

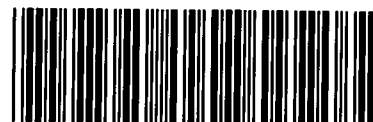
Company Registration No. 00556463
Registered Charity No. 309086

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

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



FRIDAY



AC3D4KBE

A13

12/05/2023

#148

COMPANIES HOUSE

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

Key executives and Professional Advisors

HEADMISTRESS: Ms S Wilson

BURSAR: Mrs R Frier

SENIOR LEADERSHIP TEAM:	Mrs R Whitton	Deputy Head (Pastoral and Boarding)
	Mr D Mitchell	Deputy Head (Academics)
	Mr J Hart	Assistant Head (Sixth Form)
	Miss W Reynolds	Assistant Head (Co-curricular)
	Ms A Morgan	Director of Marketing and Admissions
	Mr A Valner	Assistant Head (Pastoral and Boarding)
	Miss C Wells	Assistant Head (Operations)
	Mrs Z Benjamin	Assistant Head (Teaching and Learning)

BANKERS: Barclays Bank Plc

SOLICITORS: VWV
Orchard Court
Orchard Lane
Bristol
BS1 5WS

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

COMPANY SECRETARY: Mrs R Frier

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

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

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

REFERENCE AND ADMINISTRATIVE INFORMATION

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

Principal activities of the year

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

Governors

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

Organisational Management

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

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

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

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

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

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

Key:

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

Recruitment and Training of Governors

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

Key management personnel remuneration

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

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

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

Chapel

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

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

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

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

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

Related parties and other connected charities and organisations

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

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

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

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

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

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

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

Public Benefit Activities

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

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

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

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

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

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

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

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

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

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

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

Fundraising performance

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

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

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

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

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

Aims and Intended Impact

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

Heathfield aims to foster:

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

These values are engendered through four central pillars:

Community

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

Pastoral Care and Boarding

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

Teaching

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

Co-Curricular

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

Objectives for the year

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

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

Strategies to achieve the year's objectives

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

Admissions

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

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

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

Academic Strategy

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

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

Monitoring current pupils

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

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

Scholarship programme

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

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

Co-Curricular

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

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

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

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

STRATEGIC REPORT

The following sections of this report constitute the Strategic Report.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Academic Achievements

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

2022 leavers staying in the UK are destined for leading Russell Group universities such as Newcastle, Sheffield, Warwick, St Andrews and Durham to study a broad range of subjects including Politics, Sociology, Pure Mathematics, Computer Systems Engineering and English Literature.

At GCSE, across the board, 60% of grades received by Heathfield students were in the top 9-7/A*-A category. Core subjects continued to impress, with a 100% pass in Mathematics and English Language and 57% of girls securing a 9-7/A*-A in Mathematics, 81% gaining a 9-6/A*AB in English Language and 76% 9-6/A*-B in English Literature. Students also performed well in other subjects with 100% 9-7 in Art & Design, Chinese, Classical Greek, History, Latin, Music, Physics, Biology, Chemistry.

Sport

Pupils were finalists in the U13 Indoor Cricket Competitions. In Lacrosse, both the U14 and U12 teams were runners up in the South West School's Tournament and the Seniors and U14 teams were semi finalists in division 2 of the National Schools' Lacrosse competition. Five students were selected for the Lacrosse Regional Academy. In Swimming, at the Independent Boarding Schools Swimming Relays competition the school were placed 2nd in the 4 x 50m medley and 3rd in the 4 x 50m freestyle relay.

Extra Curriculum Activities:

Music

23 girls passed ABRSM instrumental and singing examinations during the year, with a range of instruments. Two LVI pupil received a distinction in their Grade VIII exams, flute and singing respectively, whilst a pupil in FII pupil also received a distinction in her Grade VIII piano exam.

LAMDA and Dance

Students took 75 LAMDA examinations between December 2021 and June 2022 – an increase of 50% on the same period 2020-2021. Twelve of these examinations were at the Higher Level – Grades 6-8 – for which the students also receive UCAS points. All 75 LAMDA exam students achieved a Distinction or Merit.

In Dance, students have achieved success in RAD Vocational and Graded Ballet Examinations and GCSE Dance this year, with exceptional results including a Grade 9 for GCSE Dance. Girls also participated in Ballet, Street Dance, Dance GCSE, Tap Dance, Pointe-work, Acro, Pilates and Yoga classes during the year.

Equestrian Events at Heathfield

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

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

Heathfield polo players took part with great enthusiasm at the SUPA schools' national tournaments at all age and abilities. There are three polo coaching sessions each week, with levels for the complete beginner, improvers and advanced.

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

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

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

Staff

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

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Governors consider that the School is on a sound financial footing, given the increasing pupil numbers year on year since 2018, and views the future with optimism, despite the challenges of the year due to the economic crisis. At the year end, the school held cash balances of £1,251,223 (2021: £2,168,265) and investments of £593,260 (2021: £350,540).

At 31 August 2022 the School had net assets of £13,006,738 (2021: £12,009,207), of which freehold property accounts for £13,852,775 (2021: £11,115,547). This is a vital area of focus for the School as the high quality facilities and living quarters are significant contributing factors in attracting new pupils.

During the year a net cash outflow of £917,402 (2021: inflow £1,026,196) occurred. Cash from operating activities was a net inflow of £2,575,253 (2021: £526,150) in the year.

The School made an operational surplus of £1,392,621 (2021: £1,069,883) in the year, which after depreciation and gains on investments, resulted in a surplus of income over expenditure of £997,531 (2021: £825,510). The School managed to recoup some of the lost income due to the coronavirus pandemic from 2020-21 via its Business Interruption insurance cover.

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

Reserves Policy

The Governors' policy is to build up free reserves to meet demands for further expenditure out of annual operating surpluses to equip the School with the up-to-date facilities needed to improve and maintain the standard of educational services and sporting facilities. The Governors are of the opinion that the total reserves on the Income and Expenditure account of £13,006,738 (2021: £12,009,207) are sufficient to meet the school's obligations for the foreseeable future (see note 15 for note on reserves).

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

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

Investment Policy

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

Going concern accounting Policy

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

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

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

Future Plans

The STEM building was completed for the start of the 2015-16 academic year and a further five building projects have been granted planning permission. The construction of a Sixth Form Study and Wellbeing Centre was completed by September 2022. The School is continually improving its facilities with smaller refurbishment projects as well as considering options for future capital plans which may include an additional classroom block, new sports hall and fitness suite and/or staff accommodation.

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

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

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

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

The COVID-19 risk has reduced to a more manageable level but it is the global economic situation, which is now the most significant risk and a cause for concern. Increases in inflation, particularly energy and food, will increase the School's operating cost over the near-term and this was already notable in the current period. The budget for the next financial period has identified these areas where possible. It is not yet clear whether, or to what degree pupils' parents will be affected but it should be noted that the pupil numbers for 2022-23 show a notable increase. Regardless, controls have been put in place to mitigate this risk and its possible enduring nature. Governors have concluded that the *Going Concern* basis remains applicable.

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

The key controls used by the Charity include:

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

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

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

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

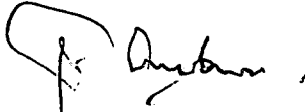
The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets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

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

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

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

BY ORDER OF THE BOARD



Mr Tom Cross Brown
Chair of the Governors

Date: 14 March 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2022

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's Responsibilities for the audit of the financial statements

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

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

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

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

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

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

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

Our approach was as follows:

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HEATHFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2022**

the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

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

9 Appold Street
London
EC2A 2AP

Date: 10 May 2023

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total Funds £	2021 Total Funds £
INCOME FROM:					
Charitable activities					
School fees	1a	8,057,290	-	8,057,290	6,053,040
Donations and grants	1b	365,927	256,370	622,297	1,441,186
Other trading activities					
Rental income	1c	97,190	-	97,190	97,917
Investments	1d	44,378	10,722	55,100	39,305
Total income		<u>8,564,784</u>	<u>267,092</u>	<u>8,831,876</u>	<u>7,631,448</u>
EXPENDITURE ON:					
Raising and managing funds	2	72,710	-	72,710	9,145
Charitable activities	2	7,737,263	14,572	7,751,835	6,866,728
Total expenditure		<u>7,809,974</u>	<u>14,572</u>	<u>7,824,546</u>	<u>6,875,873</u>
Net (losses)/gains on investments	9	(9,800)	-	(9,800)	69,935
NET INCOME		<u>745,011</u>	<u>252,520</u>	<u>997,531</u>	<u>825,510</u>
Reconciliation of funds					
Fund balances brought forward at 1 September	15	12,009,207	-	12,009,207	11,183,697
Fund balances carried forward at 31 August	15	<u>12,754,218</u>	<u>252,520</u>	<u>13,006,738</u>	<u>12,009,207</u>

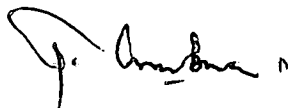
All amounts derive from continuing activities.

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

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Tangible assets	8		13,852,775		11,115,547
CURRENT ASSETS					
Investments	9	593,260		350,540	
Stocks	10	23,186		24,343	
Debtors	11	534,912		1,621,659	
Cash at bank and in hand		<u>1,251,223</u>		<u>2,168,265</u>	
		2,402,580		4,164,807	
CREDITORS - Amounts falling due within one year	12				
		<u>(2,037,867)</u>		<u>(2,001,578)</u>	
NET CURRENT ASSETS			364,713		2,163,229
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,217,488</u>		<u>13,278,776</u>
Creditors					
Amounts falling due after more than one year	13		(1,205,327)		(1,241,102)
Provisions for liabilities and charges	14		<u>(5,423)</u>		<u>(28,467)</u>
Net assets			<u><u>13,006,738</u></u>		<u><u>12,009,207</u></u>
FUNDS					
Restricted funds	15		252,520		-
Unrestricted funds					
Income and expenditure account	15		<u>12,754,218</u>		<u>12,009,207</u>
School Funds			<u><u>13,006,738</u></u>		<u><u>12,009,207</u></u>

Approved by the Board of Governors of Heathfield School on 14 March 2023 and signed on its behalf by



Mr Tom Cross Brown - Governor



Mr Steve Melcher - Governor

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Net cash inflow from operating activities	(a)	2,575,253	526,510
Cashflows from investing activities			
Investment income and interest received		27,581	15,557
Interest paid		(72,710)	(2,503)
Investments received		(252,520)	-
Proceeds from disposal of investments		-	312,606
Payments to acquire investments		-	(312,035)
Payments to acquire tangible fixed assets		(3,132,505)	(263,939)
Net cash outflow from investing activities		(3,430,154)	(250,314)
Cashflow from financing activities			
Loan received		-	750,000
Loan repayments		(62,500)	-
(Decrease)/increase in cash and cash equivalents in the year		(917,402)	1,026,196
Cash and cash equivalents at beginning of the year		2,168,625	1,142,429
Cash and cash equivalents at end of the year		1,251,223	2,168,625

Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
(a) Net expenditure including endowments	997,531	825,510
Adjustments for:		
Net losses/(gains) on investments	9,800	(69,935)
(Profit)/Loss on disposal of tangible fixed assets	(267)	1,978
Investment income	(27,581)	(15,557)
Interest paid	72,710	2,503
Depreciation charges	395,090	314,308
Decrease/(increase) in stock	1,157	(3,458)
Decrease/(increase) in debtors	1,086,747	(1,098,278)
Increase in creditors	63,109	576,831
Decrease in provisions	(23,044)	(7,752)
Net cash inflow from operating activities	2,575,253	526,150

	Balance at 31 August 2021 £	Cash Movements £	Balance at 31 August 2022 £
Net cash:			
Cash at bank and in hand	2,168,265	(917,402)	1,250,863
Bank loan	(750,000)	62,500	(687,500)
Net cash	1,418,265	(854,902)	563,363

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

ACCOUNTING POLICIES

Heathfield School Limited is a charitable company, incorporated in England and Wales and limited by guarantee. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' Report.

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

(a) Basis of preparation

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

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

(b) Going concern

The Governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the School to continue as a going concern. The Governors have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Governors have considered the School's forecasts and projections and have taken account of pressures on fee income, particularly in the light of the impact of the COVID-19 pandemic which occurred before these financial statements were approved and is explained in more detail in the Principal Risks section of the Governors' Report in these financial statements. After making enquiries the Governors have concluded that there is a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the governors continue to adopt the going concern basis for the preparation of the financial statements.

(c) Income

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

Fees receivable

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

Donations

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

The value of donated services and gifts in kind provided to the School are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the School can

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

Donations continued

be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the School's policies.

Grants receivable

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

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

(d) Expenditure

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

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

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

(e) Grant making policy

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

(f) Tangible fixed assets

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

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

Freehold buildings - St Mary's Theatre and STEM building	2%
Freehold buildings - Access road	10%
Freehold buildings - Other	Not depreciated
Freehold buildings - Swimming pool	3½%
Equipment	10% - 20%
Motor vehicles	20%

The Charity holds no inalienable or historic assets.

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

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

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

(g) Investments

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

(h) Stock

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

(i) Debtors

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

(j) Cash at bank and in hand

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

(k) Creditors and provisions

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

(l) Financial Instruments

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

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

(m) Employee benefits

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

(n) Pension costs

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

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

(o) Benefits in kind and gifts

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

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

(p) Operating leases

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

(q) Fund accounting

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

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

(r) Critical accounting estimates and areas of judgement

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

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

1 ANALYSIS OF INCOME

	2022	2021
	£	£
(a) Charitable activities		
Fees receivable	7,514,399	6,588,240
Less: bursaries, scholarships and discounts	(578,795)	(531,740)
Less: COVID discount	-	(266,763)
	<u>6,935,604</u>	<u>5,789,737</u>
Summer school	396,481	-
Business Interruption insurance claim	550,000	-
Registration fees	31,600	26,996
Retained deposit	1,000	-
Extras and disbursements	<u>142,604</u>	<u>236,307</u>
	<u><u>8,057,290</u></u>	<u><u>6,053,040</u></u>

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

(b) Donations and grants

	2022	2022	2022	2021
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Coronavirus Job Retention Scheme grant	-	-	-	266,305
Donations received	365,927	256,370	622,297	1,174,881
	<u>365,927</u>	<u>256,370</u>	<u>622,297</u>	<u>1,441,186</u>

All donations and grants income in 2021 related to unrestricted funds.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

(c) Other trading activities	2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total Funds £	2021 Total Funds £
Rental income	97,190	-	97,190	97,917
All income from other trading activities in 2021 related to unrestricted funds.				

(d) Investment income	2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total Funds £	2021 Total Funds £
Interest receivable	44,378	10,722	55,100	39,305
All investment income in 2021 related to unrestricted funds.				

2(a) Analysis of expenditure

2022	Staff costs £	Other £	Depreciation £	Total £
Charitable activities				
Teaching	3,122,263	318,111	-	3,440,374
Premises	963,991	1,519,655	396,046	2,879,692
Support costs (note 2b)	942,612	474,585	-	1,417,197
Raising and Managing Funds (note 2c)	-	72,710	-	72,710
	<u>5,028,866</u>	<u>2,385,061</u>	<u>396,046</u>	<u>7,809,974</u>
2021	Staff costs	Other	Depreciation	Total
Charitable activities	£	£	£	£
Teaching	3,011,934	340,476	-	3,352,410
Premises	926,561	1,034,294	314,308	2,275,163
Support costs (note 2b)	832,125	407,030	-	1,239,155
Raising and Managing Funds (note 2c)	-	9,145	-	9,145
	<u>4,770,620</u>	<u>1,790,945</u>	<u>314,308</u>	<u>6,875,873</u>

2(b) Support costs	2022 £	2021 £
Salaries and National Insurance	942,612	832,125
Printing, postage and stationery	14,071	17,549
Marketing and development	105,378	79,024
Computer costs	114,028	90,094
Bad debts & stock write off	11,253	42,072
Legal & Professional fees	84,283	88,538
Non-teachers' CPD	4,867	5,986
General expenses	119,989	64,747
Governance Costs (note 3)	20,715	19,020
	<u>1,417,197</u>	<u>1,239,155</u>

2(c) Raising and Managing Funds

Fundraising	54,849	6,642
Interest and charges	17,861	2,503
	<u>72,710</u>	<u>9,145</u>

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3 Governance Costs	2022	2021
	£	£
Legal & Professional fees	-	-
Audit fees	20,715	19,020
	<u>20,715</u>	<u>19,020</u>

4 Operating Surplus	Funds	Funds
	2022	2021
	£	£
The operating surplus is stated after charging:		
Depreciation and other amounts written off tangible assets	395,090	314,308
Operating lease charges	24,994	24,237
Auditor's remuneration - audit fee	20,715	19,020
	<u>20,715</u>	<u>19,020</u>

5 Employees

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

	2022	2021
	No.	No.
Teaching staff	52	53
Administration and support	77	78
	<u>129</u>	<u>131</u>

Employment costs

	Total	Total
	2022	2021
	£	£
Wages and salaries	4,128,615	3,963,853
Social security costs	414,815	373,121
Employer's pension contributions	451,474	423,854
Temporary staff costs	2,239	-
Other	33,961	9,792
	<u>5,031,105</u>	<u>4,770,620</u>

Included in the above are termination payments of £33,961 for three individuals (2021: £9,792 one individual).

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

	2022	2021
	No.	No.
£60,000 - £69,999	3	3
£70,000 - £79,999	-	-
£80,000 - £89,999	2	1

The employers pension contributions for the above employees was £41,069 (2021: £22,844).

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

6 Key Management Personnel

The charity considers that the key management personnel comprise the governors and the senior leadership team - who are the Headmistress, Deputy Head (Pastoral & Boarding), Assistant Head (Co-curricular), Deputy Head (Academic), Assistant Head Assistant Head (Teaching and Learning), Assistant Head (Operations), Bursar & Clerk to the Governors, Director of Development and the Director of Marketing & Admissions. The total employee benefits including pension costs of the key management personnel of the school were £824,489 (2021: £614,051).

7 Taxation

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

8 Tangible Fixed Assets

	Investment properties	Freehold properties £	Equipment £	Total £
Cost				
At 1 September 2021	-	12,696,615	3,533,354	16,229,969
Additions	750,000	2,361,976	20,529	3,132,505
Disposals	-	-	(237,833)	(237,833)
At 31 August 2022	750,000	15,058,591	3,316,050	19,124,641
Depreciation				
At 1 September 2021	-	2,002,067	3,112,355	5,114,422
Charge for the year	-	163,784	231,306	395,090
Eliminated on disposals	-	-	(237,646)	(237,646)
At 31 August 2022	-	2,165,851	3,106,015	5,271,866
Net Book Value				
At 31 August 2022	750,000	12,892,740	210,034	13,852,775
At 31 August 2021	-	10,694,548	420,999	11,115,547

The insured value of the Main School, Sports Hall, Swimming Pool, St Mary's Theatre and other buildings is £43,230,895

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

The school had capital commitments of £nil (2021: £1,984,908) at 31 August 2022.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9 Investments	2022	2021
	£	£
At 1 September	350,540	281,176
Additions	252,520	312,035
Disposals	-	(312,606)
Net gains/(losses)	<u>(9,800)</u>	<u>69,935</u>
At 31 August	<u>593,260</u>	<u>350,540</u>
Historical cost	<u>564,555</u>	<u>312,035</u>

Of the investments held £340,740 (2021: £350,540) relates to Fidelity Investments which is listed on the London Stock Exchange. The balance relates to M&G Charibond and Charifund acquired in 2022.

10 Stock	2022	2021
	£	£
Household and consumable materials	<u>23,186</u>	<u>24,343</u>

11 Debtors	2022	2021
	£	£
Tuition fees receivable	226,397	576,565
Bad debt provision	(70,115)	(98,322)
Other debtors	5,987	22,699
Prepayments and accrued income	<u>372,643</u>	<u>1,120,717</u>
	<u>534,912</u>	<u>1,621,659</u>

12 Creditors: Amounts falling due within one year	2022	2021
	£	£
Trade creditors	259,631	168,171
Loan	150,000	112,500
Tuition fees in advance (see below)	1,311,827	1,291,158
Other taxes and social security costs	102,576	95,036
Other creditors	141,511	287,178
Accruals and deferred income	<u>72,321</u>	<u>47,535</u>
	<u>2,037,867</u>	<u>2,001,578</u>

	2022	2021
	£	£
Total tuition fees in advance brought forwards	1,291,158	878,388
Released in year	(1,291,158)	(878,388)
Received in year	<u>1,311,827</u>	<u>1,291,158</u>
Total tuition fees in advance carried forwards	<u>1,311,827</u>	<u>1,291,158</u>
Repayable in one year or less, or on demand	1,311,827	1,291,158
Repayable in one year or more (see note 13)	<u>-</u>	<u>-</u>
	<u>1,311,827</u>	<u>1,291,158</u>

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

13 Creditors: Amounts falling due after more than one year	2022	2021
	£	£
Loan	537,500	637,500
Fee deposits	667,827	603,602
	<u>1,205,327</u>	<u>1,241,102</u>

In 2021, the school obtained a loan from Barclays Bank plc under the Government's Coronavirus Business Interruption Loan scheme. Interest is payable at Bank of England base rate plus 3.35% from December 2021 and the loan is repayable by November 2026. The amount due in more than five years is £nil (2021: £37,500). There is a charge outstanding over properties owned by the School in relation to these loans.

Fee deposits

Repayable in one year or less, or on demand	<u>75,070</u>	<u>84,500</u>
Repayable between one and two years	53,539	109,620
Repayable between two and five years	536,488	423,482
Repayable in five years or more	<u>77,800</u>	<u>70,500</u>
Total	<u>667,827</u>	<u>603,602</u>

Fees paid in advance

Repayable in one year or less, or on demand	<u>1,311,827</u>	<u>1,291,158</u>
Repayable between one and two years	-	-
Repayable between two and five years	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>

14 Provision for liabilities	2022	2021
	£	£
Balance at 1 September	28,467	36,219
Released in year (see note 17)	<u>(23,044)</u>	<u>(7,752)</u>
	<u>5,423</u>	<u>28,467</u>

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

15 Funds	Balance at 31 August 2021 £	Income £	Expenditure £	Gains & Transfers £	Balance at 31 August 2022 £
Unrestricted Funds - General	12,009,207	8,564,784	(7,809,974)	(9,800)	12,754,218
Restricted Funds	-	267,092	(14,572)		252,520
	<u>12,009,207</u>	<u>8,831,876</u>	<u>(7,824,546)</u>	<u>(9,800)</u>	<u>13,006,738</u>

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

	Balance at 31 August 2020 £	Income £	Expenditure £	Gains & Transfers £	Balance at 31 August 2021 £
Unrestricted Funds - General	<u>11,183,697</u>	<u>7,631,448</u>	<u>(6,875,873)</u>	<u>69,935</u>	<u>12,009,207</u>

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	13,852,775	-	13,852,775
Current assets	2,150,060	252,520	2,402,580
Current liabilities	(2,037,867)	-	(2,037,867)
Creditors falling due after 1 year	(1,205,327)	-	(1,205,327)
Provisions for liabilities and charges	(5,423)	-	(5,423)
	<u>12,754,218</u>	<u>252,520</u>	<u>13,006,738</u>

All net assets in 2021 were represented by unrestricted funds.

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17 Pension obligations

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

TPT Retirement Solutions

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

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

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

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

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

Reconciliation of opening and closing provision:	2022	2021
	£	£
Provision at start of period	28,467	36,219
Recognised in year	-	-
Unwinding of discount factor (interest expense)	162	175
Deficit contribution paid	(5,665)	(7,889)
Remeasurements - impact of change in assumptions	(239)	(38)
Remeasurements - amendments to the contribution schedule	(17,302)	-
	<u>5,423</u>	<u>28,467</u>

Income and expenditure impact:

Interest expense	162	175
Recognised in year	-	-
Remeasurements - impact of change in assumptions	(239)	(38)
Remeasurements - amendments to the contribution schedule	(17,302)	-

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

HEATHFIELD SCHOOL (LIMITED BY GUARANTEE)
REGISTERED NUMBER: 00556463
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17 Pension obligations continued

The assumed discount rate applied is 4.46% per annum (2021: 0.63%). This rate is the equivalent single discount rate which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Royal London Scheme

The pension charge for the year includes contributions payable to Royal London of £291,309 (2021: £338,747) and at the year-end £42,193 (2021: £45,481) was accrued in respect of contributions to this scheme.

18 Indemnity insurance

During the year the company purchased insurance for the directors of the school against liabilities arising from negligence in relation to the company as permitted under section 233 of the Companies Act 2006 with the approval of the Charities Commission. £36,996 (2021: £37,017) was paid for an all risks combined liability insurance policy. Included in this was public liability insurance and professional indemnity insurance relating to the trustees.

19 Company limited by guarantee

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

20 Related party transactions

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

The Chairman was also a trustee of St Mary's School Wantage Bursary Fund. The charity, which closed during 2022, raised funds to support bursaries provided by the School. During the year an amount of £267,092 (2021: £10,199) was donated to the School and at the year end £nil (2021: £nil) was owed to the School.

21 Controlling interest

The company is controlled by its Board of Governors.

22 Operating lease commitments

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

	2022	2021
	£	£
Due within:		
Less than one year	26,249	20,473
Between one and five years	27,389	19,167
	<u>53,638</u>	<u>39,640</u>

23 Contingent Liabilities

During the year end a legal case has arisen that could result in a future liability for the school. No financial liability can be quantified at this stage.