

Company Registration Number: 04009200  
Registered Charity Number: 312046/146

**Epsom College**  
(a company limited by guarantee)  
**Annual Report and Financial Statements**  
for the year to  
30 June 2023



**EPSOM COLLEGE**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**EPSOM COLLEGE**  
**YEAR ENDED 30 JUNE 2023**  
**GOVERNORS, OFFICERS AND ADVISERS**

**PATRON**

Her Most Gracious Majesty The Queen (deceased 8<sup>th</sup> September 2022)

**VISITOR**

The Right Reverend The Lord Bishop of Guildford

**GOVERNORS, DIRECTORS AND CHARITY TRUSTEES**

	Member of Finance and Infrastructure Sub- Committee	Member of Safeguarding, Education & Pastoral Sub- Committee	Member of Fundraising Sub- Committee	Member of Overseas Schools Sub- Committee
Mrs Sarah Blaney, BSc, LLB		•		
Dr Jeremy S Bolton, MA, MB, FRCPsych (resigned 1 July 2023)				
Mrs Tania Botting BEd Med		•		
Mrs Fiona Boulton, BSc, MA		•		
Mr John K Bowerman, MA (Oxon), MRICS (appointed 22nd May 2023)				
Mr Edward J Chandler MA (Cantab.) (resigned 1 <sup>st</sup> July 2022)	•			•
Dr Sundeep Dhillon MBE, BM BCh Oxf (appointed 10 <sup>th</sup> October 2022)				
Mrs Belinda Dolbear, LLB (resigned 1 <sup>st</sup> July 2022)		•		
Mrs Vivianne Gordon-Pullar, LLB	•			•
The Very Revd. Dianna Gwilliams, BA, MA, DL		•		
Mr John A Hay	•	•		•
Mr Ashley J Head	•	•	•	•
Mr Dej Mahoney, MA				•
Mr Julian D Mount (appointed 1 <sup>st</sup> March 2023)				
Mr Anish S Patel (appointed 6 <sup>th</sup> March 2023)				
Mr Andrew J Pianca FCA – Treasurer	•		•	•
Mr George B Pincus, MBE		•		
Mr Alex Russell MA, OBE – Chair (appointed 5 <sup>th</sup> October 2023)		•		
Mr Paul Stanford BSc (Hons) (resigned 1 <sup>st</sup> July 2022)	•			
Mrs Karen Thomas, BM (Soton), FRCS (Orth) – Vice Chair	•	•	•	
Mr Alexander Vartevanian (appointed 1 <sup>st</sup> March 2023)				
Mr Clive Watson, ACA, BA (Hons), MA, Mst (Cantab.)	•	•	•	•
Dr Alastair J Wells, MB, BS, DRCOG, MRCGP – Chairman (resigned 4 <sup>th</sup> October 2023)	•	•	•	•

**EPSOM COLLEGE**  
**YEAR ENDED 30 JUNE 2023**  
**GOVERNORS, OFFICERS AND ADVISERS (CONTINUED)**

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**OFFICERS (SENIOR LEADERSHIP TEAM – KEY MANAGEMENT PERSONNEL)**

Head:	Mrs Emma Pattison, BA (appointed 1 <sup>st</sup> September 2022; deceased 5 <sup>th</sup> February 2023) Sir Anthony Seldon (appointed 1 <sup>st</sup> March 2023)
Second Master:	Mr Paul J Williams, BSc
Deputy Head (Academic):	Mr Richard Alton, MA, Mphys
Assistant Head (Total Curriculum):	Mr Andy J Bustard, BA
Assistant Head (Teaching Staff):	Mr Will L S Keat, MA
Head of Lower School:	Mr Ed G Lance, BSc
Assistant Head (Sixth Form)	Mr Nick J Russell, MA
Assistant Head (Pupil Welfare)	Mrs Helen E Keevil, BA
Assistant Head (Designated Safeguarding Lead and Academic Advancement)	Ms Marisa Bosa, BEd
COO & Bursar and Company Secretary:	Mr Ben T L Bennett, MA, MBA (resigned 8 <sup>th</sup> December 2022)
Interim Bursar	Mr Brandon Ashton, BSc, FRICS (appointed 6 <sup>th</sup> January 2023; resigned 31 <sup>st</sup> August 2023)
Bursar	Mr Paul Ratcliffe BSc (Hons) CMgr FCMI (appointed 7 <sup>th</sup> August 2023)
Director of Marketing and Communications	Mr Mark Tobin (appointed 6 <sup>th</sup> January 2023)

**Secretary to the Governing Body**  
Mrs Emma Winfield LLB

**ADDRESS**

Epsom College  
College Road  
Epsom  
Surrey  
KT17 4JQ

**BANKERS**

Barclays  
Level 12  
One Churchill Place  
London  
E14 5HP

**INSURANCE BROKERS**

Marsh Insurance Brokers  
Rockwood House  
9-17 Perrymount Road  
West Sussex  
RH16 3DU

**INVESTMENT ADVISERS**

Quilter Cheviot Limited  
85 Queen Victoria Street  
London  
EC4V 4AB

**AUDITOR**

Crowe U.K. LLP  
St James House  
St James Square  
Cheltenham  
GL50 3PR

**SOLICITORS**

Farrer and Co.  
66 Lincoln's Inn Fields  
London  
WC2B 6AN

**WEBSITE**

[www.epsomcollege.org.uk](http://www.epsomcollege.org.uk)

# **EPSOM COLLEGE**

## **ANNUAL REPORT OF THE GOVERNORS**

### **FOR THE YEAR ENDED 30 JUNE 2023**

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The members of the Epsom College Governing Body present their Annual Report for the year ended 30 June 2023, including the Directors' and Strategic Reports, together with the audited financial statements for the year. The Annual Report and the financial statements have been prepared 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 102 – effective 1 January 2015.

#### **REFERENCE AND ADMINISTRATIVE INFORMATION**

Epsom College ("the College"), a registered charity (number 312046/146) and a company limited by guarantee (number 4009200), was incorporated on 6 June 2000. The Governors, executive officers, senior leadership team (key management personnel) and the principal address of the College are listed on pages 2 and 3. Particulars of the College's professional advisers are given on page 3.

Until 2 July 2000 Epsom College was one branch of the Royal Medical Foundation of Epsom College, a charity established by Act of Parliament of 1855.

On 2 July 2000 a Statutory Instrument, The Charities (Royal Medical Foundation of Epsom College) Order, dated 18 June 2000, replaced the old statutory provisions by more appropriate modern rules. Under the Order two new companies, limited by guarantee, were created as subsidiaries of the parent charity, "The Royal Medical Foundation of Epsom College". One subsidiary was formed to carry on the activities of the medical profession charity under the name "The Royal Medical Foundation" and the other to carry on the activities of the school under the name "Epsom College".

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

On 31 August 2022 Mr Jay Piggot stepped down as Headmaster of Epsom College after ten years of outstanding, and transformative, service. We thank him for his many successes and his tireless efforts to expand the College and improve its standing. Mr Piggot was succeeded by Mrs Emma Pattison, who became the College's 14th Head on 1st September 2022. The Michaelmas Term was therefore taken up with Mrs Pattison working with the Board of Governors in planning a new strategy for the College. Tragically, Mrs Pattison died just 4 weeks into the Lent Term and the College was confronted with a completely unforeseen and potentially catastrophic scenario. The Governors and Senior Leadership Team immediately implemented the College's Crisis Management Policy but the remainder of the year has been primarily concerned with recovering from the tragedy. In March Governors appointed Sir Anthony Seldon as the 15th Head on a fixed term contract until September 2024, with a remit to reassure parents, staff and pupils.

The Governors are aware of the Charity Governance Code published in 2017 and updated in December 2020, which sets out the principles and recommended practice for good governance within the sector. The Board of Governors has reviewed its current governance arrangements against the principles within the code and these are detailed within this report. The Board believes it now complies with the Code but will continue to review its operation against the Charity Governance Code over the coming year.

#### **Governing Documents**

The College is governed by its Memorandum and Articles of Association. These documents were last reviewed in detail and amended as appropriate in November 2012.

#### **Governing Body**

The Governors are also Directors and Trustees of the charitable company. The Governors are selected from a wide range of backgrounds, and the aim is to achieve a balanced Board with a core of individuals with educational, legal, accountancy, finance, property management, business, marketing and pastoral backgrounds. All share a genuine commitment to the future of the College. Governors work collectively as a group and are accountable to the wider community for the delivery of the best possible educational, pastoral and support service. They are responsible for ensuring that the overall structure is fit for purpose and consistent with the school's charitable objects. The conduct of affairs is delegated to the executive team consisting of the Head, the Bursar and the other members of the Senior Leadership Team; the Governors monitor performance in the light of an agreed framework.

The Chairman of the Board of Governors plays a key role in the leadership and management of the College. The Chairman's key responsibilities are:

- **Leading effective governance:** liaising between the Council of the parent charity, the Royal Medical Foundation of Epsom College and the Governors, giving the governing body a clear lead and direction, ensuring that the Governors work as an effective team and understand their accountability and the part they play in the strategic leadership of the College and in driving College improvement;

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**STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)**

- **Building the team:** attracting Governors with the necessary skills and ensuring that tasks are delegated across the governing body so that all members contribute, and feel that their individual skills, knowledge and experience are well used and that the overall workload is shared;
- **Relationship with the Head:** Being a critical friend by offering support, challenge and encouragement, holding the Head to account and ensuring the Head's performance management is rigorous and robust;
- **Improving the College:** ensuring improvement across the College is the focus of all policy and strategy and that governor scrutiny, monitoring and challenge reflect College improvement priorities;
- **Leading the business:** ensuring that statutory requirements and regulations are met, that the College provides value for money in its use of resources and that governing body business is conducted efficiently and effectively.

The Chairman plays a crucial role in setting the culture of the Board of Governors.

The Governors are appointed at the Annual General Meeting by the authorised representative of the Royal Medical Foundation of Epsom College.

Potential Governors are nominated by past or present Governors, the Head or other professional groups. The Governors will consider the eligibility, personal competence, specialist skills and local availability before any recommendations are made.

The recruitment, appointment and retirement of Governors, including their term of office, is agreed by the Board and set out in a detailed policy.

**Governors' Training**

The members of the Governing Body, as company directors and the charity Trustees, are legally responsible for the overall management and control of the College.

New Governors are inducted into the workings of the College, both as a company and as a charity, by being invited to briefing meetings with the Chairman, the Treasurer and the Secretary to Governing Body and to attend all of the sub-committees' meetings, as well as the Board meetings, in their first year of appointment. In addition, they are provided with guidance from both AGBIS (Association of Governing Bodies of Independent Schools) and ISC (Independent Schools Council), and are given the opportunity to attend relevant training courses.

The Board regularly reviews the skills, knowledge and experience held by the Board by carrying out an internal skills audit and appraising each Governor. The Board deems that the mix of Governors allows the Board to lead effectively and support the Senior Leadership Team to deliver the College's aims.

**Organisational Management**

The Board of Governors generally meet three times a year. There are, in addition, four permanent sub-committees: Finance and Infrastructure, Safeguarding, Education and Pastoral, Fundraising and Overseas Schools. These sub-committees meet at least once a term.

The Finance and Infrastructure Sub-Committee is one of the most important of the Governors' Committees and the one that is central to the discharge of their fiduciary responsibilities for the charity. The Chairman of Governors is a member of the Sub-Committee, and the Treasurer, a Governor with a strong financial background and the time needed to carry out this function is its Chair. The Chair of the Finance and Infrastructure Sub-Committee works closely with the Bursar and the Finance staff and maintains regular telephone and email contact throughout the year, supplemented by regular informal bilateral meetings when budgets, management and statutory accounts etc. are being prepared. The Head, Bursar and Head of Finance attend all meetings of the Finance and Infrastructure Sub-Committee.

The Safeguarding, Education and Pastoral Sub-Committee works closely with the Head and the other members of the Senior Leadership Team, especially the Second Master, the Deputy Head (Academic) and the Designated Safeguarding Lead. One of their main functions is to ensure a high quality, broad curriculum is offered that develops all children to the best of their academic, sporting, musical and artistic abilities. There is a further sub-committee, the Safeguarding Sub-Committee, Chaired by John Hay, which reports into the Safeguarding, Education and Pastoral Sub-Committee and which is responsible for safeguarding and child protection as well as the wider aspects of pupil well-being.

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**STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)**

The Fundraising Sub-Committee includes the Chairman and Vice-Chair of Governors and the Treasurer amongst its members. The Vice-Chair of Governors is the Chair of the Sub-Committee and the majority of members are supportive and well-connected parents, former pupils and former staff, who are ready to give active support to the fund-raising campaign. The Director of Development is responsible for reporting to this sub-committee, and one of the Development Office staff serves as Clerk.

The Overseas Schools Sub Committee includes the Chairman and Vice-Chair of Governors and the Treasurer who is the Governor responsible for overseeing the development and operation of the school in Malaysia, amongst its members. The purpose of the sub-committee is to monitor the progress of Epsom College in Malaysia, look at other overseas opportunities as they arise and make recommendations to the Board and to explore new areas of income generation.

Each Sub-Committee's membership and terms of reference are approved on an annual basis, reflecting the fact that ultimate responsibility for all of the activities handled by the Sub-Committee remains legally with the Governing Body as Trustees of the charity. Like all Boards, the members rely heavily on the professional leadership and expertise provided by the Head and members of the Senior Leadership Team.

Every Sub-Committee Chair and the majority of each Sub-Committee are Governors. The Chairs may, with the consent of the Chairman of Governors, invite suitably qualified individuals who are neither Governors nor members of staff, to join a Committee where it is felt that his or her expertise and vision would be of value. The Head and Bursar and other key members of the Senior Leadership Team attend Sub-Committee meetings as deemed appropriate by the Chairman of Governors, enabling members of College staff to provide the necessary information, advice and feedback to the Board of Governors. The Secretary to the Governing Body acts also as Secretary to each of the Sub-Committees.

Each Sub-Committee Chair is selected by the Chairman and the Board with care, and with a view to making the best use of his or her skills and attributes. Each Chair is responsible for reporting on the activities of his/her Committee to the next meeting of the full Board. The Secretary to the Governing Body is responsible for servicing all of the Sub-Committees, and for circulating minutes, agendas and papers, and for arranging meeting dates. She includes all the Sub-Committees' minutes and reports in the pack of papers circulated to the meetings of the full Board and ensures that each Sub-Committee Chair is allocated an agenda item at Board meetings in order to present his/her report. This formal structure is needed in order for the Board effectively to monitor policies and standards and ensure decisions are properly communicated.

During the year the Governing Body met three times in person for routine matters. The Board of Governors also met on 10<sup>th</sup> October 2022 and 1<sup>st</sup> March 2023 to walk around the College, meet pupils and staff as well as consider a range of College-wide issues including Epsom College's values, ethos and strategy and to monitor the College's compliance with relevant legislative and regulatory guidance. Board meetings also provide the opportunity for members of the College staff to make presentations to the Governors and to reflect on the year.

The Head, the Bursar and other members of the Senior Leadership Team, as key management personnel, attend meetings of the Governing Body as appropriate.

Delivery of the College's charitable vision and purpose is primarily dependent on the key management personnel and staff costs are the largest single element of charitable expenditure.

The remuneration of key management personnel is set by the Board, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the College's success. The appropriateness of the remuneration policy is reviewed annually; this includes comparisons with other independent schools to ensure that the College remains sensitive to the broader issues of pay and employment conditions elsewhere.

**Group Structure and Relationships**

Epsom College has three wholly owned non-charitable subsidiaries, Epsom College Enterprises Ltd., Epsom College Overseas Ltd. and Epsom College Transport Ltd. The activities of these three subsidiary companies have been consolidated on a line by line basis into the Financial Statements. Epsom College Enterprises Ltd. markets conferencing, meeting, sporting and other facilities at Epsom College, retails goods and manages the school Tuck Shop. Epsom College Overseas Ltd. manages the College's overseas financial interests. Epsom College Transport Ltd provides a transportation service to the College.

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**STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)**

Epsom College is an active member of both the Heads' Conference ("HMC") and the Independent Schools Council ("ISC"), and actively supports the promotion of the highest standards in the Independent Schools sector, partly through networking with other major schools and partly through internal development plans.

The College works closely with local charities and other local schools, both independent and maintained, in its ongoing endeavours to widen the public's access to the education it can provide, to optimise the College's cultural and sporting activities and to ensure that its pupils are aware of the social context of the all-round education they receive at the College. The College continues to create bursaries, through the generosity of donors, to enable means tested students to study at the College, joining either at 11+, 13+ or in the 6th Form.

The College also benefits from the generosity of a thriving network of Old Epsomians whose close support is greatly appreciated and acknowledged. In addition, the College is assisted by a number of volunteers who contribute to the many facets of school life. Their assistance is invaluable, and the Governors thank them for their ongoing support.

**Employment policy**

The College supports actively the attainment of the highest standards of education through rigorous and continuous evaluation of quality and performance, the application of best practice and a widespread desire to improve standards.

The College is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the College.

In order to promote an environment in which the College can call upon the widest possible range of knowledge, skill and experience, as well as ensuring compliance with the relevant legislation and codes of practice, the College is committed to achieving and maintaining a workforce which represents the population within its recruitment area in terms of race or colour, nationality or national or ethnic origins, religion or belief, sex, sexual orientation or marital status, age and disability.

To this end the College regularly reviews the operation of its recruitment, promotion, training and development policies to ensure that no applicant for employment or member of staff is disadvantaged by conditions or requirements which cannot be shown to be justifiable.

Communication with employees continues through normal management channels in a variety of forms and also through exceptional channels to appraise staff of current issues.

**Investment Policy and Objectives**

The Joint Investment Committee ("JIC"), a committee of the Royal Medical Foundation of Epsom College, is responsible for the management of the funds of the College on behalf of the Governors. The JIC meets twice a year, and currently delegates management of the funds to Quilter Cheviot Limited. A full report on the performance of our investments can be found within the Annual Report and Accounts of the Royal Medical Foundation of Epsom College.

In accordance with the Trustee Act 2000, the JIC have the power to invest in such stocks, shares and investments, as they consider appropriate. The JIC's primary objective is the preservation of the capital value of the trust funds, as adjusted for inflation (measured by the CPI). The secondary objective is to generate income and capital growth commensurate with the nature and requirements of the individual sub-funds. The JIC takes a long-term view on its investments and have instructed Quilter Cheviot Limited to give due consideration to social, environmental and ethical considerations when making investment decisions.

**OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

**Charitable Objects**

The primary Object of the College as set out in the Memorandum of Association is to provide generally for the advancement of education and, without compromising this primary object, to do so by the provision of a school with a preference for the children of registered medical practitioners. In addition, the College has a secondary Object to provide annuities or occasional financial assistance to registered medical practitioners, but only if it can do so without detriment to the primary object.



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**OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (Continued)**

Within this Object the College also has various endowed and restricted trust funds held for special purposes in connection with the development of the College's facilities and for scholarships, bursaries, prizes and other educational uses.

**Statement of Aims and Intended Impact**

The College's aim is to provide exceptional all-round opportunities - academic, social, sporting and cultural - in a safe and supportive community. The College is a school that aims for excellence, and values both achievement and endeavour.

The College challenges pupils to develop their talents and broaden their interests; to become confident in themselves and to be tolerant and appreciative of others. The College's values are integrity, ambition and kindness. Every pupil, teacher and member of the College community is expected to embody these values. They shape the way we relate to others and the way we conduct ourselves. They help to create a successful, harmonious community. They also act as an important reminder of our College's heritage.

Great schools are about the creation of community and the personal development of all who contribute to them. In 1855, Dr John Probert established the College to assist the orphans of medical families to an education that developed the whole character; pupils received free housing, clothing and schooling as an expression of Probert's altruism. The Victorian values of excellence and benevolence provided the founding principles of the College and they continue to shape the exciting trajectory the College community currently experiences.

A belief in the breadth of an education unites the community. The College wants its pupils to live happy and fulfilled lives, to find a passion for things that will matter to them, to experience challenge and achievement, and to find an attachment to the life of the mind. Pupils learn in every minute of every day. As a community, the College recognises that pupils find success and achievement in a host of different ways and personal successes are to be gained at many levels of experience.

At Epsom, our aim is to provide excellence for all- academic, pastoral/character, sporting and cultural – in a safe, inspiring and supportive community. The College was founded on the twin Victorian principles of excellence and benevolence, and these now complement our modern values of kindness, ambition and integrity. Our aim is to nurture individuals who aspire to these principles and values, and who may, in time, commit their lives to making a difference in society.

We challenge pupils to develop their talents and broaden their interests; to become confident in themselves and to be accepting and appreciative of others.

- To provide a flourishing co-educational environment for boarding and day pupils;
- To deliver a modern, challenging and stimulating academic curriculum;
- To challenge and, ultimately, eradicate any form of prejudice, within the College by promoting diversity, equality and inclusion throughout the community;
- To prepare pupils for entry into higher education, the workplace or apprenticeships, including those who aim for places on the most competitive courses at university;
- To preserve and strengthen the College's close traditional links to the medical profession;
- To provide comprehensive pastoral care and guidance under the leadership of dedicated and caring staff;
- To offer a wide range of co-curricular activities in order to foster the interest and maximise the individual potential of each pupil;
- To foster moral and spiritual values, acceptance and understanding in every pupil and from within Epsom's Christian foundation;
- To develop a strong sense of responsibility and commitment to the community;
- To further genuine awareness, understanding and co-operation between College pupils and staff and its wider communities, both local and international;
- To create a community where pupils will find some things that will matter to them for the rest of their lives

The aims and objectives set for the College's subsidiaries are to facilitate the achievement of the College's aims and objectives as above.

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**OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (Continued)**

**Primary Objectives**

**Strategies to Achieve the Objectives**

At the start of the year under review, the Governing Body, who are also Trustees of Epsom College, were focussed on the following areas to assist the College in fulfilling its aim and objectives:

- Work closely with the new Head to develop a fresh strategy for the next few years;
- Support the Head in implementing management changes to meet the vision for the operational management of the College;
- Work closely with the Head and Senior Team to embed the values of the school – kindness, ambition & integrity;
- Work closely with the newly appointed Assistant Head: Designated Safeguarding Lead (DSL) and Academic Advancement with a particular focus on the continuing enhancement of our safeguarding provision and the transition to the use of CPOMS, a software solution for monitoring safeguarding;
- Ensure that the College remains ‘future proof’ and aligns effectively with market demand by exploring possibilities of establishing further income streams;
- Continue to meet the recommendations of the three-year Equality, Diversity & Inclusion (EDI) Development Plan and support the work and development of the Head of EDI;
- Increase funding and pastoral support for pupils under the aegis the Royal National Children’s Springboard Foundation, Surrey County Council Looked After Children provision and Boarding Schools Partnerships and displaced pupils from Ukraine;
- Enable our Co-Curriculum to flourish and continue to promote our policy of ‘no-one on the bench’ and our pursuit of excellence in the form of national honours;
- Enable the completion of The Mermaid over the course of the academic year commencing September 2023 and facilitate a final push on supporting donations of the project.
- Following Mrs Pattison’s death in February, Governors’ focus changed to concentrating on “steadying the ship”, appointing a new Head and reassuring parents, staff and pupils. No pupils left the College as a result of the tragedy.

Work on the above objectives has continued throughout, albeit mitigated by the need to undertake this in the context of recovering from the tragedy. Additionally, the Governing Body have focussed on the following areas with the College’s Senior Leadership:

- Work on the appointments of key members of staff; namely, the 16th Head of the College and a new Bursar; the latter was appointed for August 2023.
- Work closely with the newly appointed Deputy Head: Pastoral and DSL with a particular focus on continuing to support our pupils with their grief and trauma from the events of February. as well as supporting staff.

**Principal Activities for the Year**

The College provides an education to boys and girls aged 11 to 18 on its 72-acre site situated on the outskirts of Epsom, Surrey. At the end of the academic year Epsom College had 1,097 pupils (2022: 1,063), of which 28% were boarders (2022: 31%). 44% (2022: 44%) of the pupils were female.

**Public Benefit Aims**

The Governors recognise the College’s broader responsibilities towards local communities, society and the environment, and staff and pupils are actively encouraged to expand their awareness, understanding and contribution to the wider society wherever possible.

Epsom College is committed to the aim of providing public benefit in accordance with its founding principles. In setting its aims the Governors have carefully considered and complied with the duty in s.17(5) of the Charities Act 2011 to have due regard to the Charity Commission’s published guidance concerning the operation of the benefit requirement under that Act.

The awarding of bursaries, scholarships and other awards is a measurable means of providing public benefit. The College is continuing its efforts to widen access to Epsom to talented youngsters with less financially fortunate families. 103 pupils in September 2023 (2022: 96) will now have the opportunity of an Epsom education, opened up through bursaries with help provided by the Education Trust, Epsom College Bursary Funds, The Old Epsomian Club and other generous benefactors. So far £2,418,000 (2022/23: £2,125,000) has been allocated to bursaries for the 2023/24 academic year.

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**OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (Continued)**

All bursaries are awarded based on a proven financial need, and in 2023/24 the average bursary awarded to a pupil will be £23,477 per annum (2022/23: £22,138). Of the 103 pupils with a bursary 52% (2022: 57%) are in receipt of support covering at least 75% of the fees. All but seven of the recipients have been awarded 'access widening' bursaries, enabling children whose parents could not have otherwise afforded to enrol their child to start at Epsom College.

The College is an accredited member of the Royal National Children's SpringBoard Foundation, and will be fully supporting four pupils (2022/23: four pupils) from disadvantaged circumstances, increasing social mobility by widening access to boarding education and learning, adapting and sharing best practice with other SpringBoard schools. In addition, the College continues to work with Boarding Schools Partnerships, an organisation that works with local authorities to place vulnerable children in boarding schools. In September 2023, the College will again be fully funding five children under this scheme. Furthermore, the College is supporting two pupils who are attending school under the Ukrainian Placement Scheme.

Those pupils who attend the College and who receive financial support contribute to the school community in a variety of ways and so the benefit is not purely to these pupils but to the whole College and, in some cases, to the wider community.

In addition to financial assistance, the College has engaged in many other activities that provide benefits within the College's objectives. An area of continuing development is the building of closer links with schools within the Bourne Education Trust.

Also, facilities are regularly used by local clubs and local junior schools (Wallace Fields, Banstead Juniors, Danetree). The swimming pool is especially busy, occupied by many local learn-to-swim programmes and also training for local clubs Epsom and Leatherhead; the hockey AstroTurf is the venue for Epsom Hockey Club, Cheam Hockey Club and youth team sessions, and the cricket pitches for regional coaching and matches. We also provide facilities to Surrey Netball, Surrey Squash, Surrey Schools Badminton, Surrey Hockey and Surrey Cricket. Epsom pupils referee or lead groups of junior pupils and Epsom hosts the annual Surrey Schools' Squash tournament for state and independent school pupils.

Throughout the last year, a sum of over £10,000 was raised for causes including the Teenage Cancer Trust, Surrey Stands With Ukraine, Disasters Emergency Committee effort for humanitarian relief in Turkey and Syria, and Epsom & Ewell Food Bank. Additionally, the College continued its long-time support of Growbaby, distributing over 1,300 donated toys for needy families in the borough of Kingston each December.

The College's Service programme sends over 200 sixth form and lower school pupils into the local community to offer up to an hour of service per week to local community projects, local maintained schools, gardeners, foodbanks, hospitals, disabled groups and ad hoc seasonal projects, complemented by use of the College's facilities by local maintained infants, junior and special schools and IT assistance for various community groups.

The College hosted a landmark conference on Artificial Intelligence in Education in May 2023. Delegates from both state and independent schools enjoyed inspirational talks from leading industry experts and practitioners. A further conference on Wellbeing took place in the Summer Term, again attended by delegates from state and independent schools. This focused on bereavement and support for pupils and families post-tragedy.

The College remains at the forefront of innovation and has launched the Bourne-Epsom Protocol in conjunction with The Bourne Education Trust to ensure that AI will maximise the interests of all involved in education, students, teachers, support staff, parents, governors and the wider community. We will do so by ensuring that AI enhances human intelligence and experience, and does so in a way that above all is to the benefit of the most vulnerable – including those with the least means, additional learning needs and those from diverse backgrounds.

## **STRATEGIC REPORT**

### **ACHIEVEMENTS AND PERFORMANCE**

#### **Review of Achievements and Performance for the Year**

##### **A-Level and GCSE Results**

The College enjoyed excellent A-level results in 2023 with 23% of grades A\*s and 60% A\*A. The grade distributions were returned to pre-pandemic levels this year and these results are among some of the best the College has ever achieved.

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**ACHIEVEMENTS AND PERFORMANCE (Continued)**

Overall, the A-level results were excellent and, of the 189 Leavers applying to University this year, over 90% have met the conditions for first and second choice institutions with 80% of students accepted at their first-choice university. Again, these entry levels are amongst the best the College has ever had.

At GCSE, the results were exceptional with 63% of all grades 9s and 8s and 83% 9s, 8s and 7s. These results are a College record for externally moderated examinations and demonstrate the progress the College has made over the past few years. Virtually all pupils achieved the grades they required to enter the Sixth Form.

Attaining academic achievement did not prejudice sporting and cultural activities this year. In sport there have been unprecedented successes at national level across a range of sports and both for teams and individually. The College prides itself on exceptional breadth of participation by boys and girls in an extensive fixture list against schools with a national reputation for sport. On average around 80% of the whole pupil roll play sport for the College across the year, with 95-100% in the younger groups.

The College's tri-service CCF remains one of the largest in the country and has produced several graduates and serving members of the armed forces across the years. The College also operates a high quality and vibrant Duke of Edinburgh programme, and has continued to see a significant increase in the number of pupils completing their silver and gold awards over the last few years. Similarly, participation and high levels of performance in Music and Drama is widespread, with excellence evident in the staging of plays and musicals such as 'Shrek', 'Tartuffe', 'Beauty and the Beast', 'The Comedy of Errors' and 'Matilda', as well as a wide range of high-quality weekly concerts and recitals by the broad range of musical groups and ensembles. All these are open to anyone to attend and are extremely popular. Individuals have also reached final stages of national competitions.

The Governors' commitment to maintaining the College's excellence has again been reinforced by the capital expenditure programme. Expenditure on capital work this year amounted to over £7.4m (2022: £6.7m).

**Fundraising Performance**

The fundraising activities of the College are coordinated and run through the Epsom College Development Department. Significant progress has been made this year in their ongoing work of raising voluntary funding for the College. Grants, donations and legacies donated through this department totalled £1,147,000 (2022: £1,155,000).

The operating costs of the Development Department are paid for by the College. For this year, the performance of fundraising, on costs of £220,000 (including staff costs), was a ratio of 19.2% against the £1,147,000 voluntary income receivable by the Development Department.

These figures exclude funds raised by pupils in support of other charities and the income given under gift aid by the trading subsidiary companies.

All fundraising activities for the College are carried out by the Development Department and College staff, with assistance from the alumni, parents and pupils for the running of specific fundraising events. The College does not use professional external fundraisers or have any commercial participators. All fundraising activities are managed by the Director of Development, with overall oversight by the members of the Fundraising Sub-Committee. From September 2023 the responsibilities of the Fundraising Sub-Committee will be undertaken by the Overseas Schools Sub-Committee and it will be renamed the Economic, Commercial, Charity and Overseas Sub-Committee.

Under the Charities (Protection and Social Investment) Act 2016, the College is reporting that no complaints relating to fundraising activities have been received by the College during this financial year. However, the College has in place procedures that would be followed in the event of a complaint being received, with the initial response being the responsibility of the Director of Development under the Head and the Chair of the Sub-Committee. Any continuing issues would then be passed to the Chairman of the College Governing Body to determine what further action might be required.

The College is a member of The Institute of Development Professionals in Education and the Council for Advancement and Support of Education and subscribes to the Fundraising Preference Service. It has voluntarily registered with the Fundraising Regulator and complies with the Code of Fundraising Practice. The College considers that it has set appropriate standards for the operation and management of its fundraising activities and these are outlined under its Code of Ethical Fundraising, which may be found on the College website. In particular, the College considers that its processes and controls should ensure that vulnerable people and other members of the public are protected from any unreasonable intrusion on a person's privacy and that no fundraising activities would be unreasonably persistent or place undue pressure on a person to give money or other property.

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**ACHIEVEMENTS AND PERFORMANCE (Continued)**

**Investment Performance**

At the year-end, the College's long-term investments totalled £8.7m (2022: £8.6m). The investments generated investment income of £258,000 (2022: £240,000) during the year. A combination of the sale of investments during the year and the year-end valuation

of invested funds resulted in net gains on investments of £168,000 (2022: net losses £840,000) being recognised in the Statement of Financial Activities.

In assessing performance, the JIC use various indices as a means of evaluating both the investment adviser in terms of performance against their competitors and the trust funds against returns achieved by other UK charities of the same size. In the past year the College has been above the mean average and the JIC are satisfied with this performance.

**Stakeholder Engagement and Section 172 (1) Statement**

The Governors, as Directors, must act in accordance with a set of general duties. These duties are detailed in section 172(1) of the U.K. Companies Act 2006, which is summarised as follows:

*'A Director of a Company must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:*

*The likely consequences of any decision in the long term*

*The interests of the Company's employees*

*The need to foster the Company's business relationships with suppliers, customers and others*

*The impact of the Company's operations on the community and the environment*

*The desirability of the Company maintaining a reputation for high standards of business conduct, and*

*The need to act fairly as between members of the Company.'*

The Governors consider that they have fulfilled their duties in accordance with section 172(1) of the U.K. Companies Act 2006 and have acted in a way in which is most likely to promote the success of Epsom College for the benefit of its stakeholders as a whole in the following ways:

**Pupils**

Boarding and day pupils alike benefit from the College's award-winning pastoral provision with staff placing as much importance on pupils' personal development, lifelong friendships and camaraderie as they do on exam results. Pupils are actively encouraged to offer comments and suggestions on the operation of the school through committees, houses or tutor meetings, and this pupil voice is actively considered in decisions made by the Senior Leadership Team and Governors.

The pupil centric focus continued during the year and specifically following the tragic death of Emma Pattison, recognising the challenges faced by pupils in coming to terms with this. Staff and external counsellors worked with individuals and groups of pupils to address any concerns. This has been supported by the creation of a pastoral action plan with short, medium and long-term actions and an external audit of co-educational provision.

The College's Personal and Social Development (PSD) programme has been significantly enhanced, particularly in Years 10 and 11 where more time has been given to the course. Modules have been refined and new modules introduced covering RSE, digital safety, spiritually & morality and physical wellbeing. These have been augmented to reflect emerging issues such as vaping, consent and Andrew Tait, and to help embed the College's values of kindness, ambition and integrity.

In October 2022 the College had its ISI progress monitoring visit and met all standards to make it fully compliant. While inspections can happen at any time we are now on the three-year cycle and anticipate the next ISI inspection to occur in during academic year 2025-2026

In September 2022, Epsom College won two awards at the Independent School of the Year Awards: the Student Wellbeing award and the coveted overall prize of Independent School of the Year.

**Employees**

The College recognises that the qualities and skills of its employees and the commitment of its staff play a major role in the College's success. Weekly briefings keep staff informed of school wide developments, and there are opportunities for staff consultation with Governors, both formally and informally.

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**ACHIEVEMENTS AND PERFORMANCE (Continued)**

Staff wellbeing has remained a key focus this year particularly following the tragic event in February. The College continues to offer support in the form of external counsellors as well as of trained teaching and support staff who had undertaken the mental health first aiders course and the College Chaplain has continued to add further care and energy to the College provision.

**Parents**

The College recognises the many benefits from engaging positively with parents; towards this end, the College publications highlight aspects of College life and provide an insight into the school, especially for parents of weekly and full boarders.

The Thursday Post, sent out at 3pm each Thursday, consolidates all of the week's notices and announcements into a singular email and its focus remains with an internal audience concerning matters relating to the successful running of the College. In addition, The Brief continues to be sent on a Friday afternoon to approximately 3,300 subscribers and it is an important component of the College's marketing and PR.

Parental attendance at events, co-curricular, Soirees, Founder's Day and Speech Day reached the highest levels on record; obviously, in part this reflects the growth of the school, however, it also indicates the strength and quality of the relationship that exists within the community.

**Community**

The College is proud of its place within the local community and endeavours to offer support and assistance where possible by sponsoring local sports clubs and offering opportunities for local schools and clubs to benefit from its excellent academic and co-curricular facilities. This has included hosting a cricket day for pupils with a range of disabilities from specialist schools in the local area, assisted by 6th Form students, something we hope to expand each year towards an Olympics-style event. The mainly 6th Form Service Programme works with local charities and social organisations to identify ways in which the pupil body can best provide support and assistance. Although the 250-strong programme had to adapt during the COVID years to working in-school and producing services and goods for local schools and charities, it has returned as a hybrid operation, with over 150 pupils returning to work in the local community each week, with others continuing to contribute in-school to deliver services. The programme is an integral part of the College's partnership with local state schools and continues to grow in scale and scope, with Lower School pupils involved once again.

The College has endorsed the three-year Equality, Diversity and Inclusion Development Plan; progress has been pleasing and set targets have been met; the work undertaken has received wider recognition and the members of staff at the heart of the provision are regularly invited to speak at regional and national conferences.

**Environmental Performance: Streamlined Energy and Carbon Reporting**

In accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the College presents its energy usage for the year under review.

	2023	2022
UK energy use <i>kWh</i>	8,648,099	8,665,890.56
Associated Greenhouse gas emissions <i>Tonnes CO<sub>2</sub> equivalent (tCO<sub>2</sub>e)</i>	1,612	1,670
Intensity ratio <i>tCO<sub>2</sub>e per pupil</i>	1.5	1.6

During the year, the College continued to upgrade the lighting from florescent tubes to LEDs and install dimmer switches and PIR light controls; this is an ongoing rolling programme. A contractor has been engaged to survey and upgrade all remaining lighting systems to LED and advise on any further measures we can take to save energy.

Other measures adopted include installation of check meters of the main water supply to mitigate leaks and save on water consumption. For utility consumption, the plan to replace heating systems with more energy efficient alternatives is underway and an air-source heat pump has replaced a gas boiler in one of the boarding houses.

Additional electric vehicle (EV) charging points have been installed on site during the year. Also, enabling works were completed to increase the number of general EV points to fulfil demand for charging points and also in preparation for replacing some of the

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## **ACHIEVEMENTS AND PERFORMANCE (Continued)**

minibus fleet with electric vehicles at the end of the current contract. The College vehicle fleet relies on 17-seater minibuses and, if and when, they become available in an electric version, we will look to exchange the fleet and utilise electric charging further.

In addition, electric vehicles are being used increasingly on site instead of petrol/diesel vehicles. The take up of electrical vehicles and the use of the EV has been minimal but the infrastructure is in place to expend when required.

The data includes electricity and gas used across the College campus and consumption of fuel used in College owned or leased vehicles or that used by staff in their own vehicles on College business. This data includes usage arising from the activities of Epsom College Enterprises Ltd. The electricity and gas data were gathered directly from supplier meter records and invoices, with fuel consumption data being gathered from vehicle mileage records. Domestic residences on the College site that are responsible for their own energy usage and bills are excluded from this report. The fuel consumption does not include daily staff or pupil commuting, however it does include College run transport to and from certain College activities and events, such as sports fixtures and community service activities.

Calculations were made in accordance with the GHG Protocol Corporate Accounting and Reporting Standard; further information on this protocol can be found here: <https://ghgprotocol.org/corporate-standard>. All the business activities included were converted into carbon emissions using the DEFRA 2021 published emissions factors. No mandatory emissions have been excluded from this report.

## **FINANCIAL REVIEW**

### **Results for the year**

The operating surplus of the College for the financial year was £2,055,000 (2022: £2,989,000). This exceeded forecast expectations, primarily due to funding secured from individuals to support pupils during their time at the College, and a number of other factors including strong ancillary income and tight control over costs.

The unrestricted surplus for the year as shown on page 21 of £6,812,000 (2022: £4,283,000) includes the change in the fair value of the financial derivatives of £1,858,000 (2022: £1,294,000) and a transfer from restricted reserves of £2,899,000 (2022: NIL). The revaluation of the financial derivatives is based on the movement of UK interest rates, which is outside our control, is unrealised and will not be realised unless the College repays the loan early. Following completion of the Mermaid, the new 6<sup>th</sup> form centre, total donations raised of £2,899,000 have been transferred from restricted to unrestricted funds.

Overall, funds from Restricted activities decreased by £2,509,000 (2022: surplus £616,000). As well as the transfer to Unrestricted funds noted above in relation to the Mermaid, some funds held within the investment pool have been transferred to endowed funds during the year (£656,000). Endowed Funds increased by £744,000 (2022: £590,000 deficit), due to the transfer from restricted funds and unrealised investment gains at the year end.

The Consolidated Statement of Financial Activities shows a total surplus across all funds of £5,047,000 (2022: £4,309,000).

The Balance Sheet of the College remains strong with Group net assets of £38,684,000 (2022: £33,637,000). The principal funding source of the College continues to be school fees receivable. The fees are used directly to support the primary objectives of the College disclosed on Page 8.

### **Reserves Policy, Level and Financial Viability**

The Group currently holds minimal free reserves. The College has continued to invest its unrestricted surpluses, over the years, into the College campus and educational facilities. This investment is vital to the long-term sustainability of the College. The College is able to operate using this model, due to the significant cash generated throughout the year via school fees, which, along with the banking facilities, provides the required working capital to operate the College during the year, and to manage any short-term income volatility. The Governors have reviewed this position and consider it remains appropriate.

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**FINANCIAL REVIEW (Continued)**

The Group's total reserves of £38.7m (2022: £33.6m) at the year-end is represented by £6.6m (2022: £5.8m) of endowed funds, £3.7m (2022: £6.2m) of restricted funds and £28.4m (2022: £21.6m) unrestricted funds. There are currently free reserves in the Group of £16,000 (2022: £16,000) and none in the College (2022: nil) as funds continue to be invested in tangible fixed assets. In terms of demand and pupil numbers, the impact of the tragic events in February on the school appears to be minimal. At the time of approving these financial statements, the College has not seen any material reduction in prospective pupil numbers. The Governors continue to be satisfied that external financial facilities provide an additional and adequate safety net, if it should be required and, therefore, have no concerns regarding going concern of the College. The Going Concern policy, found in Note 1(r) to the Financial Statements expands on the reasons for this conclusion.

A pension liability of £28,000 (2022: £47,000) arising from the College's obligations as a member of The Pension Trust (historic defined benefit pension scheme) exists at the year-end date. A funding agreement is in place with The Pensions Trust and the College has sufficient resources to meet the future funding requirements.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The College maintains a Risk Register which is reviewed annually by the Board of Governors with a view to ensuring that the charitable objectives of the College are achieved in the short, medium and longer term, and that the risks of the trading subsidiaries are understood and managed. The principal risks for the forthcoming academic year are as follows:

- **Political change:** a change of government at the next general election is looking increasingly likely, though not guaranteed. Whilst the Labour Party have stated they will not remove charitable status from independent schools, they have committed to implement VAT on school fees and to remove business rates relief;
- **Cost of living increases:** the cost-of-living crisis and increased inflation impacts the costs incurred by schools for goods and services, the wellbeing of staff and the ability of parents to pay school fees.
- **Pension and pay:** this continues to have financial implications and remains under constant review;
- **Health, Safety and Wellbeing:** the health, safety and wellbeing of our pupils, staff and community remains our utmost priority;
- **Pupil numbers:** could be at risk because of rising fees, the potential addition of VAT and increased financial pressure on parents.

The key controls used by the Governors to manage risk include:

- Formal agenda and minutes for the Committee and Board activities;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels;
- Vetting procedures as required by law for the protection of the vulnerable; and
- Consideration of the recent recommendations of any ISI inspections.

Through the risk management process established for the College and its subsidiaries, 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 Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks for both the College and its subsidiaries.

**FUTURE PLANS**

Over the course of the coming academic year the following aspects of school development will receive particular attention:

- Establish a new Strategy for the College with an associated Development Masterplan;
- Appoint the 16<sup>th</sup> Head in succession to Sir Anthony Seldon;
- Assist the new Bursar to settle effectively and efficiently into their new position;
- After the tragedy in February 2023, continue to support staff and pupils and ensure confidence in Epsom College;
- Ensure that the College remains 'future proof' and aligns effectively with market demand by exploring possibilities of



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**FUTURE PLANS (continued)**

- establishing further income streams;
- Continue to meet the recommendations of the three-year EDI Development Plan and support the work and development of the Head of EDI;
- Review and continue to improve the structure and effectiveness of data and information technology systems at the College;
- Increase funding and pastoral support for pupils under the aegis of the Royal National Children's Springboard Foundation, Surrey County Council Looked After Children provision and the Boarding Schools Partnerships and displaced pupils from the Ukraine;
- Continue to build upon the marked success of our Co-Curriculum programme both in terms of high participation levels and the success achieved by the College at County and National level;
- Continue to inform and identify best practice and to emphasise the importance of safeguarding and enhancing pupil wellbeing throughout the College community by engaging in externally sourced audits and reviews;
- Ensure all National Minimum Standards are met and the College remains at the forefront of pupil safeguarding and wellbeing;
- Continue to enhance the role of Epsom in the wider academic community with more conferences and guest speaker events.

**STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES**

The members of the Governing Body (who are also Directors of Epsom College for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the members of the Governing Body to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law, the Governing Body members 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governing Body members are required to:

- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting 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 members of the Governing Body 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DISCLOSURE OF INFORMATION TO AUDITOR**

Insofar as each of the Directors, as members of the Governing Body, 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 charitable company's auditor is unaware. Each member of the Governing Body has taken all the steps that he or she ought to have taken as a member of the Governing Body in order to make himself or herself aware of the relevant audit information and to establish that the charitable company's auditor is aware of that information.

**ELECTION OF DIRECTORS**

In accordance with the Articles of Association of the company Mrs Tania Botting, Mr John Hay, Mr Ayodeji Mahoney, Mr Andrew Pianca and Mr George Pincus, retire by rotation but, being eligible, offered themselves for re-election.

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**AUDITOR**

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor and a general resolution proposing reappointment will be submitted to the forthcoming Annual General Meeting.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of Epsom College on 8<sup>th</sup> November 2023, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



**A RUSSELL**  
Chair

**EPSOM COLLEGE**  
**REPORT OF THE INDEPENDENT AUDITOR**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**Independent Auditor's Report to the Members of Epsom College**

We have audited the financial statements of Epsom College ('the charitable company') and its subsidiaries ('the group') for the year ended 30 June 2023 which comprise Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

**In our opinion the financial statements:**

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 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 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 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.

**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 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.

**EPSOM COLLEGE**  
**REPORT OF THE INDEPENDENT AUDITOR**  
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**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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 15, 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](http://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. 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's and the group for fraud. The laws and regulations we considered in this context for the UK operations were the General Data Protection Regulation, Health and Safety legislation, Employment and 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.

**EPSOM COLLEGE**  
**REPORT OF THE INDEPENDENT AUDITOR**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the assumptions and volatility of valuation data used to value the financial instruments and derivatives, the procurement processes for significant capital projects for the College and the override of controls by management for all entities. Our audit procedures to respond to these risks included enquiries of management, and the Finance and Infrastructure Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate and reading minutes of meetings of those charged with governance.

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

**Use of our report**

This report is made solely to the 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 member as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
Cheltenham

Date: 27 November 2023

**EPSOM COLLEGE**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	Unrestricted	Restricted	Endowed	Total 2023	Total 2022
		£'000	£'000	£'000	£'000	£'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Charitable activities</b>						
School fees receivable	2	30,851	-	-	30,851	29,245
Ancillary trading income	3	2,300	-	-	2,300	1,859
<b>Other trading activities</b>						
Non-ancillary trading income	4	641	-	-	641	383
Other activities	4	200	-	-	200	200
<b>Investments</b>						
Investment income		-	258	-	258	245
Bank interest		67	8	-	75	14
<b>Voluntary sources</b>						
Grants and donations	6	-	1,321	-	1,321	1,444
<b>TOTAL BEFORE FINANCE INCOME</b>		<b>34,059</b>	<b>1,587</b>	<b>-</b>	<b>35,646</b>	<b>33,390</b>
Change in fair value of derivatives	5	1,858	-	-	1,858	1,294
<b>TOTAL INCOME</b>		<b>35,917</b>	<b>1,587</b>	<b>-</b>	<b>37,504</b>	<b>34,684</b>
<b>EXPENDITURE ON:</b>						
<b>Raising funds</b>						
Non-ancillary trading	7	194	-	-	194	135
Financing costs	7,8	579	-	-	579	535
Investment management	7	-	12	25	37	40
Fundraising and development	7	220	-	-	220	166
<b>TOTAL DEDUCTIBLE COSTS</b>		<b>993</b>	<b>12</b>	<b>25</b>	<b>1,030</b>	<b>876</b>
<b>CHARITABLE ACTIVITIES</b>						
Education and grant making	7	31,012	584	-	31,596	28,784
<b>TOTAL EXPENDITURE</b>	<b>7</b>	<b>32,005</b>	<b>596</b>	<b>25</b>	<b>32,626</b>	<b>29,660</b>
<b>NET INCOME/(DEFICIT) FROM OPERATIONS</b>		<b>3,912</b>	<b>991</b>	<b>(25)</b>	<b>4,878</b>	<b>5,024</b>
Transfer between funds	20	2,899	(3,555)	656	-	-
Gains/(losses) on investments	11	-	55	113	168	(840)
<b>NET INCOME FOR THE YEAR</b>		<b>6,811</b>	<b>(2,509)</b>	<b>744</b>	<b>5,046</b>	<b>4,184</b>
Pension scheme actuarial gains/(losses)	21	1	-	-	1	125
<b>NET MOVEMENT IN FUNDS</b>		<b>6,812</b>	<b>(2,509)</b>	<b>744</b>	<b>5,047</b>	<b>4,309</b>
Fund balances brought forward at 1 July	20	21,609	6,227	5,801	33,637	29,328
<b>FUND BALANCES CARRIED FORWARD AT 30 JUNE</b>	<b>20</b>	<b>28,421</b>	<b>3,718</b>	<b>6,545</b>	<b>38,684</b>	<b>33,637</b>

The notes on pages 25 to 42 form part of these financial statements.

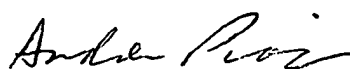
**EPSOM COLLEGE**  
**CONSOLIDATED AND COLLEGE BALANCE SHEETS**  
**AS AT 30 JUNE 2023**

Company registration number: 04009200

	Notes	Group 2023 £'000	Group 2022 £'000	College 2023 £'000	College 2022 £'000
<b>FIXED ASSETS</b>					
Tangible assets	10	38,283	33,874	38,261	33,852
Investments	11	8,722	8,603	8,797	8,678
Derivatives	12	3,230	1,435	3,230	1,435
		<u>50,235</u>	<u>43,912</u>	<u>50,288</u>	<u>43,965</u>
<b>CURRENT ASSETS</b>					
Stock		48	51	44	47
Debtors	13	2,601	1,250	2,985	1,738
Cash and deposits		<u>11,939</u>	<u>10,858</u>	<u>11,184</u>	<u>10,260</u>
		<u>14,588</u>	<u>12,159</u>	<u>14,213</u>	<u>12,045</u>
<b>CURRENT LIABILITIES</b>					
Creditors payable within one year	14	<u>(9,862)</u>	<u>(7,315)</u>	<u>(9,555)</u>	<u>(7,270)</u>
<b>NET CURRENT ASSETS/ (LIABILITIES)</b>		<u>4,726</u>	<u>4,844</u>	<u>4,658</u>	<u>4,775</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>54,961</u>	<u>48,756</u>	<u>54,946</u>	<u>48,740</u>
<b>LONG TERM LIABILITIES</b>					
Creditors payable after one year	15	<u>(16,277)</u>	<u>(15,119)</u>	<u>(16,277)</u>	<u>(15,119)</u>
<b>NET ASSETS</b>		<u>38,684</u>	<u>33,637</u>	<u>38,669</u>	<u>33,621</u>
<b>ENDOWED FUNDS</b>					
	19,20	6,545	5,801	6,545	5,801
<b>RESTRICTED FUNDS</b>					
	19,20	3,718	6,227	3,718	6,227
<b>UNRESTRICTED FUNDS</b>					
General	19,20	16	16	-	-
Fixed asset reserve	19,20	25,175	20,221	25,176	20,221
Derivative reserve	19,20	3,230	1,372	3,230	1,372
		<u>28,421</u>	<u>21,609</u>	<u>28,406</u>	<u>21,593</u>
<b>TOTAL FUNDS</b>		<u>38,684</u>	<u>33,637</u>	<u>38,669</u>	<u>33,621</u>

The net result of the parent charity for the year, included within the financial statements before investment gains, was a surplus of £4,878,613 (2022: £5,025,412).

These financial statements were authorised for issue and approved by the Governing Body on 8<sup>th</sup> November 2023 and were signed on its behalf by:



A J Pianca  
Treasurer  
Epsom College

The notes on pages 25 to 42 form part of these financial statements.

**EPSOM COLLEGE**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 £'000	2022 £'000
<b>Cash flows from operating activities</b>			
<b>Net cash provided by operating activities</b>	(i)	<b>7,256</b>	<b>7,721</b>
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		258	245
Payments for tangible fixed assets		(7,675)	(6,735)
Change in cash awaiting investment		49	(10)
Proceeds on sale of tangible fixed assets		7	9
<b>Net cash used in investing activities</b>		<b>(7,361)</b>	<b>(6,491)</b>
<b>Cash flows from financing activities:</b>			
Repayment of borrowing		(370)	-
Cash inflows from new borrowing		1,883	4,123
Movements in finance leases		(60)	(59)
Finance costs paid		(723)	(403)
New fees in advance money		1,933	1,239
Fees in advance money utilised		(1,477)	(1,321)
<b>Net cash provided by financing activities</b>		<b>1,186</b>	<b>3,579</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>1,081</b>	<b>4,809</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>10,858</b>	<b>6,049</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	(ii)	<b>11,939</b>	<b>10,858</b>

The notes on pages 25 to 42 form part of these financial statements.



**EPSOM COLLEGE**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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

	2023 £'000	2022 £'000
Net income for the reporting period (as per the statement of financial activities)	4,878	5,024
Investment income	(258)	(245)
Other finance income	(1,858)	(1,294)
Finance costs	723	535
Depreciation charges	3,266	3,135
(Profit) / loss on disposal of assets	(7)	5
Decrease/ (increase) in stock	3	(18)
Increase in debtors	(1,351)	(234)
Increase in creditors (excluding fees in advance)	1,860	813
	<u>2,378</u>	<u>2,697</u>
Net cash provided by operating activities	<u>7,256</u>	<u>7,721</u>

**ii) Analysis of cash and cash equivalents**

	2023 £'000	2022 £'000
Cash in bank	7,955	10,388
Cash in hand	14	14
Notice deposits	3,970	456
Total cash and cash equivalents	<u>11,939</u>	<u>10,858</u>

**iii) Analysis of changes in net debt**

	1 July 2022 £'000	Cash flows £'000	Non-cash changes	30 June 2023 £'000
Cash in bank	10,388	(2,433)	-	7,955
Cash in hand	14	-	-	14
Notice deposits	456	3,514	-	3,970
Overdraft facility (£1.5m) repayable on demand	-	-	-	-
Cash and cash equivalents	<u>10,858</u>	<u>1,081</u>	<u>-</u>	<u>11,939</u>
Bank loans falling due within one year	(103)	370	(919)	(652)
Bank loans falling due after more than one year	(13,015)	(1,883)	920	(13,978)
Finance lease obligations due within one year	(59)	60	(62)	(61)
Finance lease obligations due after more than one year	(130)	-	61	(69)
Total borrowings and finance lease obligations	<u>(13,307)</u>	<u>(1,453)</u>	<u>-</u>	<u>(14,760)</u>
Net debt	<u>(2,449)</u>	<u>(372)</u>	<u>-</u>	<u>(2,821)</u>

The notes on pages 25 to 42 form part of these financial statements.

**EPSOM COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**1. ACCOUNTING POLICIES**

The principle accounting policies adopted and critical areas of judgement are as follows:

**a) Basis of Preparation of the Financial Statements**

The financial statements have been prepared on the historical cost basis of accounting, as modified by the revaluation of investments, and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006, the Charities SORP (FRS 102) and the accounting policies set out below.

The functional currency of the College and Group is considered to be pounds sterling as that is the currency of the primary economic environment in which the College and Group operates. The financial statements are also presented in pounds sterling.

The financial statements consolidate, on a line-by-line basis, all funds of the College together with the financial statements of its wholly owned subsidiaries, Epsom College Enterprises Limited (company number 01066747), Epsom College Overseas Limited (company number 07562826) and Epsom College Transport Limited (company number 12437332) that are prepared for the same period. No separate Statement of Financial Activities has been prepared for the College alone, as permitted by Section 408 of the Companies Act 2006. The College 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 with the consolidated financial statements.

The College is a Public Benefit Entity and is registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 6 June 2000 (company number: 4009200) and registered as a charity on 26 June 2000 (charity number: 312046/146). The College is domiciled in the UK and the address of the registered office is Epsom College, College Road, Epsom, KT17 4JQ.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, Governors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and 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. Bank loans are measured at amortised cost using the effective interest rate method.

In the view of the Governors, with the exception of the derivative asset (see note 12), 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 earned income**

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the College against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

**c) Investment income**

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

**d) Donations, legacies and other voluntary income**

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

Voluntary income for the College's general purpose is accounted for as "Unrestricted Funds". Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention is to be permanent or not.

**EPSOM COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**1. ACCOUNTING POLICIES (Continued)**

**e) Grant income**

Grant income is recognised when there is evidence of entitlement, the receipt is probable and the amount can be reliably measured. There were no performance related conditions attached to grant income received.

**f) Expenditure**

Expenditure is accrued as soon as a liability is considered probable. Expenditure attributable to more than one cost category in the SOFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of complying with constitutional and statutory requirements as well as Governor training.

**g) Tangible fixed assets and depreciation**

Expenditure on the acquisition, construction or enhancement of land and buildings, vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £1,000 is capitalised and carried in the balance sheet at historical cost. Other expenditure on equipment incurred in the normal day-to-day running of the College is charged to the Statement of Financial Activities as incurred.

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal instalments over their expected useful economic lives. The current depreciation rates are as follows:

New buildings	2 – 4%
Freehold and leasehold improvements and renovations	2 – 20%
Furniture, machinery and equipment	10 – 25%
Motor Vehicles	25%

Buildings outside the College grounds have been included at their 30 June 1995 valuation. Costs associated with buildings in the course of construction have not been depreciated pending completion of the work.

**h) Investments**

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

Investments in subsidiaries are valued at cost less provision for impairment.

**i) Stock**

Stock represents goods for resale and is valued at the lower of cost or estimated selling price.

**j) Debtors**

Short term debtors are measured at transaction price (e.g. value of school fees billed but not yet paid), less any impairment.

**k) Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities including bank loans, are measured at fair value, net of transactions costs, and are measured subsequently at amortised cost using the effective interest method.

Pupil fee deposits held by the school: Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held are included within current liabilities.

**EPSOM COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**1. ACCOUNTING POLICIES (Continued)**

**l) School fees in advance**

In addition to the school fees, which are payable one term in advance, the College accepts fees for longer periods. These longer term fees paid in advance are credited to income when the fees are due. In consideration of the lump sum received the scheme provides for a discount to be applied towards the cost of education.

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

**m) Provisions for liabilities**

Provisions are recognised when the College has a present obligation (legal or constructive) as a result of a past event, it is probable that the College will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the Statement of Financial Activities ("SOFA") in the period it arises.

The College recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within two months of the balance sheet date. The provision is measured at the salary cost payable for the period of absence.

**n) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the College. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at fair value of the leased asset (or, if lower, the present value of the minimum lease payments) at inception of the lease. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

**o) Fund accounting**

The charitable trust funds of the College are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further sub-divided into permanent and expendable.

**Unrestricted** income belongs to the College's corporate reserves, spendable at the discretion of the Governors either to further the College's Objects or to benefit the College itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

**Restricted** income comprises gifts and legacies where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

**Permanent endowment** arises where a donor intends the gift to be retained permanently for use by the College (e.g. freehold land) or for its financial benefit (i.e. by investment).

**Expendable endowment** funds can be converted into income for spending at the Governors' discretion or else upon the happening of some event contemplated by the donor.

**EPSOM COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**1. ACCOUNTING POLICIES (Continued)**

**p) Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments, which are held at fair value.

Financial assets held at amortised cost and comprise cash at bank and in hand, together with all debtors other than prepayments and tax recoverable.

Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and fees received in advance. Bank loans are measured at the value of capital outstanding at the year end.

Derivatives are not basic financial instruments. These are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at the balance sheet date. Changes in fair value are recognised in the Statement of Financial Activities in finance costs or finance income as appropriate.

Derivatives classified as liabilities have been split between due with one year and after one year based on the future estimated cashflows.

**q) Pension costs**

Retirement benefits to employees of the College are provided through three pension schemes. The pension costs charged in the Statement of Financial Activities are determined as follows:

**The Teachers' Pension Scheme**

This is a multi-employer pension scheme and it is not possible to identify the College's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, the College accounts for the scheme as if it were a defined contribution scheme. The College's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

**Pensions Trust**

Contributions are paid, in respect of non-teaching staff, to the Pensions Trust into a defined contribution scheme. Contributions for current employees are generally at a rate equivalent to 7% of annual basic pay for those in the existing scheme and 4% for those who were auto-enrolled from the College's staging date of 1 January 2014.

The College previously contributed on behalf of staff into a Pension Trust defined benefit scheme. A liability exists in relation to the deficit funding for this historic scheme.

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

**r) Going concern**

The preparation of financial statements requires an assessment of the validity of the going concern assumption, this being dependent upon the availability of adequate financial resources to allow the College to continue in operational existence for the foreseeable future.

The income expected to be available depends most importantly upon an estimate of pupil numbers and their boarding status. At the time of approving these financial statements the College is experiencing increased pupil numbers compared with prior years. The impact of the current economic climate, particularly high inflation and increased costs, have been factored into the budget for the forthcoming year. The College has considered the effects of a small reduction in pupil numbers on the financial forecasts, taking account of current cash reserves, banking facilities and the College's ability to rescale its operations accordingly. There are currently adequate cash balances and banking facilities in place to ensure that the College can meet its obligations.

Consequently, the Governors believe the College's financial resources are sufficient to ensure the College will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements, and therefore consider it appropriate to prepare the financial statements on the going concern basis.

**EPSOM COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

<b>2. CHARITABLE ACTIVITIES – SCHOOL FEES RECEIVABLE</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Fees receivable consist of:		
School fees	33,035	30,996
Less: Scholarships, bursaries and other awards	(2,714)	(2,403)
	<u>30,321</u>	<u>28,593</u>
Add back scholarships and grants paid out of restricted funds	530	652
	<u>30,851</u>	<u>29,245</u>

Scholarships and grants paid out of restricted funds is the total restricted expenditure on grants and awards made during the year.

<b>3. CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Ancillary trading income		
Entrance and registration fees	164	161
Additional charges to pupils	2,093	1,598
Insurance commission	-	4
Other	43	96
	<u>2,300</u>	<u>1,859</u>

<b>4. OTHER TRADING ACTIVITIES</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Non-ancillary trading income		
Epsom College Enterprises Ltd	347	308
Epsom College Transport Ltd	-	-
Courses and lettings	147	75
Insurance claim	147	-
	<u>641</u>	<u>383</u>
Other activities		
Epsom College Overseas Ltd – royalties	200	200

**Trading subsidiaries**

Epsom College Enterprises Ltd: the aggregate amount of its assets, liabilities and funds as the end of the reporting period were £91,491 (2022: £91,491). It had turnover of £346,577 (2022: £308,529), expenditure of £145,853 (2022: £114,342) and a profit of £200,724 (2022: £194,187) for the reporting period.

Epsom College Overseas Ltd: the aggregate amount of its assets, liabilities and funds as the end of the reporting period were £100 (2022: £100). It had turnover of £200,000 (2022: £200,000), expenditure of £14,123 (2022: £3,671) and a profit of £185,877 (2022: £196,329) for the reporting period.

Epsom College Transport Ltd: the aggregate amount of its assets, liabilities and funds at the end of the reporting period were £100 (2022: £100). It had turnover, derived from transport services provided to Epsom College, of £240,055 (2022: £184,873), expenditure of £206,002 (2022: £159,350) and a profit of £34,053 (2022: £25,523) for the reporting period.

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**5. FINANCE INCOME**

	2023 £'000	2022 £'000
Change in fair value of derivatives	1,858	1,294

**6. GRANTS AND DONATIONS RECEIVABLE**

	Unrestricted £'000	Restricted £'000	Endowment £'000	Total 2023 £'000	Total 2022 £'000
Donations to the College for other charities, bursaries, fixed asset purchases and other purposes	-	137	-	137	426
Donations to the Epsom College Education Trust for the development of educational facilities and activities of the College	-	1,148	-	1,148	916
Other donations	-	36	-	36	-
Government Grants	-	-	-	-	102
	-	1,321	-	1,321	1,444

During the year ended 30 June 2023 two Governors made total donations of £12,321 to the College for the development of educational facilities (2022: six Governors donated £120,000 in total).

**7. ANALYSIS OF TOTAL EXPENDITURE**

**(a) Total expenditure**

	Staff Costs £'000	Other Costs £'000	Depreciation £'000	2023 Total £'000	2022 Total £'000
<b>Raising funds</b>					
Trading costs	-	184	10	194	135
Fundraising costs	146	74	-	220	166
Investment management	-	37	-	37	40
Financing costs (note 8)	-	579	-	579	535
<b>Total raising funds</b>	146	874	10	1,030	876
<b>Charitable activities</b>					
Teaching	12,105	2,949	37	15,091	13,332
Welfare	3,763	2,006	-	5,769	5,328
Premises	465	2,741	2,555	5,761	5,125
Support and governance costs	1,724	2,003	664	4,391	4,316
Grants, awards and prizes	-	584	-	584	683
<b>Total charitable activities</b>	18,057	10,283	3,256	31,596	28,784
<b>Total expenditure</b>	18,203	11,157	3,266	32,626	29,660

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**7. ANALYSIS OF TOTAL EXPENDITURE (CONTINUED)**

**(b) Governance included in support costs**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Remuneration paid to auditor for audit services	53	37
Remuneration paid to auditor for assurance services	1	3
Reimbursement of personal expenses to Governors – travel costs	2	-
	<u>56</u>	<u>40</u>

Remuneration paid to auditor for audit services and assurance services exclude irrecoverable VAT.

Remuneration paid to the auditor of the trading subsidiaries for audit services are included, net of VAT, within Trading costs and amount to £12,800 (2022: £10,885).

Remuneration paid to the auditor of the trading subsidiaries for tax services was £4,550 (2022: £7,100).

**8. FINANCE COSTS**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
School fees in advance financing costs	148	43
Bank borrowings financing costs	589	416
Interest rate swap (income)/costs	(159)	75
Pension scheme financing costs	1	1
	<u>579</u>	<u>535</u>

**9. STAFF COSTS**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
The aggregate payroll costs for the year were as follows:		
Wages and salaries	14,629	13,446
Social security costs	1,576	1,436
Pension contributions	1,998	1,863
	<u>18,203</u>	<u>16,745</u>

Aggregate employee benefits of key management personnel	<u>1,595</u>	<u>1,453</u>
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The average number of employees during the year was:

	<b>2023</b>	<b>2022</b>
Teaching	127	122
Other	324	315
	<u>451</u>	<u>437</u>

None of the Trustees, or persons connected with them, received any remuneration during the year.

Travel expenses of £1,613 were reimbursed to one governor during the year (2022: £74).



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**9. STAFF COSTS (CONTINUED)**

The number of employees who received remuneration of £60,000 or greater, in the following bands, was:

	2023	2022
£60,001 - £70,000	34	36
£70,001 - £80,000	19	14
£80,001 - £90,000	9	4
£90,001 - £100,000	1	-
£100,001 - £110,000	2	1
£120,001 - £130,000	-	2
£160,001 - £170,000	1	-
£260,001 - £270,000	-	1

The number with retirement benefits accruing in the Teachers' Defined Benefit and Non-Teachers' Defined Contribution Schemes was 55 and 9 respectively (2022: 50 and 8). The relevant amount of contributions in respect of the Non-Teachers' Scheme was £56,070 (2022: £48,866).

Redundancy payments of £4,996 were made during the year (2022: £2,163). There were no settlement payments made during the year (2022: £26,373). There were no outstanding payments at the year-end (2022: nil).

**10. TANGIBLE FIXED ASSETS - COLLEGE AND GROUP**

	Land & Buildings	College Assets Under Construction	Plant, Machinery & Vehicles	Fixtures & Equipment	College Total	Subsidiary Fixtures & Equipment	Group Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or frozen valuation</b>							
<i>At 1 July 2022</i>	64,223	6,136	1,858	5,749	77,966	63	78,029
Additions at cost	2,562	4,271	141	691	7,665	10	7,675
Transfers	10,407	(10,407)	-	-	-	-	-
Disposals	-	-	-	(1,018)	(1,018)	-	(1,018)
<b>At 30 June 2023</b>	77,192	-	1,999	5,422	84,613	73	84,686
<b>Depreciation</b>							
<i>At 1 July 2022</i>	38,101	-	1,661	4,352	44,114	41	44,155
Charge for the year	2,457	-	102	697	3,256	10	3,266
Eliminated on disposals	-	-	-	(1,018)	(1,018)	-	(1,018)
<b>At 30 June 2023</b>	40,558	-	1,763	4,031	46,352	51	46,403
<b>Net book value</b>							
<i>At 1 July 2022</i>	26,122	6,136	197	1,397	33,852	22	33,874
<b>At 30 June 2023</b>	36,634	-	236	1,391	38,261	22	38,283

Included in additions is £1.25m in respect of a new property for staff accommodation. Contracts had been exchanged at the year end and the transaction completed in July 2023.

The amount of expenditure on buildings up to 31 December 1955 is unascertainable and is not considered to be material to these financial statements. Expenditure since that date has been capitalised in the balance sheet.

**EPSOM COLLEGE**  
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**10. TANGIBLE FIXED ASSETS - COLLEGE AND GROUP (Continued)**

Included in Land & Buildings are properties outside the College grounds. These were first capitalised in the balance sheet as at 30 June 1995 at their market value of £2,060,771 at that date. Additions since then have been included at cost. Chartered Surveyors carried out an independent valuation of freehold properties outside the College grounds as at 30 June 1995 on the assumption that vacant possession was immediately available. Properties comprising sub-divided flats were valued on the assumption that the individual flats had the benefit of 99 year leases at peppercorn ground rent and that an acceptable management and service agreement was in place. No structural survey or legal searches were carried out.

The total net book value of fixtures & equipment of the College of £1,391,000 (2022: £1,397,000) includes £81,120 (2022: £156,000) held under finance lease. Depreciation charged on these assets amounted to £74,880 (2022: £74,880).

All tangible fixed assets are held for use in charitable activities.

**11. INVESTMENTS**

**a) Group and College Investment movements**

	2023 £'000	2022 £'000
Group investments as at 1 July	8,603	8,971
New capital introduced	-	500
Change in cash awaiting investment	(49)	(28)
Unrealised gains/(losses)	86	(751)
Realised gains/(losses)	82	(89)
Group investments as at 30 June	<u>8,722</u>	<u>8,603</u>
Investment in subsidiaries	75	75
College investments at 30 June	<u>8,797</u>	<u>8,678</u>

**11. INVESTMENTS**

**b) Investment analysis**

	2023 £'000	2022 £'000
Group investments in pool	8,722	8,603
Investment in subsidiaries	75	75
College investments	<u>8,797</u>	<u>8,678</u>
Historic Cost	<u>6,714</u>	<u>6,354</u>

Pool investments represent units in the RMF of Epsom College's investment pool established under the DES Scheme of 1967. The allocation of investment income, gains and losses on revaluation are based, under the rules of the scheme, on the opening capital and income value of the fund. The allocation of pool assets by asset class is disclosed in the consolidated financial statements of the parent charity, the Royal Medical Foundation of Epsom College.

Note 19 shows the allocation of the above investments between funds.

**12. DERIVATIVES**

	Group 2023 £'000	Group 2022 £'000	College 2023 £'000	College 2022 £'000
Financial instruments	<u>3,230</u>	<u>1,435</u>	<u>3,230</u>	<u>1,435</u>

The College has derivative arrangements to protect against interest rate volatility over the period of repayment of its loan facilities. Further information on the interest rate swap arrangements is found in Note 15.

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13. DEBTORS	Group 2023 £'000	Group 2022 £'000	College 2023 £'000	College 2022 £'000
Fees and extras	275	335	275	335
Trade debtors	28	36	-	-
Sundry debtors	1,267	51	1,267	42
Prepayments and accrued income	1,031	828	1,026	823
Amounts due from subsidiary companies	-	-	417	538
	<u>2,601</u>	<u>1,250</u>	<u>2,985</u>	<u>1,738</u>

Sundry debtors include £1.18m which is recoverable after more than one year. All other debtors are due within one year.

14. CREDITORS PAYABLE WITHIN 1 YEAR	Group 2023 £'000	Group 2022 £'000	College 2023 £'000	College 2022 £'000
Deposits from fee payers	2,701	2,133	2,701	2,133
Bank loans and overdrafts	652	103	652	103
Finance lease	61	59	61	59
Trade creditors	875	741	865	731
Taxation and social security	412	415	422	415
Other creditors, accruals and deferred income	3,393	2,063	3,086	2,029
School fees in advance scheme (see note 16)	1,255	1,137	1,255	1,136
Pension deficit funding (see note 21)	19	19	19	19
Holiday pay accrual	494	645	494	645
Derivative financial instruments	-	-	-	-
	<u>9,862</u>	<u>7,315</u>	<u>9,555</u>	<u>7,270</u>

Deposits from fee payers, under normal circumstances, are repaid over future years when the pupils complete their education at the school. However, as pupils can leave at earlier dates, the balance of the deposits held at the end of the financial year have been included within current liabilities. In the normal course of business, the expected repayment of these amounts will be £907,975 within one year (2022: £573,741) and £1,792,617 after more than one year (2022: £1,558,760).

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	Group and College 2023 £'000	Group and College 2022 £'000
Bank loans and overdrafts	13,978	13,015
School fees in advance scheme (see note 16)	2,220	1,883
Finance lease	69	130
Pension deficit funding (see note 21)	10	28
Derivative financial instruments	-	63
	<u>16,277</u>	<u>15,119</u>

The total bank loan at the year-end is £14,630,435 (2022: £13,117,581) and is comprised of two facilities. The £8m facility, with a 25-year amortisation period, is fully drawn and is for the purpose of funding the College's previous building and development programmes. The £7m facility was arranged to part fund the construction of the Mermaid building. During the year, £2,025,901 was drawn (2022: £4,122,663) and the facility is now fully drawn. Total repayments are due on these loans as follows:

	2023 £'000	2022 £'000
Due within 1 year	652	103
Due between 2 and 5 years	2,609	1,126
Due after more than 5 years	11,369	11,889
	<u>14,630</u>	<u>13,118</u>

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**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)**

Interest is charged at SONIA plus 1.90% on both loans.

The College has entered into fixed interest rate swaps in relation to both loans. The strike rates are 1.25% and 2.8% for the £8m and £7m loans, respectively. The interest rate swap has a zero-floor mechanism with an embedded cap, the floor and cap elements are valued separately as assets for the purposes of these accounts.

The College has access to a £3.5m revolving credit facility to help fund its building and capital development programme. There was no utilisation of this facility during the year. Interest is charged on this facility at a rate of SONIA plus 1.35%. The College also has in place a £1.5m overdraft facility to help manage working capital requirements throughout the year. All facilities are secured by a fixed and floating charge over all assets of the College.

**16. SCHOOL FEES IN ADVANCE SCHEME**

Parents may enter into a contract to pay to the College up to the equivalent of seven years' fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. The scheme provides for discounts to be applied to the cost of education as the fees fall due. Assuming pupils remain at the College / start at the College as anticipated, the liability for advance fees, accrued to date, will be applied as follows:

	2023 £'000	2022 £'000
Beyond 5 years	319	251
Within 2-5 years	1,901	1,631
Within 1 year	1,255	1,137
	<u>3,475</u>	<u>3,019</u>
<b>The movements during the year were as follows:</b>		
At 1 July	3,019	3,101
New contracts during the year	1,933	1,239
Amounts accrued to contracts	-	-
	<u>4,952</u>	<u>4,340</u>
Amounts returned to leavers	(56)	-
Amounts utilised in payment of fees	(1,421)	(1,321)
Balance at 30 June	<u>3,475</u>	<u>3,019</u>

**17. FINANCIAL INSTRUMENTS**

	Group 2023 £'000	Group 2022 £'000	College 2023 £'000	College 2022 £'000
Financial assets measured at fair value	11,952	10,039	11,952	10,039
Financial liabilities measured at fair value	-	64	-	64

Financial assets held at fair value include assets held as investments and derivative financial instruments (swap, floor and cap (2022: investments and derivative asset (floor and cap); financial liabilities include derivative financial instruments (interest rate swap)).

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**18. FUNDS OF THE COLLEGE**

**UNRESTRICTED FUNDS**

**General fund** – Representing accumulated income from the College's activities and other sources that are available for the general purpose of the College.

**Fixed assets fund** – A designated fund that represents the College's investment in property less the amount funded by bank borrowings.

**Derivative reserve** – Representing accumulated fair value gains and losses associated with the annual revaluations of derivative financial instruments.

**RESTRICTED FUNDS**

**Scholarships, bursaries and the development of educational activities** – Representing numerous individual gifts, legacies and grants given to the College over many years for a specific purpose but where there is no requirement to preserve capital. For the past three financial years, the College has been receiving donations to The Mermaid capital campaign to fund a new centre to transform the educational experience of its pupils, with particular focus on the Sixth Form. These donations are restricted for this purpose only.

**ENDOWED FUNDS**

**Scholarships and Bursaries** - Representing numerous individual gifts, legacies and grants given to the College over many years for scholarships and bursaries. Endowed funds of £6,545,000 (2022: £5,801,000) included expendable endowments of £1,852,000 (2022: £1,178,000).

**19. ALLOCATION OF THE NET ASSETS**

The net assets are held for the various funds and advance fees as follows:

	Fixed Assets	Investments	Net Current Assets/ (Liabilities)	Long Term Liabilities	Total
	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted funds</b>					
General fund	1,649	-	(1,554)	(79)	16
Fixed assets fund	36,634	-	4,739	(16,198)	25,175
Derivative reserve	3,230	-	-	-	3,230
	<u>41,513</u>	<u>-</u>	<u>3,185</u>	<u>(16,277)</u>	<u>28,421</u>
<b>Restricted funds</b>	-	2,387	1,331	-	3,718
<b>Endowed funds</b>	-	6,335	210	-	6,545
	<u>-</u>	<u>6,335</u>	<u>210</u>	<u>-</u>	<u>6,545</u>
<b>Balances at 30 June 2023</b>	<b>41,513</b>	<b>8,722</b>	<b>4,726</b>	<b>(16,277)</b>	<b>38,684</b>

**EPSOM COLLEGE**  
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**19. ALLOCATION OF THE NET ASSETS (CONTINUED)**

<b>2022</b>	<i>Fixed Assets</i>	<i>Investments</i>	<i>Net Current Assets/ (Liabilities)</i>	<i>Long Term Liabilities</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Unrestricted funds</b>					
General fund	1,616	-	(1,545)	(55)	16
Fixed assets fund	32,258	-	2,964	(15,001)	20,221
Derivative reserve	1,435	-	-	(63)	1,372
	<u>35,309</u>	<u>-</u>	<u>1,419</u>	<u>(15,119)</u>	<u>21,609</u>
<b>Restricted funds</b>	-	2,802	3,425	-	6,227
<b>Endowed funds</b>	-	5,801	-	-	5,801
<b>Balances at 30 June 2021</b>	<u>35,309</u>	<u>8,603</u>	<u>4,844</u>	<u>(15,119)</u>	<u>33,637</u>

**20. MOVEMENT ON FUNDS**

	<i>1 July 2022</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers between funds</i>	<i>Investment / Pension Scheme Gains / (Losses)</i>	<i>30 June 2023</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>a. Unrestricted</b>						
General fund	16	34,059	(32,005)	(2,055)	1	16
Designated Fixed Asset fund	20,221	-	-	4,954	-	25,175
Derivative reserve	1,372	1,858	-	-	-	3,230
	<u>21,609</u>	<u>35,917</u>	<u>(32,005)</u>	<u>2,899</u>	<u>1</u>	<u>28,421</u>
<b>b. Restricted</b>						
Scholarships, bursaries & development of educational facilities	6,227	1,587	(596)	(3,555)	55	3,718
<b>c. Endowed</b>						
Scholarships and Bursaries	5,801	-	(25)	656	113	6,545
<b>TOTAL FUNDS</b>	<u>33,637</u>	<u>37,504</u>	<u>(32,626)</u>	<u>-</u>	<u>169</u>	<u>38,684</u>

**Transfers between funds**

The Group currently holds minimal free reserves and the unrestricted surplus has been invested into the College campus and educational facilities, as shown by the transfer of £2,055,000 from the general fund to the designated fixed asset fund.

Following the completion of the Mermaid 6th Form building, donations raised to date for this purpose (£2,899,000) have been transferred from restricted to unrestricted reserves.

Funds held within the investment pool have been transferred from restricted to endowed funds in the year (£656,000).

<b>2022</b>	<i>1 July 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers between funds</i>	<i>Investment / Pension Scheme Gains / (Losses)</i>	<i>30 June 2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>a. Unrestricted</b>						
General fund	16	31,801	(28,937)	(2,989)	125	16
Designated Fixed Asset fund	17,232	-	-	2,989	-	20,221
Derivative reserve	78	1,294	-	-	-	1,372
	<u>17,326</u>	<u>33,095</u>	<u>(28,937)</u>	<u>-</u>	<u>125</u>	<u>21,609</u>

**EPSOM COLLEGE**  
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**20. MOVEMENT ON FUNDS (CONTINUED)**

<b>b. Restricted</b>						
<i>Scholarships, bursaries &amp; development of educational facilities</i>	5,611	1,585	(696)	-	(273)	6,227
<b>c. Endowed</b>						
<i>Scholarships</i>	6,391	4	(27)	-	(567)	5,801
<b>TOTAL FUNDS</b>	<b>29,328</b>	<b>34,684</b>	<b>(29,660)</b>	<b>-</b>	<b>(715)</b>	<b>33,637</b>

**21. PENSION COSTS**

**Teachers' Pension Scheme**

The College participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,687,339 (2022: £1,563,938) and at the year-end £203,291 (2022: £195,397) 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 have valued the 'greater value' benefits for groups of relevant members.

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

**Pensions Trust**

Contributions are paid, in respect of non-teaching staff, to the Pensions Trust into a defined contribution scheme.

Contributions for current employees are generally at a rate equivalent to 7% of annual basic pay for those in the existing scheme and 4% for those who were auto-enrolled from the College's staging date of 1 January 2014. The pension charge for the year includes contributions payable to The Pensions Trust of £303,397 (2022: £277,629) excluding the defined benefit deficit funding. At the year-end £55,142 (2022: £51,324) was accrued in respect of contributions to this scheme.

The College previously contributed to a Pension Trust defined benefit scheme. A liability exists in relation to the deficit funding for this historic scheme.

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

The historic defined benefit scheme is classified as a 'last-man standing arrangement'. Therefore, the College 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.

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**21. PENSION COSTS (Continued)**

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

From 1 April 2022 to 31 January 2025:      £3,312,000 per annum      (payable monthly and increasing by 3% on 1st April each year)

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.

As the scheme is in deficit and the College has entered into a deficit funding arrangement a liability has been recognised for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement. The present value is calculated using a discount rate of 6.4% per annum. The discount rates are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions. The unwinding of the discount rate is recognised as a finance cost.

**RECONCILIATION OF OPENING AND CLOSING PROVISIONS**

	2023	2022
	£'000	£'000
Provision at 1 July	47	221
Unwinding of the discount factor (interest expense recognised in SOFA)	1	1
Deficit contribution paid	(19)	(50)
Re-measurements – impact of change in actuarial assumptions (recognised in SOFA)	(1)	(2)
Re-measurement – amendment to the contribution schedule (recognised in SOFA)	-	(123)
<b>Provision at 30 June</b>	<b>28</b>	<b>47</b>

**22. CAPITAL AND OTHER COMMITMENTS**

Tangible fixed assets contracted for at 30 June 2023 totalled £1,617,809 (2022: £3,508,101).

In addition to the new property referred to in note 8, negotiations were underway at the year end to acquire a second property for staff accommodation. The new accommodation cost £1.45m and the transaction completed on 1<sup>st</sup> September 2023.

The College utilises bank borrowings in order to fund capital development. A bank overdraft is secured by a fixed charge against the freehold assets of the College and forms part of the facilities agreement that includes the loans referred to in Note 15.

In the forthcoming academic year, the College has committed to fund bursaries for 103 pupils totalling £2,418,000, and has awarded 308 scholarships (to 280 pupils) totalling £631,000. Bursaries and scholarships are funded principally from school fees receivable, supplemented by investment income.



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**23. LEASE COMMITMENTS**

The College's future minimum finance lease payments are as follows:

	2023 £'000	2022 £'000
Within one year	61	59
Between one and five years	69	130
	<u>130</u>	<u>189</u>

Certain IT equipment is held under finance lease arrangements. Finance lease liabilities are secured by the related assets held under finance leases (see note 10).

**24. RELATED PARTY TRANSACTIONS**

Epsom College has entered into the following related party transactions during the year:

During the year, Jennifer Hay Ballet, operated by a daughter of Governor JA Hay, invoiced the College for educational services totalling £18,531 (2022: £19,667).

During the year, the College made an interest-free loan to Sir Anthony Seldon, Head of Epsom College of £1.18m. The loan was provided for the purpose of purchasing a property convenient to get to the College each day and is repayable within three months of the cessation of his employment at Epsom College.

**Epsom College in Malaysia**

Epsom College in Malaysia arranged a trip for their pupils to visit the Epsom College April 2023, for which the College charged £30,231. There were no other rechargeable costs incurred by the College which required invoicing to Epsom College in Malaysia (2022: NIL). A balance of £85 remained unpaid at the year-end (2022: £nil).

During the year, in addition to the £200,000 royalty payment (note 4) Epsom College in Malaysia remitted £264,835 to Epsom College Overseas Limited. These funds were unexpected and have therefore been included within deferred income in the financial statements.

The Treasurer of the College, A J Pianca, is a director on the Board of Epsom College in Malaysia and its parent company Educ8 Group Sdn Bhd.

**The Royal Medical Foundation Limited (the "RMF")**

The Royal Medical Foundation is a sister company which falls under The Royal Medical Foundation of Epsom College umbrella.

During the year Epsom College charged the RMF £5,000 (2022: £5,000) to rent office space and paid salaries including pension contributions of £53,057 (2022: £57,936) on behalf of the RMF which were subsequently reimbursed by the RMF. In addition, the RMF paid school fees to Epsom College for the Foundationer beneficiary totalling £35,296 (2022: £26,998).

At the year-end, Epsom College owed the Royal Medical Foundation £12,270 (2022: NIL).

**Epsom College Enterprises Limited ("Enterprises")**

Epsom College Enterprises Limited is a wholly owned subsidiary company.

During the year Epsom College Enterprises donated £200,724 (2022: £194,187) of income to Epsom College. In addition, the College made payments for salaries and expenses on behalf of Enterprises, which totalled £135,172 (2022: £100,663). All expenses were reimbursed by Enterprises. No loans were made by Epsom College to Epsom College Enterprises during the year (2022: NIL).

At the year-end, Epsom College Enterprises owed the College £219,198 (2022: £330,301).

**Epsom College Overseas Limited ("Overseas")**

Epsom College Overseas Limited is a wholly owned subsidiary company.

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**24. RELATED PARTY TRANSACTIONS (Continued)**

During the year Overseas donated £185,877 (2022: £196,329) of income to Epsom College. In addition, the College made payments for expenses on behalf of Overseas, which totalled £10,694 (2022: £13). All expenses were reimbursed by Overseas. No loans were made by between the two organisations during the year (2022: NIL).

At the year-end, Epsom College Overseas owed the College £184,047 (2022: £195,401).

**Epsom College Transport Limited ("Transport")**

Epsom College Transport Limited is a wholly owned subsidiary company.

During the year Epsom College Transport donated £34,054 (2022: £25,523) of income to Epsom College. The organisation provided a minibus service to the College throughout the year. In addition, the College made payments for salaries and expenses on behalf of Transport, which totalled £141,004 (2022: £89,675). All expenses were reimbursed by Transport. No loans were made by between the two organisations during the year (2022: £10,000). At the year-end, Epsom College Transport owed the College £13,252 (2022: £12,097).

**The Royal Medical Foundation of Epsom College**

The Royal Medical Foundation of Epsom College is the parent Charity to which Epsom College belongs.

The Royal Medical Foundation of Epsom College is responsible for the 'Pool' within which Epsom College invests. No additional funds were invested in the Pool during the year (2022: £500,000). The Pool has generated Epsom College an investment income of £258,135 (2022: £239,601). At the year-end, the Royal Medical Foundation of Epsom College owed the College £86,328 (2022: £72,216).

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**25. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 30 JUNE 2022**

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Endowed</i>	<i>Total 2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>INCOME AND ENDOWMENTS FROM:</b>				
<i>Charitable activities</i>				
<i>School fees receivable</i>	29,245	-	-	29,245
<i>Ancillary trading income</i>	1,859	-	-	1,859
<i>Other trading activities</i>				
<i>Non-ancillary trading income</i>	383	-	-	383
<i>Other activities</i>	200	-	-	200
<i>Investments</i>				
<i>Investment income</i>	-	241	4	245
<i>Bank interest</i>	12	2	-	14
<i>Voluntary sources</i>				
<i>Grants and donations</i>	102	1,342	-	1,444
<b>TOTAL BEFORE FINANCE INCOME</b>	<b>31,801</b>	<b>1,585</b>	<b>4</b>	<b>33,390</b>
<i>Change in fair value of derivatives</i>	1,294	-	-	1,294
<b>TOTAL INCOME</b>	<b>33,095</b>	<b>1,585</b>	<b>4</b>	<b>34,684</b>
<b>EXPENDITURE ON:</b>				
<i>Raising funds</i>				
<i>Non-ancillary trading</i>	135	-	-	135
<i>Financing costs</i>	535	-	-	535
<i>Investment management</i>	-	13	27	40
<i>Fundraising and development</i>	166	-	-	166
<b>TOTAL DEDUCTIBLE COSTS</b>	<b>836</b>	<b>13</b>	<b>27</b>	<b>876</b>
<b>CHARITABLE ACTIVITIES</b>				
<i>Education and grant making</i>	28,101	683	-	28,784
<b>TOTAL EXPENDITURE</b>	<b>28,937</b>	<b>696</b>	<b>27</b>	<b>29,660</b>
<b>NET INCOME/(DEFICIT) FROM OPERATIONS</b>	<b>4,158</b>	<b>889</b>	<b>(23)</b>	<b>5,024</b>
<i>(Losses)/gains on investments</i>	-	(273)	(567)	(840)
<b>NET INCOME FOR THE YEAR</b>	<b>4,158</b>	<b>616</b>	<b>(590)</b>	<b>4,184</b>
<i>Pension scheme actuarial gains/(losses)</i>	125	-	-	125
<b>NET MOVEMENT IN FUNDS</b>	<b>4,283</b>	<b>616</b>	<b>(590)</b>	<b>4,309</b>
<i>Fund balances brought forward at 1 July</i>	17,326	5,611	6,391	29,328
<b>FUND BALANCES CARRIED FORWARD AT 30 JUNE</b>	<b>21,609</b>	<b>6,227</b>	<b>5,801</b>	<b>33,637</b>