ethos

At the heart of this education lies our fundamental belief in the generosity of the human spirit and our ambition to give young people the agency to know themselves, to develop their abilities and interests. A Frensham education is academically ambitious, but it also empowers our students to understand the individual contribution which they can make to the world in which we live. Frensham is curious, it is creative, and it is kind.

Frensham is curious:

- Students are inspired to develop intellectual curiosity; they embrace learning as its own end, and this underpins their academic success
- They are free to question established thoughts, practices and beliefs and are given the time and opportunity to do so
- They have the opportunity to reflect on the world in which they live and to develop the skills, knowledge and capabilities to contribute to our society

Frensham is creative:

- Students develop the confidence to take risks and the independence to forge their own path
- They appreciate and contribute to humanity's tradition of artistic expression and creative thought in all of its forms
- They are empowered to think creatively across the curriculum and between disciplines

Frensham is kind:

- Students understand that the wellbeing of our community as a whole is the foundation of individual success, and they actively contribute towards this
- They embrace diversity, they are compassionate, and they celebrate difference, both within our community and beyond it
- They understand that kindness transcends human relationships and that it can be a transformational force: societally, politically and environmentally

The Frensham values: originality of thought, spirit of togetherness, respect of individuality and courage to try. The Junior School further simplifies these values, so that they resonate with the youngest children in the School to: be creative, be kind, be yourself and be brave.

Frensham Heights Educational Trust Limited
Report of the Governors
for the Period Ended 31 August 2025

STRATEGIC REPORT

Strategic objectives

Frensham Heights will be regarded as a first-choice, co-educational, non-traditional day and boarding school. By 2034 it will provide education from age 3 to 18 for up to 560 students, with boarding provision for 120. Frensham will treat students as individuals, allowing them to develop at their own pace and in their own way, where all talents are valued. The students' wellbeing and interests will be at the heart of a distinctive, creative and progressive educational experience. As a leader in educational thought, Frensham will attract and retain exceptional staff who will deliver a values-driven, inspirational, and holistic education which effectively prepares students for their future lives. The School's attractive and extensive facilities will support this education while providing a safe and nurturing environment. The School will be financially secure with an environmentally friendly and sustainable operating model which delivers the appropriate public benefit.

The objectives set for 2024-25 were as follows:

1. **To develop and deliver an innovative and leading model of progressive education** – Frensham has delivered a broad and progressive curriculum this year and had a wide range of extra-curricular activities on offer. Students have the opportunity to experience a broad range of trips including opportunities to experience live off grid and surfing.
2. **To ensure that all students receive an exceptional level of pastoral care and the boarders have the best possible experiences** – we have launched a behaviour and sanctions grid this year which has been well received by students and our welfare hug continues to excel in the support it provides to all students. Boarding have developed an out of hours activities programme incorporating activities using on site facilities and off site.
3. **To recruit, develop and retain the best people** – Staff have been supported with training opportunities such as teacher training for new teachers, masters' qualifications and staff training has included external speakers.
4. **To build and enhance the school's community and reputation** – Events such as Summer Sounds and School productions in the Aldridge supported by the Parent's Friends of Frensham who delivered the year end proms for year 11 and 13, the Christmas Fayre and Fireworks events has gone from strength to strength this year.
5. **To generate sufficient income to support and develop the school's educational and social objectives** – Enterprises has had its highest year of revenue in the last 8 years, this has included the addition of Woodland Warriors, a holiday play scheme in our Forest School which has been well attended, weddings and residential lettings have been steady in the year and we have had some filming on site. We have also maximised our investment income by managing our cash on deposit. Increased pupil numbers in the year have also increased income.
6. **To ensure the estate is well maintained with facilities which are of high quality and developed in line with the school's strategy.** There has been a focus on refurbishment and health and safety this year and some small projects to bring impact for the School.
 - Refurbishment of the Nursery, the year 1 to 3 hall, the Head of Junior School's office and the introduction of a school farm with chickens and goats in the previously unused kitchen garden.
 - New Book Hive for the Junior School.
 - Refurbishment of the high ropes and zip wire for outdoor education.
 - Replacement of 2 fire alarm systems (Main House and Roberts House).
 - Over the Summer of 2025, we are repainting outside windows in Flottage drive and replacing carpets in the corridors and stairways of the senior teaching block in Flottage.

Frensham Heights Educational Trust Limited
Report of the Governors
for the Period Ended 31 August 2025

STRATEGIC REPORT (continued)

- The upgrade of 6 classrooms in English and Maths in the Senior school with new furniture, carpets and painting.
- New planting and rainbow benches and outside lighting to bring more of a centre to the school and colourful deckchairs have been added to the front lawn.
- Repaired the rigging in the Aldridge Theatre.
- Repainting and recarpeting of the entrance hall in Hamilton House (Junior boarding).
- Turning the drawing room and old staff dining room into a sixth form study area and coffee shop ready for September 2025.

FUTURE PLANS

The School's Strategic and Business Plan, charitable objects and ethos provide the strategic direction for future planning; these are captured and articulated in the School's Management Action Plan for 2025-2026; this document sets out the specific and detailed plans for next year.

1. To lay the foundations for Frensham Heights to develop a culture of thought leadership by opening and resourcing an academic research and collaboration hub called the Frensham Arch.
2. The implementation of curriculum and assessment reform at Junior School and planning for Senior School.
3. To further promote student wellbeing.
4. To celebrate the centenary with 2025/26 marking 100 years of Frensham Heights School.
5. To continue the restoration of the estate and facilities.
6. To launch the rebranded Fireflies Nursery.

ACHIEVEMENTS AND PERFORMANCE

The Board of Governors is pleased to report that academic year 2024/25 has been another highly successful year for the School when measured against the charity's objects and the strategies set out by the Board for the School in 2024-25. This section of the Report highlights key elements of the activities and achievements of the School which have contributed to the success.

Parents and pupils

The governors commit considerable time, effort and resources into understanding and responding to the needs of our pupils and parents. All Governor decisions are taken with the impact on the pupils and their parents firmly in mind seeking to achieve the highest standards.

Employees

The Board of Governors is kept fully informed of any employee concerns through regular formal and informal briefings from the Head. The governors are committed to promoting a positive and healthy environment for the teaching, residential, administrative and support staff for both physical and mental wellbeing. The governors promote inclusion in the workplace and provide resources for training and development opportunities for all staff. The governors encourage recruitment and development strategies which seek to attract and retain talented staff. The governors ensure that the employee assistance programme through Marsh is shared with all employees.

Frensham Heights Educational Trust Limited
Report of the Governors
for the Period Ended 31 August 2025

ACHIEVEMENTS AND PERFORMANCE (continued)

Suppliers

The governors promote the need to develop long term and mutually beneficial relationships with suppliers, regularly tested against prevailing market conditions, and are supportive of the development of relations with local suppliers and those with strong environmental credentials.

Community and the environment

The governors are conscious of the School's important role within the community. The School takes its role within the community very seriously and promotes and encourages community and charitable contribution as part of the overall public benefit provided by the charity. The School is an important local employer in the local community. The School also recognises the importance of its environmental responsibilities and has measures in place to monitor and control its impact on the local environment and its compliance with any

regulatory environmental standards. The School seeks to implement policies aimed at reducing any potential detrimental environmental impact of its activities.

Standards and conduct

The School sets itself the highest of standards in the way it manages its relationship with parents, staff and suppliers. This approach is characterised by fairness and transparency. These standards are clearly communicated to every staff member on induction and to which adherence is expected and enforced.

Pupil numbers and academic achievement

Frensham Heights had an average number of pupils of 520 (2024: 495) including 84 boarders (2024:69). A further approximately 50 of the total pupils are occasional boarders and board from time to time.

Frensham Heights continues to deliver a broad and balanced curriculum. The A Level and I/GCSE pupils achieved public examination results this summer that we are proud of:

<u>Subject</u>	<u>Grade</u>	2025	2024	<u>National average 2024</u>
I/GCSE	9 to 7	45%	53%	25%
I/GCSE	9 to 5	86%	92%	
I/GCSE	9 to 4	95%	99%	67%
I/GCSE	KS4 value add	0.5	0.9	
BTEC	L2D*-L2D	62%	48%	
BTEC	L2D*-L2M	80%	81%	
BTEC	L2D*-L2P	97%	95%	
BTEC	KS4 value add	0.5	0.9	
A level	A*-A	37%	48%	31%
A level	A*-B	60%	75%	
A level	A*-C	82%	90%	76%
A level	A*-E	99%	99%	
A level	KS5 value add	0.3	0.4	

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Report of the Governors
for the Period Ended 31 August 2025

ACHIEVEMENTS AND PERFORMANCE (continued)

Highlights for the year across some of the key departments:

Sport

One of our key indicators of progress is the number of students choosing to participate in competitive sports each term and this number continues to rise each year. The School aims to ensure that every student who wants to represent the school and experience inter-school competition has the opportunity to do so. To support this, we ran nearly 400 inter-school matches across a wide range of sports, a testament to both student enthusiasm and staff commitment.

We pride ourselves on offering a broad and inclusive programme for students who may not wish to take the competitive team route. Throughout the year, students have enjoyed a variety of alternative activities designed to challenge them, keep them active, and most importantly, ensure they have fun. These included basketball, skiing, climbing, yoga, wakeboarding, tennis, spinning, gym sessions, pickleball, and much more. All contributing to our goal of providing something for everyone.

Beyond the core timetable, we offered over 20 sports focused Extra-Curricular Activities (ECAs) each week across the school, giving students even more opportunities to stay active and try something new. Golf, in particular, saw a notable rise in popularity this year.

This year, we introduced swimming lessons for students from Reception to Year 3, delivered by specialist swim instructors. This ensures that every student from Reception through to Year 9 receives swimming instruction with additional optional opportunities available for older students.

Finally, in the classroom a 100% A* return for our year 13 A level PE cohort was a great way to sign off the school academic year 2024-25.

Music

The past year has seen students taking part in a wide range of performances and opportunities. The regular informal lunchtime recitals were well attended, and the and the Classical Spotlights in Morning Talk gave a supportive and opportunity for musicians to perform to the whole of the School.

Year 5 have enjoyed taking part in Plastic Band sessions, led by some of our peripatetic instrumental teachers, and performances included a Teatime Concert, various parent assemblies and as accompaniment for pop songs on the Founders Day stage. The Junior show, *Peter Pan* in the Autumn term was a huge success and the children demonstrated confidence, creativity, and talent. The development in their performing and musical ability was evident in their hugely successful performance of *Joseph* in the term 3. *The Addam's Family* musical was a triumph with some outstanding singing and musicianship through dedication and resilience.

External Senior School events included *Bold and Brassy*, an opportunity for some of our most talented jazz students to sing with a 16-piece jazz band, and a high-profile fundraising event in Farnham Castle with our string quartet.

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ACHIEVEMENTS AND PERFORMANCE (continued)

The sixth form band have been busy performing at various venues in Farnham and London and are gaining quite a following on social media. They had the opportunity to work with Sean Woodlock, a well-known producer at Hackney Road Studios who offered them an insight into working as a session musician and producer in the music industry.

School musicians and bands have performed at various open days and events and continue to impress prospective parents with their modesty, positivity, and talent. Some of the highlights of the Music calendar include the collaborative *Autumn Arts*, the *Rock and Pop Gig* in March, which was energetic and exciting, and *Founders Day* performances which included Years R - 13. With over 200 individual music lessons each week and a large variety of ECAs, the Department has continued to nurture talent, creativity, and a love of performance across every age group.

Performing Arts

The 2024–25 academic year has been an exceptional and vibrant year for Performing Arts at Frensham Heights, with students across all age groups immersed in a rich and varied programme of creative opportunities, professional training, and unforgettable live performance experiences.

The year began with the powerful senior play 'Regeneration' by Pat Barker, performed in November. Directed by our brilliant Director in Residence, Esalan Gates, the production tackled the psychological impact of war with emotional depth and mature performances, showcasing our students' ability to handle challenging and thought-provoking material.

In March, audiences were treated to a spectacular and sold-out run of 'The Addams Family', a bold and comedic musical performed by our senior students. With rave reviews and outstanding performances from the cast, the production celebrated the darkly funny world of the Addams with flair, originality, and boundless energy.

The Junior School lit up the stage in June with their dazzling production of 'Joseph and the Amazing Technicolor Dreamcoat', performed on a revolving stage and bursting with colour, humour and charm. The show sold out to packed houses and received heartfelt praise for its joyful storytelling and confident performances from our younger students.

Younger performers in Years 7–10 also had the chance to shine in the innovative and experimental play, 'Liminal Space and the Science of the Jumpscare', written and directed by Adam Jennings. This daring and original production pushed boundaries, blending theatre and film in unexpected ways to challenge both performers and audience.

Beyond the stage, our students have taken part in an incredible range of trips and workshops, expanding their horizons and connecting them with the professional world of performance. Highlights include an immersive trip to see *Guys and Dolls* at the Bridge Theatre, *Operation Mincemeat*, *The Lion King*, and *Kyoto*, as well as workshops led by the National Youth Theatre and other leading practitioners.

As part of our Performing Arts Award, sixth form students have received industry-standard training and mentoring from a fantastic lineup of professionals including Kelly Ewins, Vicky Jukes, Sean Woodlock, and Christos Dante to name but a few. These sessions have included training in stage combat, DJing, and competitive-level dance coaching, giving students a taste of the demands and rewards of a career in the performing arts.

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ACHIEVEMENTS AND PERFORMANCE (continued)

The depth and breadth of this year's performing arts provision reflects our commitment to nurturing creativity, confidence, and ambition in every student. Whether on stage, behind the scenes, or in the audience, Performing Arts at Frensham continues to offer something unforgettable for everyone.

Trips

We continue to have a wide variety of day trips for all year groups at the school and residential for year 4 -13. Some of the highlights were the whole year group trips for Years 5, 6 and 9 and the educational trips for our GCSE and A level students to Italy and Amsterdam. The Outdoor Education provision is always a highlight and include the popular Surf Trips to Cornwall, Ski Trip to Italy, the well subscribed Duke of Edinburgh programme, the Year 12 Knoydart adventure and a successful Borneo Trip.

Greenpower

This year's Greenpower project has proved to be a brilliant STEM activity, giving 30 students from Years 7–11 the opportunity to design, build and race three electric kit cars – Edith, Isabel, and Beatrice – entirely through afterschool and lunchtime ECAs, with competitions taking place at weekends.

Across a season of highly competitive racing, the teams have consistently impressed, demonstrating engineering skill, teamwork, and resilience under pressure. Highlights have included:

- Goodwood (April): Edith achieved fastest lap of the day.
- Mallory Park (May): All three cars secured top 10 finishes.
- Castle Combe (June): For the first time in Frensham's history, all three cars held 1st, 2nd and 3rd in class during a race.
- Bedford Autodrome (June): A landmark day with an historic clean sweep of the podium – Edith 1st, Beatrice 2nd, Isabel 3rd – beating even scratch-built cars.
- Dunsfold (September): All three cars qualified for the International Finals at Goodwood, with Beatrice sealing her place after a commanding 1st place finish. (Edith P2, Isabel P3)

The students have been determined throughout – taking on engineering challenges, problem-solving under race pressure, and showing great teamwork. Parent support has been exceptional, with families helping trackside and cheering on the teams.

Outdoor Education

The Outdoor Education programme at Frensham Heights has had a successful year, reflecting the strength of our expedition training, leadership development, and community engagement opportunities. A total of 40 students completed their Bronze Duke of Edinburgh's Award Expedition, 19 completed Silver, and 10 completed Gold. Throughout these expeditions, students demonstrated strong navigational ability, sound decision-making, campcraft, resilience in at times challenging conditions, and excellent teamwork.

Our Knoydart residential for Year 12 students continues to grow in popularity, with numbers doubling from 12 to 24 this year. Entry to the programme is through a selective application process in which students must convey their ability to work effectively as part of a team and commit to fundraising to support a community based environmental project that we complete each year in Inverie. This year, students cleared and prepared an area of land to plant an orchard between the Bunkhouse and the Long Beach campsite, contributing both physical labour and problem-solving skills to ensure the project's success. In addition to the project

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ACHIEVEMENTS AND PERFORMANCE (continued)

work, students participated in a Ranger Day with local environmental experts, during which they learned about the environmental considerations and sustainability challenges faced by the Inverie community. This included an introduction to the area's successful community-led tree planting scheme, which our school's carbon offset contributions support annually. This educational component deepened students' understanding of the impact of their work within a wider environmental context. Prior to arriving in Inverie, the group completed a two-day, one-night sea kayaking expedition, a day of gorge walking, a day of climbing and abseiling, and a series of structured team challenges. The Knoydart residential remains a highlight of Sixth Form life, providing students with high-impact outdoor experiences that foster confidence, leadership, and a meaningful sense of contribution to a community.

The year culminated in a 21-day expedition to Borneo, offering students an opportunity to develop resilience, independence, and global awareness through a series of challenging and culturally immersive phases. The expedition began with a two-day jungle trek and cultural immersion experience in Bengoh Valley, Sarawak, including overnight accommodation in a traditional village. This was followed by a six-day project phase in a coastal village near Kuching, where students cleared and prepared land and helped cement pathways in and around the longhouse in which they were staying. The project phase concluded with a night of shared celebrations with local residents. The group then visited the Semogoh Orangutan Sanctuary, where students observed several orangutans in their natural habitat, including infants with their mothers. The team subsequently travelled to Kinabalu to begin the trek phase, and all students successfully reached 3,750m. The final phase of the expedition took place at Tunku Abdul Rahman Marine National Park, where students successfully completed their PADI Open Water Diver training, with one student also achieving Advanced Open Water certification. Marine life sightings included clownfish, angelfish, turtles, and a blacktip reef shark.

Sustainability

The School is aware of its responsibilities in making progress towards a more sustainable campus. It has a solar field that contributes towards the costs in the Main Building during term time and there is a contribution in the accounts of £43k (2024: £27k).

All new buildings are constructed to the sustainability regulations in place at the time and where possible loft insulation and double glazing are added to staff accommodation when the opportunities are presented.

The School has established an educational project, Worthy Earth, where years 6, 7 and 8 students are introduced to sustainable growing and planting techniques at a nearby farm.

The School is planning to undertake a review of its energy efficiency during 25/26 and will consider how to implement any recommendations.

Public Benefit

In meeting its Objects, the School's public benefit aim is to provide a world class progressive education that emphasises progressive values and focuses on students as individuals to bring out their strengths, with creative and performing arts given equal status alongside more traditional academic subjects and sport. In line with its ethos, the School welcomes students from all backgrounds where it is believed that the prospective student can benefit from the education provided at the School.

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ACHIEVEMENTS AND PERFORMANCE (continued)

The Board of Governors places great importance on the School's means tested bursary scheme. The School's bursary scheme is designed to assist or prospective parents who, for financial reasons, are unable to send or continue to send their daughter to the School. The scheme includes two types of means-tested bursaries — admissions and hardship. To ensure all bursary awards are fair and only the most deserving benefit, the School will take a number of factors into consideration, in addition to current earnings, when assessing means. These include property holdings, investments, savings, family holidays, cars and family circumstances such as dependent relatives and the number of siblings. Each case is assessed on its own merits and awards are made accordingly, subject to the School's ability to fund these within the context of its overall budget. Information about fee assistance through means-tested bursaries is provided to all applying to the School and is published on the School's website.

In addition to providing education supported by an extensive range of extra-curricular activities the School has due regard for its obligations under the Charity Commission's published guidance on the public benefit requirement (Charities Act 2011), therefore the School also works in partnership with local schools, charities and organisations to widen public access to education.

Frensham Heights School remains committed to the aim of providing public benefit and, in accordance with Section 17 of the Charities Act 2011, the Board of Governors confirms that they have paid due regard to the Charity Commission's statutory guidance on public benefit in deciding what the charity should undertake.

The Board of Governors believes that the work and activities for the public benefit that take place throughout the year with children from local schools and with the local community are part of the ethos and spirit of the school and are in line with the charitable objects.

In 2024-25 the school has continued to develop our close relationship with the local community as follows:

- Invitations to local state schools to productions in the Aldridge Theatre.
- Support of the Frensham Village Fair and Rowledge Village Fair sharing equipment and musicians.
- Free use of our pool for local children.
- Hosting of the Rowledge Primary School and the St Mary's Frensham summer term performances in the Aldridge Theatre.
- Hosting of the Rowledge Primary School year 6 leavers event.
- Free funded hours in the Nursery as part of the government early years funding scheme.
- Supporting the elderly in the community by the hosting of tea parties in the Long Gallery, visits to the Brightwells Gostree Centre and serving lunches at Farnham Assist 6 terms a year to support loneliness and isolation in the community.
- Volunteering through the Duke of Edinburgh Awards.
- Supporting the Ukrainian Community to hold a talent show in the Aldridge Theatre.
- Supporting the Farnham Literary Festival with an in conversation with Tim Pope (a music producer), a touring company production of Macbeth and the launch of a book about dinosaurs.
- Supporting the Farnham Arts Trail by opening our arts and design centre to show our A level and GCSE work.
- Pupils and staff teaching IT at Bordon Primary School.
- Hosted year 6 local primary schools led by our sixth form sports leaders in a football and netball tournament.

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ACHIEVEMENTS AND PERFORMANCE (continued)

Volunteers

Old Frenshamians, Friends of Frensham, parents and members of the local community assisted and supported the School's educational and cultural activities throughout the year and the Board would like to record its appreciation of this invaluable and continuing support especially for the support on the year 11 and 13 proms, fireworks, sports day, Greenpower and the Christmas fayre and decorating the School Christmas trees.

Bursaries

Bursaries are only offered to parents of students based after a comprehensive means-tested assessment of financial need. The process requires parents to complete a detailed online financial form covering income, expenditure and assets which is reviewed by Bursary Administration Limited, a third party, who also carry out an interview and make a recommendation for consideration by the Director of Finance and Operations and the Head.

Bursary awards are re-assessed annually. This period the value of means-tested bursary awards totalled £494k (2024: £581k). This helped 30 pupils (2024: 35) of whom 10 (2024:10) benefitted from 90% or more remission of fees.

FUND RAISING

The School recognises that its alumni and current parents have already committed significant funds to the School by the families' payment of school fees and has historically taken a low-key approach to additional fundraising. The School is aware of the need to protect vulnerable people from unreasonable and persistent fundraising pressure; it has not received any complaints about fundraising during the year. The School acknowledges and abides by the Fundraising Regulator's Code of Practice and is compliant with the General Data Protection Regulations.

FINANCIAL REVIEW

Results for the Year (showing increase to reserves from operating surplus reported)

	<u>13 months</u> <u>to 31</u> <u>August</u> <u>2025</u> <u>£000</u>	<u>12 months to</u> <u>31 July 2024</u> <u>£000</u>	<u>For comparison</u> <u>12 months to 31 July</u> <u>2025</u> <u>£000</u>
Operating surplus (deficit) after depreciation/net income	(379)	(347)	116
Add depreciation	548	390	510
Less net capital additions/disposals	(375)	(120)	(343)
Change in restricted funds	-	-9	-
(Decrease)/increase to general reserves	(206)	(86)	283
Transfer to general reserves	310	-	-
Opening general reserves	4,680	4,766	4,680
Closing general reserves	4,784	4,680	4,963

Frensham Heights Educational Trust Limited
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FINANCIAL REVIEW (continued)

The operating surplus and increase to reserves have seen a return to a sustainable level. There has been an increase in capital additions getting closer to annual depreciation and returning to a model of rolling refurbishment. The numbers recognise a year where the School aimed to operate to a balanced budget to support parents and grow the existing community. The numbers above show how strong the School's reserves are. The School has no borrowings. As this is a 13 month period, the results are reduced by month 13, August 2025 where no fees income is recorded and there is a month of net expenditure for the School, the main costs being salary costs. If the year end had not been extended, closing reserves would have ended with reserves close to £5m, as a school with a July year end. Changing to a year end which matches the academic year helps with more accurate forecasting and budgeting.

Financial Viability and Reserves Level and Policy

The School's reserves policy is to maintain sufficient unrestricted income reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall taking into account annual and longer-term capital expenditure plans in conjunction with access to external financing. The Group's total reserves were £15,934k (2024: £16,313k) at the year-end. £11,125k (2024: £11,047k) of this represented the net book value of fixed assets leaving free reserves of £4,784k (2024: £3,551k) at the year-end. This compares with a policy level of £2,700k (2024: £2,704k) which would provide cover for up to three months' operating costs (2024: three months). The Trustees' policy is not to maintain free reserves in its wholly owned subsidiary. The Governors regularly review the levels of reserves.

PRINCIPAL RISKS AND UNCERTAINTIES

The governors are responsible for the overseeing of the risks faced by the School although detailed consideration of risk is delegated to the Head and the Director of Finance and Operations. Risks are identified and assessed and controls established throughout the year.

In the opinion of the governors the School has established systems of internal controls and other viable means including insurance cover which, under normal conditions, should allow all risks to be managed to an acceptable level in its day to day operations. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The governors formally review risk at all sub-committee meetings as a standing agenda item and this includes each sub committee's risk. Areas of particular concern are highlighted to the main Board through the dissemination of a 'Top Risks' paper which draws on the whole school risk register. In the risk register, risk is divided into five sections. The sections are External, Finance, Governance, Operations and Compliance risks. In addition, the entire risk register is reviewed annually by the Director of Finance and Operations.

The Board of Governors is satisfied that for all major risks identified; appropriate controls have been put in place and are maintained to mitigate the risks. It is recognised that systems can provide reasonable but not absolute assurance that major risks have been effectively mitigated.

The following table summarises the risks that the governors see as the most significant risks to the School and these are included in the Schools' Risk Register:

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Report of the Governors
for the Period Ended 31 August 2025

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Key Risk	Potential Impact	Mitigation & Control
Cyber-attack including a ransomware request	Loss of data including pupil assessed data and coursework.	All our data is held in the cloud except for payroll which is held on site on a server. We have conducted an internal Cyber Essentials Review and a Cyber Audit is being undertaken by an external consultant in the Autumn term.
Reduction in financial resilience as a result of the cumulative impact of changes in legislation and tax liability	Restructuring of the school.	Strong reserves. The School is not complacent, and great care has been taken in the setting of future budgets and monthly management accounts has produced greater accuracy in forecasting.
Managing and keeping on top of rolling refurbishment and repairs of buildings inside and out	Draw down of reserves.	The School has commissioned an external consultant to conduct an Asset Condition Survey of the entire site in the Autumn term. The output of this will be a 10 year costed plan for repairs and refurbishment.
Safeguarding of pupils	Harm to a child.	The School has a Designated Safeguarding Lead who is a member of SLT and is supported by a team who have been trained. Safer recruitment checks including maintenance of a Single Central Record. Weekly SLT meetings and termly governor meetings include safeguarding on the agenda. Any incidents or concerns are reported on CPOMS which the Head has visibility of.
Health and Safety	Staff, pupils, parents, or visitors suffer an injury.	Risk assessments are in place for all activities and trips and the entire site. Termly health and safety committee meetings. Planned preventative maintenance schedule and weekly checks. Health and Safety Governor. An external health and safety audit is being conducted in the Spring term.

Frensham Heights Educational Trust Limited
Report of the Governors
for the Period Ended 31 August 2025

STATEMENT OF RESPONSIBILITIES OF THE GOVERNORS

The members of the Board of Governors (who are also the directors of Frensham Heights Educational Trust Limited for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires governors to prepare financial statements which give a true and fair view of the charitable company and the group, including the income (and its application) and expenditure of the group for that year. In preparing these financial statements, the governors are 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 UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors are responsible for keeping proper accounting records that are sufficient to show and explain the group's and the School's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and of fraud and other irregularities.

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

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

In approving this Trustees' Report, the Board are also approving the Strategic Report included herein in their capacity as company directors.

On behalf of the Board



Simon Wilcox
Chair

Date: 6 December 2025

**Independent Auditors' Report to the Members of Frensham Heights
Educational Trust Limited
for the Period Ended 31 August 2025**

Opinion

We have audited the financial statements of Frensham Heights Educational Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the 13 months ended 31 August 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Governors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we

**Independent Auditors' Report to the Members of Frensham Heights
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for the Period Ended 31 August 2025**

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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

**Independent Auditors' Report to the Members of Frensham Heights
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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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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 Auditors' Report.

Use of our report

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



Darren O'Connor BSc (Hons) ACA FCCA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston Audit

Chartered Accountants and Statutory Auditors

Apex

Forbury Road

Reading

RG1 1AX

Date: 16/12/2025

Frensham Heights Educational Trust Limited
Consolidated Statement of Financial Activities
(incorporating Income and Expenditure Account)
For the Period ended 31 August 2025

		Unrestricted	Restricted	Endowed	Total	Total
		Funds	Funds	Funds	Funds	Funds
		2025	2025	2025	2025	2024
		£'000	£'000	£'000	£'000	£'000
Income from:						
Donations		18	-	-	18	4
Charitable Activities	3	11,098	-	-	11,098	10,421
Other trading activities	4	994	-	-	994	522
Bank and other interest		277	-	-	277	278
Total income		12,387	-	-	12,387	11,225
Expenditure on:						
Trading expenditure	5	542	-	-	542	356
Charitable Activities	5	12,224	-	-	12,224	11,216
Total expenditure		12,766	-	-	12,766	11,572
Net income/(expenditure) before transfers		(379)	-	-	(379)	(347)
Transfers between funds	9	561	(310)	(251)	-	-
Net movement in funds		182	(310)	(251)	(379)	(347)
Funds brought forward		15,727	335	251	16,313	16,660
Funds carried forward	17	15,909	25	-	15,934	16,313

The statement of financial activities includes all gains and losses recognised in the year.

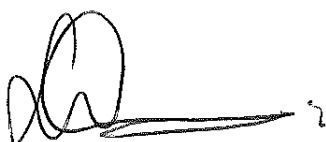
The net expenditure of the School for the 13 month period was £831,000 loss (2024:£324,000 loss for the year, 12 months).

All activities relate to continuing operations.

The Notes on Pages 29 to 40 form part of these accounts.

Frensham Heights Educational Trust Limited
Consolidated Balance Sheet
As at 31 August 2025

	Notes	2025 £'000	2024 £'000
FIXED ASSETS			
Tangible fixed assets	10	11,125	11,298
CURRENT ASSETS			
Stocks		2	1
Debtors: amounts falling due within one year	12	480	565
Cash at bank and in hand		<u>7,077</u>	<u>6,629</u>
		7,559	7,195
CREDITORS: amounts falling due within one year	13	<u>(2,750)</u>	<u>(2,178)</u>
NET CURRENT ASSETS		4,809	5,017
TOTAL ASSETS LESS CURRENT		<u>15,934</u>	<u>16,315</u>
CREDITORS: amounts falling due after more than one year	14	-	(2)
NET ASSETS		<u>15,934</u>	<u>16,313</u>
CAPITAL AND RESERVES			
Called up share capital	15	-	-
THE FUNDS OF THE CHARITY			
UNRESTRICTED FUNDS	16		
Scholarship fund		-	1,129
Tangible fixed asset fund		11,125	11,047
General fund		<u>4,784</u>	<u>3,551</u>
		15,909	15,727
RESTRICTED FUNDS			
Music and Ukranian funds		25	25
Bursary funds		-	310
Endowments		<u>-</u>	<u>251</u>
		25	586
TOTAL FUNDS	17	<u>15,934</u>	<u>16,313</u>



Simon Wilcox
Chair

Richard Fry
Treasurer



Date: 6 December 2025

The Notes on Pages 29 to 40 form part of these financial statements.

Frensham Heights Educational Trust Limited
School Balance Sheet
As at 31 August 2025

	Notes	2025 £'000	2024 £'000
FIXED ASSETS			
Tangible fixed assets	10	11,121	11,298
Investments	11	<u>10</u>	<u>10</u>
		11,131	11,308
CURRENT ASSETS			
Stocks		-	-
Debtors: amounts falling due within one year	12	1,004	532
Cash at bank and in hand		<u>6,449</u>	<u>6,333</u>
		7,453	6,865
CREDITORS: amounts falling due within one year	13	<u>(2,659)</u>	<u>(1,866)</u>
NET CURRENT ASSETS		4,794	4,999
TOTAL ASSETS LESS CURRENT		<u>15,925</u>	<u>16,307</u>
CREDITORS: amounts falling due after more than one year	14	-	-
NET ASSETS		<u>15,925</u>	<u>16,307</u>
CAPITAL AND RESERVES			
Called up share capital	15	-	-
THE FUNDS OF THE CHARITY			
UNRESTRICTED FUNDS			
Scholarship fund	16	-	1,129
Tangible fixed asset fund		11,121	11,047
General fund		<u>4,779</u>	<u>3,545</u>
		15,900	15,721
RESTRICTED FUNDS			
Music and Ukranian funds		25	25
Bursary funds		-	310
Endowments		<u>-</u>	<u>251</u>
		25	586
TOTAL FUNDS	17	<u>15,925</u>	<u>16,307</u>

Frensham Heights Educational Trust Limited
Consolidated Statement of Cash Flows
For the Period ended 31 August 2025

	Note	2025	2024
		£'000	£'000
Cash flows from operating activities			
Net cash provided by operating activities	18	556	(2)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(385)	(121)
Disposal of tangible fixed assets		0	-
Investment income and bank interest receipts		<u>277</u>	<u>278</u>
Net cash (used in) / provided by investing activities		(108)	157
Cash flows from financing activities:			
Finance Costs Paid		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the reporting period		<u>448</u>	<u>155</u>
Cash and cash equivalents at the beginning of period		6,629	6,474
Total cash and cash equivalents at the end of the period		<u>7,077</u>	<u>6,629</u>

The Notes on Pages 29 to 40 form part of these financial statements.

Frensham Heights Educational Trust Limited
Notes to the Financial Statements
For the Period ended 31 August 2025

1. General information

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 10 July 1925 (company number: 207173) and registered as a charity on 15 August 1966 (charity number: 312052).

2. Accounting Policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 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 (FRS 102).

Going Concern

The accounts have been prepared on a going concern basis. The Charity will be able to meet its obligations in full for at least 12 months following the signing of the accounts. The Trustees have reviewed and approved the budget for 2025-26 including the reserves that will be available after that period. There is no material uncertainty regarding the Charity to meet its liabilities as they fall due and to continue as a going concern.

Presentation

The financial statements are prepared in Sterling which is the functional currency of the charity. Monetary amounts are rounded to the nearest £1000.

Consolidation

The consolidated accounts include Frensham Heights Enterprises Limited, made up to 31 August 2025. In accordance with the exemption allowed under Section 408 of the Companies Act 2006, the charity's Statement of Financial Activities is not separately presented.

Judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, 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.

Frensham Heights Educational Trust Limited
Notes to the Financial Statements
For the Period ended 31 August 2025

2. Accounting Policies (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised 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 trustees, 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 amounts in the next financial year.

Income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

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

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reasonably quantified and the economic benefit to the School is considered probable.

Donations receivable for the general purpose of the School 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 Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as 'endowments' – permanent or expendable according to the nature of the restriction.

Tangible fixed assets and depreciation

Items of a capital nature and with a value greater than £10,000 have been capitalised. The change of depreciation on buildings from 2% to 1% which was introduced last year was reversed this year. This had an impact of £120,000 in the period. Depreciation is provided annually at the following rates:

Freehold buildings	2% of cost
Timber buildings	5% to 6.7% of cost
Modular buildings	4% of cost
Motor vehicles	25% of cost
Furniture and other equipment	10% - 20% of cost
Solar Panels	5% of cost
Computer equipment	20% to 33.3% of cost

Frensham Heights Educational Trust Limited
Notes to the Financial Statements
For the Period ended 31 August 2025

2. Accounting Policies (continued)

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to the activity in the year. The irrecoverable element of VAT is included with the item of expense to which it relates.

Raising funds comprise those costs directly attributable to the trading subsidiary (Note 4).

Support costs comprise a proportion of staff costs together with a proportion of overheads of the School. Governance costs are those incurred in connection with the governance of the School and compliance with constitutional and statutory requirements.

All expenditure up until 31 December 2024 is recognised inclusive of irrecoverable VAT. Due to a change in legislation, from the 1 January 2025, the Charity has become VAT registered and expenditure is now recognised net of reclaimable VAT.

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.

Stock

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

Pension schemes

During the year, the School contributed to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme. As a result of the agreement to fully withdraw from TPS, contributions ceased effective from 31 December 2024.

The School contributes to the Royal London Group Personal Pension Plan, a defined contribution scheme, which the School established as the official alternative to the TPS under the Phased Withdrawal arrangement. Upon fully exiting from TPS, and from 1 January 2025, all teaching staff will be entitled to join this pension scheme.

All non-teaching staff are entitled to join a group personal pension scheme, currently the Standard Life Group Personal Pension Scheme, which complies with the requirements for a Stakeholder Pension Scheme.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured and amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise trade creditors, other creditors, accruals and deposits.

Frensham Heights Educational Trust Limited
Notes to the Financial Statements
For the Period ended 31 August 2025

3. INCOME FROM CHARITABLE ACTIVITIES

	2025	2024
	£'000	£'000
Gross fee income	11,985	10,881
Bursaries and scholarships	(1,478)	(1,158)
	10,507	9,723
Rent and use of school facilities	5	143
School trips and other income	548	376
Registration fees	38	179
	11,098	10,421

In 2025 of the total income from charitable activities, £11,098,000 related to restricted funds and £nil to unrestricted funds.

In 2024 of the total income from charitable activities, £10,421,000 related to restricted funds and £nil to unrestricted funds.

4. INCOME FROM OTHER TRADING ACTIVITIES

	2025	2024
	£'000	£'000
Rent and use of school facilities	994	522

In 2025 of the total income from other trading, £994,000 related to restricted funds and £nil to unrestricted funds.

In 2024 of the total income from other trading, £522,000 related to restricted funds and £nil to unrestricted funds.

5. ANALYSIS OF TOTAL

	Staff Costs £'000	Depreciation £'000	Other Costs £'000	Total 2025 £'000	Total 2024 £'000
Trading activities	-	-	542	542	356
Charitable activities					
Education and welfare	5,786	548	1,525	7,859	6,966
Premises	676	-	1,147	1,823	1,742
Support costs	1,453	-	1,062	2,515	2,479
Governance costs	-	-	27	27	29
	7,915	548	3,761	12,224	11,216
Total expenditure	7,915	548	4,303	12,766	11,572

In 2025 of the total expenditure £12,769,000 was from unrestricted funds and £nil was from restricted funds.

In 2024 of the total expenditure £11,572,000 was from unrestricted funds and £nil was from restricted funds.

6. Governance costs

	2025	2024
	£'000	£'000
Auditor's remuneration - statutory audit	14	26
Auditor's remuneration - non audit services	3	3
Other including governor recruitment costs	10	-
	27	29

Frensham Heights Educational Trust Limited
Notes to the Financial Statements
For the Period ended 31 August 2025

	2025	2024
	£'000	£'000
7. STAFF COSTS		
Wages and salaries	6,169	5,736
Social security costs	682	566
Pension costs	1,064	1,046
	<u>7,915</u>	<u>7,348</u>

8. EMPLOYEE AND KEY MANAGEMENT PERSONNEL INFORMATION

The average numbers of persons employed during the year was as follows:	No.	No.
Teaching staff	76	107
Academic support	23	-
Administration	25	34
Welfare	9	-
Premises	25	24
	<u>164</u>	<u>165</u>

The average number of persons employed whose remuneration fell within the following bands:

	2025	2024
	13 months	12 months
	No.	No.
£60,001 to £70,000	26	10
£70,001 to £80,000	17	3
£80,001 to £90,000	8	-
£90,001 to £100,000	2	-
£160,001 to £170,000	-	1
£190,001 to £200,000	1	.

These numbers are for 13 months for 2025 which is why they are much higher.

	2025	2024
	£'000	£'000
Aggregate employee remuneration of key management personnel	1,074	1,424
Number of employees	11	12

During the year, no Trustees (2024: nil) received any remuneration, any benefits in kind, any reimbursement of expenses.

During the year, there were termination payments of £40k (2024:£36k, which was outstanding at 31 July 2024).

One person connected with a governor has received remuneration from employment with the charity in accordance with the pay scales of the School (2024: one).

Frensham Heights Educational Trust Limited
Notes to the Financial Statements
For the Period ended 31 August 2025

9. TRANSFER BETWEEN FUNDS	2025	2024
	£'000	£'000
Bursaries funded from the bursary and scholarship fund	310	-
Capital projects funded from the endowment fund	251	-
Bursaries funded from the Charles Lieber music fund	-	-
Bursaries expenditure from funds	(561)	(4)
Bursaries funded from the Ukrainian fund		4
	<u>-</u>	<u>-</u>

10. Tangible fixed assets

	Freehold Land and Buildings	Plant, furniture and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 August 2024	16,670	2,209	159	19,038
Additions	-	357	28	385
Disposals	-	(10)	-	(10)
At 31 August 2025	16,670	2,556	187	19,413
Depreciation				
At 1 August 2023	5,951	1,630	159	7,740
Charge for the year	366	185	7	558
Disposals	-	(10)	-	(10)
At 31 August 2025	6,317	1,805	166	8,288
Net book value				
At 31 August 2025	10,353	751	21	11,125
At 31 July 2024	10,719	579	-	11,298

11. Investments

The School holds 100% of the unlisted shares (10,000 £1 shares) in a subsidiary company, Frensham Heights Enterprises Limited.

	2025	2024
	£'000	£'000
Income	994	535
Expenditure	(542)	(364)
Surplus for the period	<u>452</u>	<u>171</u>
 Total assets	 676	 330
Total liabilities	(666)	(313)
Net funds at the end of the period	<u>10</u>	<u>17</u>

Frensham Heights Educational Trust Limited
Notes to the Financial Statements
For the Period ended 31 August 2025

11. Investments (continued)

The company holds £10,000 in ordinary shares, the entire issued share capital, of Frensham Heights Enterprises Limited.

The principal activity of Frensham Heights Enterprises Limited (registration number 2866864) is the letting of facilities available at Frensham Heights School.

The registered office of Frensham Heights Enterprises Limited is Frensham Heights School, Frensham Heights Road, Rowledge. GU10 4EA

The year end of Frensham Heights Enterprises Limited has been changed this year from 30 June to 31 August so that the subsidiary company year end is the same as the school and follows the academic year.

12. Debtors

	Group		School	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Fees debtors	3	173	3	173
Amounts due from lettings	27	-	-	-
Amounts owed by subsidiary	-	-	571	65
Prepayments and accrued income	450	392	430	294
	480	565	1,004	532

13. Creditors: Amounts falling due within one year

	Group		School	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Fees in advance scheme	-	479	-	479
Fee deposits	533	550	533	550
Trade creditors	526	312	475	299
Other tax and social security	156	-	156	-
Other creditors	162	383	170	308
VAT payable	676	-	663	-
Accruals and deferred income	697	454	662	230
	2,750	2,178	2,659	1,866

Frensham Heights Educational Trust Limited
Notes to the Financial Statements
For the Period ended 31 August 2025

14. Creditors: Amounts falling due more than one year

	Group		School	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Fee deposits	-	-	-	-
Deferred income	-	2	-	-
	-	2	-	-

15. Share Capital

	Group and School	
	2025	2024
	£	£
Alloted, called up and fully paid, 100 ordinary shares of £1 each	100	100

16. Analysis of net assets between funds

	Unrestricted	Restricted	Endowment	Total
	2025	2025	2025	2025
	£'000	£'000	£'000	£'000
Tangible fixed assets	11,100	-	-	11,100
Current assets	4,809	25	-	4,834
Creditors due within one year	-	-	-	-
Creditors due in more than one year	-	-	-	-
	15,909	25	-	15,934

	Unrestricted	Restricted	Endowment	Total
	2024	2024	2024	2024
	£'000	£'000	£'000	£'000
Tangible fixed assets	11,047	-	251	11,298
Current assets	4,682	335	-	5,017
Creditors due within one year	-	-	-	-
Creditors due in more than one year	(2)	-	-	(2)
	15,727	335	251	16,313

Frensham Heights Educational Trust Limited
Notes to the Financial Statements
For the Period ended 31 August 2025

17. Summary of Funds 2025

	Brought forward £'000	Income £'000	Expenditure £'000	Transfers in/(out) £'000	Carried forward £'000
Unrestricted funds:					
Ordinary school funds	16,288	12,387	(12,766)	-	15,909
Restricted funds:					
Ukranian Fund	7	-	-	-	7
Charles Lieber music fund	18	-	-	-	18
	25	-	-	-	25
Total restricted and unrestricted	16,313	12,387	-	12,766	-
Restricted funds	(25)				(25)
Tangible fixed asset fund	(11,047)				(11,125)
General reserve	5,241				4,784

The school has set aside funds for scholarships, bursaries and fixed assets, however these funds have long ago been utilised and this year have been released to the general reserve.

Purposes of the funds:

Ukranian Fund - to provide support educational and other to students attending Frensham Heights from the Ukraine.

Charles Lieber Music Fund - to provide music tuition to a student attending Frensham Heights School from Eastern Europe.

17. Summary of Funds 2024

	Brought forward £'000	Income £'000	Expenditure £'000	Transfers in/(out) £'000	Carried forward £'000
Unrestricted funds:					
Ordinary school funds	16,634	11,221	-	11,567	-
Restricted funds:					
Ukranian Fund	11	-	-	4	-
Charles Lieber music fund	15	3		-	18
	26	3	-	4	-
Total restricted and unrestricted	16,660	11,224	-	11,571	-
Restricted funds	-	26			-
Tangible fixed asset fund	-	11,315			-
General reserve	5,319				5,241

Frensham Heights Educational Trust Limited
Notes to the Financial Statements
For the Period ended 31 August 2025

18. Reconciliaton of net income to net cash flow from operating activities

	2025	2024
	£'000	£'000
Net income for the year (as per Statement of financial activities)	(379)	(347)
Adjustments for:		
Depreciation charges	558	390
Interest on cash deposits	(277)	(278)
Loss on disposal of fixed assets	1	4
(Increase)/decrease in stocks	(2)	1
(Increase)/decrease in debtors	85	266
Increase/(decrease) in creditors	570	(38)
Net cash generated from operating activities	556	(2)

19. Analysis of changes in cash and cash equivalents

	2025	2024
	£'000	£'000
Cash at bank and in hand	7,077	6,629

20. Pension Schemes

The School exited from the Teachers' Pension Scheme ("the TPS") for its teaching staff as of 31 December 2024. The pension charge for the period includes contributions payable to the TPS of £208k (2023: £638k) and at the year-end £nil (2023: £11,286) 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.

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 has valued the 'greater value' benefits for groups of relevant members.

Frensham Heights Educational Trust Limited
Notes to the Financial Statements
For the Period ended 31 August 2025

20. Pension Schemes (continued)

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%. This applied until 31 December 2024.

The pension cost for the year in relation to other defined contribution schemes amounts to £1,044k (2024: £525k) and has been included in the Statement of Financial Activities.

21. Operating Lease Commitments

The School is committed to the following payments under operating leases:

	2025	2024
	£'000	£'000
Within 1 year	70	88
within 2 to 5 years	118	142
	188	230

22. Capital Commitments

The School had capital commitments at 31 August 2025 of £29k. (2024: £28k).

23. Related Party Transactions

There are none (2024: none).

Frensham Heights Educational Trust Limited
Notes to the Financial Statements
For the Period ended 31 August 2025

24. Income and expenditure for the year ended 31 July 2025

	Unrestricted	Restricted	Endowed	Total	Total
	Funds	Funds	Funds	Funds	Funds
	2025	2025	2025	2025	2024
	£'000	£'000	£'000	£'000	£'000
Income from:					
Donations	6	-	-	6	4
Charitable Activities	11,040	-	-	11,040	10,421
Other trading activities	580	-	-	580	522
Bank and other interest	257	-	-	257	278
Total income	11,883	-	-	11,883	11,225
Expenditure on:					
Trading expenditure	361	-	-	361	356
Charitable Activities	11,406	-	-	11,406	11,216
Total expenditure	11,767	-	-	11,767	11,572
Net income/(expenditure) before transfers	116	-	-	116	(347)
Transfers between funds	-	-	-	-	-
Net movement in funds	116	-	-	116	(347)
Funds brought forward	16,079	326	255	16,313	16,660
Funds carried forward	16,195	326	255	16,429	16,313

The comparatives for the 12 month period to 31 July 2025 have been included here to show that Frensham Heights Educational Trust Limited had a surplus for the 12 months.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

England & Wales - Charity number 312052

Accounts

COMPANY REGISTRATION NUMBER: 207173
REGISTERED CHARITY NUMBER: 312052

FRENSHAM HEIGHTS
EDUCATIONAL TRUST LIMITED
REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
31 JULY 2024

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
YEAR ENDED 31 JULY 2024

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FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
GOVERNORS, OFFICERS AND ADVISERS
YEAR ENDED 31 JULY 2024

DIRECTORS AND GOVERNORS

Simon Wilcox (Chair)
Richard Fry (Vice Chair)
Katherine Love
Sally Marriott
William Marriott
David Armitage (appointed 4 Oct 23)
Danuta Staunton
Jackie Sullivan (retired 25 Mar 24)
Philip Ward (retired 9 Dec 23)
Gregory West (Vice Chair)
Joris Wonders
Catriona Sutherland Hawes (appointed 1 Sept 24)
Jacqui Johnson (appointed 1 Sept 24)
Neil Clutterbuck (appointed 1 Sept 24)

FINANCE, RESOURCES AND CAPITAL PROJECTS COMMITTEE

David Armitage (Chair until 31 July 24)
Richard Fry (Chair from 1 Aug 24)
Jackie Sullivan (retired 25 Mar 24)
Gregory West
Jacqui Johnson
Simon Wilcox

CURRICULUM, QUALITY AND STANDARDS COMMITTEE

Danuta Staunton (Chair)
Sally Marriott
Gregory West
Joris Wonders
Catriona Sutherland-Hawes (appointed 1 Sept 24)

GOVERNANCE, SEARCH AND STRATEGY COMMITTEE

Philip Ward (retired 9 Dec 23)
Simon Wilcox (Chair)
Kate Love
William Marriot
Danuta Staunton
David Armitage (until 31 July 24)
Richard Fry (from 1 Aug 24)
Joris Wonders (from 1 Aug 24)

AUDIT COMMITTEE

William Marriot (Chair until 31 July 24)
Joris Wonders (Chair from 1 Aug 24)
Danuta Staunton
Neil Clutterbuck (appointed 1 Sep 24)

REMUNERATION COMMITTEE

Kate Love (Chair)
Joris Wonders
Gregory West
Sally Marriott

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
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YEAR ENDED 31 JULY 2024

HEAD	Rick Clarke (resigned 1 Mar 23) Benedict McCarey (1 Sep 24)
ACTING HEAD	Laura Griffiths (1 Mar – 31 Aug 23)
INTERIM HEAD	Andrew Fisher (1 Sep 23 – 31 Aug 24)
INTERIM BURSAR & COMPANY SECRETARY	John Pratten (resigned 29 Nov 23)
COMPANY SECRETARY	Karen Frost (appointed 9 Dec 23)
REGISTERED OFFICE	Frensham Heights Rowledge Farnham Surrey GU10 4EA
COMPANY NUMBER	207173
REGISTERED CHARITY	312052
BANKERS	HSBC Bank plc 30 Princes Mead Shopping Centre Farnborough Hampshire GU14 6YB
SOLICITORS Herrington Solicitors)	GBH Law (trading as Goodyear Blackie 7-8 Innovation Place Douglas Drive Godalming Surrey GU7 1JX
AUDITORS	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
INSURANCE BROKERS	Marsh Insurance Brokers Limited Education Practice 4 Milton Road Haywards Heath West Sussex RH16 1AH

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2024

The Governors of Frensham Heights Educational Trust Limited, who are also the Directors and Charity Trustees, are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 July 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

DIRECTORS' REPORT

CONSTITUTION AND OBJECTS

Frensham Heights Educational Trust Limited was founded under Articles of Association dated 10 July 1925 as amended on 4 April 1950, 22 June 1996, 11 January 2006, 5 December 2020, and redrafted 2024 for acceptance December 2024. It is constituted as a company limited by shares, registered in England, No. 207173, and is registered with the Charity Commission under Charity No. 312052.

The Charity's principal Objects, as set out in the Memorandum of Association, are the advancement of education, including the provision of a school for boys and girls at Frensham, the holding of exhibitions, classes or conferences, whether general, professional or technical, and support to other charitable bodies. There has been no change to the Objects during the year.

In furtherance of these Objects and for the public benefit, the School has established and administered during the year bursary awards and other benefactions and acts as the trustee and manager of property and gifts given or established in pursuance of these Objects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Contact Information

The Governors, Head, Company Secretary, and principal address of the Charity are as listed on Pages 1-2. Details of the Charity's professional advisers are also listed on Page 2.

Group Structure and Relationships

The Charity has a wholly owned non-charitable subsidiary, Frensham Heights Enterprises Limited, (Company number 2866864) which was incorporated in 1993. Its principal activity is managing the hiring and letting of facilities at the School.

Board of Governors

The Board's Governance, Search and Strategy Committee is responsible for the selection and nomination of any new Governor. A Board Skills and Diversity Audit is carried out annually, and this information informs the decisions of the Board both in determining the skill sets and experience sought through advertising of forthcoming vacancies, and in the recommendations for succession planning and Board appointments.

When a vacancy arises, the Governance, Search and Strategy Committee considers the results of the skills and diversity audit to ensure that the Board has appropriate skills and expertise amongst its membership to enable it to discharge its responsibilities. Vacancies may be advertised either through the placing of an advert in local organisations, via recruitment agencies or by advertising the vacancy on the school's website. Applications are submitted in writing to the Head of Governance. Interviewing

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2024

is undertaken by a panel determined by the Governance, Search and Strategy Committee. Minimum membership of the panel is the Head, the Chair and the Head of Governance. When recruiting new governors, the Board is mindful that a successful board has an appropriate mix of governors with diverse skills, experience and backgrounds and encourages people from a range of backgrounds and experiences to apply.

One third of all Governors retire by rotation each year (including any Governor who is an officer). Any retiring Governor will be available for immediate re-election and the expectation is that Governors will serve either two or three terms of three years each.

During 2023-24, the Committee led the recruitment of 4 new governors to fill vacancies. The new governors brought a broad range of skills and experience including finance, business, risk, admissions and marketing. Two governors retired during the year.

An induction process is in place for new governors which includes an introduction to the School and Board processes, meetings with key staff, training in Safeguarding and Prevent and external induction training courses offered by AGBIS. The induction sessions brief new governors on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the strategy and the recent financial performance of the charity. Newly appointed governors are offered support from a mentor, who is an experienced member of the Board. The School offers a variety of training and development opportunities for both individual governors and the Board as a whole so that collectively the Board has the necessary skills and understanding to fulfil its responsibilities. Training and development opportunities include online training modules, briefings, reports, external conferences, training events, webinars and attendance at network groups.

The Board carries out an annual self-assessment of its own performance. In academic year 2023-24 the self-assessment process included:

- Review of Board Effectiveness;
- 1-1 Meetings with the Chair and Head of Governance;
- Update of the Skills and Diversity Audit;
- Review of the Chair's Performance; and
- Update of the Governor Action Plan.

Governance Code

The Trustees are aware of the Charity Governance Code published in 2017, and updated in March 2021, which sets out the principles and recommended practice for good governance within the sector. Governance is kept under constant review and modifications and improvements are continuously implemented.

Related parties and co-operation with other organisations

No Governors received remuneration or other benefit from their work with the School in the year. Any connection between a trustee or senior manager of the School must be disclosed to the full Board of Governors in the same way as any other contractual relationship with a related party.

Organisational Management

The Governors, who are also the Charity Trustees, are legally responsible for the general policy of the School and for the overall management and control of the School.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2024

The Governors meet as a Board at least three times a year. The work of overseeing the implementation of policies is carried out by committees. The committees and their membership are listed on Page 1. The Governors also hold an annual strategy meeting to examine and agree key issues impacting the School. One Governor sits on the School's Health and Safety Committee; at least one Governor acts as an observer on the Parents' Committee; and the Staff Common Room Committee.

The day-to-day management of the School is delegated to the Head. The Head is invited ex-officio to all Board and committee meetings. The pay and remuneration of the Head is set by the Remuneration Committee having considered independent benchmark reports across the independent school education sector.

During the previous year, the Head (Rick Clarke) resigned, and the Deputy Head (Academic) was appointed Acting Head until Andrew Fisher was able to start as Interim Head covering the period until the new Head (Ben McCarey) started in April 2024; thereafter Andrew Fisher acted as mentor to Ben McCarey for one term.

AIMS, OBJECTIVES AND ACTIVITIES

Public Benefit Aims and Activities

In meeting its Objects, the School's public benefit aim is to provide a world class progressive education that emphasises progressive values and focuses on students as individuals to bring out their strengths, with creative and performing arts given equal status alongside more traditional academic subjects and sport. In line with its ethos, the School welcomes students from all backgrounds where it is believed that the prospective student can benefit from the education provided at the School.

In support of its public benefit aim the School also awards annual bursaries, which are outlined in the grant making section of the Strategic Report. The Board has been and remains committed to awarding bursaries to widen participation at the School, recognising the significant opportunities such bursaries provide to the recipients and their families.

In addition to providing education supported by an extensive range of extra-curricular activities the School has due regard for its obligations under the Charity Commission's published guidance on the public benefit requirement (Charities Act 2011), therefore the School also works in partnership with local schools, charities and organisations to widen public access to education.

Objectives for the Year

The School's principal objectives for the year were to:

1. Maximise student achievement
2. Maximise student personal development through effective tutoring and involvement in opportunities outside the classroom
3. Inspire and further develop the teaching staff through professional development opportunities
4. Further enhance teaching and learning
5. Maintain and grow student numbers
6. Deliver the School's charitable objects and demonstrable public benefit
7. Maintain financial stability

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2024

STRATEGIC REPORT

The Strategic Direction of the School

The previous Head completed work on reviewing and updating the School's vision, mission, and values. In March 2024, the Board approved a new strategy with the following objectives:

1. Ensure students receive the best possible progressive educational experience and outcomes
2. Ensure that the school appeals to appropriate parents and that it becomes the school of choice for this demographic
3. Recruit and retain high quality staff who are trained in, and committed to, the Frensham Ethos
4. Generate sufficient income to support and develop the school's educational and social objectives

STRATEGIC VISION

Frensham Heights will be regarded as a first-choice, co-educational, non-traditional day and boarding school. By 2034 it will provide education from age 3 to 18 for up to 560 students, with boarding provision for 120. Frensham will treat students as individuals, allowing them to develop at their own pace and in their own way, where all talents are valued. The students' wellbeing and interests will be at the heart of a distinctive, creative and progressive educational experience. As a leader in educational thought, Frensham will attract and retain exceptional staff who will deliver a values-driven, inspirational, and holistic education which effectively prepares students for their future lives. The School's attractive and extensive facilities will support this education while providing a safe and nurturing environment. The School will be financially secure with an environmentally friendly and sustainable operating model which delivers the appropriate public benefit.

OUR MISSION

Frensham Heights provides a progressive, holistic and joyous education. At the heart of this education lies our fundamental belief in the generosity of the human spirit and our ambition to give young people the agency to know themselves, to develop their abilities and interests. A Frensham education is academically ambitious, but it also empowers our students to understand the individual contribution which they can make to the world in which we live. Frensham is curious, it is creative, and it is kind

Frensham is curious:

- Students are inspired to develop intellectual curiosity; they embrace learning as its own end, and this underpins their academic success
- They are free to question established thoughts, practices and beliefs and are given the time and opportunity to do so
- They have the opportunity to reflect on the world in which they live and to develop the skills, knowledge and capabilities to contribute to our society

Frensham is creative:

- Students develop the confidence to take risks and the independence to forge their own path
- They appreciate and contribute to humanity's tradition of artistic expression and creative thought in all of its forms
- They are empowered to think creatively across the curriculum and between disciplines

Frensham is kind:

- Students understand that the wellbeing of our community as a whole is the foundation of individual success, and they actively contribute towards this

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- They embrace diversity, they are compassionate, and they celebrate difference, both within our community and beyond it
- They understand that kindness transcends human relationships and that it can be a transformational force: societally, politically and environmentally

The Board is confident that the re-articulation of the aims and mission places the School firmly in a position to continue to deliver its progressive educational offering as a leading progressive school for the years to come.

OUR VALUES

The School champions the delivery of a values-based culture, which are:

- *Originality of thought*
- *Spirit of togetherness*
- *Respect of individuality*
- *Courage to try*

The Junior School further simplifies the values, so that they resonate with the youngest children in the School. The simplified examples are:

- *Be creative*
- *Be kind*
- *Be yourself*
- *Be brave*

The Junior School has committed to embedding these values in the curriculum, behaviour management and activities.

Principal Activity of the Year

The principal activity continues to be the provision of day and boarding education for boys and girls aged from 3 to 18 years. This year the School averaged 495 (2023: 497) students of whom 426 (2023: 439) were day students and 69 (2023: 58) were boarders.

Grant-making

During the year the School set aside funds to support bursaries, which were offered to parents of students who could not otherwise afford to send their children to the School, based on a comprehensive means-tested assessment of financial need. The process requires parents or guardians to complete a detailed online financial form covering income, expenditure and assets which is reviewed by the Director of Finance & Resources and Head, and a representative of the Board of Governors in difficult cases before any award is made. Bursary awards are re-assessed annually. The School's policy is to ensure funds are allocated for bursaries and to develop further its programme of Ambition and Enrichment activities, which is open to scholars, as well as the wider School community.

In support of these awards the School committed £581k (2023: £510k) this year, of which £526k (2023: £460k) was awarded in bursaries to 35 students (2023: 38) through its General Fund, of which 9 (2023: 9) were 100%. Within this bursary funding, £92k (2023: £86k) was allocated in-year for Ukrainian pupils. The availability of all such awards for fee-assistance is advertised on the School's website at www.frensham.org.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2024

Volunteers

Old Frenshamians, Friends of Frensham, parents and members of the local community assisted and supported the School's educational and cultural activities throughout the year and the Board would like to record its appreciation of this invaluable and continuing support.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE

Operational Performance of the School

Educational value has been added to student achievement across all age groups; this has been monitored using nationally recognised prediction information systems. Through the Scholarship and Enrichment Programme, students gain a wealth of experiences which not only enhance their curriculum learning but also develop essential life skills, all of which add value to their time at Frensham. Trips and educational visits provide access to social, cultural, moral, and spiritual experiences as students are challenged and have the opportunity for experiential learning.

Students have been offered the regular programme of sport, music, dance, drama, and School trips. Sports fixtures, together with sports trips, provided fantastic opportunities for students to remain active. Full access to the theatre meant that plays, dance concerts and rock & pop gigs were in full operation, with students excelling in all of these. The normalisation of school trips, a key element of a Frensham education, meant that significant trips such as the Year 6 trip to Pembrokeshire, the Year 9 trip to the Peak District and the Year 12 trip to Knoydart in Scotland all went ahead. Alongside this, many smaller trips for other year groups were offered too.

Exam results in the summer were excellent, both in terms of attainment and progress:

GCSEs: students achieved 53% 9-7; 92% 9-5; 99% 9-4 grades.

BTECs: 48% L2D*-L2D; 81% L2D*-L2M; and 95% L2D*-L2P. The KS4 value added score was 0.9.

A Levels: students achieved 48% A*-A, 75% A*-B, 90% A*-E. The KS5 value added score was 0.4.

The School continues to attract students in the Southeast and London through the unique nature of our education and pastoral care and has maintained strong student numbers. The School also remains active in the international marketplace and appeals to overseas students, mainly from Europe, with a number from Eastern Europe and further afield.

SUSTAINABILITY

The School is fully aware of its responsibilities in making progress towards a more sustainable campus. It has a solar field that contributes towards the costs in the Main Building during term time and FIT contribution in the accounts in the amount of £27k (2023: £32k).

All new buildings are constructed to the sustainability regulations in place at the time and where possible loft insulation and double glazing are added to staff accommodation when the opportunities are presented.

The School has established an educational project, Worthy Earth, where years 6, 7&8 students are introduced to sustainable growing and planting techniques at a nearby farm.

FUNDRAISING

The School recognises that its alumni and current parents have already committed significant funds to the School by the families' payment of school fees and has historically taken a low-key approach to additional fundraising. The approach to fundraising was recently reviewed and plans are in operation to train a current member of the Marketing Department to be responsible for the 2025 Centenary

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2024

Campaign supported by a suitably qualified Governor. Funds raised are placed in a restricted fund intended for the future provision of bursaries. The School is aware of the need to protect vulnerable people from unreasonable and persistent fundraising pressure; it has not received any complaints about fundraising during the year.

DRIVING EFFICIENCY

Following the significant deficit recorded in 2022-23, the School recognized the need to ensure that its operations are efficient and sustainable. As such, a number of cost-saving activities were undertaken (the financial impact of which will mostly be seen in 2024-25). These include:

- Restructuring the management of teaching staff and associated payments
- Restructuring the SEND Department
- Gaining agreement from the teaching unions to leave the Teachers' Pension Scheme
- Increasing the amount of time teachers spend teaching (rather than conducting other activities related to their employment)
- Restructuring the staffing of the Junior School

In all, it is estimated that these efficiencies will save the School in excess of £400k in the coming financial year.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Results

The School aims to generate sufficient surplus for reinvestment that advances the educational experience of all students and finances improvements to the School's facilities, so that it can continue to offer high quality education and student development. The Board had identified the following strategic priorities for the future:

1. Investment in our curriculum offer
2. Investment in our people
3. Investment in growth
4. Investment in our community
5. Maintaining bursary provision

The majority of the School's income derives from fees and is closely related to student numbers for the year; enterprise trading activity also creates income. Enterprise activity this year has been robust boosted by a significant let in the summer.

The Group made significant progress in reducing its annual deficit this year and made a net loss of (£347k) (2023 net loss: £942k). This included profit from the trading subsidiary of £172k (2023: £166k).

Trading Company

The wholly owned subsidiary and trading company, Frensham Heights Enterprises Ltd, continues to manage successfully the letting and hiring facilities at Frensham Heights. For the year ended 30 June 2024 the trading company made a gift aid payment to the School of £172k (2023: £166k).

Borrowing and Investment

The School has had no borrowing requirement during the year and other than the investment in the subsidiary company, the school holds no investments.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2024

Reserves Level and Policy and Financial Viability

The School's reserves policy is to maintain sufficient unrestricted income reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall taking into account annual and longer-term capital expenditure plans in conjunction with access to external financing. The level of free reserves will therefore fluctuate within the cycle of the capital programme. The Group's total reserves of £16,313k at the year-end included £586k unspent restricted income and £15,727k unrestricted income. £11,047k of this represented the net book value of fixed assets less associated internal funding arrangements and £1,129k designated for Scholarship funding, made against future years' fees leaving free reserves of £3,551k (2023: £3,931k) at the year-end. This compares with a policy level of £2,704k (2023: £2,684k) which would provide cover for up to three months' operating costs (2023: three months). The Trustees' policy is not to maintain free reserves in its wholly owned subsidiary, which therefore has no impact on the School's reserves. The Governors regularly review the levels of reserves.

GOING CONCERN

The School produces regular financial information including budgets, forecasts and a longer-term strategic business plan, which are closely monitored by the Governors. Through this strategic planning and monitoring of financial information, the Governors are confident of moving towards a breakeven and then surplus position in the short term, from this year's deficit. These budgets, cash flows and forecasts have been reviewed and revised to take into consideration the current economic climate and the impact of a change of government. Revised forecasts have been prepared together with cash-flows, based on the most likely expected outcome from these scenarios, and detailed examination by the Finance, Resources and Capital Projects Committee. The cash flow modelling with sensitivity analysis indicates that, despite this year's second successive loss, the cash reserves of the School are adequate to meet the charity's obligations as they fall due.

The School has scoped out income and expenditure up to and including 2032 adopting a 'worse case' scenario. Although the School faces another difficult year in 2024-25, as it recovers from these losses, a recovery is forecast thereafter.

Longer term, Governors are mindful that the viability of the School depends on successful execution of the strategic plan for cost reduction and increasing student numbers. Governors will closely monitor progress against this plan. Therefore, the Governors have a reasonable expectation that the charity has adequate resources to continue its activities. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities bearing in mind current rates of inflation.

FIXED ASSETS

Acquisitions and disposal of fixed assets during the year are shown in Note 9 to the Financial Statements. Freehold buildings are currently included in the Balance Sheet at cost less depreciation. The Governors are satisfied that their current market value exceeds their historic cost, but do not wish to spend charitable funds on obtaining a formal valuation for accounts purposes.

RISK MANAGEMENT

The Board of Governors is responsible for the identification and management of risk and continues to keep the School's activities under critical review at every Board meeting. Detailed consideration of specific risks is also conducted by relevant Governor Committees and their recommendations reported to the Board of Governors. The key controls used by the charity include:

- Formal agendas for all Committee and Board activity;

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2024

- Comprehensive strategic planning, budgeting, and management accounting;
- Established organisational structure and lines of reporting;
- Comprehensive Risk Register;
- Formal written policies;
- Clear authorisation and approvals; and
- Vetting procedures as required by law for the protection of the vulnerable.

The highest priority risks identified by the Board of Governors at the end of the year which could lead to financial and operational challenges include, in no particular order:

1. An increasing cost base
2. Reduction in student numbers
3. Retention into the Sixth Form
4. The impact of changing government policy including
 - a. increases in National Insurance
 - b. loss of business rates relief
 - c. VAT on fees
5. Any reduction in the demand for independent school education
6. General deterioration of the economic health of our customer base
7. Any adverse impact upon the wellbeing of our students and staff
8. Any adverse publicity affecting the School's reputation
9. The Global political climate including conflict in Ukraine and the Middle East
10. Repercussions of cost-of-living increases.

Multiple strategies are being employed to manage these risks including enhancing our marketing efforts for the Frensham Heights' proposition; in addition, we will continue to grow and maintain our student numbers and to exercise tight financial control over spending and debtors.

Health and Safety is recognised as a significant area of non-financial risk and it is closely managed. The risks range from fire and infrastructure damage to personal risks. The risks associated with all activities are minimised by preventative planning and risk assessment. The Board of Governors is satisfied that for all major risks identified, appropriate controls have been put in place and are maintained to mitigate the risks. It is recognised that systems can provide reasonable but not absolute assurance that major risks have been effectively mitigated.

TEACHERS' PENSION SCHEME

In common with much of the sector, the Schools' largest cost is that of staff costs. A significant part of the total staff costs is the School's commitments to fund pension benefits for our staff. This has proved increasingly challenging in respect of the Teachers' Pension Scheme due to the increasing employers' contributions now required into that scheme.

In 2021, the School agreed a phased withdrawal from the Teachers' Pension Scheme, effective September 2022. As widely anticipated, the 2020 valuation resulted in an increase of the Employer's Contribution from 23.68% to 28.68% effective April 2024. The Governors again recognised their duty to act prudently in connection with the longevity of the School and reconsidered:

- a. The ongoing impact of the increased contribution on the School's finances. They considered that the impact is a very significant one with implications for the future viability of the School.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2024

- b. The need to ensure the School has adequate financial resilience to invest in our people, in our estate, in our IT systems and in our important strategic priorities; our commitment to widening access through a larger number of bursaries.
- c. After negotiations with the staff and teaching unions an agreement was reached to fully withdraw from TPS, effective 1 January 2025, with an option for staff to leave the TPS from September 2024, should they so wish. This decision will protect the School from the financial impact of unknown future increases to the Employer's Contribution rate.

FUTURE PLANS

The School's Strategic and Business Plan, charitable objects and ethos provide the strategic direction for future planning; these are captured and articulated in the School's Management Action Plan for 2024-2025; this document sets out the specific and detailed plans for next year. The key objectives within the current plan are aligned with the objectives of the newly agreed Strategy:

1. *To develop and deliver an innovative and leading model of progressive education*
2. *To ensure that all students receive an exceptional level of pastoral care and the boarders have the best possible experiences*
3. *To recruit, develop and retain the best people*
4. *To build and enhance the school's community and reputation*
5. *To generate sufficient income to support and develop the school's educational and social objectives*
6. *To ensure the estate is well maintained with facilities which are of high quality and developed in line with the school's strategy*

In line with these priorities, the school has also commissioned a full schedule of audit activity to ensure compliance and quality assurance. This includes either internal or externally facilitated audits of:

- Safeguarding
- Tier 4 visa compliance
- Independent School Standards
- National Minimum Standards for Boarding
- EYFS Standards
- Health and Safety
- Quality of education
- Academic progress
- Student behaviour and pastoral systems

BOARD OF GOVERNORS

The Governors are all Directors of the School and their non-beneficial interests in the ordinary share capital in the year are as shown in the following table:

	31 July 2024	31 July 2023
Simon Wilcox	15	15
Sally Marriott	10	5
William Marriott	5	5
Richard Fry	15	5
Catherine Love	10	10
Gregory West	10	5
Danuta Staunton	10	5
Joris Wonders	10	5
David Armitage	15	-

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2024

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The members of the Board of Governors (who are also the directors of Frensham Heights Educational Trust for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Company law requires the members of the Board of Governors to prepare financial statements for each financial year. Under company law they must not approve the financial statements unless they are satisfied that they give a true and fair view of the charitable company and the group, including the income (and its application) and expenditure of the group for that year. In preparing these financial statements, the members of the Board of Governors are required to:

1. select the most suitable accounting policies and then apply them consistently;
2. observe the methods and principles in the Charities SORP 2019 (FRS 102);
3. make judgments and estimates that are reasonable and prudent;
4. state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
5. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The members of the Board of Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

AUDITORS

Crowe U.K. LLP have expressed their willingness to continue in office as auditors. The School will retender the audit contract in 2024-25.

This Annual Report, including the Strategic Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Governors of Frensham Heights Educational Trust Limited on 7 December 2024 and is signed as authorised on its behalf by:



Simon Wilcox:
Director & Chair of Governors

Independent Auditor's Report to the Members of Frensham Heights Educational Trust Limited

Opinion

We have audited the financial statements of Frensham Heights Educational Trust Limited ('the charitable company') and its subsidiaries ('the group') for the year ended 31 July 2024 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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 charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). 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 charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

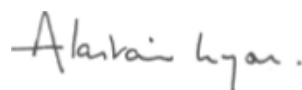
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition and classification of school fees and other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the 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, performing analytical reviews and testing income for completeness, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

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

Use of our report

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



Alastair Lyon

Senior Statutory Auditor
For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

Date: 20 December 2024

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure account)
FOR THE YEAR ENDED 31 JULY 2024

		Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Income and endowments from:						
Charitable Activities						
School fees receivable	3	9,723	-	-	9,723	9,278
Other educational income	6	322	-	-	322	286
Other ancillary trading income	6	351	-	-	351	369
Other trading activities						
Trading turnover	4	522	-	-	522	466
Other Income		27	-	-	27	32
Profit / (Loss) on disposal		(3)	-	-	(3)	(14)
Investments						
Investment income	5	269	9	-	278	93
Voluntary Income						
Grants and Donations		-	4	-	4	34
Total Income		11,211	13	-	11,224	10,544
Expenditure on:						
Raising funds						
Fundraising Trading	4	355	-	-	355	293
Charitable Activities						
Education and grant making		11,212	4	-	11,216	11,193
Total expenditure	7	11,567	4	-	11,571	11,486
Net Income		(356)	9	-	(347)	(942)
Transfers between funds	16	4	-	(4)	-	-
Net movement of funds		(352)	9	(4)	(347)	(942)
Funds brought forward 1 August 2023		16,079	326	255	16,660	17,602
Funds carried forward 31 July 2024	17	15,727	335	251	16,313	16,660

All amounts relate to continuing operations. There are no recognised gains or losses other than the results for the year set out above.

The Notes on Pages 22 to 38 form part of these financial statements.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
(Company Number: 207173)
CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2024

	Notes	2024 £'000	2023 £'000
FIXED ASSETS			
Tangible fixed assets	9 a)	<u>11,298</u>	<u>11,571</u>
		11,298	11,571
CURRENT ASSETS			
Stocks		1	2
Debtors: amounts falling due within one year	11	565	832
Cash at bank and in hand		<u>6,629</u>	<u>6,474</u>
		7,195	7,308
CREDITORS: amounts falling due within one year	12	<u>2,178</u>	<u>2,218</u>
NET CURRENT ASSETS		5,017	5,090
TOTAL ASSETS LESS CURRENT LIABILITIES		16,315	16,661
CREDITORS: amounts falling due after more than one year	13	<u>2</u>	<u>1</u>
NET ASSETS		<u>16,313</u>	<u>16,660</u>
CAPITAL AND RESERVES			
Called up share capital	15	-	-
THE FUNDS OF THE CHARITY	16		
UNRESTRICTED FUNDS			
Scholarship fund		1,129	833
Tangible fixed asset fund		11,047	11,315
General fund		<u>3,551</u>	<u>3,931</u>
		15,727	16,079
RESTRICTED FUNDS			
Bursary and award funds		335	326
ENDOWMENTS		<u>251</u>	<u>255</u>
		586	581
TOTAL FUNDS	17	<u>16,313</u>	<u>16,660</u>

The loss for the financial year dealt with in the financial statements of the parent Company was (£347k) (2023 loss: £942k).

Approved and authorised for issue by the Board of Governors on 7 December 2024.




Governors and Directors

Simon Wilcox



Richard Fry

The Notes on Pages 22 to 38 form part of these financial statements.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

(Company Number: 207173)

BALANCE SHEET

AS AT 31 JULY 2024

	Notes	2024 £'000	2023 £'000
FIXED ASSETS			
Tangible fixed assets	9 b)	11,298	11,571
Investments	10	10	10
		<u>11,308</u>	<u>11,581</u>
CURRENT ASSETS			
Stocks		-	-
Debtors: amounts falling due within one year	11	532	744
Cash at bank and in hand		6,333	6,021
		<u>6,865</u>	<u>6,765</u>
CREDITORS: amounts falling due within one year	12	<u>1,866</u>	<u>1,693</u>
NET CURRENT ASSETS		<u>4,999</u>	<u>5,072</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,307</u>	<u>16,653</u>
CREDITORS: amounts falling due after more than one year	13	<u>-</u>	<u>-</u>
NET ASSETS		<u>16,307</u>	<u>16,653</u>
CAPITAL AND RESERVES			
Called up share capital	15	-	-
THE FUNDS OF THE CHARITY			
UNRESTRICTED FUNDS			
Scholarship fund		1,129	833
Tangible fixed asset fund		11,047	11,315
General fund		3,545	3,924
		<u>15,721</u>	<u>16,072</u>
RESTRICTED FUNDS			
Bursary and award funds		335	326
ENDOWMENTS		<u>251</u>	<u>255</u>
		<u>586</u>	<u>581</u>
TOTAL FUNDS	17	<u>16,307</u>	<u>16,653</u>

Approved and authorised for issue by the Board of Governors on 7 December 2024.





Governors and Directors

Simon Wilcox

Richard Fry

The Notes on Pages 22 to 38 form part of these financial statements.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Net cash provided by operating activities	(i)	(2)	(104)
Cash flows from investing activities:			
Payments for tangible fixed assets		(121)	(103)
Non-cash payments for tangible fixed assets		-	13
Proceeds on sale of tangible fixed assets		-	-
Investment income and bank interest received		278	93
Net cash (used in) / provided by investing activities		157	3
Cash flows from financing activities:			
Finance Costs Paid		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the reporting period		155	(101)
Cash and cash equivalents at the beginning of period		6,474	6,575
Cash and cash equivalents at the end of the reporting period		6,629	6,474

The Notes on Pages 22 to 38 form part of these financial statements.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2024

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

	2024	2023
	£'000	£'000
Net incoming resources	(347)	(942)
Elimination of non-operating cash flows:		
- Investment income	(278)	(93)
- Depreciation Charge	390	450
- Non Cash-Flow Item	4	-
Profit on sale of assets	-	-
(Increase) / decrease in debtors	267	(218)
(Increase) / decrease in stocks	1	-
Increase / (decrease) in creditors	(352)	530
Increase / (decrease) in fees in advance scheme creditors	296	141
Increase / (decrease) in parents' deposits	17	28
	<u>345</u>	<u>838</u>
Net cash provided by operating activities	<u>(2)</u>	<u>(104)</u>

(ii) Analysis of cash and cash equivalents

	2024	2023
	£'000	£'000
Cash held on current account	3,832	3,582
Cash held on deposit	2,795	2,890
Petty cash held	2	2
	<u>6,629</u>	<u>6,474</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

1. COMPANY INFORMATION:

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 10 July 1925 (company number: 207173) and registered as a charity on 15 August 1966 (charity number: 312052).

2. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 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 (FRS 102)

Going Concern: As detailed in the Report of the Governors, the Governors have reviewed and revised the School's financial forecasting considering the current economic climate, the deficits in 2022-23 and 2023-24, and their potential impact. Revised forecasts have been prepared together with cash-flows and restructuring based on the most likely expected outcome from these scenarios, with sensitivity analysis on the key assumptions. The cash flow modelling with sensitivity analysis indicates that the cash reserves of the School are adequate to meet the charity's obligations as they fall due.

Having regard to the above, the current cash position, and the expected cash flow over the next 12-24 months, the Governors have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities.

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

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

The consolidated accounts include Frensham Heights Enterprises Limited, made up to 30 June 2024. In accordance with the exemption allowed under Section 408 of the Companies Act 2006, the charity's Statement of Financial Activities is not separately presented.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, 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.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

2. ACCOUNTING POLICIES (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised 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 trustees, 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 amounts in the next financial year.

b) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

c) Investment Income

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

d) Voluntary Income

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reasonably quantified and the economic benefit to the School is considered probable.

Donations receivable for the general purpose of the School 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 Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as 'endowments' – permanent or expendable according to the nature of the restriction.

Government grants are recognised on the performance model, when the Company has complied with any conditions attaching to the grant and the grant will be received.

e) Taxation

The School is a registered charity. As such it is exempt under present legislation from assessment to corporation tax on its net income and is able to reclaim tax deducted from covenants and interest received.

f) Tangible fixed assets and depreciation

Items of a capital nature and with a value greater than £10,000 have been capitalised. Following a discussion with the School's professional advisors last year, the depreciation on freehold buildings was reduced from 2% to 1%. Depreciation is provided annually at the following rates:

Freehold buildings	-	1% of cost
Timber buildings	-	5% to 6.7% of cost
Modular buildings	-	4% of cost
Motor vehicles	-	25% of cost
Furniture and other equipment	-	10% - 20% of cost
Solar Panels	-	5% of cost
Computer equipment	-	20% to 33.3% of cost

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

2. ACCOUNTING POLICIES (Continued)

g) Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to the activity in the year. The irrecoverable element of VAT is included with the item of expense to which it relates.

Raising funds comprise those costs directly attributable to the trading subsidiary (Note 3).

Support costs comprise a proportion of staff costs together with a proportion of overheads of the School. Governance costs are those incurred in connection with the governance of the School and compliance with constitutional and statutory requirements.

h) 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.

i) Stock

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

j) Pension schemes

During the year, the School contributed to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme. As a result of the agreement to fully withdraw from TPS, contributions will cease effective 31 December 2024.

The School contributes to the Royal London Group Personal Pension Plan, a defined contribution scheme, which the School established as the official alternative to the TPS under the Phased Withdrawal arrangement. Upon fully exiting from TPS, and from 1 January 2025, all teaching staff will be entitled to join this pension scheme.

All non-teaching staff are entitled to join a group personal pension scheme, currently the Standard Life Group Personal Pension Scheme, which complies with the requirements for a Stakeholder Pension Scheme.

k) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured and amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise trade creditors, other creditors, accruals and deposits.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

3. CHARITABLE ACTIVITIES - FEES RECEIVABLE	2024	2023
	£'000	£'000
Fees receivable consist of:		
School Fees	10,881	9,994
Less: Total bursaries, grants and allowances	(1,158)	(716)
	9,723	9,278
 NET INCOME		
Net income is stated after charging:		
Depreciation of tangible fixed assets	390	450
Auditors' remuneration - Audit	26	24
- Other services	3	4
Staff costs (Note 8)	8,097	8,070
Operating lease costs	98	73

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

4. TRADING INCOME

Frensham Heights Educational Trust Ltd owns the entire issued share capital of Frensham Heights Enterprises Ltd, Company Number 2866864, registered address Frensham Heights, Rowledge, Farnham, Surrey GU10 4EA. The principal activity of this company is that of managing letting and hiring facilities available at Frensham Heights.

	30 June 2024 £'000	<i>30 June 2023 £'000</i>
Turnover	522	<i>466</i>
Cost of sales	(256)	<i>(207)</i>
Gross profit	266	<i>259</i>
Administration expenses	(108)	<i>(93)</i>
Operating profit	158	<i>166</i>
Interest receivable	13	<i>0</i>
Profit on ordinary activities before taxation	171	<i>166</i>
Taxation	-	<i>-</i>
Profit on ordinary activities after taxation	171	<i>166</i>
Retained earnings at the start of period	6	<i>6</i>
Profit for the year	171	<i>166</i>
Gift aid to Frensham Heights Educational Trust Limited	171	<i>166</i>
Retained earnings at the end of period	6	<i>6</i>
Trading costs detailed above are disclosed in the consolidated Statement of Financial Activities as follows		
Cost of sales	256	<i>207</i>
Administrative expenses	108	<i>93</i>
Audit and professional fees included in governance costs	(9)	<i>(8)</i>
Fundraising trading as on Statement of Financial Activities	355	<i>292</i>

The School's and company's year-end are non co-terminus and it is not considered necessary to have identical year ends as it is not expected that any transactions will occur in the trading company in the intervening period which will have a material impact on the consolidated accounts. Administration expenses of the subsidiary include auditors' remuneration for audit services of £6.0k (2023 - £4.8k) and for other services £1.2k (2023 - £1.7k). These have been included in governance costs in the consolidated statement of financial activities.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

5. INVESTMENT INCOME

	Total 2024 £'000	Total 2023 £'000
Bank deposit account interest	278	93

6. INCOME FROM CHARITABLE ACTIVITIES

	2024 £'000	2023 £'000
Other educational charitable activities		
Entrance and registration fees	179	176
Courses and sub-lettings	143	110
	322	286
Other ancillary activities		
School Trips, Meals and Other Income	351	369
	351	369

7. ANALYSIS OF EXPENDITURE

	Staff Costs £'000	Other Costs £'000	Depreciation £'000	Total 2024 £'000
Trading expenditure	222	134	-	356
	222	134	-	356
Charitable activities				
Education and welfare	5,492	1,084	390	6,966
Housekeeping	341	397	-	738
Catering	423	362	-	785
Transport	-	36	-	36
Maintenance and estate	364	604	-	968
Support costs and governance	1,258	465	-	1,723
	7,878	2,948	390	11,216
Total expenditure	8,100	3,082	390	11,572

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

7. ANALYSIS OF EXPENDITURE (Continued)

SUPPORT COSTS AND GOVERNANCE

	2024	<i>2023</i>
	<i>£'000</i>	<i>£'000</i>
Salaries	1,258	1,195
Staff recruitment and travel	52	85
Marketing and professional fees	301	365
Telephone, postage, printing, stationery	14	16
Miscellaneous admin costs	59	72
Governance costs (Note 7)	38	40
	1,722	1,773

Governance costs include auditors' remuneration for audit services of £26k (2023: £24k) and for other services £3k (2023: £3k) and the reimbursement of two Governors' travelling and subsistence expenses of £291 (2023: four Governors: £2k), as well as £7k for Governor miscellaneous and training costs (2023: £16k).

8. STAFF COSTS

	2024	<i>2023</i>
	<i>£'000</i>	<i>£'000</i>
Wages and salaries	5,736	5,723
Social security costs	566	580
Other pension costs	1,046	1,048
	7,348	7,351
Staff not directly employed by the School	746	717
	8,094	8,068
	No.	<i>No.</i>
The average monthly staff headcount was:		
Teaching	107	107
Administration	35	34
Other	22	24
	164	165

Included in the above, two permanent members of staff are employed in the trading subsidiary (2023: Two). In addition, ad hoc staff are called upon throughout the year to provide support for functions in the trading subsidiary.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

8. STAFF COSTS (Continued)

	2024 £'000	2023 £'000
The total employee costs (including employers' pension and national insurance contributions) of key personnel were:	<u>1,424</u>	<u>1,373</u>

The following number of staff received remuneration in excess of £60,000 in the year:

	2024 No.	2023 No.
£60,001 to £70,000	10	3
£70,001 to £80,000	3	2
£80,001 to £90,000	-	1
£160,001 to £170,000	1	-
£190,001 to £200,000	-	1
£230,001 to £240,000	-	1

One person connected with a governor has received remuneration from employment with the charity in accordance with the pay scales of the School (2023: One).

Included in the total staff cost figures above are termination payments to employees authorised during the year totalling £36k (2023 - £301k). At the year end, there was £21k in accrued termination payments (2023: £271k).

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

9. TANGIBLE FIXED ASSETS

a) The Group

	Freehold Land, Buildings and Improvements £'000	Plant, Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 August 2023	16,670	2,099	159	18,928
Additions	-	120	-	120
Disposals	-	(10)	-	(10)
At 31 July 2024	16,670	2,209	159	19,038
Depreciation				
At 1 August 2023	5,711	1,487	159	7,357
Charge for the year	240	151	-	391
Disposals	-	(8)	-	(8)
At 31 July 2024	5,951	1,630	159	7,740
Net book value				
At 31 July 2024	10,719	579	-	11,298
<i>At 31 July 2023</i>	<i>10,961</i>	<i>610</i>	<i>-</i>	<i>11,571</i>

b) The School

	Freehold Land, Buildings and Improvements £'000	Plant, Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 August 2023	16,657	2,097	159	18,911
Additions	-	121	-	121
Disposals	-	(10)	-	(10)
At 31 July 2024	16,657	2,207	159	19,023
Depreciation				
At 1 August 2023	5,698	1,485	159	7,342
Charge for the year	240	151	-	391
Disposals	-	(8)	-	(8)
At 31 July 2024	5,938	1,628	159	7,725
Net book value				
At 31 July 2024	10,719	579	-	11,298
<i>At 31 July 2023</i>	<i>10,960</i>	<i>611</i>	<i>-</i>	<i>11,571</i>

There are no assets under construction as at 31 July 2024.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

10. INVESTMENTS

Frensham Heights Enterprises Ltd	2024	<i>2023</i>
	£'000	<i>£'000</i>
£1 Ordinary shares at par in Frensham Heights Enterprises Ltd	<u>10</u>	<u>10</u>
	<u>10</u>	<u>10</u>

Company

The company holds £10,000 in ordinary shares, the entire issued share capital, of Frensham Heights Enterprises Limited.

The principal activity of the investee is the letting of facilities available at Frensham Heights School.

At 30 June 2024 Frensham Heights Enterprises Ltd had capital and reserves which totalled £17k (2023: £17k). The turnover for the year was £522k (2023: £466k).

Frensham Heights Enterprises Ltd is a company registered in England and Wales, registered number 2866864.

11. DEBTORS: amounts falling due within one year

	Group		School	
	2024	<i>2023</i>	2024	<i>2023</i>
	£'000	<i>£'000</i>	£'000	<i>£'000</i>
Amounts due from group undertaking	-	-	65	232
Fees debtors	173	197	173	197
Sundry debtors and prepayments	392	635	294	315
	<u>565</u>	<u>832</u>	<u>532</u>	<u>744</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

12. CREDITORS: amounts falling due within one year

	Group		School	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts owed to group undertakings	47	206	-	-
Fees deposits	550	533	550	533
Trade creditors	312	310	299	306
Other creditors and accruals	336	495	308	472
Fees received in advance	479	183	479	183
Deferred income	454	492	230	199
	2,178	2,219	1,866	1,693

The total amount held in relation to fees deposits of £550k is included above. In the normal course of business, the expected repayment of these amounts will be £0 within one year and £550k after more than one year.

The School holds pupil fee deposits. 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 July 2024 have been included within current liabilities. The prior year pupil fee deposits balance has been similarly represented.

Deferred Income Reconciliation

	£'000
Balance brought forward at 1 August 2023	492
Additions in current year	448
Release of deferred income	(486)
Balance carried forward at 31 July 2024	454

The deferred income balance relates mostly to future year school trips income; and on the trading subsidiary, future year residential lets and weddings.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

13. CREDITORS: amounts falling due after more than one year

	Group		School	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Deferred income	2	1	-	-
	<u>2</u>	<u>1</u>	<u>-</u>	<u>-</u>

14. FEES IN ADVANCE SCHEME

Whilst the School did not reinstate the full Fees in Advance Scheme during the year, it followed the advice provided by the Independent Schools' Bursar's Association to allow parents to pay one year's worth of fees in advance, should they so wish to, prior to 29 July 2024.

15. SHARE CAPITAL

	2024	2023
	£	£
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

16. MOVEMENT ON FUNDS

	Balance at 1 August 2023 £'000	Incoming Resources £'000	Resources Expended £'000	Transfer Between Funds £'000	Balance at 31 July 2024 £'000
Restricted Funds					
Bursary and award fund	300	10	-	-	310
Music award fund	15	3	-	-	18
Ukrainian bursary fund	11	-	(4)	-	7
Endowment Fund	<u>255</u>	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>251</u>
	581	13	(4)	(4)	586
Designated Funds					
Scholarship fund	833	-	-	296	1,129
Tangible fixed assets fund	11,315	-	-	(268)	11,047
General Fund	<u>3,931</u>	<u>11,211</u>	<u>(11,567)</u>	<u>(24)</u>	<u>3,551</u>
	<u>16,660</u>	<u>11,224</u>	<u>(11,571)</u>	<u>-</u>	<u>16,313</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

16. MOVEMENT ON FUNDS (Continued)

	Balance at 1 August 2022 £'000	Incoming Resources £'000	Resources Expended £'000	Transfer Between Funds £'000	Balance at 31 July 2023 £'000
Restricted Funds					
Bursary and award fund	285	15	-	-	300
Music award fund	12	3	-	-	15
Ukrainian bursary fund	7	18	(14)	-	11
Endowment Fund	260	-	-	(5)	255
	564	36	(14)	(5)	581
Designated Funds					
Scholarship fund	521	-	-	312	833
Tangible fixed assets fund	11,671	-	-	(356)	11,315
General Fund	4,846	10,507	(11,471)	49	3,931
	17,602	10,543	(11,485)	-	16,660

Bursary and award Fund

Consists of donations for the future award of bursaries. This will accumulate over time until the level of income the fund generates is sufficient to provide a reasonable bursary for a student.

Expendable Endowment funds

These are funds which were given to the School to invest in the School's buildings. This funding is now represented by tangible fixed assets.

Designated funds

These funds represent amounts set aside at the discretion of the Governors.

Scholarship fund

This scholarship fund is used to indicate scholarships and bursaries currently awarded for specific stages of education, made against future years' fees.

Tangible fixed assets fund

The fund represents the amount of general funds invested by the School in its tangible fixed assets after deducting those assets represented by the endowment funds.

Transfers

A transfer of £4k has been made between the endowment and unrestricted funds. This represents the depreciation charged on the proportion of the building represented by the endowment fund.

A transfer of £296k has been made to increase the Scholarship Fund. This is to cover the School's future commitments at 31 July 2024 to bursaries and scholarships for specific pupils. The future commitments typically relate to the next two to three years.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

A transfer of (£268k) has been made between the General fund and the Tangible Fixed Asset Fund to ensure that this, plus the Endowment Fund, are equal to tangible fixed assets within the consolidated balance sheet.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

The Group	Unrestricted General Funds £	Restricted Funds £	Endowment Funds £	Total 2024 £
Tangible fixed assets	11,047	-	251	11,298
Net current assets	4,682	335	-	5,017
	15,729	335	251	16,315
Creditors: amounts falling due after one year	2	-	-	2
	15,727	335	251	16,313
The Charity				
Tangible fixed assets	11,047	-	251	11,298
Investments	10	-	-	10
Net current assets	4,664	335	-	4,999
	15,721	335	251	16,307
Creditors: amounts falling due after one year	-	-	-	-
	15,721	335	251	16,307

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued)

The Group	Unrestricted General Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £
Tangible fixed assets	11,316	-	255	11,571
Net current assets	4,764	326	-	5,090
	16,080	326	255	16,661
Creditors: amounts falling due after one year	1	-	-	1
	16,079	326	255	16,660

The Charity

Tangible fixed assets	11,316	-	255	11,571
Investments	10	-	-	10
Net current assets	4,746	326	-	5,072
	16,072	326	255	16,653
Creditors: amounts falling due after one year	-	-	-	-
	16,072	326	255	16,653

18. PENSION SCHEMES

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 £530k (2023: £638k) and at the year-end £0 (2023: £11,286) 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.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

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 has 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%.

The pension cost for the year in relation to other defined contribution schemes amounts to £525k (2023: £387k) and has been included in the Statement of Financial Activities.

19. LEASING COMMITMENTS

The Trust is committed to making the following payments under operating leases:

	Equipment 2024 £'000	Equipment 2023 £'000
Due in less than one year	88	73
Due within two and five years	142	189
Due in more than five years	0	24

20. CAPITAL COMMITMENTS

At 31 July 2024 the School had no material outstanding retention commitments and minor capital commitments for the purchase of a minibus for 27.5K

21. RELATED PARTY TRANSACTIONS

In 2023-24 the School charged £40k (2023: £38k) to Enterprises for utilities, labour and associated services. The balance owed to the School at 31 July 2024 was £65k (2023: £232k).

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

22. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARISON FIGURES BY FUND TYPE

		Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total Funds 2023 £'000
Income and endowments from:					
Charitable Activities					
School fees receivable	3	9,278	-	-	9,278
Other educational income	6	286	-	-	286
Other ancillary trading income	6	369	-	-	369
Other trading activities					
Trading turnover	4	466	-	-	466
Other Income		32	-	-	32
Profit / (Loss) on disposal		(14)	-	-	(14)
Investments					
Investment income	5	91	2	-	93
Voluntary Income					
Grants and Donations		-	34	-	34
Total Income		10,508	36	-	10,544
Expenditure on:					
Raising funds					
Fundraising Trading	4	293	-	-	293
Charitable Activities					
Education and grant making		11,179	14	-	11,193
Total expenditure	7	11,472	14	-	11,486
Net Income		(964)	22	-	(942)
Transfers between funds	16	5	-	(5)	-
Net movement of funds		(959)	22	(5)	(942)
Funds brought forward 1 August 2022		17,038	304	260	17,602
Funds carried forward 31 July 2023	17	16,079	326	255	16,660

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

England & Wales - Charity number 312052

Accounts

COMPANY REGISTRATION NUMBER: 207173
REGISTERED CHARITY NUMBER: 312052

FRENSHAM HEIGHTS
EDUCATIONAL TRUST LIMITED
REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
31 JULY 2023

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
YEAR ENDED 31 JULY 2023

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FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
GOVERNORS, OFFICERS AND ADVISERS
YEAR ENDED 31 JULY 2023

DIRECTORS AND GOVERNORS

William Bird (Chair retired 24 Jun 23)
Angus Carlill (Treasurer retired 24 Jun 23)
Richard Fry
Katherine Love
Sally Marriott
William Marriott
Katherine Poulson (retired 25 Mar 23)
Danuta Staunton (appointed 25 Mar 23)
Jackie Sullivan
Philip Ward (Vice Chair)
Gregory West (appointed 25 Mar 23)
Simon Wilcox (Chair) (appointed 25 Mar 23)
Joris Wonders (appointed 30 Jun 23)

FINANCE AND GENERAL PURPOSES COMMITTEE

Angus Carlill (Chair retired 24 Jun 23)
William Bird (Ex Officio retired 24 Jun)
Richard Fry
Katherine Poulson (retired 25 Mar 23)
Jackie Sullivan
Gregory West
Simon Wilcox (Ex Officio)

EDUCATION COMMITTEE

Philip Ward (Chair)
Richard Fry
Sally Marriott
Danuta Staunton
Gregory West
William Bird (Ex Officio retired 24 Jun 23)
Angus Carlill (Ex Officio retired 24 Jun 23)
Simon Wilcox (Ex Officio)

GOVERNANCE, NOMINATIONS AND REMUNERATION COMMITTEE

Philip Ward (Chair)
William Bird (retired 24 Jun 23)
Angus Carlill (retired 24 Jun 23)
Kate Love
William Marriot
Simon Wilcox

ESTATES COMMITTEE

Jackie Sullivan (Chair)
William Marriot
Angus Carlill (retired 24 Jun 23)
William Bird (Ex Officio retired 24 Jun 23)
Philip Ward (Ex Officio)
Simon Wilcox (Ex Officio)

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
GOVERNORS, OFFICERS AND ADVISERS
YEAR ENDED 31 JULY 2023

HEAD	Rick Clarke (resigned 1 Mar 23)
ACTING HEAD	Laura Griffiths (1 Mar – 31 Aug 23)
INTERIM HEAD	Andrew Fisher (1 Sep 23)

INTERIM BURSAR & COMPANY SECRETARY	John Pratten
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Note: Officers (i.e. Chair, Vice Chair and Treasurer) are ex-officio members of all Board committees unless they are Chair of a Committee.

REGISTERED OFFICE	Frensham Heights Rowledge Farnham Surrey GU10 4EA
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COMPANY NUMBER	207173
REGISTERED CHARITY	312052

BANKERS	HSBC Bank plc 30 Princes Mead Shopping Centre Farnborough Hampshire GU14 6YB
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SOLICITORS	GBH Law (trading as Goodyear Blackie Herrington Solicitors) 7-8 Innovation Place Douglas Drive Godalming Surrey GU7 1JX
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AUDITORS	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
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INSURANCE BROKERS	Marsh Insurance Brokers Limited Rockwood House 9-17 Perrymount Road Haywards Heath West Sussex RH16 3DU
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FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
REPORT OF THE BOARD OF GOVERNORS
YEAR ENDED 31 JULY 2023

The Governors of Frensham Heights Educational Trust Limited, who are also the Directors and Charity Trustees, are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 July 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

DIRECTORS' REPORT

CONSTITUTION AND OBJECTS

Frensham Heights Educational Trust Limited was founded under Articles of Association dated 10 July 1925 as amended on 4 April 1950, 22 June 1996, 11 January 2006, 5 December 2020, and redrafted 2022 for acceptance December 2023. It is constituted as a company limited by shares, registered in England, No. 207173, and is registered with the Charity Commission under Charity No. 312052.

The Charity's principal Objects, as set out in the Memorandum of Association, are the advancement of education, including the provision of a school for boys and girls at Frensham, the holding of exhibitions, classes or conferences, whether general, professional or technical, and support to other charitable bodies. There has been no change to the Objects during the year.

In furtherance of these Objects and for the public benefit, the School has established and administered during the year bursary awards and other benefactions and acts as the trustee and manager of property and gifts given or established in pursuance of these Objects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Contact Information

The Governors, Head, Company Secretary, and principal address of the Charity are as listed on Pages 1-2. Details of the Charity's professional advisers are also listed on Page 2.

Group Structure and Relationships

The Charity has a wholly owned non-charitable subsidiary, Frensham Heights Enterprises Limited, (Company number 2866864) which was incorporated in 1993. Its principal activity is managing the hiring and letting of facilities at the School.

Board of Governors

One third of all Governors retire by rotation each year (including any Governor who is an officer). Any retiring Governor will be available for immediate re-election and the expectation is that Governors will serve either two or three terms of three years each.

Three Governors retired during the year and four new Governors were elected. The Chair (William Bird) retired on 24 June 2023 and a new Chair (Simon Wilcox) was elected. A Register of Skills is maintained for the appointed members of the Board and this information informs the decisions of the Board both in determining the skill sets and experience sought through advertising of forthcoming vacancies, and in the recommendations for succession planning and Board appointments. Members of the Governing Body are appointed against the skills register, which is considered and approved by the Governing Body on an annual basis. Potential Governors undergo a series of interviews and briefings before attending a committee and then the Board as observers; after which they may be appointed. New Governors undergo induction sessions with the Chair, the Head and Company Secretary to brief them on: their

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2023

legal obligations under charity and company law; the Charity Commission guidance on public benefit; the content of the Memorandum and Articles of Association; the committee and decision-making processes; and the Strategy and recent financial performance of the charity. New Governors are given a tour of the School to meet key employees and they are encouraged to attend appropriate external training events to facilitate the undertaking of their role. All Governors have received training or attended external briefings by professional advisors throughout the period. Details of relevant courses and seminars are regularly circulated to all Governors.

Governance Code

The Trustees are aware of the Charity Governance Code published in 2017, and updated in March 2021, which sets out the principles and recommended practice for good governance within the sector. Governance is kept under constant review and modifications and improvements are continuously implemented. The Chair will be conducting a full review of governance during the 2023-24 Academic Year which will include a review of all structures and membership.

Related parties and co-operation with other organisations

One Governor provided consultancy services to the School in the year, through a related company. No other Governor received remuneration or other benefit from their work with the School in the year. Any connection between a trustee or senior manager of the School must be disclosed to the full Board of Governors in the same way as any other contractual relationship with a related party.

Organisational Management

The Governors, who are also the Charity Trustees, are legally responsible for the general policy of the School and for the overall management and control of the School.

The Governors meet as a Board at least three times a year. The work of overseeing the implementation of policies is carried out by committees. During the year a Governance, Nominations, and Remuneration Committee was formed to discuss the Head's and Bursar's salaries, nominations to the Board of Governors, and governance compliance. The Finance Committee was renamed the Finance and General Purposes Committee to include Health and Safety. All other committees sit a minimum of three times per year.

The committees and their membership are listed on Page 1. The Governors also hold an annual strategy meeting to examine and agree key issues impacting the School. One Governor sits on the School's Health and Safety Committee; at least one Governor acts as observers on the Parents' Committee; and the Staff Common Room Committee.

The day-to-day management of the School is delegated to the Senior Leadership Team (SLT), which is comprised of the Head, Interim Bursar, Deputy Head, Deputy Head (Academic) and Head of Junior School. The Head and the Interim Bursar are invited ex-officio to all Board and committee meetings. The pay and remuneration of the Head is set by the Governance, Nominations and Remuneration Committee having considered independent benchmark reports across the independent school education sector and agreed by the Main Board at their Spring or Summer Board meetings.

During the year the Head (Rick Clarke) resigned, and the Deputy Head (Academic) was appointed Acting Head until Andrew Fisher was able to start as Interim Head covering the period until the new Head (Ben McCarey) is available either in May or September 2024; thereafter Andrew Fisher will act as mentor to Ben McCarey for one term.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
REPORT OF THE BOARD OF GOVERNORS
YEAR ENDED 31 JULY 2023

AIMS, OBJECTIVES AND ACTIVITIES

Public Benefit Aims and Activities

In meeting its Objects, the School's public benefit aim is to provide a world class progressive education that emphasises progressive values and focuses on students as individuals to bring out their strengths, with creative and performing arts given equal status alongside more traditional academic subjects and sport. In line with its ethos, the School welcomes students from all backgrounds where it is believed that the prospective student can benefit from the education provided at the School.

In support of its public benefit aim the School also awards annual bursaries, which are outlined in the grant making section of the Strategic Report. The Board has been and remains committed to awarding bursaries to widen participation at the School, recognising the significant opportunities such bursaries provide to the recipients and their families.

In addition to providing education supported by an extensive range of extra-curricular activities the School has due regard for its obligations under the Charity Commission's published guidance on the public benefit requirement (Charities Act 2011), therefore the School also works in partnership with local schools, charities and organisations to widen public access to education.

In 2022-23 the School continued to support our local community, which is evidenced on the Schools Together website <https://www.schoolstogether.org/case-studies/?schoolId=47119>, where 14 different cases of support are identified. The School continues to work closely with Rowledge Primary School supporting the Forest School programme, offering access to science laboratories and a member of staff is also a Governor there. The School has continued to work closely with Bordon Junior School, providing lessons and activities in ICT, with our students acting as mentors and teachers. Other local, maintained sector schools, youth groups, scouts and cubs made use of the School's music, art and sports facilities and minibuses. The School has also forged very strong charitable links with All Saints School and Amao Orphanage in Malawi. The school has been working at a second school (Mikuyu) in Malawi, with plans to expand beyond this in the future. Over the last ten years, in addition to working visits by staff and students, practical assistance and charitable funds raised by the School community have had significant impact for people living in those Malawi communities. The school made the first trip in 3 years to Malawi in July 2023.

Following Russia's invasion of Ukraine, the School became a 'hub' for displaced Ukrainian families allowing them to meet informally once every week. The school also collects for a 'Free Shop' for the families where they can obtain essentials like clothing and toiletries. The School has four Ukrainian students on 100% bursaries.

Objectives for the Year

The School's principal objectives for the year were to:

1. Maximise student achievement
2. Maximise student personal development through effective tutoring and involvement in opportunities outside the classroom
3. Inspire and further develop the teaching staff through professional development opportunities
4. Further enhance teaching and learning
5. Maintain and grow student numbers
6. Deliver the School's charitable objects and demonstrable public benefit
7. Maintain financial stability

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
REPORT OF THE BOARD OF GOVERNORS
YEAR ENDED 31 JULY 2023

STRATEGIC REPORT

The Strategic Direction of the School

The previous Head completed work on reviewing and updating the School's vision, mission, and values. The School will maintain this strategic direction until the new Head is appointed in May or September 2024 when they will be refreshed.

OUR VISION

Empowering tomorrow's change-makers to find their inspiration today through a transformative education.

OUR MISSION

We continue to pioneer a better education, one which

- celebrates the individual as part of a nurturing and supportive community.
- amplifies the voices of our community, encouraging self-expression and sharing of ideas.
- brims with inspiration from strong relationships with outstanding educators in a stimulating environment.

The Board is confident that the re-articulation of the aims and mission places the School firmly in a position to continue to deliver its progressive educational offering as a leading progressive school for the years to come.

OUR VALUES

The School champions the delivery of a values-based culture, which are:

- *Originality of thought*
- *Spirit of togetherness*
- *Respect of individuality*
- *Courage to try*

This year the Junior School further simplified the values, so that they would resonate with the youngest children in the School. The simplified examples are:

- *Be creative*
- *Be kind*
- *Be yourself*
- *Be brave*

The Junior School has committed to embedding these values in the curriculum, behaviour management and activities.

The School has taken a strategic decision to bolster its offer in Performing and Creative Arts with the introduction of the Arts Award at the end of the 2022-23 academic year. This has proven successful in attracting new students into the sixth form and it will play a significant part in the School's marketing plans for the coming year. The long term strategic plans are being reviewed due to a change of school and Board leadership; this process is being led by the Board alongside the transitional Head and in consultation with staff and the wider school community, in order to set out a strategic plan for the School through to 2035.

Principal Activity of the Year

The principal activity continues to be the provision of day and boarding education for boys and girls aged from 3 to 18 years. This year the School averaged 497 (2022: 544) students of whom 439 (2022: 467) were day students and 58 (2022: 77) were boarders. In January 2022 the School was subject to an

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

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Independent Schools Inspectorate (ISI) inspection, which was a full Education Quality and Compliance was found to be fully compliant and graded EXCELLENT in all areas of education provision and personal development. The School has continued to focus on the quality of teaching, developing innovation in the curriculum and ensuring that reporting methods are all making further progress and improvements. The School will be working towards its next inspection in 2025 under the 2023 inspection framework.

Grant-making

During the year the School set aside funds to support bursaries, which were offered to parents of students who could not otherwise afford to send their children to the School, based on a comprehensive means-tested assessment of financial need. The process requires parents or guardians to complete a detailed financial form covering income, expenditure and assets which is reviewed by the Bursar and Head, and a representative of the Board of Governors in difficult cases before any award is made. Bursary awards are re-assessed annually. The School's policy is to ensure funds are allocated for bursaries and to develop further its programme of Scholarship and Enrichment activities, which is open to scholars, as well as the wider School community.

In support of all these awards the School committed £510k (2022: £594k) this year, of which £460k (2022: £532k) was awarded in bursaries to 38 students (2022: 41) through its General Fund, of which 9 (2022: 14) were 100%. Within this bursary funding, £86k (2022: £16k) was allocated in-year for Ukrainian pupils and which was partly funded by donations. The availability of all such awards for fee-assistance is advertised on the School's website at www.frensham.org.

Volunteers

Old Frenshamians, Friends of Frensham, parents and members of the local community assisted and supported the School's educational and cultural activities throughout the year and the Board would like to record its appreciation of this invaluable and continuing support.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE

Operational Performance of the School

Educational value has been added to student achievement across all age groups; this has been monitored using nationally recognised prediction information systems. Through the Scholarship and Enrichment Programme, students gain a wealth of experiences which not only enhance their curriculum learning but also develop essential life skills, all of which add value to their time at Frensham. Trips and educational visits provide access to social, cultural, moral, and spiritual experiences as students are challenged and have the opportunity for experiential learning.

Students have been offered the regular programme of sport, music, dance, dram, and School trips. Sports fixtures, together with sports trips, provided fantastic opportunities for students to remain active. Full access to the theatre meant that plays, dance concerts and rock & pop gigs were in full operation, with students excelling in all of these. The normalisation of school trips, a key element of a Frensham education, meant that significant trips such as the Year 6 trip to Pembrokeshire, the Year 9 trip to the Peak District and the Year 12 trip to Knoydart in Scotland all went ahead. Alongside this, many smaller trips for other year groups were offered too.

Exam results in the summer were satisfactory, and as reported in the national media, the examinations were marked at pre-covid levels. The students performed at or above our expectations.

GCSE and BTECs: students achieved 19.5% 9-8; 33% 9-7; 94% 9-4 grades.

A Levels: students achieved 22% A*-A, 44% A*-B, 96% A*-E.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
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YEAR ENDED 31 JULY 2023

The School continues to attract students in the Southeast and London through the unique nature of our education and pastoral care and has maintained strong student numbers. The School also remains active in the international marketplace and appeals to overseas students, mainly from Europe, with a number from Eastern Europe and further afield.

SUSTAINABILITY

The School is fully aware of its responsibilities in making progress towards a more sustainable campus. It has a solar field that contributes towards the costs in the Main Building during term time and FIT contribution in the accounts in the amount of £32k (2022: £26k).

All new buildings are constructed to the sustainability regulations in place at the time and where possible loft insulation, double glazing are added to staff accommodation when the opportunities are presented.

The School has established an educational project, Worthy Earth, where years 7&8 students are introduced to sustainable growing and planting techniques at a nearby farm.

FUNDRAISING

The School recognises that its alumni and current parents have already committed significant funds to the School by the families' payment of school fees and has historically taken a low-key approach to additional fundraising. The approach to fundraising was recently reviewed and plans are in operation to train a current member of the Marketing Department to be responsible for the 2025 Centenary Campaign supported by a suitably qualified Governor. Funds raised are placed in a restricted fund intended for the future provision of bursaries. The School is aware of the need to protect vulnerable people from unreasonable and persistent fundraising pressure; it has not received any complaints about fundraising during the year. Ring-fenced funds of 18.4k have been raised to support the Ukrainian students in School with their everyday educational needs and to fund their educational trips, of which £14k was used in year. The remaining £4.4k remains ring-fenced on the balance sheet for the forthcoming year.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Results

The School aims to generate sufficient surplus for reinvestment that advances the educational experience of all students and finances improvements to the School's facilities, so that it can continue to offer high quality education and student development. The Board had identified the following strategic priorities for the future:

1. Investment in our curriculum offer
2. Investment in our people
3. Investment in growth
4. Investment in our community
5. Preparation for possible change of Government
6. Maintaining bursary provision

The majority of the School's income derives from fees and is closely related to student numbers for the year; enterprise trading activity also creates income. Enterprise activity this year has been robust boosted by a near-normal student let in the summer and the School being used as a film set during August 2022.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2023

Unfortunately, in the current year the group made a net loss of (£942k) (2022 net surplus: £182k). This included profit from the trading subsidiary of £166k (2022: £64k).

Trading Company

The wholly owned subsidiary and trading company, Frensham Heights Enterprises Ltd, continues to manage successfully the letting and hiring facilities at Frensham Heights. For the year ended 30 June 2023 the trading company made a gift aid payment to the School of £167k (2022:£8,341).

Borrowing and Investment

The School has had no borrowing requirement during the year and holds no investments.

Reserves Level and Policy and Financial Viability

The School's reserves policy is to maintain sufficient unrestricted income reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall taking into account annual and longer term capital expenditure plans in conjunction with access to external financing. The level of free reserves will therefore fluctuate within the cycle of the capital programme. The Group's total reserves of £16,660k at the year-end included £581k unspent restricted income and £16,079k unrestricted income. £11,315k of this represented the net book value of fixed assets less associated internal funding arrangements and £833k designated for Scholarship funding, made against future years' fees leaving free reserves of £3,931k (2022: £4,846k) at the year-end. This compares with a policy level of £2,684k (2022: £2,500k) which would provide cover for up to three months' operating costs (2022: three months). The Trustees' policy is not to maintain free reserves in its wholly owned subsidiary, which therefore has no impact on the School's reserves. The Governors regularly review the levels of reserves.

GOING CONCERN

The School produces regular financial information including budgets, forecasts and a longer-term strategic business plan, which are closely monitored by the Governors. Through this strategic planning and monitoring of financial information, the Governors are confident of moving towards a breakeven and then surplus position in the medium term, from this year's deficit. These budgets, cash flows and forecasts have been reviewed and revised to take into consideration the current economic climate and the potential impact of a change of government. Revised forecasts have been prepared together with cash-flows, based on the most likely expected outcome from these scenarios, and detailed examination by the Finance and General Purposes Committee. The cash flow modelling with sensitivity analysis indicates that, despite this year's loss, the cash reserves of the School are adequate to meet the charity's obligations as they fall due.

The School has scoped out income and expenditure up to and including 2027-28 adopting a 'worse case' scenario. Although the School faces another difficult year in 2023-24, as it recovers from the 2022-23 loss, a steady recovery is forecast thereafter.

Longer term, Governors are mindful that the viability of the School depends on successful execution of the strategic plan for cost reduction and increasing student numbers. Governors will closely monitor progress against plan. Therefore, the Governors have a reasonable expectation that the charity has adequate resources to continue its activities. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities bearing in mind current rates of inflation.

FIXED ASSETS

Acquisitions and disposal of fixed assets during the year are shown in Note 9 to the Financial Statements. Freehold buildings are currently included in the Balance Sheet at cost less depreciation. The Governors

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2023

are satisfied that their current market value exceeds their historic cost, but do not wish to spend charitable funds on obtaining a formal valuation for accounts purposes.

RISK MANAGEMENT

The Board of Governors is responsible for the identification and management of risk and continues to keep the School's activities under critical review at every Board meeting. Detailed consideration of specific risks is also conducted by relevant Governor Committees and their recommendations reported to the Board of Governors. The key controls used by the charity include:

- Formal agendas for all Committee and Board activity;
- Comprehensive strategic planning, budgeting, and management accounting;
- Established organisational structure and lines of reporting;
- Comprehensive Risk Register;
- Formal written policies;
- Clear authorisation and approvals; and
- Vetting procedures as required by law for the protection of the vulnerable.

The highest priority risks identified by the Board of Governors at the end of the year which could lead to financial and operational challenges are:

1. The ongoing cost of the Teachers' Pension Scheme (TPS) Phased Withdrawal to the School as an employer
2. An increasing cost base including inflation
3. Reduction in student numbers
4. Retention into the Sixth Form
5. The impact of changing government policy including potential
 - a. further increases for employers' contributions to the Teachers' Pension Scheme
 - b. increases in National Insurance
 - c. loss of business rates relief
 - d. VAT on fees
6. Any reduction in the demand for independent school education
7. General deterioration of the economic health of our customer base
8. Any adverse impact upon the wellbeing of our students and staff
9. Any adverse publicity affecting the School's reputation
10. The war in Ukraine
11. Repercussions of cost-of-living increases.

Multiple strategies are being employed to manage these risks including enhancing our marketing efforts for the Frensham Heights' proposition; in addition, we will continue to grow and maintain our student numbers; and to exercise tight financial control over spending and debtors.

Health and Safety is recognised as a significant area of non-financial risk and it is closely managed. The risks range from fire and infrastructure damage to personal risks. The risks associated with all activities are minimised by preventative planning and risk assessment. The Board of Governors is satisfied that for all major risks identified, appropriate controls have been put in place and are maintained to mitigate the risks. It is recognised that systems can provide reasonable but not absolute assurance that major risks have been effectively mitigated.

TEACHERS' PENSION SCHEME

In common with much of the sector, the Schools' largest cost is that of staff costs. A significant part of the total staff costs is the School's commitments to fund pension benefits for our staff. This has proved

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REPORT OF THE BOARD OF GOVERNORS

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increasingly challenging in respect of the Teachers' Pension Scheme due to the increasing employers' contributions now required into that scheme.

In 2021 the Governors recognised their duty to act prudently in connection with the longevity of the School and have considered:

- a. the ongoing impact of the increased contribution on the School's finances. They considered that the impact is a very significant one with implications for the future viability of the School.
- b. Nevertheless, after extensive negotiations with the staff and teaching unions an agreement was reached to adopt a Phased Withdrawal from TPS. The 2020 valuation is estimated to result in an additional 5% to the Employers' Contribution, however, a significant number of teachers left during the year (including the Head, Deputy Head (Academic) and Deputy Head (Pastoral)) meaning that the increase is under cashflow estimates. Costs are, therefore, starting to reduce.
- c. The need to ensure the School has adequate financial resilience to invest in our people, in our estate, in our IT systems and in our important strategic priorities; our commitment to widening access through a larger number of bursaries.

FUTURE PLANS

The School's Strategic and Business Plan, charitable objects and ethos provide the strategic direction for future planning; these are captured and articulated in the School's Development Plan 2022-2023; this document sets out the specific and detailed plans for next year. The key objectives within the current plan are:

1. *Student Achievement.* Maximise student achievement through enhancements to Approaches to Learning and the role of tutors. Further develop the skills-based curriculum from Years 7 & 8 and throughout the Junior School
2. *Student Personal Development:* Maximise student development by improving organisational skills and improving pastoral and wellbeing provision. Further refine the PSHE (Horizons) programme.
3. *Marketing.* Currently numbers are circa 500 and therefore there is a requirement to restore them to 525 and eventually 550. Marketing will be focussing the main effort on retention from Year 11 and recruitment into the Sixth Form and into the Early Years. The intention being to develop Frensham's position as a thought leader for progressive education.
4. *Parent Communication/Reputation.* Build on the success of the Parents' Information Evenings. Review effectiveness of parental communications. Explore the use of communication software like My School Portal to enhance communication with parents.
5. *Finance and Site/Facilities Development.* Implement improvements to Finance and HR systems. An Estates Masterplan has been produced, which supports space utilisation to enable and inform long-term capital planning for the estate. Continued initiatives to increase energy efficiency and work to sustain the woodlands are ongoing.
6. *Public Benefit.* Maintain strong links with local schools, the local community and partner schools in Malawi. Continue with support for Ukrainian children in the School and act as a hub for Ukrainian families in the area.

Following the resignation of the Head, Rick Clarke, the Governors carried out an extensive recruitment campaign using search consultants for the new Head. The campaign resulted in an excellent response, which was narrowed down to a long list of six candidates, then a short list of four candidates after interviews off-site. Short-listed candidates were subject to a series of interviews and a psychometric test after which Ben McCarey was selected. As Ben McCarey is unable to start until September 2024 at the latest, interim arrangements were put in place by employing Andrew Fisher who is an experienced previous Head of the School.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2023

BOARD OF GOVERNORS

The Governors are all Directors of the School and their non-beneficial interests in the ordinary share capital in the year are as shown in the following table:

	31 July 2023	31 July 2022
Simon Wilcox	15	-
William Bird	-	20
Angus Carlill	15	15
Sally Marriott	5	5
William Marriott	5	5
Katherine Poulson	-	15
Jackie Sullivan	15	15
Philip Ward	15	15
Richard Fry	5	15
Catherine Love	10	5
Gregory West	5	-
Danuta Staunton	5	-
Joris Wonders	5	-

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The members of the Board of Governors (who are also the directors of Frensham Heights Educational Trust for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Company law requires the members of the Board of Governors to prepare financial statements for each financial year. Under company law they must not approve the financial statements unless they are satisfied that they give a true and fair view of the charitable company and the group, including the income (and its application) and expenditure of the group for that year. In preparing these financial statements, the members of the Board of Governors are required to:

1. select the most suitable accounting policies and then apply them consistently;
2. observe the methods and principles in the Charities SORP 2019 (FRS 102);
3. make judgments and estimates that are reasonable and prudent;
4. state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
5. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The members of the Board of Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Directors, as members of the Board of Governors, at the date of approval of this report is aware there is no relevant audit information (information needed by the Company's auditor in connection with preparing the audit report) of which the Company's auditor is unaware. Each

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

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YEAR ENDED 31 JULY 2023

member of the Board of Governors has taken all the steps that he or she should have taken as a member of the Board of Governors to make himself or herself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITORS

Crowe U.K. LLP have expressed their willingness to continue in office as auditors. The School will retender the audit contract in 2023-24.

This Annual Report, including the Strategic Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Governors of Frensham Heights Educational Trust Limited on 9 December 2023 and is signed as authorised on its behalf by:

A handwritten signature in black ink, appearing to be 'Simon Wilcox', with a long horizontal flourish extending to the right.

Simon Wilcox:
Director & Chair of Governors

Independent Auditor's Report to the Members of Frensham Heights Educational Trust Limited

Opinion

We have audited the financial statements of Frensham Heights Educational Trust Limited ('the charitable company') and its subsidiaries ('the group') for the year ended 31 July 2023 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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 charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). 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 charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

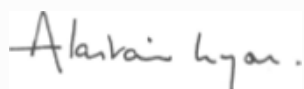
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition and classification of school fees and other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the 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, performing analytical reviews and testing income for completeness, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

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

Use of our report

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



Alastair Lyon
Senior Statutory Auditor
For and on behalf of

Crowe U.K. LLP
Statutory Auditor

London

Date: 7 February 2024

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure account)
FOR THE YEAR ENDED 31 JULY 2023

		Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Income and endowments from:						
Charitable Activities						
School fees receivable	3	9,278	-	-	9,278	9,976
Other educational income	6	286	-	-	286	226
Other ancillary trading income	6	369	-	-	369	181
Other trading activities						
Trading turnover	4	466	-	-	466	219
Other Income		32	-	-	32	42
Profit / (Loss) on disposal		(14)	-	-	(14)	(1)
Investments						
Investment income	5	91	2	-	93	10
Voluntary Income						
Grants and Donations		-	34	-	34	21
Total Income		10,508	36	-	10,544	10,674
Expenditure on:						
Raising funds						
Fundraising Trading	4	293	-	-	293	149
Charitable Activities						
Education and grant making		11,179	14	-	11,193	10,343
Total expenditure	7	11,472	14	-	11,486	10,492
Net Income		(964)	22	-	(942)	182
Transfers between funds	16	5	-	(5)	-	-
Net movement of funds		(959)	22	(5)	(942)	182
Funds brought forward 1 August 2022		17,038	304	260	17,602	17,420
Funds carried forward 31 July 2023	17	16,079	326	255	16,660	17,602

All amounts relate to continuing operations. There are no recognised gains or losses other than the results for the year set out above.

The Notes on Pages 21 to 38 form part of these financial statements.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
(Company Number: 207173)
CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2023

	Notes	2023 £'000	2022 £'000
FIXED ASSETS			
Tangible fixed assets	9 a)	<u>11,571</u>	<u>11,931</u>
		11,571	11,931
CURRENT ASSETS			
Stocks		2	2
Debtors: amounts falling due within one year	11	832	614
Cash at bank and in hand		<u>6,474</u>	<u>6,575</u>
		7,308	7,191
CREDITORS: amounts falling due within one year	12	<u>2,218</u>	<u>1,520</u>
NET CURRENT ASSETS		5,090	5,671
TOTAL ASSETS LESS CURRENT LIABILITIES		16,661	17,602
CREDITORS: amounts falling due after more than one year	13	<u>1</u>	<u>3</u>
NET ASSETS		<u>16,660</u>	<u>17,602</u>
CAPITAL AND RESERVES			
Called up share capital	15	-	-
THE FUNDS OF THE CHARITY	16		
UNRESTRICTED FUNDS			
Scholarship fund		833	521
Tangible fixed asset fund		11,315	11,671
General fund		<u>3,931</u>	<u>4,846</u>
		16,079	17,038
RESTRICTED FUNDS			
Bursary and award funds		326	304
ENDOWMENTS		<u>255</u>	<u>260</u>
		581	564
TOTAL FUNDS	17	<u>16,660</u>	<u>17,602</u>

The loss for the financial year dealt with in the financial statements of the parent Company was (£942k) (2022 profit: £126k).

Approved and authorised for issue by the Board of Governors on 9 December 2023




} Governors and Directors

Simon Wilcox

Richard Fry

The Notes on Pages 21 to 38 form part of these financial statements.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

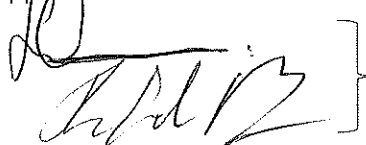
(Company Number: 207173)

BALANCE SHEET

AS AT 31 JULY 2023

	Notes	2023 £'000	2022 £'000
FIXED ASSETS			
Tangible fixed assets	9 b)	11,571	11,930
Investments	10	10	10
		<u>11,581</u>	<u>11,940</u>
CURRENT ASSETS			
Stocks		-	1
Debtors: amounts falling due within one year	11	744	459
Cash at bank and in hand		6,021	6,403
		<u>6,765</u>	<u>6,863</u>
CREDITORS: amounts falling due within one year	12	<u>1,693</u>	<u>1,206</u>
NET CURRENT ASSETS		<u>5,072</u>	<u>5,657</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,653</u>	<u>17,597</u>
CREDITORS: amounts falling due after more than one year	13	<u>-</u>	<u>-</u>
NET ASSETS		<u>16,653</u>	<u>17,597</u>
CAPITAL AND RESERVES			
Called up share capital	15	-	-
THE FUNDS OF THE CHARITY			
UNRESTRICTED FUNDS			
Scholarship fund		833	521
Tangible fixed asset fund		11,315	11,671
General fund		3,924	4,840
		<u>16,072</u>	<u>17,032</u>
RESTRICTED FUNDS			
Bursary and award funds		326	305
ENDOWMENTS		<u>255</u>	<u>260</u>
		<u>581</u>	<u>565</u>
TOTAL FUNDS	17	<u>16,653</u>	<u>17,597</u>

Approved and authorised for issue by the Board of Governors on 9 December 2023.



Governors and Directors

Simon Wilcox

Richard Fry

The Notes on Pages 21 to 38 form part of these financial statements.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities			
Net cash provided by operating activities	(i)	(104)	812
Cash flows from investing activities:			
Payments for tangible fixed assets		(103)	(89)
Non-cash payments for tangible fixed assets		13	2
Proceeds on sale of tangible fixed assets		-	-
Investment income and bank interest received		93	10
Net cash (used in) / provided by investing activities		3	(77)
Cash flows from financing activities:			
Finance Costs Paid		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the reporting period		(101)	736
Cash and cash equivalents at the beginning of period		6,575	5,839
Cash and cash equivalents at the end of the reporting period		6,474	6,575

The Notes on Pages 21 to 38 form part of these financial statements.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2023

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

	2023	2022
	£'000	£'000
Net incoming resources	(942)	182
Elimination of non-operating cash flows:		
- Investment income	(93)	(10)
- Depreciation Charge	450	606
- Non Cash-Flow Item	-	-
Profit on sale of assets	-	-
(Increase) / decrease in debtors	(218)	(216)
(Increase) / decrease in stocks	-	(1)
Increase / (decrease) in creditors	530	314
Increase / (decrease) in fees in advance scheme creditors	141	(97)
Increase / (decrease) in parents' deposits	28	34
	<u>838</u>	<u>630</u>
Net cash provided by operating activities	<u>(104)</u>	<u>812</u>

(ii) Analysis of cash and cash equivalents

	2023	2022
	£'000	£'000
Cash held on current account	3,582	3,020
Cash held on deposit	2,890	3,552
Petty cash held	2	3
	<u>6,474</u>	<u>6,575</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

1. COMPANY INFORMATION:

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 10 July 1925 (company number: 207173) and registered as a charity on 15 August 1966 (charity number: 312052).

2. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 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 (FRS 102)

Going Concern: As detailed in the Report of the Governors, the Governors have reviewed and revised the School's financial forecasting considering the current economic climate, the forecasted deficit in 2022-23, and their potential impact. Revised forecasts have been prepared together with cash-flows and restructuring based on the most likely expected outcome from these scenarios, with sensitivity analysis on the key assumptions. The cash flow modelling with sensitivity analysis indicates that the cash reserves of the School are adequate to meet the charity's obligations as they fall due.

Having regard to the above, the current cash position, and the expected cash flow over the next 12-24 months the Governors have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities.

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

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

The consolidated accounts include Frensham Heights Enterprises Limited, made up to 30 June 2023. In accordance with the exemption allowed under Section 408 of the Companies Act 2006, the charity's Statement of Financial Activities is not separately presented.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, 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.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

2. ACCOUNTING POLICIES (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised 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 trustees, 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 amounts in the next financial year.

b) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

c) Investment Income

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

d) Voluntary Income

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reasonably quantified and the economic benefit to the School is considered probable.

Donations receivable for the general purpose of the School 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 Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as 'endowments' – permanent or expendable according to the nature of the restriction.

Government grants are recognised on the performance model, when the Company 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.

e) Taxation

The School is a registered charity. As such it is exempt under present legislation from assessment to corporation tax on its net income and is able to reclaim tax deducted from covenants and interest received.

f) Tangible fixed assets and depreciation

Items of a capital nature and with a value greater than £10,000 have been capitalised. Following a discussion with the School's professional advisors the depreciation on freehold buildings was reduced from 2% to 1%. Depreciation is provided annually at the following rates:

Freehold buildings	-	1% of cost
Timber buildings	-	5% to 6.7% of cost
Modular buildings	-	4% of cost
Motor vehicles	-	25% of cost
Furniture and other equipment	-	10% - 20% of cost
Solar Panels	-	5% of cost
Computer equipment	-	20% to 33.3% of cost

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

2. ACCOUNTING POLICIES (Continued)

g) Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to the activity in the year. The irrecoverable element of VAT is included with the item of expense to which it relates.

Raising funds comprise those costs directly attributable to the trading subsidiary (Note 3).

Support costs comprise a proportion of staff costs together with a proportion of overheads of the School. Governance costs are those incurred in connection with the governance of the School and compliance with constitutional and statutory requirements.

h) 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.

i) Stock

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

j) Pension schemes

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

The School contributes to the Royal London Group Personal Pension Plan which the School established as the official alternative to the TPS under the Phased Withdrawal arrangement.

Certain non-teaching staff are members of other defined contribution schemes. All non-teaching staff are entitled to join a group personal pension scheme, which complies with the requirements for a Stakeholder Pension Scheme.

k) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured and amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise trade creditors, other creditors, accruals and deposits.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

3.	CHARITABLE ACTIVITIES - FEES RECEIVABLE	2023 £'000	2022 £'000
	Fees receivable consist of:		
	School Fees	9,994	10,794
	Less: Total bursaries, grants and allowances	(716)	(818)
		9,278	9,976
	NET INCOME		
	Net income is stated after charging:		
	Depreciation of tangible fixed assets	450	607
	Auditors' remuneration - Audit	24	20
	- Other services	4	3
	Staff costs (Note 8)	8,070	7,460
	Operating lease costs	73	72

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

4. TRADING INCOME

Frensham Heights Educational Trust Ltd owns the entire issued share capital of Frensham Heights Enterprises Ltd, Company Number 2866864, registered address Frensham Heights, Rowledge, Farnham, Surrey GU10 4EA. The principal activity of this company is that of managing letting and hiring facilities available at Frensham Heights.

	30 June 2023 £'000	30 June 2022 £'000
Turnover	466	219
Cost of sales	(207)	(87)
Gross profit	259	132
Administration expenses	(93)	(68)
Operating profit	166	64
Interest receivable	0	0
Profit on ordinary activities before taxation	166	64
Taxation	-	-
Profit on ordinary activities after taxation	166	64
Retained earnings at the start of period	6	(50)
Profit for the year	166	64
Gift aid to Frensham Heights Educational Trust Limited	166	8
Retained earnings at the end of period	6	6

Trading costs detailed above are disclosed in the consolidated Statement of Financial Activities as follows

Cost of sales	207	87
Administrative expenses	93	68
Audit and professional fees included in governance costs	(8)	(8)
Fundraising trading as on Statement of Financial Activities	292	147

The School's and company's year-end are non co-terminus and it is not considered necessary to have identical year ends as it is not expected that any transactions will occur in the trading company in the intervening period which will have a material impact on the consolidated accounts. Administration expenses of the subsidiary include auditors' remuneration for audit services of £4.8k (2022 - £4k) and for other services £1.7k (2022 - £2k). These have been included in governance costs in the consolidated statement of financial activities.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

5. INVESTMENT INCOME

	Total 2023 £'000	Total 2022 £'000
Bank deposit account interest	93	10

6. INCOME FROM CHARITABLE ACTIVITIES

	2023 £'000	2022 £'000
Other educational charitable activities		
Entrance and registration fees	176	152
Courses and sub-lettings	110	74
	<u>286</u>	<u>226</u>
Other ancillary activities		
School Trips, Meals and Other Income	369	181
	<u>369</u>	<u>181</u>

7. ANALYSIS OF EXPENDITURE

	Staff Costs £'000	Other Costs £'000	Depreciation £'000	Total 2023 £'000
Trading expenditure	185	106	2	293
	<u>185</u>	<u>106</u>	<u>2</u>	<u>293</u>
Charitable activities				
Education and welfare	5,512	909	448	6,869
Housekeeping	407	375	-	782
Catering	436	343	-	779
Transport	-	31	-	31
Maintenance and estate	333	624	-	957
Support costs and governance	1,195	578	-	1,773
	<u>7,883</u>	<u>2,860</u>	<u>450</u>	<u>11,191</u>
Total expenditure	<u>8,068</u>	<u>2,966</u>	<u>452</u>	<u>11,484</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

7. ANALYSIS OF EXPENDITURE (Continued)

SUPPORT COSTS AND GOVERNANCE

	2023 £'000	2022 £'000
Salaries	1,195	1,212
Staff recruitment and travel	85	41
Marketing and professional fees	365	373
Telephone, postage, printing, stationery	16	20
Miscellaneous admin costs	72	34
Governance costs (Note 7)	40	21
	<u>1,773</u>	<u>1,701</u>

Governance costs include auditors' remuneration for audit services of £19k (2022: £16k) and for other services £3k (2022: £750) and the reimbursement of four Governors' travelling and subsistence expenses of £2k (2022 four Governors: £2k), as well as £16k for Governor miscellaneous and training costs (2022: £2k).

8. STAFF COSTS

	2023 £'000	2022 £'000
Wages and salaries	5,723	5,272
Social security costs	580	536
Other pension costs	1,048	1,056
	<u>7,351</u>	<u>6,864</u>
Staff not directly employed by the School	<u>717</u>	<u>596</u>
	<u>8,068</u>	<u>7,460</u>
	No.	No.
The average monthly staff headcount was:		
Teaching	107	106
Administration	34	34
Other	24	25
	<u>165</u>	<u>165</u>

Included in the above, two permanent members of staff are employed in the trading subsidiary (2022: One). In addition, ad hoc staff are called upon throughout the year to provide support for functions in the trading subsidiary.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

8. STAFF COSTS (Continued)

	2023 £'000	2022 £'000
The total employee costs (including employers' pension and national insurance contributions) of personnel were:	<u>1,373</u>	<u>1,115</u>

The following number of staff received remuneration in excess of £60,000 in the year:

	2023 No.	2022 No.
£60,001 to £70,000	3	3
£70,001 to £80,000	2	2
£80,001 to £90,000	1	-
£110,001 to £120,000	-	1
£190,001 to £200,000	1	-
£230,001 to £240,000	1	-

One person connected with a governor has received remuneration from employment with the charity in accordance with the pay scales of the School (2022: One).

Included in the total staff cost figures above are termination payments to employees authorised during the year totalling £301k (2022 - £59k). At the year end, there was £271k in accrued termination payments (2022: £0).

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

9. TANGIBLE FIXED ASSETS

a) The Group

	Freehold Land, Buildings and Improvements £'000	Plant, Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 August 2022	16,704	2,122	159	18,985
Additions	-	103	-	103
Disposals	(33)	(127)	-	(160)
At 31 July 2023	<u>16,671</u>	<u>2,098</u>	<u>159</u>	<u>18,928</u>
Depreciation				
At 1 August 2022	5,453	1,440	158	7,051
Charge for the year	275	174	1	450
Disposals	(18)	(126)	-	(144)
At 31 July 2023	<u>5,710</u>	<u>1,488</u>	<u>159</u>	<u>7,357</u>
Net book value				
At 31 July 2023	<u>10,961</u>	<u>610</u>	<u>-</u>	<u>11,571</u>
At 31 July 2022	<u>11,251</u>	<u>682</u>	<u>1</u>	<u>11,934</u>

b) The School

	Freehold Land, Buildings and Improvements £'000	Plant, Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 August 2022	16,691	2,116	159	18,966
Additions	-	103	-	103
Disposals	(33)	(124)	-	(155)
At 31 July 2023	<u>16,658</u>	<u>2,095</u>	<u>159</u>	<u>18,912</u>
Depreciation				
At 1 August 2022	5,443	1,433	158	7,034
Charge for the year	273	174	1	448
Disposals	(18)	(123)	-	(141)
At 31 July 2023	<u>5,698</u>	<u>1,484</u>	<u>159</u>	<u>7,341</u>
Net book value				
At 31 July 2023	<u>10,960</u>	<u>611</u>	<u>-</u>	<u>11,571</u>
At 31 July 2022	<u>11,248</u>	<u>683</u>	<u>1</u>	<u>11,932</u>

There are no assets under construction as at 31 July 2023.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

10. INVESTMENTS

	2023 £'000	2022 £'000
Frensham Heights Enterprises Ltd		
£1 Ordinary shares at par in Frensham Heights Enterprises Ltd	10	10
	<u>10</u>	<u>10</u>

Company

The company holds £10,000 ordinary shares, the entire issued share capital, of Frensham Heights Enterprises Limited.

The principal activity of the investee is the letting of facilities available at Frensham Heights School.

At 30 June 2023 Frensham Heights Enterprises Ltd had capital and reserves which totalled £17k (2022: £17k). The turnover for the year was £466k (2022: £219k).

Frensham Heights Enterprises Ltd is a company registered in England and Wales, registered number 2866864.

11. DEBTORS: amounts falling due within one year

	Group		School	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts due from group undertaking	-	-	232	100
Fees debtors	197	125	197	125
Sundry debtors and prepayments	635	490	315	233
	<u>832</u>	<u>615</u>	<u>744</u>	<u>458</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

12. CREDITORS: amounts falling due within one year

	Group		School	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts owed to group undertakings	206	63	-	-
Fees deposits	533	505	533	505
Trade creditors	310	252	306	239
Other creditors and accruals	495	262	472	240
Fees received in advance	183	42	183	42
Deferred income	492	396	199	180
	<u>2,219</u>	<u>1,520</u>	<u>1,693</u>	<u>1,206</u>

The total amount held in relation to fees deposits of £533k is included above. In the normal course of business, the expected repayment of these amounts will be £1.5k within one year and £532k after more than one year.

The School holds pupil fee deposits. 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 July 2023 have been included within current liabilities. The prior year pupil fee deposits balance has been similarly represented.

Deferred Income Reconciliation

	£'000
Balance brought forward at 1 August 2022	395
Additions in current year	493
Release of deferred income	(396)
	<u>492</u>
Balance carried forward at 31 July 2023	<u>492</u>

The deferred income balance relates mostly to future year school trips income; and on the trading subsidiary, future year residential lets and weddings.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

13. CREDITORS: amounts falling due after more than one year

	Group		School	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Deferred income	1	-	-	-
	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>

14. FEES IN ADVANCE SCHEME

The School will be reinstating the Fees in Advance Scheme due to the recent increases in interest rates. The interest rate will be set by the FR&CP in Autumn 2023 and approved by the Board in December of the same year.

15. SHARE CAPITAL

	2023	2022
	£	£
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

16. MOVEMENT ON FUNDS

	Balance at 1 August 2022 £'000	Incoming Resources £'000	Resources Expended £'000	Transfer Between Funds £'000	Balance at 31 July 2023 £'000
Restricted Funds					
Bursary and award fund	285	15	-	-	300
Music award fund	12	3	-	-	15
Ukrainian bursary fund	7	18	(14)-	-	11
Endowment Fund	<u>260</u>	<u>-</u>	<u>-</u>	<u>(5)</u>	<u>255</u>
	564	36	(14)	(5)	581
Designated Funds					
Scholarship fund	521	-	-	312	833
Tangible fixed assets fund	11,671	-	-	(356)	11,315
General Fund	<u>4,846</u>	<u>10,507</u>	<u>(11,471)</u>	<u>49</u>	<u>3,931</u>
	<u>17,602</u>	<u>10,543</u>	<u>(11,485)</u>	<u>-</u>	<u>16,660</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

16. MOVEMENT ON FUNDS (Continued)

	Balance at 1 August 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Transfer Between Funds £'000	Balance at 31 July 2022 £'000
Restricted Funds					
Bursary and award fund	273	12	-	-	285
Music award fund	10	2	-	-	12
Ukrainian bursary fund	-	7	-	-	7
Endowment Fund	<u>265</u>	<u>-</u>	<u>-</u>	<u>(5)</u>	<u>260</u>
	548	21	-	(5)	564
Designated Funds					
Scholarship fund	503	-	-	18	521
Tangible fixed assets fund	12,186	-	-	(515)	11,671
General Fund	<u>4,183</u>	<u>10,652</u>	<u>(10,491)</u>	<u>502</u>	<u>4,846</u>
	<u>17,420</u>	<u>10,673</u>	<u>(10,491)</u>	<u>-</u>	<u>17,602</u>

Bursary and award Fund

Consists of donations for the future award of bursaries. This will accumulate over time until the level of income the fund generates is sufficient to provide a reasonable bursary for a student.

Expendable Endowment funds

These are funds which were given to the School to invest in the School's buildings. This funding is now represented by tangible fixed assets.

Designated funds

These funds represent amounts set aside at the discretion of the Governors.

Scholarship fund

This scholarship fund is used to indicate scholarships and bursaries currently awarded for specific stages of education, made against future years' fees.

Tangible fixed assets fund

The fund represents the amount of general funds invested by the School in its tangible fixed assets after deducting those assets represented by the endowment funds.

Transfers

A transfer of £5k has been made between the endowment and unrestricted funds. This represents the depreciation charged on the proportion of the building represented by the endowment fund.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

A transfer of £312k has been made to increase the Scholarship Fund. This is to cover the School's future commitments at 31 July 2023 to bursaries and scholarships for specific pupils. The future commitments typically relate to the next two to three years.

A transfer of (£356k) has been made between the General fund and the Tangible Fixed Asset Fund to ensure that this, plus the Endowment Fund, are equal to tangible fixed assets within the consolidated balance sheet.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

The Group	Unrestricted General Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £
Tangible fixed assets	11,316	-	255	11,571
Net current assets	4,764	326	-	5,090
	16,080	326	255	16,661
Creditors: amounts falling due after one year	1	-	-	1
	<u>16,079</u>	<u>326</u>	<u>255</u>	<u>16,660</u>
The Charity				
Tangible fixed assets	11,316	-	255	11,571
Investments	10	-	-	10
Net current assets	4,746	326	-	5,072
	16,072	326	255	16,653
Creditors: amounts falling due after one year	-	-	-	-
	<u>16,072</u>	<u>326</u>	<u>255</u>	<u>16,653</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued)

The Group	Unrestricted General Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £
Tangible fixed assets	11,671	-	260	11,931
Net current assets	5,367	304	-	5,671
	17,038	304	260	17,602
Creditors: amounts falling due after one year	-	-	-	-
	<u>17,038</u>	<u>304</u>	<u>260</u>	<u>17,602</u>

The Charity

Tangible fixed assets	11,670	-	260	11,930
Investments	10	-	-	10
Net current assets	5,352	304	-	5,656
	17,032	304	260	17,596
Creditors: amounts falling due after one year	-	-	-	-
	<u>17,032</u>	<u>304</u>	<u>260</u>	<u>17,596</u>

18. PENSION SCHEMES

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 £815k (2022: £825k) and at the year-end £11,286 (2022 - £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%.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

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.

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 following a public consultation in 2021 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 were 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 indicated 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.

The pension cost for the year in relation to other defined contribution schemes amounts to £233k (2022: £230k) and has been included in the Statement of Financial Activities.

19. LEASING COMMITMENTS

The Trust is committed to making the following payments under operating leases:

	Equipment 2023 £'000	Equipment 2022 £'000
Due in less than one year	73	72
Due within two and five years	189	161
Due in more than five years	24	-

20. CAPITAL COMMITMENTS

At 31 July 2023 the School had no material outstanding retention commitments and no other capital commitments.

21. RELATED PARTY TRANSACTIONS

In 2022-23 the School charged £38k (2022: £20k) to Enterprises for utilities, labour and associated services. The balance owed to the School at 31 July 2023 was £232k (2022: £100k).

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

22. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARISON FIGURES BY FUND TYPE

		Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total Funds 2022 £'000
Income and endowments from:					
Charitable Activities					
School fees receivable	3	9,976	-	-	9,976
Other educational income	6	226	-	-	226
Other ancillary trading income	6	181	-	-	181
Other trading activities					
Trading turnover	4	219	-	-	219
Other Income		42	-	-	42
Profit / (Loss) on disposal		(1)	-	-	(1)
Investments					
Investment income	5	10	-	-	10
Voluntary Income					
Grants and Donations		-	21	-	21
Total Income		10,653	21	-	10,674
Expenditure on:					
Raising funds					
Fundraising Trading	4	149	-	-	149
Charitable Activities					
Education and grant making		10,343	-	-	10,343
Total expenditure	7	10,492	-	-	10,492
Net Income		161	21	-	182
Transfers between funds	16	5	-	(5)	-
Net movement of funds		166	21	(5)	182
Funds brought forward 1 August 2021		16,872	283	265	17,420
Funds carried forward 31 July 2022	17	17,038	304	260	17,602

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

England & Wales - Charity number 312052

Accounts

COMPANY REGISTRATION NUMBER: 207173

REGISTERED CHARITY NUMBER: 312052

FRENSHAM HEIGHTS
EDUCATIONAL TRUST LIMITED
REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
31 JULY 2022

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
YEAR ENDED 31 JULY 2022

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FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

GOVERNORS, OFFICERS AND ADVISERS

YEAR ENDED 31 JULY 2022

DIRECTORS AND GOVERNORS

William Bird (Chair)
Gerard Holden (Vice Chair retired 30 November 2021)
Angus Carlill (Treasurer)
Martin Lupton (retired 31 January 2022)
Sally Marriott
William Marriott
Katherine Poulson
Jackie Sullivan
Philip Ward (Vice Chair)
Richard Fry
Katherine Love

FINANCE AND HUMAN RESOURCES COMMITTEE

Angus Carlill (Chair)
William Bird (Ex Officio)
Richard Fry
Katherine Poulson
Jackie Sullivan

GROUP 5 (discontinued July 2022)

William Bird (Chair)
Angus Carlill (Treasurer)
Gerard Holden (Vice Chair)
Rick Clarke (Head)
John Pratten (Interim Bursar) (appointed
November 2021)

EDUCATION COMMITTEE

Philip Ward (Chair)
Richard Fry
Sally Marriott
William Bird (Ex Officio)
Angus Carlill (Ex Officio)
Gerard Holden (retired 30 November 2021)

HEAD

Rick Clarke

INTERIM BURSAR & COMPANY SECRETARY

John Pratten (appointed November 2021)

Note: Officers (i.e. Chair, Vice Chair and Treasurer) are ex-officio members of all Board committees.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
GOVERNORS, OFFICERS AND ADVISERS
YEAR ENDED 31 JULY 2022

REGISTERED OFFICE	Frensham Heights Rowledge Farnham Surrey GU10 4EA
COMPANY NUMBER	207173
REGISTERED CHARITY	312052
BANKERS	HSBC Bank plc 12A North Street Guildford Surrey GU1 4AF
SOLICITORS	GBH Law (trading as Goodyear Blackie Herrington Solicitors) 7-8 Innovation Place Douglas Drive Godalming Surrey GU7 1JX
AUDITORS	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
INSURANCE BROKERS	Marsh Insurance Brokers Limited Rockwood House 9-17 Perrymount Road Haywards Heath West Sussex RH16 3DU

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2022

The Governors of Frensham Heights Educational Trust Limited, who are also the Directors and Charity Trustees, are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 July 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

DIRECTORS' REPORT

CONSTITUTION AND OBJECTS

Frensham Heights Educational Trust Limited was founded under Memorandum and Articles of Association dated 10 July 1925 as amended on 4 April 1950, 22 June 1996, 11 January 2006, 5 December 2020, and redrafted 2022 for acceptance December 2022. It is constituted as a company limited by shares, registered in England, No. 207173, and is registered with the Charity Commission under Charity No. 312052.

The Charity's principal Objects, as set out in the Memorandum of Association, are the advancement of education, including the provision of a school for boys and girls at Frensham, the holding of exhibitions, classes or conferences, whether general, professional or technical, and support to other charitable bodies. There has been no change to the Objects during the year.

In furtherance of these Objects and for the public benefit, the School has established and administered during the year bursary awards and other benefactions, and acts as the trustee and manager of property and gifts given or established in pursuance of these Objects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Contact Information

The Governors, Head, Company Secretary, and principal address of the Charity are as listed on Page 1. Details of the Charity's professional advisers are also listed on Page 2.

Group Structure and Relationships

The Charity has a wholly owned non-charitable subsidiary, Frensham Heights Enterprises Limited, (Company number 2866864) which was incorporated in 1993. Its principal activity is managing the hiring and letting of facilities at the School.

Board of Governors

One third of all Governors retire by rotation each year (including any Governor who is an officer). Any retiring Governor will be available for immediate re-election and the expectation is that Governors will serve either two or three terms of three years each.

The Board instigated a review of their governance by The Association of Governing Bodies of Independent Schools (AGBIS) in June 2022. Adjustments to the Committee structure and other adjustments will be instigated during 2022-23.

Two Governors retired during the year and a Governor recruitment plan was instigated following the AGBIS review. A Register of Skills is maintained for the appointed members of the Board and this information informs the decisions of the Board both in determining the skill sets and experience sought through advertising of forthcoming vacancies, and in the recommendations for succession planning and

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2022

Board appointments. Members of the Governing Body are appointed against the skills register which is considered and approved by the Governing Body on an annual basis. Potential Governors undergo a series of interviews and briefings before attending the Board as observers; after which they may be appointed. New Governors undergo induction sessions with the Chair, the Head and Company Secretary to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the Strategy and recent financial performance of the charity. New Governors are given a tour of the School to meet key employees and they are encouraged to attend appropriate external training events to facilitate the undertaking of their role. All Governors have received training or attended external briefings by professional advisors throughout the period. Details of relevant courses and seminars are regularly circulated to all Governors.

Governance Code

The Trustees are aware of the Charity Governance Code published in 2017, and updated in March 2021, which sets out the principles and recommended practice for good governance within the sector. During 2022 the Charity began a review of current governance arrangements against the principles within the code and prepared an action plan to address areas identified for best-practice improvements. That review of governance arrangement is kept under constant review and modifications and improvements are continuously implemented.

Related parties and co-operation with other organisations

None of the Governors has received remuneration or other benefit from their work with the school in the year. Any connection between a trustee or senior manager of the school must be disclosed to the full Board of Governors in the same way as any other contractual relationship with a related party.

Organisational Management

The Governors, who are also the Charity Trustees, are legally responsible for the general policy of the School and for the overall management and control of the School.

The Governors meet as a Board at least three times a year. The work of overseeing the implementation of policies is carried out by committees. During the year a Remuneration Committee was formed to discuss the Head's and Bursar's salary; and an Estates Committee was formed, which will meet prior to the Finance Committee and be extant during the School's upcoming building development phase. All other committees sit a minimum of three times per year. All Committees are being rationalised following the AGBIS review.

During the previous year and in direct response to the COVID-19 pandemic the Board extended the remit of its Group 5 (G5), a steering group of Governors, the Head and Bursar. The G5 met regularly through the pandemic period, with major decisions being referred to the board for approval; G5 was disbanded in June 2022 following the AGBIS review. The committees and their membership are listed on Page 1. The Governors also hold an annual strategy meeting to examine and agree key issues impacting the School. At least one Governor sits on each of: the School's Health and Safety Committee; the Parents' Committee; and the Staff Common Room Committee.

The day-to-day management of the School is delegated to the Senior Leadership Team (SLT), which is comprised of the Head, Interim Bursar, Deputy Head, Deputy Head (Academic) and Head of Junior School. The Head and the Interim Bursar are invited ex-officio to all Board and committee meetings. The pay and remuneration of the Head is set by the Remuneration Committee having considered independent benchmark reports across the independent school education sector and agreed by the Main Board at their Spring or Summer Board meetings. In November 2021, a new Interim Bursar was

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2022

appointed to replace the Chief Operating Officer. Recruitment for a permanent Bursar commenced in November 2022.

AIMS, OBJECTIVES AND ACTIVITIES

Public Benefit Aims and Activities

In meeting its Objects, the School's public benefit aim is to provide a world class progressive education that emphasises progressive values and focuses on students as individuals to bring out their strengths, with creative and performing arts given equal status alongside more traditional academic subjects and sport. In line with its ethos, the School welcomes students from all backgrounds where it is believed that the prospective student can benefit from the education provided at the School.

In support of its public benefit aim the School also awards annual bursaries, which are outlined in the grant making section of the Strategic Report. The Board has been and remains committed to growing the number of bursaries awarded to widen participation at the school recognising the significant opportunities such bursaries provide to the recipients and their families.

In addition to providing education supported by an extensive range of extra-curricular activities the school has due regard for its obligations under the Charity Commission's published guidance on the public benefit requirement (Charities Act 2011), therefore the School also works in partnership with local schools, charities and organisations to widen public access to education.

In 2020 the school created a new post of Assistant Head (Student Development), with responsibility for outreach and community links. In 2021 the School further supported our community benefit by providing additional human resource support to deliver our ambitions in this area and this was further expanded in 2022. The School continues to work closely with Rowledge Primary School supporting the Forest School programme, offering access to science laboratories and a member of staff is also a Governor there. The School has continued to work closely with Bordon Junior School, providing lessons and activities in ICT, with our students acting as mentors and teachers. Other local, maintained sector schools, youth groups, scouts and cubs made use of the School's music, art and sports facilities and minibuses. The School has also forged very strong charitable links with All Saints School and Amao Orphanage in Malawi. The school has been working at a second school (Mikuyu) in Malawi, with plans to expand beyond this in 2023. Over the last ten years, in addition to working visits by staff and students, practical assistance and charitable funds raised by the School community have had significant impact for people living in those Malawi communities. The school is making the first trip in 3 years to Malawi in July 2023.

Following Russia's invasion of Ukraine, the School became a 'hub' for displaced Ukrainian families allowing them to meet informally once every week. The school also collects for a 'Free Shop' for the families where they can obtain essentials like clothing and toiletries. The School also has FOUR Ukrainian students on 100% bursaries.

Objectives for the Year

The School's principal objectives for the year were to:

1. Maximise student achievement
2. Maximise student personal development through effective tutoring and involvement in opportunities outside the classroom
3. Inspire and further develop the teaching staff through professional development opportunities
4. Further enhance teaching and learning
5. Maintain a roll of approximately 520 students for the year

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2022

-
6. Deliver the School's charitable objects and demonstrable public benefit
 7. Maintain financial stability

STRATEGIC REPORT

The Strategic Direction of the School

During the previous year, the Head completed work on reviewing and updating the school's vision, mission, and values. At its meeting held on 22 May 2021 and following an all-school consultation process the Board warmly welcomed and endorsed the new vision and mission statements, which are as follows:

OUR VISION

Empowering tomorrow's change-makers to find their inspiration today through a transformative education

OUR MISSION

We continue to pioneer a better education, one which

- celebrates the individual as part of a nurturing and supportive community.
- amplifies the voices of our community, encouraging self-expression and sharing of ideas.
- brims with inspiration from strong relationships with outstanding educators in a stimulating environment.

The Board is confident that the re-articulation of the aims and mission places the school firmly in a position to continue to deliver its unique educational offering as a leading progressive school for the years to come.

OUR VALUES

Endorsed by the Board last year (2020-21) the School consolidated its values alongside the vision and mission and to champion the delivery of a values-based culture for the School. We are extremely proud to support these values which are:

- *Originality of thought*
- *Spirit of togetherness*
- *Respect of individuality*
- *Courage to try*

To support the vision, mission and values the Board looks forward to receiving a revised Strategic Plan and an underpinning Management Plan in autumn 2022.

Principal Activity of the Year

The principal activity continues to be the provision of day and boarding education for boys and girls aged from 3 to 18 years. This year the School averaged 544 (2021: 529) students of whom 467 (2021: 459) were day students and 77 (2021: 70) were boarders. In January 2022 the School was subject to an Independent Schools Inspectorate (ISI) inspection, which was a full Education Quality and Compliance was found to be fully compliant and graded EXCELLENT in all areas of education provision and personal development.

Grant-making

During the year the School set aside funds to support bursaries, which were offered to parents of students who could not otherwise afford to send their children to the School, based on a comprehensive means-tested assessment of financial need. The process requires parents or guardians to complete a detailed financial form covering income, expenditure and assets which is reviewed by the Bursar and Head, and a representative of the Board of Governors in difficult cases before any award is made.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2022

Bursary awards are re-assessed annually. The School's policy is to ensure funds are allocated for bursaries, and also develop further its programme of Scholarship and Enrichment activities which is open to scholars, as well as the wider School community.

In support of all these awards the School committed £594k (2021: £530k) this year, of which £532k (2021: £471k) was awarded in bursaries to 41 students (2021: 44) through its General Fund, of which 14 (2021: 9) were 100%. Within this bursary funding, £16k was allocated in-year for Ukrainian pupils. In 2021, £3k in Covid-related hardship bursaries was awarded through funds donated by parents. The availability of all such awards for fee-assistance is advertised on the School's website at www.frensham.org.

Volunteers

Old Frenshamians, Friends of Frensham, parents and members of the local community assisted and supported the School's educational and cultural activities throughout the year and the Board would like to record its appreciation of this invaluable and continuing support.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE

Operational Performance of the School

Educational value has been added to student achievement across all age groups; this has been monitored using nationally recognised prediction information systems. Through the Scholarship and Enrichment Programme, students gain a wealth of experiences which not only enhance their curriculum learning but also develop essential life skills, all of which add value to their time at Frensham. Trips and educational visits provide access to social, cultural, moral, and spiritual experiences as students are challenged and have the opportunity for experiential learning.

With COVID-19 impact receding, the school was able to offer a much more normal operation for students, with nearly full programmes of sport, music, dance, drama and school trips on offer. Sports fixtures, together with sports trips, provided fantastic opportunities for students to remain active. Full access to the theatre meant that plays, dance concerts and rock & pop gigs were in full operation, with students excelling in all of these. The return of school trips, a key element of a Frensham education, meant that significant trips such as the Year 6 trip to Pembrokeshire, the Year 9 trip to the Peak District and the Year 12 trip to Knoydart in Scotland all went ahead. Alongside this, many smaller trips for other year groups were offered too.

Exam results in the summer were excellent, considering that these were the first exams to be written in two years. The students performed superbly, well above the levels achieved in the last written exams in 2019.

GCSEs: students achieved 23% 9-8; 42% 9-7; 96.5% 9-4 grades.

A Levels: students achieved 40% A*-A, 67% A*-B, 100% A*-E.

The School continues to attract students in the South East and London through the unique nature of our education and pastoral care and has maintained strong student numbers. The School also remains active in the international marketplace and appeals to overseas students, mainly from Europe, with a number from Eastern Europe and further afield. +

SUSTAINABILITY

The School is fully aware of its responsibilities in making progress towards a more sustainable campus. It has a solar field that contributes towards the costs in the Main Building during term time and FIT contribution in the accounts (this year) circa £26K.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2022

All new buildings are constructed to the sustainability regulations in place at the time and where possible loft insulation, double glazing are added to staff accommodation when the opportunities are presented.

The School is investigating a grant to change the floodlights on the AWSP to LED. It is also hoping to be able to finance a fully electric minibus via the parents' association.

FUNDRAISING

The School recognises that its alumni and current parents have already committed significant funds to the School by the families' payment of school fees and has historically taken a low-key approach to additional fundraising. The approach to fundraising was recently reviewed and plans are in operation to train a current member of the Marketing Department to be responsible for the 2025 Centenary Campaign supported by a suitably qualified Governor. Funds raised are placed in a restricted fund intended for the future provision of bursaries. The School is aware of the need to protect vulnerable people from unreasonable and persistent fundraising pressure; it has not received any complaints about fundraising during the year. Ring-fenced funds have been raised to support the Ukrainian students in School with their everyday educational needs and to fund their educational trips.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Results

The School aims to generate sufficient surplus for reinvestment that advances the educational experience of all students and finances improvements to the School's facilities, so that it can continue to offer high quality education and student development. The Board had identified the following strategic priorities for the future:

1. Investment in our people
2. Investment in our estate
3. Investment in our IT systems
4. An ongoing commitment to enhance our bursary provision thus widening access to the School

The majority of the School's income derives from fees and is closely related to student numbers for the year; enterprise trading activity also creates income. Enterprise activity this year is still somewhat diminished but is showing signs of recovery and business as usual. A Business Recovery Plan will be produced in the Autumn of 2022 that signposts the way forward for the next five years and to contribute in a significant way to the overall income of the School. In the current year the group's net incoming resources amounted to £182k (2020: £220k). This includes a profit from the trading subsidiary of £64k.

Trading Company

The wholly owned subsidiary and trading company, Frensham Heights Enterprises Ltd, continues to manage successfully the letting and hiring facilities at Frensham Heights. For the year ended 30 June 2022 the trading company made a small gift aid payment to the School of £8,341 after offsetting the prior year loss of (£56k) against the current year profit of £64k.

Borrowing and Investment

The School has had no borrowing requirement during the year and holds no investments.

Reserves Level and Policy and Financial Viability

The School's reserves policy is to maintain sufficient unrestricted income reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall taking into account annual and longer term capital expenditure plans in conjunction with access to external financing. The level of free reserves will therefore fluctuate within the cycle of the capital programme. The Group's

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2022

total reserves of £17,602k at the year-end included £564k unspent restricted income and £17,038k unrestricted income. £11,671k of this represented the net book value of fixed assets less associated internal funding arrangements and £521k designated for Scholarship funding, made against future years' fees leaving free reserves of £4,846k (2021: £4,183k) at the year-end. This compares with a policy level of £2,500k (2021: £2,300k) which would provide cover for up to three months' operating costs (2021: three months). The Trustees' policy is not to maintain free reserves in its wholly owned subsidiary, which therefore has no impact on the School's reserves. The Governors regularly review the levels of reserves.

GOING CONCERN

The School produces regular financial information including budgets, forecasts and a longer-term strategic business plan, which are closely monitored by the Governors. Through this strategic planning and monitoring of financial information, the Governors are confident of moving towards a breakeven and then surplus position in the medium term, from this year's expected deficit. These budgets, cash flows and forecasts have been reviewed and revised due to the aftermath of the COVID-19 pandemic and the School's strategic objective to reduce the number of SEND students on the role, to take into consideration the current economic climate and its potential impact. Revised forecasts have been prepared together with cash-flows, based on the most likely expected outcome from these scenarios, and detailed examination by the Finance Committee. The cash flow modelling with sensitivity analysis indicates that the cash reserves of the School are adequate to meet the charity's obligations as they fall due.

The School has scoped out income and expenditure up to and including 2026-27 and although 2022-23 is forecasted as a difficult year as the backwash from Covid and resultant drop in boarders works its way through a steady increase in surplus is foreseen thereafter.

Therefore, the Governors have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities bearing in mind current rates of inflation.

FIXED ASSETS

Acquisitions and disposal of fixed assets during the year are shown in Note 9 to the Financial Statements. Freehold buildings are currently included in the Balance Sheet at cost less depreciation. The Governors are satisfied that their current market value exceeds their historic cost, but do not wish to spend charitable funds on obtaining a formal valuation for accounts purposes.

RISK MANAGEMENT

The Board of Governors is responsible for the identification and management of risk and continues to keep the School's activities under critical review at every Board meeting. Detailed consideration of specific risks is also conducted by relevant Governor Committees and their recommendations reported to the Board of Governors. The key controls used by the charity include:

- Formal agendas for all Committee and Board activity
- Comprehensive strategic planning, budgeting, and management accounting
- Established organisational structure and lines of reporting
- Comprehensive Risk Register
- Formal written policies
- Clear authorisation and approvals; and
- Vetting procedures as required by law for the protection of the vulnerable.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2022

The highest priority risks identified by the Board of Governors at the end of the year which could lead to financial and operational challenges are:

1. The ongoing cost of the Teachers' Pension Scheme (TPS) Phased Withdrawal to the School as an employer
2. An increasing cost base including inflation
3. Reduction in student numbers
4. Retention into the Sixth Form
5. The impact of changing government policy including potential
 - a. further increases for employers' contributions to the Teachers' Pension Scheme
 - b. increases in National Insurance
 - c. the loss of business rates relief
 - d. VAT on fees
6. Any reduction in the demand for independent school education
7. The ongoing impact of the pandemic
8. The ongoing impact of Brexit
9. Any adverse impact upon the wellbeing of our students and staff
10. Any adverse publicity affecting the School's reputation.

Multiple strategies are being employed to manage these risks including enhancing our marketing efforts for our unique Frensham Heights' proposition; in addition, we will continue to grow and maintain our student numbers; and to exercise tight financial control over spending and debtors.

Health and Safety is recognised as a significant area of non-financial risk and it is closely managed. The risks range from fire and infrastructure damage to personal risks. The risks associated with all activities are minimised by preventative planning and risk assessment. The Board of Governors is satisfied that for all major risks identified, appropriate controls have been put in place and are maintained to mitigate the risks. It is recognised that systems can provide reasonable but not absolute assurance that major risks have been effectively mitigated.

TEACHERS' PENSION SCHEME

In common with much of the sector, the School's largest cost is that of staff costs in particular the need to fund pension benefits for our staff. This has proved increasingly challenging in respect of the Teachers' pension scheme due to the increasing employers' contributions now required into that scheme.

Last year the Governors recognised their duty to act prudently in connection with the longevity of the School and have considered:

- a. the ongoing impact of the increased contribution on the School's finances. They considered that the impact is a very significant one with implications for the future viability of the School.
- b. Nevertheless, after extensive negotiations with the staff and teaching unions an agreement was reached to adopt a Phased Withdrawal from TPS. Although this will not immediately reduce costs significantly it will over the next few years. This decision does not remove the threat of the impact of the 2020 valuation and the situation may well have to be revisited.
- c. The need to ensure the School has adequate financial resilience to invest in our people, in our estate, in our IT systems and in our important strategic priority; our commitment to widening access through a larger number of bursaries.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2022

FUTURE PLANS

The School's Strategic and Business Plan, charitable objects and ethos provide the strategic direction for future planning; these are captured and articulated in the School's Development Plan 2022-2023; this document sets out the specific and detailed plans for next year. The key objectives within the current plan are:

1. Student Achievement. Maximise student achievement through enhancements to Approaches to Learning and the role of tutors. Further develop the skills-based curriculum from Years 7 & 8 and throughout the Junior School
2. Student Personal Development. Maximise student development by improving organisational skills and improving pastoral and wellbeing provision. Further refine the PSHE (Horizons) programme.
3. Marketing. Currently numbers are circa 500 and therefore there is a requirement to restore them to 525 and eventually 550. Marketing will be focussing the main effort on retention from Year 11 and recruitment into the Sixth Form and in the Early Years. The intention being to Develop Frensham's position as a thought leader for progressive education.
4. Parent Communication/Reputation. Build on the success of the Parents' Information Evenings. Review effectiveness of parental communications. Explore the use of communication software like My School Portal to enhance communication with parents.
5. Finance and Site/Facilities Development. Implement improvements to Finance and HR systems. Produce an Estates Masterplan and a supporting space utilisation plan to enable and inform long-term capital planning for the estate. Continue initiatives to increase energy efficiency and work to sustain the woodlands.
6. Public Benefit. Maintain strong links with local schools, the local community and partner schools in Malawi. Continue with support for Ukrainian children in the school and act as a hub for Ukrainian families in the area.

BOARD OF GOVERNORS

The Governors are all Directors of the School and their non-beneficial interests in the ordinary share capital in the year are as shown in the following table:

	31 July 2022	31 July 2021
William Bird	20	10
Angus Carlill	15	10
Gerard Holden	-	10
Martin Lupton	-	5
Sally Marriott	5	10
William Marriott	5	5
Katherine Poulsom	15	10
Jackie Sullivan	15	5
Philip Ward	15	5
Richard Fry	15	10
Peter Molyneux	-	10
Catherine Love	5	10

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The members of the Board of Governors (who are also the directors of Frensham Heights Educational Trust for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2022

Company law requires the members of the Board of Governors to prepare financial statements for each financial year. Under company law they must not approve the financial statements unless they are satisfied that they give a true and fair view of the charitable company and the group, including the income (and its application) and expenditure of the group for that year. In preparing these financial statements, the members of the Board of Governors are required to:

1. select the most suitable accounting policies and then apply them consistently;
2. observe the methods and principles in the Charities SORP 2019 (FRS 102);
3. make judgments and estimates that are reasonable and prudent;
4. state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
5. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The members of the Board of Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

AUDITORS

Crowe U.K. LLP have expressed their willingness to continue in office as auditors. The School will retender the audit contract in 2023-24.

This Annual Report, including the Strategic Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Governors of Frensham Heights Educational Trust Limited on 10 December 2022 and is signed as authorised on its behalf by:



William Bird:
Director & Chair of Governors

Independent Auditor's Report to the Members of Frensham Heights Educational Trust Limited

Opinion

We have audited the financial statements of Frensham Heights Educational Trust Limited ('the charitable company') and its subsidiaries ('the group') for the year ended 31 July 2022 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the charitable company's affairs as at 31 July 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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 charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). 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 charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

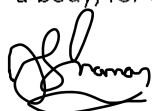
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition and classification of school fees and other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the 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, performing analytical reviews and testing income for completeness, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

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

Use of our report

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



Andrew Thomas
Senior Statutory Auditor
For and on behalf of

Crowe U.K. LLP
Statutory Auditor
London

Date: 20 January 2023

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure account)
FOR THE YEAR ENDED 31 JULY 2022

		Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Income and endowments from:						
Charitable Activities						
School fees receivable	3	9,976	-	-	9,976	9,076
Other educational income	6	226	-	-	226	127
Other ancillary trading income	6	181	-	-	181	54
Other trading activities						
Trading turnover	4	219	-	-	219	34
Other Income		42	-	-	42	16
Profit / (Loss) on disposal		(1)	-	-	(1)	-
Investments						
Investment income	5	10	-	-	10	6
Voluntary Income						
Grants and Donations		-	21	-	21	128
Total Income		10,653	21	-	10,674	9,441
Expenditure on:						
Raising funds						
Fundraising Trading	4	149	-	-	149	84
Charitable Activities						
Education and grant making		10,343	-	-	10,343	9,137
Total expenditure	7	10,492	-	-	10,492	9,221
Net Income		161	21	-	182	220
Transfers between funds	16	5	-	(5)	-	-
Net movement of funds		166	21	(5)	182	220
Funds brought forward 1 August 2021		16,872	283	265	17,420	17,200
Funds carried forward 31 July 2022	17	17,038	304	260	17,602	17,420

All amounts relate to continuing operations. There are no recognised gains or losses other than the results for the year set out above.

The Notes on Pages 21 to 38 form part of these financial statements.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
(Company Number: 207173)
CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2022

	Notes	2022 £'000	2021 £'000
FIXED ASSETS			
Tangible fixed assets	9 a)	11,931	12,451
		11,931	12,451
CURRENT ASSETS			
Stocks		2	1
Debtors: amounts falling due within one year	11	614	398
Cash at bank and in hand		6,575	5,839
		7,191	6,238
CREDITORS: amounts falling due within one year	12	1,520	1,266
NET CURRENT ASSETS		5,671	4,972
TOTAL ASSETS LESS CURRENT LIABILITIES		17,602	17,423
CREDITORS: amounts falling due after more than one year	13	-	3
NET ASSETS		17,602	17,420
CAPITAL AND RESERVES			
Called up share capital	15	-	-
THE FUNDS OF THE CHARITY	16		
UNRESTRICTED FUNDS			
Scholarship fund		521	503
Tangible fixed asset fund		11,671	12,186
General fund		4,846	4,183
		17,038	16,872
RESTRICTED FUNDS			
Endowments		260	265
Bursary and award funds		304	283
		564	548
TOTAL FUNDS	17	17,602	17,420

The profit for the financial year dealt with in the financial statements of the parent Company was £118k (2021: £277).

Approved and authorised for issue by the Board of Governors on 10 December 2022

W. J. Bird
Angus Carlill

} Governors and Directors

William Bird

Angus Carlill

The Notes on Pages 21 to 38 form part of these financial statements.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

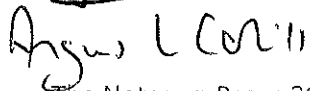
(Company Number: 207173)

BALANCE SHEET

AS AT 31 JULY 2022

	Notes	2022 £'000	2021 £'000
FIXED ASSETS			
Tangible fixed assets	9 b)	11,930	12,449
Investments	10	10	10
		<u>11,940</u>	<u>12,549</u>
CURRENT ASSETS			
Stocks		1	-
Debtors: amounts falling due within one year	11	459	391
Cash at bank and in hand		6,403	5,687
		<u>6,863</u>	<u>6,078</u>
CREDITORS: amounts falling due within one year	12	<u>1,206</u>	<u>1,067</u>
NET CURRENT ASSETS		<u>5,657</u>	<u>5,011</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,597</u>	<u>17,470</u>
CREDITORS: amounts falling due after more than one year	13	<u>-</u>	<u>-</u>
NET ASSETS		<u>17,597</u>	<u>17,470</u>
CAPITAL AND RESERVES			
Called up share capital	15	-	-
THE FUNDS OF THE CHARITY			
UNRESTRICTED FUNDS			
Scholarship fund		521	503
Tangible fixed asset fund		11,671	12,186
General fund		4,840	4,233
		<u>17,032</u>	<u>16,922</u>
RESTRICTED FUNDS			
Endowments		260	265
Bursary and award funds		305	283
		<u>565</u>	<u>548</u>
TOTAL FUNDS	17	<u>17,597</u>	<u>17,470</u>

Approved and authorised for issue by the Board of Governors on 10 December 2022.

}

Governors and Directors

William Bird

Angus Carlill

The Notes on Pages 21 to 38 form part of these financial statements.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
Net cash provided by operating activities	(i)	812	620
Cash flows from investing activities:			
Payments for tangible fixed assets		(89)	(342)
Non-cash payments for tangible fixed assets		2	-
Proceeds on sale of tangible fixed assets		-	1
Investment income and bank interest received		10	6
Net cash (used in) / provided by investing activities		(77)	(335)
Cash flows from financing activities:			
Finance Costs Paid		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the reporting period		736	285
Cash and cash equivalents at the beginning of period		5,839	5,554
Cash and cash equivalents at the end of the reporting period		6,575	5,839

The Notes on Pages 21 to 38 form part of these financial statements.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2022

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

	2022	2021
	£'000	£'000
Net incoming resources	182	220
Elimination of non-operating cash flows:		
- Investment income	(10)	(6)
- Depreciation Charge	606	631
- Non Cash-Flow Item	-	-
Profit on sale of assets	-	(1)
(Increase) / decrease in debtors	(216)	(124)
(Increase) / decrease in stocks	(1)	-
Increase / (decrease) in creditors	314	151
Increase / (decrease) in fees in advance scheme creditors	(97)	(202)
Increase / (decrease) in parents' deposits	34	(49)
	<u>630</u>	<u>400</u>
Net cash provided by operating activities	<u>812</u>	<u>620</u>

(ii) Analysis of cash and cash equivalents

	2022	2021
	£'000	£'000
Cash held on current account	3,020	2,329
Cash held on deposit	3,552	3,508
Petty cash held	3	2
	<u>6,575</u>	<u>5,839</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

1. COMPANY INFORMATION:

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 10 July 1925 (company number: 207173) and registered as a charity on 15 August 1966 (charity number: 312052).

2. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 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 (FRS 102)

Going Concern: As detailed in the Report of the Governors, the Governors have reviewed and revised the School's financial forecasting in light of the current economic climate, the forecasted deficit in 2022/23, and their potential impact. Revised forecasts have been prepared together with cash-flows and restructuring based on the most likely expected outcome from these scenarios, with sensitivity analysis on the key assumptions. The cash flow modelling with sensitivity analysis indicates that the cash reserves of the School are adequate to meet the charity's obligations as they fall due.

Having regard to the above, the current cash position, and the expected cash flow over the next 12-24 months the Governors have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities.

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

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

The consolidated accounts include Frensham Heights Enterprises Limited, made up to 30 June 2022. In accordance with the exemption allowed under Section 408 of the Companies Act 2006, the charity's Statement of Financial Activities is not separately presented.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, 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.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

2. ACCOUNTING POLICIES (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised 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 trustees, 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 amounts in the next financial year.

b) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

c) Investment Income

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

d) Voluntary Income

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reasonably quantified and the economic benefit to the School is considered probable.

Donations receivable for the general purpose of the School 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 Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as 'endowments' – permanent or expendable according to the nature of the restriction.

Government grants are recognised on the performance model, when the Company 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.

e) Taxation

The School is a registered charity. As such it is exempt under present legislation from assessment to corporation tax on its net income and is able to reclaim tax deducted from covenants and interest received.

f) Tangible fixed assets and depreciation

Items of a capital nature and with a value greater than £5,000 have been capitalised. Depreciation is provided annually at the following rates:

Freehold buildings	-	2% of cost
Timber buildings	-	5% to 6.7% of cost
Modular buildings	-	4% of cost
Motor vehicles	-	25% of cost
Furniture and other equipment	-	10% - 20% of cost
Solar Panels	-	5% of cost
Computer equipment	-	20% to 33.3% of cost

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

2. ACCOUNTING POLICIES (Continued)

g) Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to the activity in the year. The irrecoverable element of VAT is included with the item of expense to which it relates.

Raising funds comprise those costs directly attributable to the trading subsidiary (Note 3).

Support costs comprise a proportion of staff costs together with a proportion of overheads of the School. Governance costs are those incurred in connection with the governance of the School and compliance with constitutional and statutory requirements.

h) 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.

i) Stock

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

j) Pension schemes

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

The School contributes to the Royal London Group Personal Pension Plan which the School established as the official alternative to the TPS under the Phased Withdrawal arrangement.

Certain non-teaching staff are members of other defined contribution schemes. All non-teaching staff are entitled to join a group personal pension scheme, which complies with the requirements for a Stakeholder Pension Scheme.

k) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured and amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise trade creditors, other creditors, accruals and deposits.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

3.	CHARITABLE ACTIVITIES - FEES RECEIVABLE	2022	2021
		£'000	£'000
	Fees receivable consist of:		
	School Fees	10,794	10,198
	Less: Total bursaries, grants and allowances	(818)	(633)
	Less: COVID-19 Fee refund	-	(478)
		<u>9,976</u>	<u>9,076</u>
	NET INCOME		
	Net income is stated after charging:		
	Depreciation of tangible fixed assets	607	631
	Auditors' remuneration - Audit	20	22
	- Other services	3	3
	Staff costs (Note 8)	7,460	6,914
	Operating lease costs	<u>72</u>	<u>62</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

4. TRADING INCOME

Frensham Heights Educational Trust Ltd owns the entire issued share capital of Frensham Heights Enterprises Ltd, Company Number 2866864, registered address Frensham Heights, Rowledge, Farnham, Surrey GU10 4EA. The principal activity of this company is that of managing letting and hiring facilities available at Frensham Heights.

	30 June 2022 £'000	30 June 2021 £'000
Turnover	219	34
Cost of sales	(87)	(33)
Gross profit	132	1
Administration expenses	(68)	(57)
Operating profit	64	(56)
Interest receivable	0	0
Profit on ordinary activities before taxation	64	(56)
Taxation	-	-
Profit on ordinary activities after taxation	64	(56)
Retained earnings at the start of period	(50)	6
Profit for the year	64	(56)
Gift aid to Frensham Heights Educational Trust Limited	8	(0)
Retained earnings at the end of period	6	(50)

Trading costs detailed above are disclosed in the consolidated Statement of Financial Activities as follows

Cost of sales	87	33
Administrative expenses	68	57
Audit and professional fees included in governance costs	(8)	(6)
Fundraising trading as on Statement of Financial Activities	147	84

The School's and company's year-end are non co-terminus and it is not considered necessary to have identical year ends as it is not expected that any transactions will occur in the trading company in the intervening period which will have a material impact on the consolidated accounts. Administration expenses of the subsidiary include auditors' remuneration for audit services of £4k (2021 - £4k) and for other services £2k (2021 - £2k). These have been included in governance costs in the consolidated statement of financial activities.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

5. INVESTMENT INCOME

	Total 2022 £'000	Total 2021 £'000
Bank deposit account interest	10	6

6. INCOME FROM CHARITABLE ACTIVITIES

	2022 £'000	2021 £'000
Other educational charitable activities		
Entrance and registration fees	152	89
Courses and sub-lettings	74	38
	<u>226</u>	<u>127</u>
Other ancillary activities		
Insurance commissions	-	-
School Trips, Meals and Other Income	181	54
	<u>181</u>	<u>54</u>

7. ANALYSIS OF EXPENDITURE

	Staff Costs £'000	Other Costs £'000	Depreciation £'000	Total 2022 £'000
Trading expenditure	73	74	1	148
	<u>73</u>	<u>74</u>	<u>1</u>	<u>148</u>
Charitable activities				
Education and welfare	5,169	787	606	6,562
Housekeeping	356	220	-	576
Catering	360	345	-	705
Transport	-	29	-	29
Maintenance and estate	290	481	-	771
Support costs and governance	1,211	489	-	1,700
	<u>7,386</u>	<u>2,351</u>	<u>606</u>	<u>10,343</u>
Total expenditure	<u>7,459</u>	<u>2,425</u>	<u>607</u>	<u>10,491</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

7. ANALYSIS OF EXPENDITURE (Continued)

SUPPORT COSTS AND GOVERNANCE

	2022 £'000	2021 £'000
Salaries	1,212	1,084
Staff recruitment and travel	41	28
Marketing and professional fees	373	200
Telephone, postage, printing, stationery	20	23
Miscellaneous admin costs	34	46
Governance costs (Note 7)	21	20
	<u>1,701</u>	<u>1,401</u>

Governance costs include auditors' remuneration for audit services of £16k (2021: £17k) and for other services £750 (2021: £2k) and the reimbursement of four Governors' travelling and subsistence expenses of £2k (2021 two Governors: £439), as well as £2k for Governor miscellaneous and training costs (2021: £84).

8. STAFF COSTS

	2022 £'000	2021 £'000
Wages and salaries	5,272	5,023
Social security costs	536	494
Other pension costs	1,056	994
	<u>6,864</u>	<u>6,511</u>
Staff not directly employed by the School	<u>596</u>	<u>403</u>
	<u>7,460</u>	<u>6,914</u>
	No.	No.
The average monthly staff headcount was:		
Teaching	106	100
Administration	34	32
Other	25	28
	<u>165</u>	<u>160</u>

Included in the above, one permanent member of staff is employed in the trading subsidiary (2021: One). In addition, ad hoc staff are called upon throughout the year to provide support for functions in the trading subsidiary.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

8. STAFF COSTS (Continued)

	2022 £'000	2021 £'000
The total employee benefits (including employers' pension and national insurance contributions) of key management personnel were:	<u>1,115</u>	<u>957</u>

The following number of staff received remuneration in excess of £60,000 in the year:

	2022 No.	2021 No.
£60,001 to £70,000	3	3
£70,001 to £80,000	2	-
£110,001 to £120,000	<u>1</u>	<u>1</u>

One person connected with a governor has received remuneration from employment with the charity in accordance with the pay scales of the school (2021: £0).

Included in the total staff cost figures above are termination payments to employees authorised during the year totalling £59k (2021 - £43k). All authorised payments were fully paid to employees during the year.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

9. TANGIBLE FIXED ASSETS

a) The Group

	Freehold Land, Buildings and Improvements £'000	Plant, Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 August 2021	16,704	2,067	159	18,930
Additions	-	89	-	89
Disposals	-	(36)	-	(36)
At 31 July 2022	16,704	2,122	159	18,985
Depreciation				
At 1 August 2021	5,048	1,276	155	6,479
Charge for the year	405	198	3	606
Disposals	-	(34)	-	(34)
At 31 July 2022	5,453	1,440	158	7,051
Net book value				
At 31 July 2022	11,251	682	1	11,934
At 31 July 2021	11,656	791	4	12,451

b) The School

	Freehold Land, Buildings and Improvements £'000	Plant, Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 August 2021	16,691	2,062	159	18,912
Additions	-	90	-	90
Disposals	-	(36)	-	(36)
At 31 July 2022	16,691	2,116	159	18,966
Depreciation				
At 1 August 2021	5,039	1,269	155	6,463
Charge for the year	404	198	3	605
Disposals	-	(34)	-	(34)
At 31 July 2022	5,443	1,433	158	7,034
Net book value				
At 31 July 2022	11,248	683	1	11,932
At 31 July 2021	11,652	793	4	12,449

There are no Freehold Land, Buildings and Improvements in the course of construction this year (2021: £0k).

There is no Plant, Furniture and Equipment work in progress this year (2021: £0k).

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

10. INVESTMENTS

	2022 £'000	2021 £'000
Frensham Heights Enterprises Ltd		
£1 Ordinary shares at par in Frensham Heights Enterprises Ltd	<u>10</u>	<u>10</u>
	<u>10</u>	<u>10</u>

Company

The company holds £10,000 ordinary shares, the entire issued share capital, of Frensham Heights Enterprises Limited.

The principal activity of the investee is the letting of facilities available at Frensham Heights School.

At 30 June 2022 Frensham Heights Enterprises Ltd had capital and reserves which totalled £17k (2021: (£40k)). The turnover for the year was £219k (2021: £34k).

Frensham Heights Enterprises Ltd is a company registered in England and Wales, registered number 2866864.

11. DEBTORS: amounts falling due within one year

	Group		School	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts due from group undertaking	-	-	100	117
Fees debtors	125	97	125	97
Sundry debtors and prepayments	489	301	233	177
	<u>614</u>	<u>398</u>	<u>458</u>	<u>391</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

12. CREDITORS: amounts falling due within one year

	Group		School	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts owed to group undertakings	63	117	-	-
Fees deposits	505	471	505	471
Trade creditors	252	284	239	282
Other creditors and accruals	262	103	240	94
Fees received in advance	42	139	42	139
Deferred income	396	152	180	81
	<u>1,520</u>	<u>1,266</u>	<u>1,206</u>	<u>1,067</u>

The total amount held in relation to fees deposits of £505k is included above. In the normal course of business, the expected repayment of these amounts will be £3k within one year and £502k after more than one year.

The School holds pupil fee deposits. 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 July 2022 have been included within current liabilities. The prior year pupil fee deposits balance has been similarly represented.

Deferred Income Reconciliation

	£'000
Balance brought forward at 1 August 2021	151
Additions in current year	395
Release of deferred income	(151)
	<u>395</u>
Balance carried forward at 31 July 2022	<u>395</u>

The deferred income balance relates mostly to future year school trips income; and on the trading subsidiary, future year residential lets and weddings.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

13. CREDITORS: amounts falling due after more than one year

	Group		School	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Deferred income	-	3	-	-
	-	3	-	-

14. FEES IN ADVANCE SCHEME

The School is not currently offering a Fees in Advance Scheme due to the low interest rate environment.

15. SHARE CAPITAL

	2022	2021
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, issued and fully paid		
100 Ordinary shares of £1 each	100	100

16. MOVEMENT ON FUNDS

	Balance at 1 August 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Transfer Between Funds £'000	Balance at 31 July 2022 £'000
Restricted Funds					
Bursary and award fund	273	12	-	-	285
Music award fund	10	2	-	-	12
Ukrainian bursary fund	-	7	-	-	7
Endowment fund	265	-	-	(5)	260
	548	21	-	(5)	564
Designated Funds					
Scholarship fund	503	-	-	18	521
Tangible fixed assets fund	12,186	-	-	(515)	11,671
General Fund	4,183	10,652	(10,491)	502	4,846
	17,420	10,673	(10,491)	-	17,602

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

16. MOVEMENT ON FUNDS (Continued)

	Balance at 1 August 2020 £'000	Incoming Resources £'000	Resources Expended £'000	Transfer Between Funds £'000	Balance at 31 July 2021 £'000
Restricted Funds					
Bursary and award fund	272	4	(3)	-	273
Music award fund	7	3	-	-	10
Endowment fund	270	-	-	(5)	265
	<u>549</u>	<u>7</u>	<u>(3)</u>	<u>(5)</u>	<u>548</u>
Designated Funds					
Scholarship fund	516	-	-	(13)	503
Tangible fixed assets fund	12,470	-	-	(284)	12,186
General Fund	<u>3,665</u>	<u>9,436</u>	<u>(9,220)</u>	<u>302</u>	<u>4,183</u>
	<u>17,200</u>	<u>9,443</u>	<u>(9,223)</u>	<u>-</u>	<u>17,420</u>

Bursary and award Fund

Consists of donations for the future award of bursaries. This will accumulate over time until the level of income the fund generates is sufficient to provide a reasonable bursary for a student.

Expendable Endowment funds

These are funds which have been given to the School to invest in the School's buildings.

Designated funds

These funds represent amounts set aside at the discretion of the Governors.

Scholarship fund

This scholarship fund is used to indicate scholarships and bursaries currently awarded for specific stages of education, made against future years' fees.

Tangible fixed assets fund

The fund represents the amount of general funds invested by the School in its tangible fixed assets after deducting those assets represented by the endowment funds.

Transfers

A transfer of £5k has been made between the endowment and unrestricted funds. This represents the depreciation charged on the proportion of the building represented by the endowment fund.

A transfer of £18k has been made to increase the Scholarship Fund. This is to cover the School's future commitments at 31 July 2022 to bursaries and scholarships for specific pupils.

A transfer of (£515k) has been made between the General fund and the Tangible Fixed Asset Fund to ensure that this, plus the Endowment Fund, are equal to tangible fixed assets within the consolidated balance sheet.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

The Group	Unrestricted General Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £
Tangible fixed assets	11,671	-	260	11,931
Net current assets	5,367	304	-	5,671
	17,038	304	260	17,602
Creditors: amounts falling due after one year	-	-	-	-
	17,038	304	260	17,602
The Charity				
Tangible fixed assets	11,670	-	260	11,930
Investments	10	-	-	10
Net current assets	5,352	304	-	5,656
	17,032	304	260	17,596
Creditors: amounts falling due after one year	-	-	-	-
	17,032	304	260	17,596

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued)

The Group	Unrestricted General Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £
Tangible fixed assets	12,186	-	265	12,451
Net current assets	4,689	283	-	4,972
	16,875	283	265	17,423
Creditors: amounts falling due after one year	3	-	-	3
	16,872	283	265	17,420

The Charity

Tangible fixed assets	12,184	-	265	12,449
Investments	10	-	-	10
Net current assets	4,728	283	-	5,011
	16,922	283	265	17,470
Creditors: amounts falling due after one year	-	-	-	-
	16,922	283	265	17,470

18. PENSION SCHEMES

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 £825k (2021: £772k) and at the year-end £Nil (2021 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' 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%.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

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.

The pension cost for the year in relation to other defined contribution schemes amounts to £230k (2021: £222k) and has been included in the Statement of Financial Activities.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

19. LEASING COMMITMENTS

The Trust is committed to making the following payments under operating leases:

	Equipment 2022 £'000	Equipment 2021 £'000
Due in less than one year	72	62
Due within two and five years	161	219
Due in more than five years	-	-

20. CAPITAL COMMITMENTS

At 31 July 2022 the School had no material outstanding retention commitments and no other capital commitments.

21. RELATED PARTY TRANSACTIONS

In 2021-22 the School charged £20k (2021: £16k) to Enterprises for utilities and associated services. The balance owed to the School at 31 July 2022 was £100k (2021: £117k).

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

22. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARISON FIGURES BY FUND TYPE

		Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total Funds 2021 £'000
Income and endowments from:					
Charitable Activities					
School fees receivable	3	9,076	-	-	9,076
Other educational income	6	127	-	-	127
Other ancillary trading income	6	54	-	-	54
Other trading activities					
Trading turnover	4	34	-	-	34
Other Income		16	-	-	16
Profit / (Loss) on disposal		-	-	-	-
Investments					
Investment income	5	5	1	-	6
Voluntary Income					
Grants and Donations		122	6	-	128
Total Income		9,434	7	-	9,441
Expenditure on:					
Raising funds					
Fundraising Trading	4	84	-	-	84
Charitable Activities					
Education and grant making		9,134	3	-	9,137
Total expenditure	7	9,218	3	-	9,221
Net Income		216	4	-	220
Transfers between funds	16	5	-	(5)	-
Net movement of funds		221	4	(5)	220
Funds brought forward 1 August 2020		16,651	279	270	17,200
Funds carried forward 31 July 2021	17	16,872	283	265	17,420

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

England & Wales - Charity number 312052

Accounts

COMPANY REGISTRATION NUMBER: 207173
REGISTERED CHARITY NUMBER: 312052

**FRENSHAM HEIGHTS
EDUCATIONAL TRUST LIMITED
REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
31 JULY 2021**

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
YEAR ENDED 31 JULY 2021

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FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

GOVERNORS, OFFICERS AND ADVISERS

YEAR ENDED 31 JULY 2021

DIRECTORS AND GOVERNORS

William Bird (Chair)
Gerard Holden (Vice Chair)
Angus Carlill (Treasurer)
Claire Fuller (resigned 5 December 2020)
Martin Lupton
Sally Marriott
William Marriott
Katherine Poulsom
Jackie Sullivan
Philip Ward
Richard Fry
Peter Molyneux
Catherine Love (appointed 5 December 2020)

FINANCE AND HUMAN RESOURCES COMMITTEE

Angus Carlill (Chair)
William Bird
Richard Fry
Katherine Poulsom
Jackie Sullivan

Claire Fuller

EDUCATION COMMITTEE

Philip Ward (Chair)
William Bird
Richard Fry
Gerard Holden

HEAD

Rick Clarke

**CHIEF OPERATING OFFICER &
COMPANY SECRETARY**

Ann Marie Dalton-Pillay
(Appointed as Company Secretary on 5 December 2020 and as
Chief Operating Officer with effect from 11 January 2021, left
the school as at 31 October 2021)

BURSAR & COMPANY SECRETARY

James Bell (resigned 25 November 2020)

Note: Officers (i.e. Chair, Vice Chair and Treasurer) are ex-officio members of all Board committees.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

GOVERNORS, OFFICERS AND ADVISERS

YEAR ENDED 31 JULY 2021

REGISTERED OFFICE

Frensham Heights
Rowledge
Farnham
Surrey
GU10 4EA

**COMPANY NUMBER
REGISTERED CHARITY**

207173
312052

BANKERS

HSBC Bank plc
The Borough
Farnham
Surrey
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SOLICITORS

GBH Law (trading as Goodyear Blackie Herrington Solicitors)
7-8 Innovation Place
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AUDITORS

Crowe U.K. LLP
55 Ludgate Hill
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INSURANCE BROKERS

Marsh Insurance Brokers Limited
Rockwood House
9-17 Perrymount Road
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FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2021

The Governors of Frensham Heights Educational Trust Limited, who are also the Directors and Charity Trustees, are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 July 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

DIRECTORS' REPORT

CONSTITUTION AND OBJECTS

Frensham Heights Educational Trust Limited was founded under Memorandum and Articles of Association dated 10 July 1925 as amended on 4 April 1950, 22 June 1996, 11 January 2006 and 5 December 2020. It is constituted as a company limited by shares, registered in England, No. 207173, and is registered with the Charity Commission under Charity No. 312052.

The Charity's principal Objects, as set out in the Memorandum of Association, are the advancement of education, including the provision of a school for boys and girls at Frensham, the holding of exhibitions, classes or conferences, whether general, professional or technical, and support to other charitable bodies. There has been no change to the Objects during the year.

In furtherance of these Objects and for the public benefit, the School has established and administered during the year bursary awards and other benefactions, and acts as the trustee and manager of property and gifts given or established in pursuance of these Objects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Contact Information

The Governors, Head, Company Secretary, and principal address of the Charity are as listed on Page 1. Details of the Charity's professional advisers are also listed on Page 2.

Group Structure and Relationships

The Charity has a wholly owned non-charitable subsidiary, Frensham Heights Enterprises Limited, (Company number 2866864) which was incorporated in 1993. Its principal activity is managing the hiring and letting of facilities at the School.

Board of Governors

One third of all directors retire by rotation each year (including any director who is an officer). Any retiring director will be available for immediate re-election and the expectation is that directors will serve either two or three terms of three years each.

One new Governor was appointed during the year. A register of skills is maintained for the appointed members of the Board and this information informs the decisions of the Board both in determining the skill sets and experience sought through advertising of forthcoming vacancies, and in the recommendations for succession planning and Board appointments. Members of the Governing Body are appointed against the skills register which is considered and approved by the Governing Body on an annual basis. Potential Governors undergo a series of interviews and briefings before attending the Board as observers; after which they may be appointed. New Governors undergo induction sessions

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with the Chair, the Head and Company Secretary to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the Strategy and recent financial performance of the charity. New Governors are given a tour of the School to meet key employees and they are encouraged to attend appropriate external training events to facilitate the undertaking of their role. All Governors have received training or attended external briefings by professional advisors throughout the period. Details of relevant courses and seminars are regularly circulated to all Governors.

Governance Code

The trustees are aware of the Charity Governance Code published in 2017, and updated in March 2021, which sets out the principles and recommended practice for good governance within the sector. During 2020 the Charity began a review of current governance arrangements against the principles within the code and prepared an action plan to address areas identified for best-practice improvements. That review of governance arrangement is kept under constant review and modifications and improvements are continuously implemented.

Related parties and co-operation with other organisations

None of the Governors has received remuneration or other benefit from their work with the school in the year. Any connection between a trustee or senior manager of the school must be disclosed to the full Board of Governors in the same way as any other contractual relationship with a related party.

Organisational Management

The Governors, who are also the Charity Trustees, are legally responsible for the general policy of the School and for the overall management and control of the School.

The Governors meet as a Board at least three times a year. The work of overseeing the implementation of policies is carried out by committees. During the year, two committees were combined to form the Finance and Human Resources Committee, which sits at least three times a year prior to each full Board meeting. All other committees sit a minimum of three times per year.

During the year and in direct response to the COVID-19 pandemic the Board extended the remit of its Group 5 (G5), a steering group of Governors, the Head and Chief Operating Officer. The G5 met regularly through the pandemic period, with major decisions being referred to the board for approval. The committees and their membership are listed on Page 1. The Governors also hold an annual strategy meeting to examine and agree key issues impacting the School. At least one Governor sits on each of: the School's Health and Safety Committee; the Parents' Committee; and the Staff Common Room Committee.

The day-to-day management of the School is delegated to the Senior Leadership Team (SLT), which is comprised of the Head, Chief Operating Officer, Deputy Head, Deputy Head Academic and Head of Junior School. The Head and the Chief Operating Officer are invited ex-officio to all Board and committee meetings. The pay and remuneration of the Head and the Chief Operating Officer are set by the whole Board at their Spring or Summer Board meetings having considered independent benchmark reports across the independent school education sector. In January 2021 a new Chief Operating Officer was appointed to replace the Interim Bursar. The Chief Operating Officer left the school in October 2021 and was replaced by a consultant Interim Bursar in November 2021.

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YEAR ENDED 31 JULY 2021

AIMS, OBJECTIVES AND ACTIVITIES

Public Benefit Aims and Activities

In meeting its Objects, the School's public benefit aim is to provide a world class progressive education that emphasises progressive values and focuses on students as individuals to bring out their strengths, with creative and performing arts given equal status alongside more traditional academic subjects and sport. In line with its ethos, the School welcomes students from all backgrounds where it is believed that the prospective student can benefit from the education provided at the School.

In support of its public benefit aim the School also awards annual bursaries, which are outlined in the grant making section of the Strategic Report. The Board has been and remains committed to growing the number of bursaries awarded in order to widen participation at the school recognising the significant opportunities such bursaries provide to the recipients and their families.

In addition to providing education supported by an extensive range of extra-curricular activities the school has due regard for its obligations under the Charity Commission's published guidance on the public benefit requirement (Charities Act 2011), therefore the School also works in partnership with local schools, charities and organisations to widen public access to education.

In 2020 the school created a new post of Assistant Head (Student Development), with responsibility for outreach and community links, in 2021 the School further supported our community benefit by providing additional human resource support to deliver our ambitions in this area. The School continues to work closely with Rowledge Primary School supporting the Forest School programme, offering access to science laboratories and a member of staff is also a Governor there. Other local, maintained sector schools, youth groups, scouts and cubs made use of the School's music, art and sports facilities and minibuses. The School has also forged very strong charitable links with All Saints School and Amao Orphanage in Malawi. The school has now begun work at a second school (Mikuyu) in Malawi. Over the last ten years, in addition to working visits by staff and students, practical assistance and charitable funds raised by the School community have had significant impact for people living in those Malawi communities.

During the COVID-19 pandemic, the School proactively set up a hub for the creation of PPE for hospitals, care homes and other community beneficiaries, including the creation of 3D printed visors, donated gloves and created masks and medical scrubs.

Objectives for the Year

The School's principal objectives for the year were to:

1. Maximise student achievement
2. Maximise student personal development through effective tutoring and involvement in opportunities outside the classroom
3. Inspire and further develop the teaching staff through professional development opportunities
4. Further enhance teaching and learning
5. Maintain a roll of approximately 520 students for the year
6. Redefine and revamp the Scholarship and Enrichment programme offered throughout the School so that it is more in keeping with the School's ethos
7. Deliver the School's charitable objects and demonstrable public benefit
8. Maintain financial stability
9. Ensure compliance with all COVID-19 regulatory advice and protocols

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STRATEGIC REPORT

The Strategic Direction of the School

During the year, the Head completed work on reviewing and updating the school's vision, mission, and values. At its meeting held on 22 May 2021 and following an all-school consultation process the Board warmly welcomed and endorsed new vision and mission statements, they are as follows:

OUR VISION

Empowering tomorrow's change-makers to find their inspiration today through a transformative education

OUR MISSION

We continue to pioneer a better education, one which

- celebrates the individual as part of a nurturing and supportive community.
- amplifies the voices of our community, encouraging self-expression and sharing of ideas.
- brims with inspiration from strong relationships with outstanding educators in a stimulating environment.

The Board is confident that the re-articulation of the aims and mission places the school firmly in a position to continue to deliver its unique educational offering as a leading progressive school for the years to come.

OUR VALUES

The Board was pleased to endorse the adoption of new school values alongside the vision and mission and to champion the delivery of a values-based culture for the school; we are extremely proud to support our new values which are:

- *Originality of thought*
- *Spirit of togetherness*
- *Respect of individuality*
- *Courage to try*

To support the new vision, mission and values the Board looks forward to receiving a revised Strategic Plan and an underpinning Management Plan in autumn 2021 articulating and detailing the delivery of those aims, complete with targets, milestones, and measures of success for the school.

Principal Activity of the Year

The principal activity continues to be the provision of day and boarding education for boys and girls aged from 3 to 18 years. This year the School averaged 529 (2020: 525) students of whom 459 (2020: 434) were day students and 70 (2020: 91) were boarders. In March 2020 the School sought and was successfully granted the ability to grow its student numbers.

Grant-making

During the year the School set aside funds to support bursaries, which were offered to parents of students who could not otherwise afford to send their children to the School, based on a comprehensive means-tested assessment of financial need. The process requires parents or guardians to complete a detailed financial form covering income, expenditure and assets which is reviewed by the Chief Operating Officer and Head, and a representative of the Board of Governors in difficult cases before any award is made. Bursary awards are re-assessed annually. The School's policy is to ensure funds are allocated for bursaries, and also develop further its programme of Scholarship and Enrichment activities which is open to scholars, as well as the wider School community.

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In support of all these awards the School committed £530k (2020: £614k) this year, of which £471k (2020: £553k) was awarded in bursaries to 44 students (2020: 45) through its General Fund, of which 9 (2020: 11) were 100%. In addition, £3k in hardship bursaries was awarded through funds donated by parents. The availability of all such awards for fee-assistance is advertised on the School's website at www.frensham.org.

Volunteers

Old Frenshamians, Friends of Frensham, parents and members of the local community assisted and supported the School's educational and cultural activities throughout the year and the Board would like to record its appreciation of this invaluable and continuing support.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE

Operational Performance of the School

Educational value has been added to student achievement across all age groups; this has been monitored using nationally recognised prediction information systems. Through the Scholarship and Enrichment Programme, students gain a wealth of experiences which not only enhance their curriculum learning but also develop essential life skills, all of which add value to their time at Frensham. Trips and educational visits provide access to social, cultural, moral, and spiritual experiences as students are challenged and have the opportunity for experiential learning.

Due to COVID-19, the academic year for providing enrichment was cut short. However, through a remote learning platform, students continued to receive access to the curriculum delivered via a full timetable of live teaching. Opportunities for enrichment were creatively identified as the community was brought together in a number of ways from students being involved in PPE support for the NHS, care homes and charities, virtual camp outs, virtual sports days, charity initiatives and challenges.

Exam results continue to be strong and increase, in line with the trajectory. This year the exam season was cancelled and Teacher Assessed Grades were used. Frensham ensured that a robust process was followed to ensure that all grades allocated were fair and well deserved.

GCSEs: students achieved 61% 9-7; 76% 9-6; 99% 9-4 grades.

A Levels: students achieved 62% A*/A, 85% A*-B, 100% A*-E. In addition, some students undertook the Extended Project Qualification (equivalent to half an A Level); the pass rate was 100% A*-A.

The School continues to attract students in the South East and London through the unique nature of our education and pastoral care and has maintained strong student numbers. The School also remains active in the international market place and appeals to overseas students, mainly from Europe.

FUNDRAISING

The School recognises that its alumni and current parents have already committed significant funds to the School by the families' payment of school fees and has historically taken a low-key approach to additional fundraising. The approach to fundraising was recently reviewed and plans are in operation to increase our fundraising activity by appointing in the latter part of 2021 a Director of Development to develop and deliver a long-term fundraising strategy for the School. Funds raised are placed in a restricted fund intended for the future provision of bursaries. The School is aware of the need to protect vulnerable people from unreasonable and persistent fundraising pressure; it has not received any complaints about fundraising during the year.

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FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Results

The School aims to generate sufficient surplus for reinvestment that advances the educational experience of all students and finances improvements to the School's facilities, so that it can continue to offer high quality education and student development. The Board had identified the following strategic priorities for the future:

1. Investment in our people
2. Investment in our estate
3. Investment in our IT systems
4. An ongoing commitment to enhance our bursary provision thus widening access to the School

The majority of the School's income derives from fees and is closely related to student numbers for the year; enterprise trading activity also creates income. However, during the pandemic there has been a very significant impact on our ability to generate the usual contribution from our enterprise trading activity, we anticipate the recovery of that income stream post pandemic and as public confidence returns. The Board has also supported the rebranding of our enterprise trading arm to enable and support its recovery to pre-pandemic levels of contribution. In the current year the group's net incoming resources amounted to £220k (2020: £393k). This includes a loss from the trading subsidiary of (£56k) (2020: £76k).

COVID-19 had a significant impact on the whole education sector and on our school with remote learning in place throughout the year with the associated additional investment required in IT resources, physical infrastructure and other resources to ensure the School could reopen and operate safely for all pupils and staff once government enabled schools to do so. Despite the pandemic we continued to operate and to successfully deliver education to our students.

The School also received funding through the Coronavirus Job Retention Scheme and through active management of its expenditure was able to make some costs savings. Some of these savings were passed on to parents and guardians with a partial rebate.

Trading Company

The wholly owned subsidiary and trading company, Frensham Heights Enterprises Ltd, continues to manage successfully the letting and hiring facilities at Frensham Heights. For the year ended 30 June 2021 the trading company did not make any gift aid payments to the School due to COVID-19 and the resultant disruption to weddings and residential lets affecting the trading results. However, plans are in place to return to a position where gift aid payments can be made to the School and recent activities have included a launch event to forge strong relationships with local wedding-related suppliers, a marketing campaign to focus on raising the social media profile of "Frensham Hall", and a re-branding exercise for the wedding business, with a new website and printed marketing materials.

Borrowing and Investment

The School has had no borrowing requirement during the year and holds no investments.

Reserves Level and Policy and Financial Viability

The School's reserves policy is to maintain sufficient unrestricted income reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall taking into account annual and longer term capital expenditure plans in conjunction with access to external financing. The level of free reserves will therefore fluctuate within the cycle of the capital programme. The Group's

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total reserves of £17,420k at the year-end included £548k unspent restricted income and £16,872k unrestricted income. £12,186k of this represented the net book value of fixed assets less associated internal funding arrangements and £503k designated for Scholarship funding, made against future years' fees leaving free reserves of £4,183k (2020: £3,666k) at the year-end. This compares with a policy level of £2,300k (2020: £1,534k) which would provide cover for up to three months' operating costs (2020: two months). The Trustees' policy is not to maintain free reserves in its wholly owned subsidiary, which therefore has no impact on the School's reserves. The Governors regularly review the levels of reserves.

GOING CONCERN

The School produces regular financial information including budgets, forecasts and a longer term strategic business plan, which are closely monitored by the Governors. Through this strategic planning and monitoring of financial information, the Governors are confident of moving towards a surplus position in the medium term, from this year's expected deficit. These budgets, cash flows and forecasts have been reviewed and revised due to the COVID-19 pandemic, to take into consideration the current economic climate and its potential impact. A number of scenarios were produced which considered the wider potential impact from COVID-19 on the School's key operations, cash position, sources of income and planned expenditure. Revised forecasts have been prepared together with cash-flows, based on the most likely expected outcome from these scenarios, with sensitivity analysis on the key assumptions. The cash flow modelling with sensitivity analysis indicates that the cash reserves of the School are adequate to meet the charity's obligations as they fall due.

Therefore, the Governors have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities.

FIXED ASSETS

Acquisitions and disposal of fixed assets during the year are shown in Note 9 to the Financial Statements. Freehold buildings are currently included in the Balance Sheet at cost less depreciation. The Governors are satisfied that their current market value exceeds their historic cost, but do not wish to spend charitable funds on obtaining a formal valuation for accounts purposes.

RISK MANAGEMENT

The Board of Governors is responsible for the identification and management of risk and continues to keep the School's activities under critical review at every Board meeting. Detailed consideration of specific risks is also conducted by relevant Governor Committees and their recommendations reported to the Board of Governors. The key controls used by the charity include:

- Formal agendas for all Committee and Board activity
- Comprehensive strategic planning, budgeting, and management accounting
- Established organisational structure and lines of reporting
- Comprehensive Risk Register
- Formal written policies
- Clear authorisation and approvals; and
- Vetting procedures as required by law for the protection of the vulnerable.

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The highest priority risks identified by the Board of Governors at the end of the year which could lead to financial and operational challenges are:

1. The ongoing cost of the Teachers' Pension Scheme to the School as an employer
2. An increasing cost base
3. Reduction in boarding student numbers
4. Retention into the sixth form
5. The impact of changing government policy including potential
 - a. further increases for employers' contributions to the Teachers' Pension Scheme
 - b. increases in National Insurance
 - c. the loss of business rates relief
6. Any reduction in the demand for independent school education
7. The ongoing impact of the pandemic
8. The ongoing impact of Brexit
9. Any adverse impact upon the wellbeing of our students and staff
10. Any adverse publicity affecting the School's reputation.

Multiple strategies are being employed to manage these risks including enhancing our marketing efforts for our unique Frensham Heights' proposition; in addition, we will continue to grow and maintain our student numbers; and to exercise tight financial control over spending and debtors.

Health and Safety is recognised as a significant area of non-financial risk and it is closely managed. The risks range from fire and infrastructure damage to personal risks. The risks associated with all activities are minimised by preventative planning and risk assessment. The Board of Governors is satisfied that for all major risks identified, appropriate controls have been put in place and are maintained to mitigate the risks. It is recognised that systems can provide reasonable but not absolute assurance that major risks have been effectively mitigated.

TEACHERS' PENSION SCHEME

In common with much of the sector, the Schools' largest cost is that of staff costs in particular the need to fund pension benefits for our staff. This has proved increasingly challenging in respect of the Teachers' pension scheme due to the increasing employers' contributions now required into that scheme.

The Governors recognising their duty to act prudently in connection with the longevity of the School and have considered:

- a. the ongoing impact of the increased contribution on the School's finances. They consider that the impact is a very significant one with implications for the future viability of the School.
- b. whether the School should continue with membership of TPS and to try to mitigate the extra costs by, for example, increasing fees, absorbing the increased costs by having lower surpluses, and/or making cost reductions by having fewer staff as a result of having increased classroom sizes and/or a reduced number of extra-curricular activities.
- c. The need to ensure the School has adequate financial resilience to invest in our people, in our estate, in our IT systems and in our important strategic priority; our commitment to widening access through a larger number of bursaries.
- d. the effect that leaving membership of TPS could have on the School and what alternative pension scheme could be offered in place of membership of TPS.

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Therefore, on 20 March 2021 the Governors approved the commencement of a formal consultation on the Schools' membership of the TPS which is scheduled to conclude at the end of November 2021.

FUTURE PLANS

The School's Strategic and Business Plan, charitable objects and ethos provide the strategic direction for future planning; these are captured and articulated in the School's Management Plan 2020-2021. This document sets out the specific and detailed plans for next year. The key objectives within the current plan are:

1. Student Achievement. Maximise student achievement through enhancements to Approaches to Learning and the role of tutors.
2. Student Personal Development. Maximise student development by improving organisational skills. Further refine the PSHE (Personal, Social and Health Education) programme.
3. Marketing. Maintain numbers around 525 and focus marketing effort on retention from Year 11 and recruitment into the Sixth Form and in the Early Years. Develop Frensham's position as a thought leader for progressive education.
4. Parent Communication/Reputation. Build on the success of the new Parents' Information Evenings. Review effectiveness of parental communications.
5. Finance and Site/Facilities Development. Implement improvements to Finance and HR systems. Produce an Estates Masterplan and a supporting space utilisation plan to enable and inform long-term capital planning for the estate. Continue initiatives to increase energy efficiency and work to sustain the woodlands.
6. Public Benefit. Maintain strong links with local schools, the local community (following success of the PPE provision for the NHS over lockdown) and partner schools in Malawi.

BOARD OF GOVERNORS

The Governors are all Directors of the School and their non-beneficial interests in the ordinary share capital in the year are as shown in the following table:

	31 July 2021	31 July 2020
William Bird	10	10
Angus Carlill	10	10
Claire Fuller	-	10
Gerard Holden	10	10
Martin Lupton	5	5
Sally Marriott	10	10
William Marriott	5	5
Katherine Poulson	10	10
Jackie Sullivan	5	5
Philip Ward	5	5
Richard Fry	10	10
Peter Molyneux	10	10
Catherine Love	10	-

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STATEMENT OF GOVERNORS' RESPONSIBILITIES

The members of the Board of Governors (who are also the directors of Frensham Heights Educational Trust for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Company law requires the members of the Board of Governors to prepare financial statements for each financial year. Under company law they must not approve the financial statements unless they are satisfied that they give a true and fair view of the charitable company and the group, including the income (and its application) and expenditure of the group for that year. In preparing these financial statements, the members of the Board of Governors are required to:

1. select the most suitable accounting policies and then apply them consistently;
2. observe the methods and principles in the Charities SORP 2019 (FRS 102);
3. make judgments and estimates that are reasonable and prudent;
4. state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
5. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The members of the Board of Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

AUDITORS

Crowe U.K. LLP have expressed their willingness to continue in office as auditors.

This Annual Report, including the Strategic Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Governors of Frensham Heights Educational Trust Limited on 11 December 2021 and is signed as authorised on its behalf by:



William Bird:
Director & Chair of Governors

Independent Auditor's Report to the Members of Frensham Heights Educational Trust Limited

Opinion

We have audited the financial statements of Frensham Heights Educational Trust Limited ('the charitable company') and its subsidiaries ('the group') for the year ended 31 July 2021 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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 charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). 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 charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

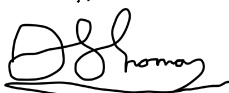
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition and classification of school fees and other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the 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, performing analytical reviews and testing income for completeness, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

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

Use of our report

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



Andrew Thomas
Senior Statutory Auditor
For and on behalf of

Crowe U.K. LLP
Statutory Auditor
London

Date: 17 January 2022

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure account)
FOR THE YEAR ENDED 31 JULY 2021

		Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Income and endowments from:						
Charitable Activities						
School fees receivable	3	9,076	-	-	9,076	8,751
Other educational income	6	127	-	-	127	187
Other ancillary trading income	6	54	-	-	54	188
Other trading activities						
Trading turnover	4	34	-	-	34	247
Other Income		16	-	-	16	34
Profit / (Loss) on disposal		-	-	-	-	-
Investments						
Investment income	5	5	1	-	6	29
Voluntary Income						
Grants and Donations		122	6	-	128	241
Total Income		9,434	7	-	9,441	9,677
Expenditure on:						
Raising funds						
Fundraising Trading	4	84	-	-	84	166
Charitable Activities						
Education and grant making		9,134	3	-	9,137	9,118
Total expenditure	7	9,218	3	-	9,221	9,284
Net Income		216	4	-	220	393
Transfers between funds	16	5	-	(5)	-	-
Net movement of funds		221	4	(5)	220	393
Funds brought forward 1 August 2020		16,651	279	270	17,200	16,807
Funds carried forward 31 July 2021	17	16,872	283	265	17,420	17,200

All amounts relate to continuing operations. There are no recognised gains or losses other than the results for the year set out above.

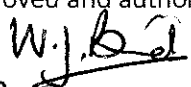
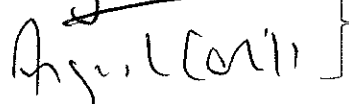
The Notes on Pages 21 to 38 form part of these financial statements

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
(Company Number: 207173)
CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2021

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Tangible fixed assets	9 a)	<u>12,451</u>	<u>12,740</u>
		12,451	12,740
CURRENT ASSETS			
Stocks		1	1
Debtors: amounts falling due within one year	11	398	274
Cash at bank and in hand		<u>5,839</u>	<u>5,554</u>
		6,238	5,829
CREDITORS: amounts falling due within one year	12	<u>1,266</u>	<u>1,367</u>
NET CURRENT ASSETS		4,972	4,462
TOTAL ASSETS LESS CURRENT LIABILITIES		17,423	17,202
CREDITORS: amounts falling due after more than one year	13	<u>3</u>	<u>2</u>
NET ASSETS		17,420	17,200
CAPITAL AND RESERVES			
Called up share capital	15	-	-
THE FUNDS OF THE CHARITY	16		
UNRESTRICTED FUNDS			
Scholarship fund		503	516
Tangible fixed asset fund		12,186	12,470
General fund		<u>4,183</u>	<u>3,665</u>
		16,872	16,651
RESTRICTED FUNDS			
Endowments		265	270
Bursary and award funds		<u>283</u>	<u>279</u>
		548	549
TOTAL FUNDS	17	17,420	17,200

The profit for the financial year dealt with in the financial statements of the parent Company was £277k (2020: £315k).

Approved and authorised for issue by the Board of Governors on 11 December 2021

Governors and Directors

William Bird

Angus Carlill

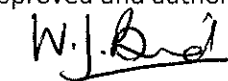
The Notes on Pages 21 to 38 form part of these financial statements

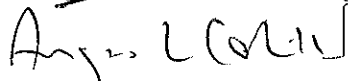
FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
(Company Number: 207173)

BALANCE SHEET
AS AT 31 JULY 2021

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Tangible fixed assets	9 b)	12,449	12,736
Investments	10	10	10
		<u>12,459</u>	<u>12,746</u>
CURRENT ASSETS			
Stocks		-	1
Debtors: amounts falling due within one year	11	391	273
Cash at bank and in hand		5,687	5,383
		<u>6,078</u>	<u>5,657</u>
CREDITORS: amounts falling due within one year	12	<u>1,067</u>	<u>1,210</u>
NET CURRENT ASSETS		<u>5,011</u>	<u>4,447</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,470</u>	<u>17,193</u>
CREDITORS: amounts falling due after more than one year	13	<u>-</u>	<u>-</u>
NET ASSETS		<u>17,470</u>	<u>17,193</u>
CAPITAL AND RESERVES			
Called up share capital	15	-	-
THE FUNDS OF THE CHARITY			
UNRESTRICTED FUNDS			
Scholarship fund		503	516
Tangible fixed asset fund		12,186	12,470
General fund		4,233	3,658
		<u>16,922</u>	<u>16,644</u>
RESTRICTED FUNDS			
Endowments		265	270
Bursary and award funds		283	279
		<u>548</u>	<u>549</u>
TOTAL FUNDS	17	<u>17,470</u>	<u>17,193</u>

Approved and authorised for issue by the Board of Governors on 11 December 2021.





} Governors and Directors

William Bird

Angus Carlill

The Notes on Pages 21 to 38 form part of these financial statements

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities			
Net cash provided by operating activities	(i)	620	921
Cash flows from investing activities:			
Payments for tangible fixed assets		(342)	(267)
Non-cash payments for tangible fixed assets		-	-
Proceeds on sale of tangible fixed assets		1	1
Investment income and bank interest received		6	29
Net cash (used in) / provided by investing activities		(335)	(237)
Cash flows from financing activities:			
Finance Costs Paid		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the reporting period		285	684
Cash and cash equivalents at the beginning of period		5,554	4,870
Cash and cash equivalents at the end of the reporting period		5,839	5,554

The Notes on Pages 21 to 38 form part of these financial statements

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2021

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

	2021	2020
	£'000	£'000
Net incoming resources	220	393
Elimination of non-operating cash flows:		
- Investment income	(6)	(29)
- Depreciation Charge	631	603
- Non Cash-Flow Item	-	-
Profit on sale of assets	(1)	(1)
(Increase) / decrease in debtors	(124)	42
(Increase) / decrease in stocks	-	2
Increase / (decrease) in creditors	151	(224)
Increase / (decrease) in fees in advance scheme creditors	(202)	219
Increase / (decrease) in parents' deposits	(49)	(84)
	<u>400</u>	<u>528</u>
Net cash provided by operating activities	<u>620</u>	<u>921</u>

(ii) **Analysis of cash and cash equivalents**

	2021	2020
	£'000	£'000
Cash held on current account	2,329	2,032
Cash held on deposit	3,508	3,519
Petty cash held	2	3
	<u>5,839</u>	<u>5,554</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

1. COMPANY INFORMATION:

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 10 July 1925 (company number: 207173) and registered as a charity on 15 August 1966 (charity number: 312052).

2. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 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 (FRS 102)

Going Concern: As detailed in the Report of the Governors, the Governors have reviewed and revised the School's financial forecasting in light of the COVID-19 pandemic, to take into consideration the current economic climate and its potential impact. A number of scenarios were produced which considered the wider potential impact from COVID-19 on the School's key operations, cash position, sources of income and planned expenditure. Revised forecasts have been prepared together with cash-flows, based on the most likely expected outcome from these scenarios, with sensitivity analysis on the key assumptions. The cash flow modelling with sensitivity analysis indicates that the cash reserves of the School are adequate to meet the charity's obligations as they fall due.

Having regard to the above, the current cash position, and the expected cash flow over the next 12-24 months the Governors have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities.

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

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

The consolidated accounts include Frensham Heights Enterprises Limited, made up to 30 June 2021. In accordance with the exemption allowed under Section 408 of the Companies Act 2006, the charity's Statement of Financial Activities is not separately presented.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, 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.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

2. ACCOUNTING POLICIES (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised 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 trustees, 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 amounts in the next financial year.

b) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

c) Investment Income

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

d) Voluntary Income

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reasonably quantified and the economic benefit to the School is considered probable.

Donations receivable for the general purpose of the School 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 Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as 'endowments' – permanent or expendable according to the nature of the restriction.

Government grants are recognised on the performance model, when the Company 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.

e) Taxation

The School is a registered charity. As such it is exempt under present legislation from assessment to corporation tax on its net income and is able to reclaim tax deducted from covenants and interest received.

f) Tangible fixed assets and depreciation

All items with a value greater than £1,000 have been capitalised. Depreciation is provided annually at the following rates:

Freehold buildings	-	2% of cost
Timber buildings	-	5% to 6.7% of cost
Modular buildings	-	4% of cost
Motor vehicles	-	25% of cost
Furniture and other equipment	-	10% - 20% of cost
Solar Panels	-	5% of cost
Computer equipment	-	20% to 33.3% of cost

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

2. ACCOUNTING POLICIES (Continued)

g) Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to the activity in the year. The irrecoverable element of VAT is included with the item of expense to which it relates.

Raising funds comprise those costs directly attributable to the trading subsidiary (Note 3).

Support costs comprise a proportion of staff costs together with a proportion of overheads of the School. Governance costs are those incurred in connection with the governance of the School and compliance with constitutional and statutory requirements.

h) 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.

i) Stock

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

j) Pension schemes

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

Certain non-teaching staff are members of other defined contribution schemes. All non-teaching staff are entitled to join a group personal pension scheme, which complies with the requirements for a Stakeholder Pension Scheme.

k) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured and amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise trade creditors, other creditors, accruals and deposits.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

3. CHARITABLE ACTIVITIES - FEES RECEIVABLE	2021	2020
	£'000	£'000
Fees receivable consist of:		
School Fees	10,198	9,886
Less: Total bursaries, grants and allowances	(644)	(783)
Less: COVID-19 Fee refund	(478)	(352)
	9,076	8,751
 NET INCOME		
Net income is stated after charging:		
Depreciation of tangible fixed assets	631	603
Auditors' remuneration - Audit	22	22
- Other services	3	4
Staff costs (Note 8)	6,914	6,836
Operating lease costs	62	50

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

4. TRADING INCOME

Frensham Heights Educational Trust Ltd owns the entire issued share capital of Frensham Heights Enterprises Ltd, Company Number 2866864, registered address Frensham Heights, Rowledge, Farnham, Surrey GU10 4EA. The principal activity of this company is that of managing letting and hiring facilities available at Frensham Heights.

	30 June 2021 £'000	<i>30 June 2020 £'000</i>
Turnover	34	247
Cost of sales	(33)	(116)
Gross profit	1	131
Administration expenses	(57)	(56)
Operating profit	(56)	75
Interest receivable	0	1
Profit on ordinary activities before taxation	(56)	76
Taxation	-	-
Profit on ordinary activities after taxation	(56)	76
Retained earnings at the start of period	6	6
Profit for the year	(56)	76
Gift aid to Frensham Heights Educational Trust Limited	(0)	(76)
Retained earnings at the end of period	(50)	6

Trading costs detailed above are disclosed in the consolidated Statement of Financial Activities as follows

Cost of sales	33	116
Administrative expenses	57	56
Audit and professional fees included in governance costs	(6)	(6)
Fundraising trading as on Statement of Financial Activities	84	166

The School's and company's year-end are non co-terminus and it is not considered necessary to have identical year ends as it is not expected that any transactions will occur in the trading company in the intervening period which will have a material impact on the consolidated accounts. Administration expenses of the subsidiary include auditors' remuneration for audit services of £4k (2020 - £4k) and for other services £2k (2020 - £1k). These have been included in governance costs in the consolidated statement of financial activities.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

5. INVESTMENT INCOME

	Total 2021 £'000	<i>Total 2020 £'000</i>
Bank deposit account interest	<u>6</u>	<u>29</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	2021 £'000	<i>2020 £'000</i>
Other educational charitable activities		
Entrance and registration fees	89	<i>104</i>
Courses and sub-lettings	38	<i>83</i>
	<u>127</u>	<u><i>187</i></u>
Other ancillary activities		
Insurance commissions	-	<i>-</i>
School Trips, Meals and Other Income	54	<i>188</i>
	<u>54</u>	<u><i>188</i></u>

7. ANALYSIS OF EXPENDITURE

	Staff Costs £'000	Other Costs £'000	Depreciation £'000	Total 2021 £'000
Trading expenditure	<u>45</u>	<u>38</u>	<u>1</u>	<u>84</u>
	45	38	1	84
Charitable activities				
Education and welfare	4,832	404	630	5,866
Housekeeping	355	246	-	601
Catering	298	257	-	555
Transport	-	23	-	23
Maintenance and estate	301	391	-	692
Support costs and governance	1,083	317	-	1,400
	<u>6,869</u>	<u>1,638</u>	<u>630</u>	<u>9,137</u>
Total expenditure	<u>6,914</u>	<u>1,676</u>	<u>631</u>	<u>9,221</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

7. ANALYSIS OF EXPENDITURE (Continued)

SUPPORT COSTS AND GOVERNANCE

	2021	<i>2020</i>
	£'000	<i>£'000</i>
Salaries	1,084	1,062
Staff recruitment and travel	28	82
Marketing and professional fees	200	120
Telephone, postage, printing, stationery	23	27
Miscellaneous admin costs	46	24
Governance costs (Note 7)	20	23
	<u>1,401</u>	<u>1,338</u>

Governance costs include auditors' remuneration for audit services of £17k (2020: £17k) and for other services £2k (2020: £4k) and the reimbursement of two Governors' travelling and subsistence expenses of £439 (2020 two Governors: £756), as well as £84 for Governor miscellaneous and training costs.

8. STAFF COSTS

	2021	<i>2020</i>
	£'000	<i>£'000</i>
Wages and salaries	5,023	4,960
Social security costs	494	496
Other pension costs	994	982
	<u>6,511</u>	<u>6,438</u>
Staff not directly employed by the School	<u>403</u>	<u>397</u>
	<u>6,914</u>	<u>6,835</u>
	No.	<i>No.</i>
The average monthly staff headcount was:		
Teaching	100	99
Administration	32	30
Other	28	26
	<u>160</u>	<u>155</u>

Included in the above, one permanent member of staff is employed in the trading subsidiary (2020: One). In addition, ad hoc staff are called upon throughout the year to provide support for functions in the trading subsidiary.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

8. STAFF COSTS (Continued)

	2021	2020
	£'000	£'000
The total employee benefits (including employers' pension and national insurance contributions) of key management personnel were:	<u>957</u>	<u>998</u>

The following number of staff received remuneration in excess of £60,000 in the year:

	2021	2020
	No.	No.
£60,001 to £70,000	3	2
£70,001 to £80,000	-	1
£110,001 to £120,000	<u>1</u>	<u>1</u>

Neither the governors nor persons connected with them received any remuneration or any other benefits from any employment with the charity or related entity within the year (2020: £0).

Included in the total staff cost figures above are termination payments to employees authorised during the year totalling £43k (2020 - £66k). All authorised payments were fully paid to employees during the year.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

9. TANGIBLE FIXED ASSETS

a) The Group

	Freehold Land, Buildings and Improvements £'000	Plant, Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 August 2020	16,523	1,941	159	18,623
Additions	181	161	-	342
Disposals	-	(35)	-	(35)
At 31 July 2021	16,704	2,067	159	18,930
Depreciation				
At 1 August 2020	4,643	1,099	141	5,883
Charge for the year	405	212	14	631
Disposals	-	(35)	-	(35)
At 31 July 2021	5,048	1,276	155	6,479
Net book value				
At 31 July 2021	11,656	791	4	12,451
<i>At 31 July 2020</i>	<i>11,880</i>	<i>842</i>	<i>18</i>	<i>12,740</i>

b) The School

	Freehold Land, Buildings and Improvements £'000	Plant, Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 August 2020	16,510	1,931	159	18,600
Additions	181	162	-	343
Disposals	-	(31)	-	(31)
At 31 July 2021	16,691	2,062	159	18,912
Depreciation				
At 1 August 2020	4,635	1,088	141	5,864
Charge for the year	404	212	14	630
Disposals	-	(31)	-	(31)
At 31 July 2021	5,039	1,269	155	6,463
Net book value				
At 31 July 2021	11,652	793	4	12,449
<i>At 31 July 2020</i>	<i>11,875</i>	<i>843</i>	<i>18</i>	<i>12,736</i>

There are no Freehold Land, Buildings and Improvements in the course of construction this year (2020: £70k).

There is no Plant, Furniture and Equipment work in progress this year (2020: £22k).

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

10. INVESTMENTS

Frensham Heights Enterprises Ltd	2021	2020
	£'000	£'000
£1 Ordinary shares at par in Frensham Heights Enterprises Ltd	<u>10</u>	<u>10</u>
	<u>10</u>	<u>10</u>

Company

The company holds £10,000 ordinary shares, the entire issued share capital, of Frensham Heights Enterprises Limited.

The principal activity of the investee is the letting of facilities available at Frensham Heights School.

At 30 June 2021 Frensham Heights Enterprises Ltd had capital and reserves which totalled (£40k) (2020: £17k). The turnover for the year was £34k (2020: £247k).

Frensham Heights Enterprises Ltd is a company registered in England and Wales, registered number 2866864.

11. DEBTORS: amounts falling due within one year

	Group		School	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts due from group undertaking	-	-	117	92
Fees debtors	97	83	97	83
Sundry debtors and prepayments	301	191	177	98
	<u>398</u>	<u>274</u>	<u>391</u>	<u>273</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

12. CREDITORS: amounts falling due within one year

	Group		School	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts owed to group undertakings	117	80	-	-
Fees deposits	471	520	471	520
Trade creditors	284	171	282	170
Other creditors and accruals	103	128	94	120
Fees received in advance	139	341	139	341
Deferred income	152	127	81	59
	1,266	1,367	1,067	1,210

The total amount held in relation to fees deposits of £471k is included above. In the normal course of business, the expected repayment of these amounts will be £73k within one year and £397k after more than one year.

The School holds pupil fee deposits. 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 July 2021 have been included within current liabilities. The prior year pupil fee deposits balance has been similarly represented.

Deferred Income Reconciliation

	£'000
Balance brought forward at 1 August 2020	127
Additions in current year	103
Release of deferred income	(79)
Balance carried forward at 31 July 2021	151

The deferred income balance relates mostly to future year school trips income; and on the trading subsidiary, future year residential lets and weddings.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

13. CREDITORS: amounts falling due after more than one year

	Group		School	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Deferred income	<u>3</u>	<u>2</u>	<u>-</u>	<u>-</u>
	3	2	-	-

14. FEES IN ADVANCE SCHEME

The School is not currently offering a Fees in Advance Scheme due to the low interest rate environment.

15. SHARE CAPITAL

	2021	2020
	£	£
Authorised 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

16. MOVEMENT ON FUNDS

	Balance at 1 August 2020 £'000	Incoming Resources £'000	Resources Expended £'000	Transfer Between Funds £'000	Balance at 31 July 2021 £'000
Restricted Funds					
Bursary and award fund	272	4	(3)	-	273
Music award fund	7	3	-	-	10
Endowment fund	270	-	-	(5)	265
	<u>549</u>	<u>7</u>	<u>(3)</u>	<u>(5)</u>	<u>548</u>
Designated Funds					
Scholarship fund	516	-	-	(13)	503
Tangible fixed assets fund	12,470	-	-	(284)	12,186
General Fund	<u>3,665</u>	<u>9,436</u>	<u>(9,220)</u>	<u>302</u>	<u>4,183</u>
	<u>17,200</u>	<u>9,443</u>	<u>(9,223)</u>	<u>-</u>	<u>17,420</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

16. MOVEMENT ON FUNDS (Continued)

	Balance at 1 August 2019 £'000	Incoming Resources £'000	Resources Expended £'000	Transfer Between Funds £'000	Balance at 31 July 2020 £'000
Restricted Funds					
Bursary and award fund	266	17	(11)	-	272
Music award fund	5	2	-	-	7
Endowment fund	274	-	-	(4)	270
	<u>545</u>	<u>19</u>	<u>(11)</u>	<u>(4)</u>	<u>549</u>
Designated Funds					
Scholarship fund	580	-	-	(64)	516
Tangible fixed assets fund	12,802	-	-	(332)	12,470
General Fund	<u>2,880</u>	<u>9,657</u>	<u>(9,272)</u>	<u>400</u>	<u>3,665</u>
	<u>16,807</u>	<u>9,676</u>	<u>(9,283)</u>	<u>-</u>	<u>17,200</u>

Bursary and award Fund

Consists of donations for the future award of bursaries. This will accumulate over time until the level of income the fund generates is sufficient to provide a reasonable bursary for a student.

Expendable Endowment funds

These are funds which have been given to the School to invest in the School's buildings.

Designated funds

These funds represent amounts set aside at the discretion of the Governors.

Scholarship fund

This scholarship fund is used to indicate scholarships and bursaries currently awarded for specific stages of education, made against future years' fees.

Tangible fixed assets fund

The fund represents the amount of general funds invested by the School in its tangible fixed assets after deducting those assets represented by the endowment funds.

Transfers

A transfer of £5k has been made between the endowment and unrestricted funds. This represents the depreciation charged on the proportion of the building represented by the endowment fund.

A transfer of (£13k) has been made to reduce the Scholarship Fund. This is to cover the School's future commitments at 31 July 2021 to bursaries and scholarships for specific pupils.

A transfer of (£284k) has been made between the General fund and the Tangible Fixed Asset Fund to ensure that this, plus the Endowment Fund, are equal to tangible fixed assets within the consolidated balance sheet.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

The Group	Unrestricted General Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £
Tangible fixed assets	12,186	-	265	12,451
Net current assets	4,689	283	-	4,972
	16,875	283	265	17,423
Creditors: amounts falling due after one year	3	-	-	3
	16,872	283	265	17,420

The Charity

Tangible fixed assets	12,184	-	265	12,449
Investments	10	-	-	10
Net current assets	4,728	283	-	5,011
	16,922	283	265	17,470
Creditors: amounts falling due after one year	-	-	-	-
	16,922	283	265	17,470

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued)

The Group	Unrestricted General Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £
Tangible fixed assets	12,470	-	270	12,740
Net current assets	4,183	279	-	4,462
	16,653	279	270	17,202
Creditors: amounts falling due after one year	2	-	-	2
	<u>16,651</u>	<u>279</u>	<u>270</u>	<u>17,200</u>

The Charity

Tangible fixed assets	12,466	-	270	12,736
Investments	10	-	-	10
Net current assets	4,168	279	-	4,447
	16,644	279	270	17,193
Creditors: amounts falling due after one year	-	-	-	-
	<u>16,644</u>	<u>279</u>	<u>270</u>	<u>17,193</u>

18. PENSION SCHEMES

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 £772k (2020: £758k) and at the year-end £Nil (2020 - £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%.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

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

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

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following the public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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.

The pension cost for the year in relation to other defined contribution schemes amounts to £222k (2020: £223k) and has been included in the Statement of Financial Activities.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

19. LEASING COMMITMENTS

The Trust is committed to making the following payments under operating leases:

	Equipment 2021 £'000	Equipment 2020 £'000
Due in less than one year	62	48
Due within two and five years	219	42
Due in more than five years	-	-

20. CAPITAL COMMITMENTS

At 31 July 2021 the School had no material outstanding retention commitments and no other capital commitments.

21. RELATED PARTY TRANSACTIONS

In 2020-21 the School charged £16k (2020: £15k) to Enterprises for utilities and associated services. The balance owed to the School at 31 July 2021 was £117k (2020: £92k).

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

22. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARISON FIGURES BY FUND TYPE

		Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total Funds 2020 £'000
Income and endowments from:					
Charitable Activities					
School fees receivable	3	8,751	-	-	8,751
Other educational income	6	187	-	-	187
Other ancillary trading income	6	188	-	-	188
Other trading activities					
Trading turnover	4	247	-	-	247
Other Income		34	-	-	34
Profit / (Loss) on disposal		-	-	-	-
Investments					
Investment income	5	26	3	-	29
Voluntary Income					
Grants and Donations		225	16	-	241
Total Income		9,658	19	-	9,677
Expenditure on:					
Raising funds					
Fundraising Trading	4	166	-	-	166
Charitable Activities					
Education and grant making		9,107	11	-	9,118
Total expenditure	7	9,273	11	-	9,284
Net Income		385	8	-	393
Transfers between funds	16	4	-	(4)	-
Net movement of funds		389	8	(4)	393
Funds brought forward 1 August 2019		16,262	271	274	16,807
Funds carried forward 31 July 2020	17	16,651	279	270	17,200

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

England & Wales - Charity number 312052

Accounts

COMPANY REGISTRATION NUMBER: 207173
REGISTERED CHARITY NUMBER: 312052

**FRENSHAM HEIGHTS
EDUCATIONAL TRUST LIMITED
REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
31 JULY 2020**

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
YEAR ENDED 31 JULY 2020

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FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
GOVERNORS, OFFICERS AND ADVISERS
YEAR ENDED 31 JULY 2020

DIRECTORS AND GOVERNORS

Margaret Coltman (Chair; retired 8 December 2019)
Gerard Holden (Vice Chair)
William Bird (Treasurer to 8 December 2019; appointed Chair 8 December 2019)
Angus Carlill (appointed Treasurer 8 December 2019)
Claire Fuller
Martin Lupton
Sally Marriott (appointed 15 January 2020)
William Marriott (appointed 15 January 2020)
Katherine Poulosom
Jackie Sullivan
Philip Ward
Richard Fry
Peter Molyneux

FINANCE AND HUMAN RESOURCES COMMITTEE

Angus Carlill (Chair)
William Bird
Richard Fry
Katherine Poulosom
Jackie Sullivan
Claire Fuller

EDUCATION COMMITTEE

Philip Ward (Chair)
William Bird
Richard Fry
Gerard Holden

HEAD

Rick Clarke

BURSAR AND COMPANY SECRETARY

Edwina Dean-Lewis (retired 8 December 2019)
James Bell (appointed 1 January as Interim Bursar)
(appointed 4 March 2020 as Company Secretary)

Note: Officers (i.e. Chair, Vice Chair and Treasurer) are ex-officio members of all Board committees.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

GOVERNORS, OFFICERS AND ADVISERS

YEAR ENDED 31 JULY 2020

REGISTERED OFFICE	Frensham Heights Rowledge Farnham Surrey GU10 4EA
COMPANY NUMBER	207173
REGISTERED CHARITY	312052
BANKERS	HSBC Bank plc The Borough Farnham Surrey GU9 7NJ
SOLICITORS	GBH Law (trading as Goodyear Blackie Herrington Solicitors) 7-8 Innovation Place Douglas Drive Godalming Surrey GU7 1JX
AUDITORS	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
INSURANCE BROKERS	Marsh Insurance Brokers Limited Rockwood House 9-17 Perrymount Road Haywards Heath West Sussex RH16 3DU

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2020

The Governors of Frensham Heights Educational Trust Limited, who are also the Directors and Charity Trustees, are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 July 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

DIRECTORS' REPORT

CONSTITUTION AND OBJECTS

Frensham Heights Educational Trust Limited was founded under Memorandum and Articles of Association dated 10 July 1925 as amended on 4 April 1950, 22 June 1996 and 11 January 2006. It is constituted as a company limited by shares, registered in England, No. 207173, and is registered with the Charity Commission under Charity No. 312052.

The Charity's principal Objects, as set out in the Memorandum of Association, are the advancement of education, including the provision of a school for boys and girls at Frensham, the holding of exhibitions, classes or conferences, whether general, professional or technical, and support to other charitable bodies. There has been no change to the Objects during the year.

In furtherance of these Objects and for the public benefit, the School has established and administered during the year bursary awards and other benefactions, and acts as the trustee and manager of property and gifts given or established in pursuance of these Objects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Contact Information

The Governors, Head, Company Secretary and principal address of the Charity are as listed on Page 1. Particulars of the Charity's professional advisers are listed on Page 2.

Group Structure and Relationships

The Charity has a wholly owned non-charitable subsidiary, Frensham Heights Enterprises Limited, (Company number 2866864) which was incorporated in 1993. Its principal activity is managing the hiring and letting of facilities at the School.

Board of Governors

Governors serve for approximately seven years, with one seventh (or nearest number) normally retiring at the Annual General Meeting (AGM) each year. Governors, with the exception of the Officers, may not be re-appointed until the AGM following the AGM at which they retired. One Governor retired and two Governors were appointed during the year. A new Chair and Treasurer were appointed during the year. All Governors are encouraged to identify potential new Governors and propose them in accordance with the needs identified using the specialist skills matrix which is reviewed annually by the Board. Potential Governors undergo a series of interviews and briefings before attending the Board as observers; after which they may be appointed. New Governors undergo induction sessions with the Head and Company Secretary to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
REPORT OF THE BOARD OF GOVERNORS
YEAR ENDED 31 JULY 2020

Development Strategy and recent financial performance of the charity. New Governors are given a tour of the School to meet key employees and they are encouraged to attend appropriate external training events to facilitate the undertaking of their role. All Governors have received training or attended external briefings by professional advisors throughout the period. Details of relevant courses and seminars are regularly circulated to all Governors.

Governance Code

The trustees are aware of the Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. During the year the Charity began a review of current governance arrangements against the principles within the code and prepared an action plan to address areas identified for best-practice improvements. This will be implemented during the year ended July 2021

Related parties and co-operation with other organisations

None of the Governors has received remuneration or other benefit from their work with the school in the year. Any connection between a trustee or senior manager of the school with a production company, contracted actor, performer or exhibitor must be disclosed to the full Board of Governors in the same way as any other contractual relationship with a related party.

Organisational Management

The Governors, who are also the Charity Trustees, are legally responsible for the general policy of the School and for the overall management and control of the School. The Governors meet as a Board at least three times a year. The work of overseeing the implementation of policies is carried out by committees. During the year, two committees were combined to form the Finance and Human Resources Committee, which sits at least three times a year prior to each full Board meeting. All other committees sit a minimum of twice a year. Specific governor working groups were established, reporting to the committees, including a steering group of governors, the Head and Bursar. The steering group met regularly through the pandemic period from March to July, with major decisions being referred to the board for approval. The committees and their membership are listed on Page 1. The Governors also hold an annual strategy meeting to examine and agree key issues impacting the School. At least one Governor sits on each of: the School's Health and Safety Committee; the Parents' Committee; and the Staff Common Room Committee. The day-to-day management of the School is delegated to the Senior Leadership Team (key management personnel), which is comprised of the Head, Bursar, Deputy Head Academic, Deputy Head Pastoral and Head of Junior School. The Head and the Bursar are invited ex-officio to all Board and committee meetings. The pay and remuneration of the Head and the Bursar are set by the whole Board at their Spring or Summer Board meetings having considered independent benchmark reports across the independent school education sector. During the year the consultancy services of an interim Bursar were secured.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2020

AIMS, OBJECTIVES AND ACTIVITIES

Public Benefit Aims and Activities

In meeting its Objects, the School's public benefit aim is to provide a world class progressive education that emphasises progressive values and focuses on students as individuals so as to bring out their strengths, with creative and performing arts given equal status alongside more traditional academic subjects and sport. In line with its ethos, the School welcomes students from all backgrounds where it is believed that the prospective student can benefit from the education provided at the School. During the year, the Head commenced work on reviewing and updating the school's vision, objectives and values.

In support of this aim the School awards bursaries, which are outlined in the grant making section of the Strategic Report. Importantly the School provides education in the widest sense covering a range of subjects, as well as extra-curricular activities, and community responsibility. With due regard to the Charity Commission's published guidance on the public benefit requirement under the Charities Act 2011, the School also co-operates closely with local schools, charities and organisations to widen public access to education. The school created a new post of Assistant Head (Student Development), with particular responsibility for outreach and community links. The School continues to work particularly closely with Rowledge Primary School supporting the Forest School programme, offering access to science laboratories and a member of staff is also a Governor there. Other local, maintained sector schools, youth groups, scouts and cubs made use of the School's music, art and sports facilities and minibuses. The School has also forged very strong charitable links with All Saints School and Amao Orphanage in Malawi. The school has now begun work at a second school (Mikuyu) in Malawi. Over the last ten years, in addition to working visits by staff and students, practical assistance and charitable funds raised by the School community have had significant impact for people living in those Malawi communities.

During the Covid 19 pandemic, the School proactively set up a hub for the creation of PPE for hospitals, care homes and other community beneficiaries, including the creation of 3D printed visors, donated gloves and created masks and medical scrubs.

Objectives for the Year

The School's principal objectives for the year were to:

- Maximise student achievement
- Maximise student personal development through effective tutoring and involvement in opportunities outside the classroom
- Inspire and further develop the teaching staff through professional development opportunities
- Further enhance teaching and learning
- Maintain a roll of around 520 students for the year
- Redefine and revamp the Scholarship and Enrichment programme offered throughout the School so that it is more in keeping with the School's ethos
- Deliver the School's charitable objects and demonstrable public benefit
- Maintain financial stability

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2020

STRATEGIC REPORT

Strategies

The School's strategic direction is articulated in its Strategic and Business Plan 2020-23. The annual Management Plan 2019-20 and capital expenditure plan out to 2024 supported the delivery of the year's objectives. The School regularly reviews its options in terms of long-term development and investment.

Principal Activity of the Year

The principal activity continues to be the provision of day and boarding education for boys and girls aged from 3 to 18 years. This year the School averaged 525 (2019: 519) students of whom 434 (2019: 430) were day students and 91 (2019: 89) were boarders.

Grant-making

During the year the School set aside funds to support bursaries, which were offered to parents of students who could not otherwise afford to send their children to the School, based on a comprehensive means-tested assessment of financial need. The process requires parents or guardians to complete a detailed financial form covering income, expenditure and assets which is reviewed by the Bursar and Head, and a representative of the Board of Governors in difficult cases, before any award is made. Bursary awards are re-assessed annually. The school also offered support to families in the case of financial hardship arising from the pandemic. The School's policy is to ensure funds are allocated for bursaries, and also develop further its programme of Scholarship and Enrichment activities which is open to scholars, as well as the wider School community. In addition, the School recognises the importance of family continuity and offers a 10% fee discount for third and subsequent children attending the School.

In support of all these awards the School committed £614k (2019: £606k) this year, of which £553k (2019: £552k) was awarded in bursaries to 45 students (2019: 54) through its General Fund, of which 11 (2019: 11) were 100%. In addition, £12k in hardship bursaries was awarded through funds donated by parents and Old Frenshamians. The availability of all such awards for fee-assistance is advertised on the School's website at www.frensham.org.

Volunteers

Old Frenshamians, Friends of Frensham, parents and members of the local community assisted and supported the School's educational and cultural activities throughout the year and the Board would like to record its appreciation of this invaluable and continuing support.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE

Operational Performance of the School

Educational value has been added to student achievement across all age groups; this has been monitored using nationally recognised prediction information systems. Through the Scholarship and Enrichment Programme; students gain a wealth of experiences which not only enhance their curriculum learning but also develop essential life skills, all of which add value to their time at Frensham. Trips and educational visits provide access to social, cultural, moral and spiritual experiences as students are challenged and have the opportunity for experiential learning. Due to Covid-19, the academic year for providing enrichment was cut short. However, through a remote learning platform, students continued to receive access to the curriculum delivered via a full timetable of live teaching. Opportunities for enrichment were creatively identified as the community was brought together in a number of ways

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2020

from students being involved in PPE support for the NHS, care homes and charities, virtual camp outs, virtual sports days, charity initiatives and challenges.

Exam results continue to be strong and increase, in line with the trajectory. This year the exam season was cancelled and Centre Assessed Grades were used. Frensham ensured that a robust process was followed to ensure that all grades allocated were fair and well deserved.

GCSEs: students achieved 43% 9-7; 65% 9-6; 97% 9-4 grades.

A Levels: students achieved 42% A*/A, 72% A*-B, 100% A*-E. In addition, some students undertook the Extended Project Qualification (equivalent to half an A Level); the pass rate was 71% A*-A.

The School continues to attract students in the South East and London through the unique nature of our education and pastoral care and has maintained strong student numbers. The School also remains active in the international market place and appeals to overseas students, mainly from Europe.

FUNDRAISING

The School is aware that its alumni and current parents have already committed significant funds to the School by the families' payment of school fees and has historically taken a low-key approach to additional fundraising; it does not employ professional or commercial fundraisers. The approach to fundraising was reviewed during the year and plans are emerging for a fundraising strategy. Funds raised are placed in a restricted fund intended for the future provision of bursaries. The School is aware of the need to protect vulnerable people from unreasonable and persistent fundraising pressure; it has not received any complaints about fundraising during the year.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Results

The School aims to generate sufficient surplus for reinvestment that advances the educational experience of all students and finances improvements to the School's facilities, so that it can continue to offer high quality education and student development. The majority of the School's income derives from fees and is closely related to student numbers for the year; enterprise trading activity also creates income. In the current year the group's net incoming resources amounted to £393k (2019: £496k). This includes income from the trading subsidiary of £76k (2019: £216k).

The School was impacted by Covid-19 with remote learning in place for the summer term and additional investment in IT resources, physical infrastructure and other resources to ensure the School could reopen safely for all pupils and staff in September. The School also received funding through the Coronavirus Job Retention Scheme and through active management of its expenditure was able to make some costs savings. Some of these savings were passed on to parents and guardians with a partial refund on the summer term's fees with refunds totalling £352k.

Trading Company

The wholly owned subsidiary and trading company, Frensham Heights Enterprises Ltd, continues to manage successfully the letting and hiring facilities at Frensham Heights. For the year ended 30 June 2020 the trading company has made a gift aid payment of £76k to the School. This was lower than in previous years due to disruption to weddings and residential lets during the coronavirus pandemic.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2020

Borrowing and Investment

The School has had no borrowing requirement during the year and holds no investments.

Reserves Level and Policy and Financial Viability

The School's reserves policy is to maintain sufficient unrestricted income reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall taking into account annual and longer term capital expenditure plans in conjunction with access to external financing. The level of free reserves will therefore fluctuate within the cycle of the capital programme. The Group's total reserves of £17,200k at the year-end included £549k unspent restricted income and £16,651k unrestricted income. £12,469k of this represented the net book value of fixed assets less associated internal funding arrangements and £516k designated for Scholarship funding, made against future years' fees leaving free reserves of £3,666k (2019: £2,880k) at the year-end. This compares with a policy level of £1,534k which would provide cover for up to two months' operating costs. The Trustees' policy is not to maintain free reserves in its wholly owned subsidiary, which therefore has no impact on the School's reserves. The governors are reviewing the reserves level in light of risk management strategies and will be updating this in the following financial year.

GOING CONCERN

The School produces regular financial information including budgets, forecasts and a longer term strategic business plan, which are closely monitored by the Governors. These budgets, cash flows and forecasts have been reviewed and revised in light of the Covid-19 pandemic, to take into consideration the current economic climate and its potential impact. A number of scenarios were produced which considered the wider potential impact from Covid-19 on the School's key operations, cash position, sources of income and planned expenditure. Revised forecasts have been prepared together with cash-flows, based on the most likely expected outcome from these scenarios, with sensitivity analysis on the key assumptions. The cash flow modelling with sensitivity analysis indicates that the cash reserves of the School are adequate to meet the charity's obligations as they fall due.

Therefore, the Governors have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities.

FIXED ASSETS

Acquisitions and disposal of fixed assets during the year are shown in Note 9 to the Financial Statements. Freehold buildings are currently included in the Balance Sheet at cost less depreciation. The Governors are satisfied that their current market value is in excess of their historic cost, but do not wish to spend charitable funds on obtaining a formal valuation for accounts purposes.

RISK MANAGEMENT

The Board of Governors is responsible for the identification and management of risk and continues to keep the School's activities under critical review at every Board meeting. Detailed consideration of specific risks is also conducted by relevant Governor Committees and their recommendations reported to the Board of Governors. The key controls used by the charity include:

- Formal agendas for all Committee and Board activity;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2020

-
- Comprehensive Risk Register
 - Formal written policies;
 - Clear authorisation and approvals; and
 - Vetting procedures as required by law for the protection of the vulnerable.

The highest priority risks identified by the Board of Governors at the end of the year which could lead to financial and operational challenges are:

1. The possible effect of the economic climate, including the impact of the pandemic, on student numbers.
2. The possible impact of changing government policy (including increases for employers' contributions to the Teachers' Pension Scheme) and/or the social environment reducing demand for independent school education.
3. Adverse impact upon students', staff and others' physical and mental health
4. Unpredictable adverse publicity affecting the School's reputation.

The Management Plan and strategies to manage these risks are to continue to enhance and market Frensham Heights' ethos; develop fresh marketing strategies to maintain student numbers; and to exercise tight financial control over spending and debtors.

Health and Safety is also a significant area of non-financial risk and it is closely managed. The risks range from fire and infrastructure damage to personal risks. The risks associated with all activities are minimised by preventative planning and risk assessment. The Board of Governors is satisfied that for all major risks identified, appropriate controls have been put in place and are maintained to mitigate the risks. It is recognised that systems can provide reasonable but not absolute assurance that major risks have been effectively mitigated.

The pandemic has had an impact on many aspects of education and school life, including a term of remote learning for many students and a range of adjustments for the partial reopening to certain year groups. Risks to potential student numbers, the boarding operation, and to physical and mental health have all been reviewed and regularly monitored by management and governors. Governors have considered the risks and ongoing uncertainties of the situation, including the impact on fee receipts and have identified a range of actions implemented in the year and under review for the future period. These include adjustments to fees, support for cases of unexpected financial hardship, and investing in facilities to support a safe learning and working environment.

FUTURE PLANS

The School's Strategic and Business Plan 2020-23, charitable objects and ethos provide the strategic direction for future plans; these are captured and articulated in the School's Management Plan 2020-2021. This document sets out the specific and detailed plans for next year. The key objectives within the current plan are:

- Student Achievement. Maximise student achievement through enhancements to Approaches to Learning and the role of tutors.
- Student Personal Development. Maximise student development by improving organisational skills. Further refine the PSHE (Personal, Social and Health Education) programme.
- Marketing. Maintain numbers around 525 and focus marketing effort on retention from Year 11 and recruitment into the Sixth Form and in the Early Years. Develop Frensham's position as a thought leader for progressive education.
- Parent Communication/Reputation. Build on the success of the new Parents' Information Evenings. Review effectiveness of parental communications.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2020

- Finance and Site/Facilities Development. Implement improvements to Finance and HR systems. Produce site development plan. Continue initiatives to increase energy efficiency and work to sustain the woodlands.
- Public Benefit. Maintain strong links with local schools, the local community (following success of the PPE provision for the NHS over lockdown) and partner schools in Malawi.

BOARD OF GOVERNORS

The Governors are all Directors of the School and their non-beneficial interests in the ordinary share capital in the year are as shown in the following table:

	31 July 2020	31 July 2019
William Bird	10	20
Angus Carlill	10	5
Margaret Coltman (retired)	-	20
Claire Fuller	10	5
Gerard Holden	10	20
Martin Lupton	5	5
Sally Marriott	10	-
William Marriott	5	-
Katherine Poulson	10	5
Jackie Sullivan	5	5
Philip Ward	5	5
Richard Fry	10	10
Peter Molyneux	10	-

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The members of the Board of Governors (who are also the directors of Frensham Heights Educational Trust for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Company law requires the members of the Board of Governors to prepare financial statements for each financial year. Under company law they must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group, including the income (and its application) and expenditure of the group for that year. In preparing these financial statements, the members of the Board of Governors are required to:

- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

REPORT OF THE BOARD OF GOVERNORS

YEAR ENDED 31 JULY 2020

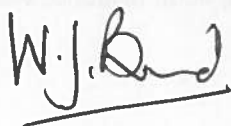
The members of the Board of Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

AUDITORS

Crowe U.K. LLP have expressed their willingness to continue in office as auditors.

This Annual Report, including the Strategic Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Governors of Frensham Heights Educational Trust Limited on 5 December 2020 and is signed as authorised on its behalf by:



William Bird:
Director and Chair of Governors

Independent Auditor's Report to the Members of Frensham Heights Educational Trust

Opinion

We have audited the financial statements of Frensham Heights Educational Trust for the year ended 31 July 2020 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2020 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you, where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on Page 10, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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



Andrew Thomas

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

Date: 19 March 2021

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure account)
FOR THE YEAR ENDED 31 JULY 2020

		Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
Income and endowments from:						
Charitable Activities						
School fees receivable	3	8,751	-	-	8,751	9,006
Other educational income	6	187	-	-	187	210
Other ancillary trading income	6	188	-	-	188	321
Other trading activities						
Trading turnover	4	247	-	-	247	435
Other Income		34	-	-	34	17
Profit / (Loss) on disposal		-	-	-	-	(3)
Investments						
Investment income	5	26	3	-	29	42
Voluntary Income						
Grants and Donations		225	16	-	241	4
Total Income		9,658	19	-	9,677	10,032
Expenditure on:						
Raising funds						
Fundraising Trading	4	166	-	-	166	214
Charitable Activities						
Education and grant making		9,107	11	-	9,118	9,322
Total expenditure	7	9,273	11	-	9,284	9,536
Net Income		385	8	-	393	496
Transfers between funds	16	4	-	(4)	-	-
Net movement of funds		389	8	(4)	393	496
Funds brought forward 1 August 2019		16,262	271	274	16,807	16,311
Funds carried forward 31 July 2020	17	16,651	279	270	17,200	16,807

All amounts relate to continuing operations. There are no recognised gains or losses other than the results for the year set out above.

The Notes on Pages 20 to 37 form part of these financial statements

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
(Company Number: 207173)

CONSOLIDATED BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Tangible fixed assets	9 a)	<u>12,740</u>	<u>13,076</u>
		12,740	13,076
CURRENT ASSETS			
Stocks		1	3
Debtors: amounts falling due within one year	11	274	316
Cash at bank and in hand		<u>5,554</u>	<u>4,870</u>
		5,829	5,189
CREDITORS: amounts falling due within one year	12	<u>1,367</u>	<u>1,456</u>
NET CURRENT ASSETS		<u>4,462</u>	<u>3,733</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		17,202	16,809
CREDITORS: amounts falling due after more than one year	13	<u>2</u>	<u>2</u>
NET ASSETS		<u>17,200</u>	<u>16,807</u>
CAPITAL AND RESERVES			
Called up share capital	15	-	-
THE FUNDS OF THE CHARITY	16		
UNRESTRICTED FUNDS			
Scholarship fund		516	580
Tangible fixed asset fund		12,470	12,802
General fund		<u>3,665</u>	<u>2,880</u>
		16,651	16,262
RESTRICTED FUNDS			
Endowments		270	274
Bursary and award funds		<u>279</u>	<u>271</u>
		549	545
TOTAL FUNDS	17	<u>17,200</u>	<u>16,807</u>

The profit for the financial year dealt with in the financial statements of the parent Company was £315k (2019: £280k).

Approved and authorised for issue by the Board of Governors on 5 December 2020




} Governors and Directors

William Bird

Angus Carlill

The Notes on Pages 20 to 37 form part of these financial statements

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED

(Company Number: 207173)

BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Tangible fixed assets	9 b)	12,736	13,071
Investments	10	10	10
		<u>12,746</u>	<u>13,081</u>
CURRENT ASSETS			
Stocks		1	2
Debtors: amounts falling due within one year	11	273	309
Cash at bank and in hand		5,383	4,640
		<u>5,657</u>	<u>4,951</u>
CREDITORS: amounts falling due within one year	12	<u>1,210</u>	<u>1,231</u>
NET CURRENT ASSETS		<u>4,447</u>	<u>3,720</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		17,193	16,801
CREDITORS: amounts falling due after more than one year	13	<u>-</u>	<u>-</u>
NET ASSETS		<u>17,193</u>	<u>16,801</u>
CAPITAL AND RESERVES			
Called up share capital	15	-	-
THE FUNDS OF THE CHARITY			
UNRESTRICTED FUNDS			
Scholarship fund		516	580
Tangible fixed asset fund		12,470	12,802
General fund		3,658	2,874
		<u>16,644</u>	<u>16,256</u>
RESTRICTED FUNDS			
Endowments		270	274
Bursary and award funds		279	271
		<u>549</u>	<u>545</u>
TOTAL FUNDS	17	<u>17,193</u>	<u>16,801</u>

Approved and authorised for issue by the Board of Governors on 5 December 2020.

W.J. Bird
Angus L. Carlill

} Governors and Directors

William Bird

Angus Carlill

The Notes on Pages 20 to 37 form part of these financial statements

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities			
Net cash provided by operating activities	(i)	<u>921</u>	<u>1,058</u>
Cash flows from investing activities:			
Payments for tangible fixed assets		(267)	(306)
Non-cash payments for tangible fixed assets		-	11
Proceeds on sale of tangible fixed assets		1	4
Investment income and bank interest received		29	42
Net cash (used in) / provided by investing activities		<u>(237)</u>	<u>(249)</u>
Cash flows from financing activities:			
Finance Costs Paid		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the reporting period		684	809
Cash and cash equivalents at the beginning of period		4,870	4,061
Cash and cash equivalents at the end of the reporting period		5,554	4,870

The Notes on Pages 20 to 37 form part of these financial statements

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2020

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

	2020	2019
	£'000	£'000
Net incoming resources	393	496
Elimination of non-operating cash flows:		
- Investment income	(29)	(42)
- Depreciation Charge	603	578
- Non Cash-Flow Item	-	6
Profit on sale of assets	(1)	(4)
(Increase) / decrease in debtors	42	60
(Increase) / decrease in stocks	2	-
Increase / (decrease) in creditors	(224)	(58)
Increase / (decrease) in fees in advance scheme creditors	219	(54)
Increase / (decrease) in parents' deposits	(84)	76
	<u>528</u>	<u>562</u>
Net cash provided by operating activities	<u>921</u>	<u>1,058</u>

(ii) Analysis of cash and cash equivalents

	2020	2019
	£'000	£'000
Cash held on current account	2,032	1,304
Cash held on deposit	3,519	3,562
Petty cash held	3	4
	<u>5,554</u>	<u>4,870</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1. COMPANY INFORMATION:

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 10 July 1925 (company number: 207173) and registered as a charity on 15 August 1966 (charity number: 312052).

2. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 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 (FRS 102)

Going Concern; As detailed in the Report of the Governors, the Governors have reviewed and revised the School's financial forecasting in light of the Covid-19 pandemic, to take into consideration the current economic climate and its potential impact. A number of scenarios were produced which considered the wider potential impact from Covid-19 on the School's key operations, cash position, sources of income and planned expenditure. Revised forecasts have been prepared together with cash-flows, based on the most likely expected outcome from these scenarios, with sensitivity analysis on the key assumptions. The cash flow modelling with sensitivity analysis indicates that the cash reserves of the School are adequate to meet the charity's obligations as they fall due.

Having regard to the above, the current cash position, and the expected cash flow over the next 12-24 months the Governors have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities.

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

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

The consolidated accounts include Frensham Heights Enterprises Limited, made up to 30 June 2020. In accordance with the exemption allowed under Section 408 of the Companies Act 2006, the charity's Statement of Financial Activities is not separately presented.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, 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.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

2. ACCOUNTING POLICIES (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised 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 trustees, 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 amounts in the next financial year.

b) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

c) Investment Income

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

d) Voluntary Income

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reasonably quantified and the economic benefit to the School is considered probable.

Donations receivable for the general purpose of the School 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 Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as 'endowments' – permanent or expendable according to the nature of the restriction.

e) Taxation

The School is a registered charity. As such it is exempt under present legislation from assessment to corporation tax on its net income and is able to reclaim tax deducted from covenants and interest received.

f) Tangible fixed assets and depreciation

All items with a value greater than £1,000 have been capitalised. Depreciation is provided annually at the following rates:

Freehold buildings	-	2% of cost
Timber buildings	-	5% to 6.7% of cost
Modular buildings	-	4% of cost
Motor vehicles	-	25% of cost
Furniture and other equipment	-	10% - 20% of cost
Solar Panels	-	5% of cost
Computer equipment	-	20% to 33.3% of cost

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

2. ACCOUNTING POLICIES (Continued)

g) Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to the activity in the year. The irrecoverable element of VAT is included with the item of expense to which it relates.

Raising funds comprise those costs directly attributable to the trading subsidiary (Note 3).

Support costs comprise a proportion of staff costs together with a proportion of overheads of the School. Governance costs are those incurred in connection with the governance of the School and compliance with constitutional and statutory requirements.

h) 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.

i) Stock

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

j) Pension schemes

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

Certain non-teaching staff are members of other defined contribution schemes. All non-teaching staff are entitled to join a group personal pension scheme, which complies with the requirements for a Stakeholder Pension Scheme.

k) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured and amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise trade creditors, other creditors, accruals and deposits.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

3. CHARITABLE ACTIVITIES - FEES RECEIVABLE	2020	2019
	£'000	£'000
Fees receivable consist of:		
School Fees	9,886	9,823
Less: Total bursaries, grants and allowances	(783)	(817)
Less: Covid-19 Fee refund	(352)	-
	<u>8,751</u>	<u>9,006</u>
 NET INCOME		
Net income is stated after charging:		
Depreciation of tangible fixed assets	603	578
Auditors' remuneration - Audit	22	19
- Other services	4	7
Staff costs (Note 8)	6,836	6,534
Operating lease costs	<u>50</u>	<u>46</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

4. TRADING INCOME

Frensham Heights Educational Trust Ltd owns the entire issued share capital of Frensham Heights Enterprises Ltd, Company Number 2866864, registered address Frensham Heights, Rowledge, Farnham, Surrey GU10 4EA. The principal activity of this company is that of managing letting and hiring facilities available at Frensham Heights.

	30 June 2020 £'000	30 June 2019 £'000
Turnover	247	435
Cost of sales	(116)	(171)
Gross profit	131	264
Administration expenses	(56)	(49)
Operating profit	75	215
Interest receivable	1	1
Profit on ordinary activities before taxation	76	216
Taxation	-	-
Profit on ordinary activities after taxation	76	216
Retained earnings at the start of period	6	6
Profit for the year	76	216
Gift aid to Frensham Heights Educational Trust Limited	(76)	(216)
Retained earnings at the end of period	6	6
Trading costs detailed above are disclosed in the consolidated Statement of Financial Activities as follows		
Cost of sales	116	171
Administrative expenses	56	49
Audit and professional fees included in governance costs	(6)	(6)
Fundraising trading as on Statement of Financial Activities	166	214

The School's and company's year-end are non co-terminus and it is not considered necessary to have identical year ends as it is not expected that any transactions will occur in the trading company in the intervening period which will have a material impact on the consolidated accounts. Administration expenses of the subsidiary include auditors' remuneration for audit services of £4k (2019 - £4k) and for other services £1k (2019 - £1k). These have been included in governance costs in the consolidated statement of financial activities.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

5. INVESTMENT INCOME

	Total 2020 £'000	Total 2019 £'000
Bank deposit account interest	29	42

6. INCOME FROM CHARITABLE ACTIVITIES

	2020 £'000	2019 £'000
Other educational charitable activities		
Entrance and registration fees	104	113
Courses and sub-lettings	83	97
	<u>187</u>	<u>210</u>
Other ancillary activities		
Insurance commissions	-	-
School Trips, Meals and Other Income	188	321
	<u>188</u>	<u>321</u>

7. ANALYSIS OF EXPENDITURE

	Staff Costs £'000	Other Costs £'000	Depreciation £'000	Total 2020 £'000
Trading expenditure	97	68	1	166
	<u>97</u>	<u>68</u>	<u>1</u>	<u>166</u>
Charitable activities				
Education and welfare	4,778	539	602	5,919
Housekeeping	363	232	-	595
Catering	249	277	-	526
Transport	-	18	-	18
Maintenance and estate	287	435	-	722
Support costs and governance	1,061	277	-	1,338
	<u>6,738</u>	<u>1,778</u>	<u>602</u>	<u>9,118</u>
Total expenditure	<u>6,835</u>	<u>1,846</u>	<u>603</u>	<u>9,284</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

7. ANALYSIS OF EXPENDITURE (Continued)

SUPPORT COSTS AND GOVERNANCE

	2020 £'000	2019 £'000
Salaries	1,062	919
Staff recruitment and travel	82	55
Marketing and professional fees	120	169
Telephone, postage, printing, stationery	27	37
Miscellaneous admin costs	24	39
Governance costs (Note 7)	23	25
	<u>1,338</u>	<u>1,244</u>

Governance costs include auditors' remuneration for audit services of £17k (2019: £15k) and for other services £4k (2019: £7k) and the reimbursement of two Governors' travelling and subsistence expenses of £756 (2019 three Governors: £1,827), as well as £768 for Governor miscellaneous and training costs.

8. STAFF COSTS

	2020 £'000	2019 £'000
Wages and salaries	4,960	4,845
Social security costs	496	479
Other pension costs	982	723
	<u>6,438</u>	<u>6,047</u>
Staff not directly employed by the School	<u>397</u>	<u>487</u>
	<u>6,835</u>	<u>6,534</u>
	No.	No.
The average monthly staff headcount was:		
Teaching	99	100
Administration	30	30
Other	26	27
	<u>155</u>	<u>157</u>

Included in the above, one permanent member of staff is employed in the trading subsidiary (2019: One). In addition, ad hoc staff are called upon throughout the year to provide support for functions in the trading subsidiary.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

8. STAFF COSTS (Continued)

	2020 £'000	2019 £'000
The total employee benefits (including employers' pension and national insurance contributions) of key management personnel were:	<u>998</u>	<u>805</u>

The following number of staff received remuneration in excess of £60,000 in the year:

	2020 No.	2019 No.
£60,001 to £70,000	2	2
£70,001 to £80,000	1	1
£110,001 to £120,000	<u>1</u>	<u>-</u>

Neither the governors nor persons connected with them received any remuneration or any other benefits from any employment with the charity or related entity within the year (2019: £4,434).

Included in the total staff cost figures above are termination payments to employees authorised during the year totalling £66k (2019 - £26k). All authorised payments were fully paid to employees during the year.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

9. TANGIBLE FIXED ASSETS

a) The Group

	Freehold Land, Buildings and Improvements £'000	Plant, Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 August 2019	16,453	1,769	151	18,373
Additions	70	185	12	267
Disposals	-	(13)	(4)	(17)
At 31 July 2020	16,523	1,941	159	18,623
Depreciation				
At 1 August 2019	4,247	919	131	5,297
Charge for the year	396	193	14	603
Disposals	-	(13)	(4)	(17)
At 31 July 2020	4,643	1,099	141	5,883
Net book value				
At 31 July 2020	11,880	842	18	12,740
<i>At 31 July 2019</i>	<i>12,206</i>	<i>850</i>	<i>20</i>	<i>13,076</i>

b) The School

	Freehold Land, Buildings and Improvements £'000	Plant, Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 August 2019	16,440	1,759	151	18,350
Additions	70	185	12	267
Disposals	-	(13)	(4)	(17)
At 31 July 2020	16,510	1,931	159	18,600
Depreciation				
At 1 August 2019	4,240	908	131	5,279
Charge for the year	395	193	14	602
Disposals	-	(13)	(4)	(17)
At 31 July 2020	4,635	1,088	141	5,864
Net book value				
At 31 July 2020	11,875	843	18	12,736
<i>At 31 July 2019</i>	<i>12,200</i>	<i>851</i>	<i>20</i>	<i>13,071</i>

Freehold Land, Buildings and Improvements includes assets in the course of construction at a cost of £70k (2019: £ Nil) not yet being depreciated.

Plant, Furniture and Equipment includes work in progress at a cost of £22k (2019: £Nil) not yet being depreciated.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

10. INVESTMENTS

Frensham Heights Enterprises Ltd	2020 £'000	2019 £'000
£1 Ordinary shares at par in Frensham Heights Enterprises Ltd	<u>10</u>	<u>10</u>
	<u>10</u>	<u>10</u>

Company

The company holds £10,000 ordinary shares, the entire issued share capital, of Frensham Heights Enterprises Limited.

The principal activity of the investee is the letting of facilities available at Frensham Heights School.

At 30 June 2020 Frensham Heights Enterprises Ltd had capital and reserves which totalled £17k (2019: £17k). The turnover for the year was £247k (2019: £435k).

Frensham Heights Enterprises Ltd is a company registered in England and Wales, registered number 2866864.

11. DEBTORS: amounts falling due within one year

	Group		School	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts due from group undertaking	-	-	92	30
Fees debtors	83	132	83	132
Sundry debtors and prepayments	191	184	98	148
	<u>274</u>	<u>316</u>	<u>273</u>	<u>310</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

12. CREDITORS: amounts falling due within one year

	Group		School	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Amounts owed to group undertakings	80	5	-	-
Fees deposits	520	604	520	604
Trade creditors	171	272	170	270
Other creditors and accruals	128	107	120	90
Fees received in advance	341	122	341	122
Deferred income	127	346	59	145
	<u>1,367</u>	<u>1,456</u>	<u>1,210</u>	<u>1,231</u>

The total amount held in relation to fees deposits of £520k is included above. In the normal course of business, the expected repayment of these amounts will be £178k within one year and £342k after more than one year.

The School holds pupil fee deposits. 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 July 2020 have been included within current liabilities. The prior year pupil fee deposits balance has been similarly represented.

Deferred Income Reconciliation

	£'000
Balance brought forward at 1 August 2019	346
Additions in current year	125
Release of deferred income	(344)
	<u>127</u>
Balance carried forward at 31 July 2020	

The deferred income balance relates mostly to future year school trips income; and on the trading subsidiary, future year residential lets and weddings.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

13. CREDITORS: amounts falling due after more than one year

	Group		School	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Deferred income	2	2	-	-
	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>

14. FEES IN ADVANCE SCHEME

The School is not currently offering a Fees in Advance Scheme due to the low interest rate environment.

15. SHARE CAPITAL

	2020 £	2019 £
Authorised 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

16. MOVEMENT ON FUNDS

	Balance at 1 August 2019 £'000	Incoming Resources £'000	Resources Expended £'000	Transfer Between Funds £'000	Balance at 31 July 2020 £'000
Restricted Funds					
Bursary and award fund	266	17	(11)	-	272
Music award fund	5	2	-	-	7
Endowment fund	<u>274</u>	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>270</u>
	545	19	(11)	(4)	549
Designated Funds					
Scholarship fund	580	-	-	(64)	516
Tangible fixed assets fund	<u>12,802</u>	<u>-</u>	<u>-</u>	<u>(332)</u>	<u>12,470</u>
General Fund	<u>2,880</u>	<u>9,657</u>	<u>(9,272)</u>	<u>400</u>	<u>3,665</u>
	<u>16,807</u>	<u>9,676</u>	<u>(9,283)</u>	<u>-</u>	<u>17,200</u>

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

16. MOVEMENT ON FUNDS (Continued)

	Balance at 1 August 2018 £'000	Incoming Resources £'000	Resources Expended £'000	Transfer Between Funds £'000	Balance at 31 July 2019 £'000
Restricted Funds					
Bursary and award fund	265	4	-	(3)	266
Music award fund	-	2	-	3	5
Endowment fund	279	-	-	(5)	274
	<u>544</u>	<u>6</u>	<u>-</u>	<u>(5)</u>	<u>545</u>
Designated Funds					
Scholarship fund	577	-	-	3	580
Tangible fixed assets fund	13,086	-	(284)	-	12,802
General Fund	<u>2,104</u>	<u>10,027</u>	<u>(9,253)</u>	<u>2</u>	<u>2,880</u>
	<u>16,311</u>	<u>10,033</u>	<u>(9,537)</u>	<u>-</u>	<u>16,807</u>

Bursary and award Fund

Consists of donations for the future award of bursaries. This will accumulate over time until the level of income the fund generates is sufficient to provide a reasonable bursary for a student.

Expendable Endowment funds

These are funds which have been given to the School to invest in the School's buildings.

Designated funds

These funds represent amounts set aside at the discretion of the Governors.

Scholarship fund

This scholarship fund is used to indicate scholarships and bursaries currently awarded for specific stages of education, made against future years' fees.

Tangible fixed assets fund

The fund represents the amount of general funds invested by the School in its tangible fixed assets after deducting those assets represented by the endowment funds.

Transfers

A transfer of £4k has been made between the endowment and unrestricted funds. This represents the depreciation charged on the proportion of the building represented by the endowment fund.

A transfer of (£64k) has been made to reduce the Scholarship Fund. This is to cover the School's future commitments at 31 July 2020 to bursaries and scholarships for specific pupils.

A transfer of (£332k) has been made between the General fund and the Tangible Fixed Asset Fund to ensure that this, plus the Endowment Fund, are equal to tangible fixed assets within the consolidated balance sheet.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

The Group	Unrestricted General Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £
Tangible fixed assets	12,470	-	270	12,740
Net current assets	4,183	279	-	4,462
	16,653	279	270	17,202
Creditors: amounts falling due after one year	2	-	-	2
	16,651	279	270	17,200

The Charity

Tangible fixed assets	12,466	-	270	12,736
Investments	10	-	-	10
Net current assets	4,168	279	-	4,447
	16,644	279	270	17,193
Creditors: amounts falling due after one year	-	-	-	-
	16,644	279	270	17,193

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued)

The Group	Unrestricted General Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £
Tangible fixed assets	12,801	-	275	13,076
Net current assets	3,461	272	-	3,733
	16,262	272	275	16,809
Creditors: amounts falling due after one year	2	-	-	2
	16,260	272	275	16,807

The Charity

Tangible fixed assets	12,796	-	275	13,071
Investments	10	-	-	10
Net current assets	3,448	272	-	3,720
	16,254	272	275	16,801
Creditors: amounts falling due after one year	-	-	-	-
	16,254	272	275	16,801

18. PENSION SCHEMES

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 £758k (2019: £534k) and at the year-end £Nil (2019: £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%.

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

18. PENSION SCHEMES (Continued)

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. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

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 the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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 consultation and the cost cap mechanism review are 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.

The pension cost for the year in relation to other defined contribution schemes amounts to £223k (2019: £189k) and has been included in the Statement of Financial Activities.

19. LEASING COMMITMENTS

The Trust is committed to making the following payments under operating leases:

	Equipment 2020 £'000	Equipment 2019 £'000
Due in less than one year	48	46
Due within two and five years	42	33
Due in more than five years	-	-

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

20. CAPITAL COMMITMENTS

At 31 July 2020 the School had outstanding retention commitments for: £183k in respect of the modular build project; £3.5k in respect of the swimming pool auto-dosing equipment; £4k in respect of the re-branding and website redesign project. The School had no other capital commitments.

21. RELATED PARTY TRANSACTIONS

In 2019-20 the School charged £15k (2019: £15k) to Enterprises for utilities and associated services. The balance owed to the School at 31 July 2020 was £92k (2019: £30k).

FRENSHAM HEIGHTS EDUCATIONAL TRUST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

22. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARISON FIGURES BY FUND TYPE

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total Funds 2019 £'000
Income and endowments from:				
Charitable Activities				
School fees receivable	9,006	-	-	9,006
Other educational income	210	-	-	210
Other ancillary trading income	321	-	-	321
Other trading activities				
Trading turnover	435	-	-	435
Fundraising Income	-	-	-	-
Other Income	17	-	-	17
Profit on Disposal	(3)	-	-	(3)
Investments				
Investment income	40	2	-	42
Voluntary Sources				
Donations	-	4	-	4
Total Income	10,026	6	-	10,032
Expenditure on:				
Raising funds				
Fundraising Trading	214	-	-	214
Charitable Activities				
Education and grant making	9,322	-	-	9,322
Total expenditure	9,536	-	-	9,536
Net Income	490	6	-	496
Transfers between funds	5	-	(5)	-
Net movement of funds	495	6	(5)	496
Fund balances at 1 August 2018	15,767	265	279	16,311
FUND BALANCES AT 31 JULY 2019	16,262	271	274	16,807

