



Annual Report and Accounts

For the year ended
31st August 2023



Treloar Trust, a company limited by guarantee.
Registered in England No. 04466362.
Registered office as above. Charity number: 1092857

Our vision

A world where physically disabled young people take control of their lives and achieve their aspirations.

Our mission

To enable physically disabled young people to achieve their aspirations by:

- Providing personalised learning, therapy and care
- Supporting transition into adulthood
- Promoting independence and inclusion

Our values



We strive for excellence

Physically disabled young people and their families deserve outstanding care and support. We work to make sure all our services are excellent and actively challenge each other to ensure continuous quality improvement.

We continually innovate to ensure that our students and beneficiaries receive the cutting-edge, excellent support they deserve.



We are inclusive

Physically disabled young people should be free to direct their own lives. We listen to young people's views and support them to make age-appropriate choices about their daily life and informed choices about their future.

We celebrate and promote diversity, value and support each other, and treat everyone with respect. We support a culture of openness, honesty and transparency, where the safeguarding of our students and wellbeing of our staff is paramount.



We act with integrity and respect

Everyone - regardless of physical ability, where they live or socioeconomic background - should have the opportunity to take part in life. We treat our beneficiaries with the same dignity as their non-disabled peers and work to remove barriers in their way.

Our students and beneficiaries are always at the centre of everything we do. Before we make decisions, we ask: *"How will our students and beneficiaries benefit from this?"*

Contents

Our Vision, Mission and Values 2

Welcome 4

About Treloar’s 5

Strategic Report 6

Financial Review 10

Key Policies 12

Audit Report 21

Accounts 26

Officers and Professional Advisers 47



Welcome

I never cease to be amazed both by the resilience, progression and success achieved by Treloar's students and by the dedication, passion, professionalism and kindness shown by its staff. Together these attributes make Treloar's a very special and unique charity and I am proud to be its Chair.

Treloar's has once again excelled, leading the way in all its areas of specialism. Our education and care have remained at the highest level, with all areas continuing to be rated Outstanding by Ofsted or the CQC. More importantly, our students have continued to reach the objectives set by themselves, and those working with them, to make progress in academic subjects, and in independence, vocational and life skills, according to their tailored individual curriculum.

Over the year, and thanks to our generous funders, we have not only added to our campus, such as with our Outdoor Learning Centre and refurbished pool, but have taken Treloar's out into the community. Our community presence has grown this year and included our student led accessibility audits 'Let Me In', multiple work placements, community activities and more recently the opening of four new independence flats in the centre of Alton.

Financially we expected this year to be challenging with inflationary cost pressures and substantial recruitment gaps and so it has proved. Neither of these pressures have gone away. However, by the summer term staffing levels had improved sufficiently to allow us to fill all student places and whilst 2022/23 ended in a deficit, the performance was better than projected with further progress expected next year.

When not thinking of our students, our staff must also address other challenges - most notably that of recruitment, retention and development. We remain very discerning about the staff we employ so as to maintain the values that make Treloar's so special, and to make sure that staff have the skills necessary to fulfil increasingly complex roles. Our other significant challenge will once again be managing the continued cost pressures faced by ourselves and Local Authorities as the main funders of our students' education.

Thank you to all who have and continue to contribute so successfully to Treloar's.

Dr Victor Olisa QPM, Chair of Trustees

About Treloar's



Treloar's is one of the leading centres of excellence for children and young people with complex physical disabilities

We offer outstanding teaching, learning, professional care, therapy, advice and guidance so that every individual can live, learn, achieve and work towards a future that is as independent as possible.

What we do

We enable our students to follow a curriculum that meets their individual needs and to learn in an accessible, inclusive and safe environment. Thanks to the hard work of our teachers, therapists, nurses and a wide range of highly trained support staff, we are able to meet the physical and emotional needs of students, enabling them to enjoy greater independence and reach their educational goals.

Our Progress and Transition team help our students to achieve their aim of placement, whether it's being able to advocate for themselves effectively, live independently, attend university, find employment or engage in their local community.

We are categorised as a special school and college. However, it is central to our approach that disabled people are supported to be part of wider society, not separated from it. Our aim is to enable disabled people to take control of their own lives in a world that better understands their needs.

Complex disabilities

Our students are physically disabled and most have complex needs which cannot be met in mainstream settings. Many of the young people we help require round the clock support - and over half of our students stay in one of our six residential houses.

- 100% of our students are wheelchair users
- 60% of our students are non-verbal or require support from communication aids
- 40% of our students have a visual impairment
- 38% of our students have a life-limiting condition.

Strategic report

Overview of activities

The Trustees of Treloar Trust ('the Charity'), who are also Directors of the Charity for the purposes of the Companies Act, present their annual report for the year ended 31 August 2023 under the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for that year.

The financial statements comply with the requirements of the Companies Act 2006, the Charity's Memorandum and Articles of Association and the relevant Statement of Recommended Practice (the Charities SORP (FRS 102) effective 1 January 2019).



The Charity is a registered charity (No.1092857) and a company limited by guarantee (No. 04466362). Its registered office is shown on the back page of this report. The present Trustees and any past Trustees who served during the year are shown on page 47, together with the names of the senior executive staff and the principal external advisers as at the date of the signing of this report. The Trustees review the purpose, aims and activities of the Charity each year. This review looks at the achievements during the previous year explaining the number and nature of beneficiaries assisted and the extent of that assistance. When

carrying out the review and planning future activities, the Trustees refer to the guidance contained in the Charity Commission's general guidance on public benefit. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Charity's purpose, as set out in the objects clause contained in its Articles of Association, is: 'To promote the relief of persons with disabilities (whether physical or otherwise) ('Beneficiaries') and in particular but without limitation by any or all of the following:

- The promotion, provision and maintenance of schools, colleges and other educational establishments;
- The promotion and provision of care, therapy, treatment and counselling to beneficiaries;
- The promotion of employment of beneficiaries whether by way of the creation and operation of workshops and facilities or otherwise; and
- The improvement of knowledge, understanding and awareness of the public into the conditions of life and the needs of beneficiaries and in particular but without limitation by the promotion of research and the publication of the useful results of such research.'

The Charity currently has four main activities which match to its purpose:

- Educating young people with physical disabilities
- Residential Care
- Clinical Services
- Outreach Services.

Update on plans and developments

In our annual report for the year to August 2022, we set out our plans for 2022/23 and beyond. These plans, together with an update on progress during the year are described below:

- Further our excellence as a leading school and college for physically disabled young people
In 2023 Treloar's received Outstanding ratings from Ofsted for its school social care provision, and separately for its college education, meaning that it remains rated as one of the very best providers in the country. Treloar's was already rated Outstanding in the school by Ofsted for its education provision and Outstanding by the CQC for the college's adult care and residential provision.

- Implement further package of recruitment and retention measures to enable Treloar's to support more young learners including taking on an international recruitment sponsorship license.

Our recruitment rates have increased for key support staff and our retention rates have also improved. Key to increasing recruitment rates was our success in attracting overseas staff, whilst improved packages and staff satisfaction have helped improve retention.

- Improve outdoor learning opportunities with the opening of a classroom as a focal point for our new Outdoor Learning Centre and integrate the opportunities generated by the newly opened Forest School into the curriculum.

The new Outdoor Learning Centre classroom was inaugurated in the summer and is in high demand by classes in both school and college.

- Launch a summer holiday respite programme to our students.
We postponed the launch of this new programme to 2024 to ensure that we had sufficient staffing in place for students to enjoy a memorable experience.
- Contribute on a wider scale to the education and support of physically disabled young people.
Therapists, dieticians, nurses and care staff share their knowledge and skills with professional colleagues nationally. We also provide training and guidance to providers and families so that young people benefit from best practice in the community.
- We will continue to enable the voice of our students to be heard, working with

other charities in the disability sector to ensure that they can contribute to campaigns for better inclusion in wider society.

We continue to be active participants in networks of education and care providers providing a voice for young disabled people and those that support them to achieve their goals. We also encourage and support students to be strong advocates enabling them to affect decision-makers at all levels.

- Develop future living options for disabled people who have left full-time education. This will include advising and partnering with housing providers and others to stimulate new developments.

Whilst we continue to advise, facilitate and encourage such projects, we have stepped back from partnering because of the capital requirement.

- Expanding our independent living options for people who have left full time education with the opening of new units in Alton town centre and completing feasibility studies of at least one other opportunity.

Our new development at Rivermead opened in November 2023 and is expected to provide a life changing opportunity for its first tenants.

- Refreshing and updating our brand identity and building a new website. *In the summer of 2023 we refreshed our brand and work on our new website is underway.*

- Progress environmental projects as part of our goal to halve our carbon footprint by 2030. *Our efforts to achieve this goal have begun well with the installation of staff car charging points, launching bike and car share schemes, adding solar panels, purchasing an electric minibus and action to improve heating efficiency and electric wastage. Gas and electricity usage were both down.*

- Continue to expand our fundraising activities to enable our students and others to access the specialist staff, equipment and experiences they need to grow in confidence and live a fulfilled life.

Fundraising has been instrumental in delivering several major projects in the year including a significant refurbishment of our swimming pool and our new Outdoor Learning Centre. More generally though, post pandemic income growth continued to be disappointing for much of the period with event hosting a particular challenge.



Looking forward to 2023/24 and beyond our overriding objectives are:

- Further our excellence as a leading school and college for physically disabled young people
- Continue to foster our excellence in healthcare, residential care and therapy
- Launch a summer holiday respite programme to our students
- Support students to successfully move on from school and college
- Work in partnership with local authorities and other education, health and social care providers to support SEND and care objectives more widely



- Amplify the voice of disabled children, young people, parents, carers and families to support change in society
- Pioneer the practical application of assistive technology to further develop the independence and potential of disabled people
- Progress environmental projects as part of our goal to halve our carbon footprint by 2030
- Continue to expand our fundraising activities to enable our students and others to access the specialist staff, equipment and experiences they need to grow in confidence and live a fulfilled life.



Financial review

In 2022/23 Treloar's showed a net deficit of £1.41m (2022: Income £7k), before actuarial gains of £272k, (2022: £3.71m) on a turnover of £27.7m (2022: £26.0m).

Staff recruitment was challenging in the early part of the year mirroring the picture in social care nationally and as a direct result we chose to defer some student start dates. Strong staff recruitment more recently allowed student numbers to bounce back and the average for the year across school and college rose 2 to 166. Consequently, charitable activity income rose by 7.6% to £25.4m (2022: £23.6m).

Donations and legacies decreased by 15.6% to £1.24m (2022: £1.47m), reflecting a difficult fundraising environment. Event income, whilst remaining below historic levels grew as events restarted to £202k (2022: £94k) helping other fundraising activities to nudge upwards to £398k (2022: £296k). Overall fundraising achieved 91% of its £1.8m target.

Although income was up significantly, inflationary pressures pushed expenditure up even more by 9.6% to £28.5m (2022: £26.0m). Salaries and facilities costs were two of the main drivers, both growing faster than expected for when setting prices (in January 2022).

Nearly 40% of the deficit in the year before actuarial gains has resulted from a disappointing investment performance with both portfolios showing losses reflecting difficult equity and bond markets. The 2023 loss of £533k compared to a £47k gain in 2022 which was itself a disappointing year. On a more positive note, further actuarial gains on the

Defined Benefit Pension Scheme of £272k (2022: £3.71m) reduced the negative net movement on the charity's funds to £1.10m.

Balance sheet and cash flow highlights a significant increase in Tangible fixed assets as the Trust continued its investment in the school and college campus including pool refurbishment, the new Outdoor Learning Centre and substantial health and safety improvements and a reduction in net current assets/growth in current liability of £2.33m due to this capital expenditure coupled with the deficit in the year. Net assets at the year end were £29.3m (2022: £30.4m).

Treloar Trust has only one subsidiary, Treloar Enterprises Limited (TEL). The wholly owned subsidiary carries out non charitable activities for the benefit of Treloar Trust.

During the year to 31 August 2023, TEL made an operating profit of £82k (2022: £73k) a combination of increased lettings income and shop income as more people are once again on site each week post Covid. This profit was donated to Treloar Trust. The Treloar Trust has taken exemption from the production of consolidated financial statements because the figures for the group (incorporating TEL) would not be materially different to those of the Trust as a single entity and has included in the notes to these accounts the results of TEL. The financial statements on the following pages therefore show the assets and operations of the Trust itself rather than the group as a whole.

General reserves are deemed to be those that are readily realisable less funds whose use is restricted or designated for a particular purpose. Thus the calculation of

general reserves excludes property and other fixed assets that continue to be used in the day to day operation of Treloar's and in particular the buildings used by the school and college.

The designated fund primarily represents the net book value of tangible fixed assets, which have been purchased with unrestricted funds. This reserve is locked into the value of the estate and can be released only if all or part of the estate is sold. The value of the fund rose during the year to £19.7m (2022: £19.5m) because of new building works. Restricted funds £9.84m (2022: £9.90m) represent monies received for a restricted purpose with the vast majority of these funds linked to specific building appeals £9.21m (2022: £8.35m). Endowed funds £1.55m (2022: £1.63m) are made up of the Rossington Fund £878k (2022: £944k) and Billesden Fund £676k (2022: £690k) and are given to help students access education and to help monitor and support alumni progress respectively.

The historic Defined Benefit Pension scheme fund deficit relates to the excess of liabilities over assets in the defined benefit scheme. In 2022/23 total future obligations reduced by £4.9m to £27.0m and the value of assets fell by £4.4m to £21.1m with most of the fall in asset value associated with instruments designed to hedge future obligations. Overall, the net deficit reduced to £5.84m (2022: £6.41m).

The Trustees regularly review the value of the reserves required to be held in investments, cash and cash equivalents not restricted to or designated for any particular purpose. Ideally the Trustees believe that a general reserve of 3 months expenditure is needed to provide adequate working capital, to create a buffer in case of a sudden reduction in student numbers and to allow for fluctuations in investment returns. At 31 August 2023, the General Reserve was £4.00m (2022: £5.78m). This figure is close to 3 months if long term finance is factored in and the Trustees consider this level of general reserves to be adequate at this time.



Key policies

Risk management

Treloar's risk management policy is based around a hierarchy of an overarching risk management schedule which contains all of the key risks that the organisation is, or potentially could be, exposed to, linked with the relevant mitigating actions, together with a practical risk assessment process and the operational tasks that emanate from it.

Responsibility for each area rests with an appropriate member of the Leadership team overseen by a Risk and Compliance sub-committee of the Trust Board that regularly reviews the status of each risk and the effectiveness of the management controls. At the highest level, the Trustees receive termly reports in the form of an updated risk management schedule that demonstrates that the appropriate actions have been or are being implemented. Given the challenging regulatory, economic and social environment within which Treloar School, Treloar College and Fundraising operate, risk management is an essential element of the Trust's management system.

The key risks that currently face Treloar's and principal mitigating strategies are:

- Inability to recruit sufficient students, which is managed by liaising closely with local authorities to ensure the relevance and value of our offer, by maintaining the quality of our educational provision, and by focused marketing initiatives.
- Inability to recruit, develop and retain sufficient skilled staff, which is managed by innovative approaches to recruitment, offering a high level of training and development opportunities, helping key workers with accommodation and by actively listening to our staff and, where necessary, providing support and/or flexible working patterns.
- Nursing, medical and dietary errors, which we manage by maintaining a highly specialised nursing team and dieticians, strict protocols over medication management, food labelling and close monitoring of performance indicators.
- Safeguarding failure or adverse regulator opinion. The Trust keeps quality at the forefront of its strategy. The safeguarding risk is managed through recruitment policies, training, risk assessment, operating policy, incident reporting and a dedicated safeguarding manager.
- Health and safety or building compliance failure is managed by investment in our site, and ensuring strict procedures around checking and maintaining equipment and built infrastructure and the promotion of a safety conscious culture led by a Health and Safety Manager, governed by Policy and Training and including a comprehensive Compliance Register.
- Lower than budgeted level of fundraising prevents the Charity investing in value adding facilities and opportunities. This risk is managed by undertaking different types of fundraising and the steering of a dedicated committee.
- The pension fund requires additional support from the Trust. The Pension Trustee uses professional advisers to ensure that investment strategy is designed to deliver required returns and hedge liabilities.

- Data protection failure, which we manage by following the General Data Protection Regulations, maintaining appropriate controls over access and ensuring we have appropriate backup and data recovery systems.
- Funding inadequacy per student. We provide full clarity to our funders of our fees and demonstrate how the necessities of all money spent and value added. None-the-less we are aware of the cost pressures facing local authorities.
- Supplier disruption or inflation. Labour and energy shortages and market uncertainties have impacted supply chains and increased costs. Where we can we mitigate risks by hedging costs and by maintaining adequate stock levels of critical supplies and developing contingency plans.
- Liquidity and cashflow. Fees are payable at the start of term and expended during that term reducing liquidity risk. In addition the majority of investments held are realizable in under 30 days. Regular cashflow projections enable us to manage liquidity ahead of forecast need.

- Treloar's is named and is a core participant in the ongoing statutory inquiry into the provision of infected blood. It has been notified of the potential for future litigation although no court proceedings have been issued against the Charity.

Equal opportunities

The advancement of diversity and inclusion is part of Treloar's core values and we are committed to being an inclusive organisation where diversity is celebrated and valued.

Treloar's strives to create a culture where mutual cooperation, respect, dignity and trust are fostered. Treloar's will not tolerate unfair or unlawful treatment on the grounds of age, disability, gender, transgender, marital status, race, colour, ethnic origin, socio-economic background, sexual orientation, nationality, trade union membership and activity, philosophical, political or religious beliefs or unbelief, and pregnancy or maternity. Initiatives are headed by a dedicated equality, diversity and inclusion coordinator reporting directly to the Quality and Performance sub-committee of the Governing Body.



Treloar's aims to foster a values-based culture focused on diversity and inclusivity and as such, we report on our gender pay gap annually. In April 2023 our mean gender pay gap was 9.5% (2022: 4.7%) and median was 0% (2022: -6.5%). Additionally we choose to report on our Black, Asian and Minority Ethnic and (declared) disability pay gap. The Black, Asian and Minority Ethnic mean pay gap was 12.4% (2022: 12.8%) and median was 1.4% (2022: 8.0%) indicating employees from such backgrounds earn less than those from a white background. The disability mean pay gap was 9.3% (2022: 6.1%) and the median was 12.2% (2022: 3.6%) which shows disabled employees are paid less than non-disabled employees. These statistics primarily reflect a lack of diversity at executive level and policies are in place to help redress. All targeted groups are represented at board level.

These reports highlight the importance of a continued commitment towards encouraging application and progression from applicants/employees with disabilities and with Black, Asian and Minority Ethnic backgrounds to address differentials.

We positively encourage applications from candidates with lived experience of disability and guarantee an interview to all such applicants meeting the person specification. We also make reasonable adjustments and provide support to develop the careers of new staff with a disability and staff who become disabled whilst employed by us.

We remain committed to ensuring that all staff receive equal pay for equal work and are confident employees at Treloar's are treated equally in terms of pay on appointment and throughout their careers.

Communicating with staff and volunteers

Internal communication is a key driver of engagement and feedback at Treloar's.

This communication includes: a regular communication of key matters from the leadership via the Treloar's intranet including finance, a half-termly 'Staff News' publication and a half-termly Chief Executive's report. All teams have staff meetings, and there is a Staff Consultation Group and a Staff Voices Conference. Staff and volunteer questionnaires are used to ensure that communication is genuinely two-way.

Trustees and Governors are encouraged to visit the campus regularly and take part in staff and student activities. Staff surveys are shared with Trustees and the Governing body includes staff representation. Staff are also given the means to contact Trustees when required.



Environmental and sustainability

Alongside delivering on the Charity's objects, we are committed to improving our sustainability and ethical impact more generally. Our primary environmental goal is to cut the greenhouse gas that we generate on our campus by 50% by 2030. This goal is complimented by two secondary goals to contribute to the reduction of emissions by others (e.g. by changing behaviours) and reducing non-recyclable waste. Steps taken include:

- Delivering on actions from a recent ESOS (energy saving opportunity scheme) audit.
- Expanding 'cycle to work' and bike loan schemes, removal of single use plastics wherever viable and increasing our recycling programme. Staff and students are involved wherever possible through the Eco council and achieved Green Flag status.
- Developing metrics to measure key indicators such as measuring the units of gas and non-solar electricity we consume, counting the number of petrol and diesel vehicles entering our site daily, counting the amount of single use plastics consumed and measuring volumes of recycling so as to set targets and manage.
- Additionally in 2022/23 we introduced a car sharing scheme, installed vehicle charging points, replaced one of our buses with an electric vehicle, added to the volume of solar panelling, opened Treloar's first building with ground source heating and opened a Forest School. We have used the metrics we are now collecting to steer our developing strategy.

Total CO2e emissions for the year were 437 tonnes of which 83.0% is related to the consumption of purchased electricity (362 tonnes), 10.7% purchased gas (47 tonnes) and 6.3% company vehicles (28 tonnes).



Fundraising statement

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities.

The legislation defines fundraising as 'soliciting or otherwise procuring money or other property for charitable purposes'. Such amounts receivable are presented in our financial statements as 'donations and legacies' and as 'other fundraising activities' which includes income from our lottery and events. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the Trustees. The Charity is not bound by any regulatory scheme. However the Charity has voluntarily registered with the Fundraising Regulator and complies with the regulator's codes of practice. We have received 8 (2022 – 6) complaints in the year in relation to fundraising activities all of which have been resolved and reported. Our terms of employment require staff to behave reasonably at all times. Where we use third parties to assist in the raising of funds such as at events or for recruitment of players for our lottery, we monitor and hold those third parties to the same high standards as our own staff.

Investment Powers

The Articles of Association of the Charity state that it has the power 'to deposit or invest funds in any manner as the Trustees shall in their absolute discretion think fit to the intent that the Trustees shall have the same full and unrestricted powers of investing and transposing investments in all respects as if they were beneficially absolute owners...'.

In the year we split our investment Portfolio between Ruffer LLP and Cazenove Capital with both investment managers targeted to provide a return of

RPI plus 4% after fees have been taken into account. Our investments struggled in a difficult market losing £533k of their value (2022: £47k growth).

The defined benefit pension fund investments are held totally separate from the Trust assets and investments. The funds are managed by professional fund managers appointed by the Independent Pension Scheme Trustee, Apex Group. Apex Group consults in depth with the Trust before appointing investment managers and determining the asset allocation policies to be followed. The Trustees receive quarterly reports on the performance of its funds and the Investment Sub-Committee meets the investment manager twice a year to monitor their performance with the help of external professionals.

Governance

The Charity is governed by its Memorandum and Articles of Association adopted in June 2002 and amended in July 2010, March 2017 and July 2019. The Board of Trustees is responsible for the overall governance of the Charity and meets as a board at least three times a year.

In addition there are four Trustee committees covering Finance, Investment and Audit; Risk and Compliance; Fundraising; and Nominations and Remuneration. These committees all meet a minimum of three times a year. The Charity follows the seven principles which make up the Charity Governance Code. The pay and contractual terms of senior executives is set by the Nominations and Remunerations Committee of the Trustees with reference to market conditions. The key aspects of overseeing the school and college are delegated to the Governing Body, which is a sub-committee of the Board of Trustees. The Chairman of the Governing Body and at least three other



members of the Governing Body are Trustees, whilst the majority of Governors are independent (not otherwise a direct stakeholder in the school or college) and have a wide range of relevant professional and management skills and backgrounds. The Governing Body meets at least four times a year.

Section 172 of the UK Companies Act 2006 states that all Trustees must act in accordance with a set of general duties. A Trustee of a charitable organization must act in the way they consider, in good faith would most likely promote the success of the charity for the benefit of its stakeholders as a whole, and in doing so have regard (amongst other matters) to the:

- likely consequences of any decision in the long run;
- interests of the charitable company's employees;
- need to foster the charitable company's business relationships with suppliers, customers and others
- impact of the charitable company's operations on the community and the environment;

- charitable company's reputation for standards and business conduct; and
- need to act fairly between members of the charitable company.

The Charity is managed on a day-to-day basis by its Officers and Executive Team, under the Chief Executive and in their absence by the Deputy Chief Executive and Principal all of whom are appointed by and responsible to the Trustees.

Trustee selection, induction and appraisal

The Board of Trustees regularly reviews the composition of itself, the Governing Body and its various sub-committees through the Nominations and Remuneration Committee.

The Trustees look at the blend of experience and skills of all Governors and Trustees to ensure that these meet the needs of the Charity. Where vacancies arise, a formal recruitment process is undertaken. This involves advertising both locally and nationally as well as more informal approaches to individuals who have the relevant skills and experience. Selection is made after a rigorous process



including visits to the Charity and interviews by senior staff as well as Trustees and Governors. All new Governors are invited to attend the staff induction days held at the start of each term. Governors are expected to visit the



school and college regularly outside the normal meetings of the Governing Body and to undertake training on a continuing basis on subjects relevant to the operations of the school and college. The Trustees and Governors undertake skill audits, self-evaluations and appraisals on a regular basis. This enables Treloar's to provide training to enhance their understanding and knowledge of the Charity to ensure all Trustees and Governors are able to satisfy themselves of their own performance.

Statement of Trustees' responsibilities

The Trustees (who are also Directors of Treloar's for company law purposes) are responsible for preparing the Strategic Report, the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also

responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Corporate governance

The Trustees have overall responsibility for ensuring that the Charity has appropriate systems and controls, financial and otherwise to provide assurance that:

- the Charity is operating efficiently and effectively;
- all assets are safeguarded against unauthorised use or disposition and are properly applied;
- proper records are maintained and financial information used within the Charity, or for publication, is reliable; and
- the Charity complies with relevant laws and regulations.

Internal controls over all forms of commitment and expenditure continue to be refined to improve effectiveness. Processes are in place to ensure that performance is monitored and appropriate management information is prepared and reviewed regularly by both the executive management and the Trustees. The systems of internal controls are designed to provide reasonable but not absolute assurance against material mis-statement or loss.

They include:

- annual management plans and annual budgets approved by the Trustees;
- regular consideration by the Trustees of financial results, variances from budgets, non-financial performance indicators and benchmarking reviews;
- delegation of day-to-day management authority and segregation of duties; and
- identification and management of risks.

All major decisions are reserved to the Trustees and include appointment and remuneration of key management. Executive remuneration is set in consideration of the nature of the role, its responsibilities and market salaries. The Trustees and Governors all give of their time freely.

The Annual Report and Accounts, incorporating the Strategic Report, were approved by the Trustees in their capacity as Directors of the Company on 21 February 2024 and signed on their behalf



Dr Victor Olisa QPM, Chair of Trustees



Audit report

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements

does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 16, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the

Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Our approach was as follows:

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

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

Use of our report

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

5 March 2024

Moore Kingston Smith LLP.

[Date]

James Saunders (Senior Statutory Auditor)

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

9 Appold Street
London
EC2A 2AP



STATEMENT OF FINANCIAL ACTIVITIES (including the Income and Expenditure Account)

YEAR ENDED 31 AUGUST 2023

		2023				2022			
	Note	Unrestr- icted £000s	Restricted £000s	Endowed £000s	Total £000s	Unrestr- icted £000s	Restricted £000s	Endowed £000s	Total £000s
Income from:									
Donations and legacies	2	540	695	-	1,235	469	1,003	-	1,472
Charitable activities									
Teaching		9,005	-	-	9,005	8,250	-	-	8,250
Medical		5,571	-	-	5,571	5,142	-	-	5,142
Care		10,818	-	-	10,818	10,244	-	-	10,244
Total income from charitable activities		25,394	-	-	25,394	23,636	-	-	23,636
Income from other trading activities									
Other fundraising activities	2	398	-	-	398	296	-	-	296
Rent	3	380	-	-	380	300	-	-	300
Total income from other trading activities		778	-	-	778	596	-	-	596
Investment income	4	249	-	-	249	267	-	-	267
Total income		26,961	695	-	27,656	24,968	1,003	-	25,971
Expenditure on:									
Raising funds		801	8	-	809	677	7	-	684
Charitable activities									
Teaching		8,522	352	-	8,874	7,832	293	-	8,125
Medical		5,497	141	-	5,638	5,059	133	-	5,192
Care		12,958	255	-	13,213	11,745	264	-	12,009
Total expenditure on charitable activities		26,977	748	-	27,725	24,637	690	-	25,327
Total expenditure	5	27,778	756	-	28,534	25,314	697	-	26,011
Net (losses)/gains on investments	7	(453)	-	(80)	(533)	77	-	(30)	47
Net (expenditure)/income		(1,270)	(61)	(80)	(1,411)	(269)	306	(30)	7
Actuarial gain on defined benefit scheme	16	272	-	-	272	3,707	-	-	3,707
Net movement in funds		(998)	(61)	(80)	(1,139)	3,438	306	(30)	3,714
Total funds brought forward		18,881	9,902	1,634	30,417	15,443	9,596	1,664	26,703
TOTAL FUNDS CARRIED FORWARD		17,883	9,841	1,554	29,278	18,881	9,902	1,634	30,417

There are no gains or losses other than those shown in the Statement of Financial Activities above.

All operations were classed as continuing.

The notes on pages 29 to 46 form part of these financial statements.

BALANCE SHEET AS AT 31 AUGUST 2023

	Note	2023		2022	
		£000s	£000s	£000s	£000s
Fixed assets					
Tangible fixed assets	8		28,934		27,456
Investments	9		9,921		10,597
Total fixed assets			<u>38,855</u>		<u>38,053</u>
Current assets					
Stock			9		9
Debtors	10		7,143		6,945
Investments	9		25		24
Cash at bank and in hand			2,180		3,002
Total current assets			<u>9,357</u>		<u>9,980</u>
Liabilities					
Creditors: Amounts falling due within one year	11	(11,103)		(9,395)	
Net current (liabilities)/assets			<u>(1,746)</u>		<u>585</u>
Total assets less current liabilities			<u>37,109</u>		<u>38,638</u>
Creditors; due after more than one year; bank loans and overdrafts	11		(1,333)		(944)
Provision for liabilities and charges	12		(659)		(868)
Net assets excluding pension scheme liability			<u>35,117</u>		<u>36,826</u>
Defined benefit pension scheme liability	15		(5,839)		(6,409)
NET ASSETS			<u><u>29,278</u></u>		<u><u>30,417</u></u>
The funds of the charity					
Restricted Funds	13		9,841		9,902
Endowed Funds	13		1,554		1,634
Designated funds	16	19,723		19,507	
General reserves	16	3,999		5,783	
Defined benefit pension scheme fund	15	(5,839)		(6,409)	
Unrestricted funds	16		<u>17,883</u>		<u>18,881</u>
TOTAL FUNDS			<u><u>29,278</u></u>		<u><u>30,417</u></u>

Approved by the Board of Trustees on the 21st February 2024 and signed on its behalf by

Dr Victor Olisa
Trustee



David Matthews
Trustee



Company registration number: 4466362

The notes on pages 29 to 46 form part of these financial statements

CASHFLOW STATEMENT

YEAR ENDED 31 AUGUST 2023

	2023 £000s	2022 £000s	
Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(1,411)	7	
Adjustments for:			
Depreciation charges	1,419	1,321	
Net gains on investments (including investment property)	533	(47)	
Investment income shown in investing activities	(249)	(267)	
Decrease in stock	-	-	
Decrease/(Increase) in debtors	(198)	284	
Increase in creditors due within one year	1,708	1,362	
Increase in creditors due over one year	389	944	
(Decrease)/Increase in provisions for liabilities and charges	(209)	74	
Net (repayments) for defined benefit pension scheme	(298)	(222)	
Net cash provided by operating activities	<u>1,684</u>	<u>3,456</u>	
Statement of cash flows			
Cash flows from operating activities			
Net cash provided by operating activities	1,684	3,456	
Cash flows from investing activities			
Investment income	249	267	
Purchase of tangible fixed assets	(2,897)	(3,957)	
Proceeds of sale of investments (including investment property)	5,574	4,224	
Purchase of investments	(5,409)	(4,480)	
Net cash used in investing activities	<u>(2,483)</u>	<u>(3,946)</u>	
Change in cash and cash equivalents in the reporting period	<u>(799)</u>	<u>(490)</u>	
Cash and cash equivalents at the beginning of the reporting period	3,303	3,793	
Cash and cash equivalents at the end of the reporting period	<u>2,504</u>	<u>3,303</u>	
Analysis of cash and cash equivalents			
Cash at bank and in hand	2,180	3,002	
Current asset investments	25	24	
Cash equivalents held in fixed asset investments	299	277	
	<u>2,504</u>	<u>3,303</u>	
Analysis of changes in net debt			
	Balance 01-Sep-22 £000s	Cash flows £000s	Balance 31-Aug-23 £000s
Cash	3,026	(821)	2,205
Cash equivalents	277	22	299
	<u>3,303</u>	<u>(799)</u>	<u>2,504</u>
Loans falling due within one year	(56)	(55)	(111)
Loans falling due after more than one year	(944)	(389)	(1,333)
	<u>2,303</u>	<u>(1,243)</u>	<u>1,060</u>

The notes on pages 29 to 46 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Scope and basis of the financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at market value and investment properties as stated in note 9, and are in accordance with the Statement of Recommended Practice: Accounting and reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (the 'SORP 2019'), FRS 102: The Financial Reporting Standard applicable in the UK and Ireland ('FRS 102'), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements have been prepared on a going concern basis. The Trustees consider that the Charity is able to continue to operate as a going concern and thus it is appropriate to prepare the financial statements on a going concern basis.

Treloar Trust is a private company limited by guarantee, incorporated in England and Wales, and constitutes a public benefit entity as defined by FRS102. The Trustees confirm that they have complied with the requirements and duty in Section 17 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit; Charities and Public Benefit, and that the activities of the Charity, particularly in the areas of education and disability services, are for the public benefit.

The preparation of the financial statements in accordance with FRS102 requires the Trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas where assumptions or estimates were significant to the financial statements are disclosed in note 22.

b) Exemption from consolidation

Consolidated financial statements have not been prepared because the figures for the group, incorporating Treloar Enterprises Limited, the Trust's only subsidiary, would not be materially different to those of the Trust as a single entity. The Trustees have included in note 9 to these accounts the results of Treloar Enterprises Limited for its accounting year to 31 August 2023. The accounts therefore show the results, cash flows, assets and liabilities of the Trust itself rather than the group as a whole.

c) Fee income

All income is accounted for in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Where income is received in advance of providing services, it is deferred until the Trust becomes entitled to that income.

Fee income from charitable activities is split between teaching, medical and care based on breakdowns of each area provided to purchasers.

d) Fundraising income including events and lottery

i) Donations, event and lottery income are recognised when received or when the Trust is entitled to the income and receipt is probable and measurable. Where income tax is reclaimable such income is included at the gross amount.

ii) Legacies are recognised when received or when the legacy has become accurately quantifiable and has been notified to the Trust as receivable.

iii) Gifts in kind (representing donations of equipment or vehicles) in excess of £250 are treated as income. The value of such donations is the fair value of the gift, usually the cost to the donor.

e) Grant income

Grant income is credited to the Statement of Financial Activities on an accruals basis where applicable.

f) Investment income

Investment income is credited to the Statement of Financial Activities on an accruals basis and is inclusive of the income tax recoverable, where applicable.

g) Rental income

Rental income is accounted for in the period for which the rent has been charged.

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

1 ACCOUNTING POLICIES (Continued)

h) Expenditure

Revenue and capital expenditure is recognised on an accruals basis inclusive of irrecoverable VAT, where applicable. The Trust directly attributes expenditure in so far as is possible between teaching, medical and care.

Support costs are those which provide indirect support to the Trust and School and College e.g. finance, human resources, facilities, governance costs and IT. Support costs not attributable to a single activity like these have been allocated on a basis consistent with identified cost drivers for that cost category such as staff numbers.

i) Operating leases

Rentals payable are charged on a time basis over the term of the lease.

j) Tangible fixed assets

The cost of tangible fixed assets includes those costs which are directly attributable to purchasing the assets and bringing them into working condition. The Trust does not capitalise interest as part of the cost of tangible fixed assets. The Trust capitalises refurbishment costs and any associated capital expenditure where such work extends the economic useful life of the building or provides new facilities. Normal repairs and maintenance costs are expensed as incurred.

The Trust's capitalisation policy is to transfer to the balance sheet only capital assets with a cost in excess of £5,000.

Depreciation is provided at the following rates to write off the cost of the Trust's fixed assets over their estimated useful economic lives: -

Freehold land and buildings for use by School and College	Buildings are depreciated on a straight-line basis over between forty and fifty years from date of first use.
Transport and motor vehicles	Transport and motor vehicles are depreciated on a straight-line basis between four and seven years from date of acquisition.
Furniture, fixtures and equipment	Furniture, fixtures and equipment are depreciated on a straight-line basis between three and ten years from date of acquisition.
Computer equipment	Computers and other IT equipment are depreciated on a straight-line basis between two and four years from date of acquisition.
Assets under construction	Costs incurred on assets not completed as at the year end are shown as assets under construction and are not depreciated until such time as completed and transferred to the relevant class of asset.

k) Investment assets

Freehold investment property	Freehold investment property is reflected at market value where this is deemed materially different from cost at the balance sheet date.
Listed investments	Listed investments are reflected at market value at the balance sheet date.
Unlisted investments	Unlisted investments are reflected in the balance sheet at cost less provision for any permanent diminution in value or impairment.

Both realised and unrealised profits and losses on investments are reflected in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 ACCOUNTING POLICIES (Continued)

l) Stocks

Stocks are stated at the lower of cost and net realisable value. Allowance is therefore made for damaged and obsolete goods.

m) Pensions

The Trust operates Defined Contribution Pension Schemes for which contributions are charged to the Statement of Financial Activities as they are incurred.

The Trust also contributes to the Teachers Pension Scheme (England and Wales) at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi employer scheme and as such it is not possible to identify the assets and liabilities which are attributable to the Trust. Therefore, in accordance with FRS 102, the scheme is accounted for as a defined contribution scheme.

The Trust also operates a Defined Benefit Pension Scheme, which was closed to future service accrual on 31 December 2007. The contributions are paid at rates agreed with the Scheme Actuary and, together with actuarial gains and losses, are charged to the Statement of Financial Activities.

n) Reserve funds

The policy of the Trustees is to maintain in a designated fund, such sums as they deem prudent for the future refurbishment and development of those assets used for the primary purpose of the Trust.

The Trustees have also established a general reserve to provide working capital to create a buffer in case there is a sudden reduction in student numbers and to allow for fluctuations in investment returns. The Trustees' policy is to seek to retain a buffer equal to at least three months of normal operating expenditure.

The Trustees have also established a Property and Equipment Fund for Assets tied up in the campus at Holybourne and thus not readily realisable.

A pension reserve is included within unrestricted funds to reflect the pension deficit on the Defined Benefit Pension Scheme.

Restricted funds are donated for a particular purpose, the use of which is restricted for that purpose. Endowment funds are held as capital funds from which the income generated may be spent on the specific purposes provided upon the creation of the endowed fund.

o) Cash and cash equivalents

The policy for the management of cash and cash equivalents is defined by the financial commitments of the Trust. The Trust aims to keep funds on deposit until such time as they are needed to pay for designated projects, as highlighted within the notes to the accounts. Cash held on deposit with a maturity of three months or less are considered as cash equivalents.

p) Provisions

A provision is made in the accounts where the Trust has a legal or constructive financial obligation, that can be reliably estimated, and for which there is an expectation that payment will be made.

q) Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade debtors, prepayments, creditors and provisions are initially recognised at transaction value and subsequently measured at their settlement value.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

2 DONATIONS, LEGACIES, AND OTHER FUNDRAISING INCOME

	2023			2022		
	Income	Direct	Support	Income	Direct	Support
	£000s	Expenditure	Costs	£000s	Expenditure	Costs
		£000s	£000s		£000s	£000s
Gifts and legacies						
Unrestricted	540			469		
Restricted	695			1,003		
Total	1,235	468	84	1,472	433	83
Events	202	125	23	94	48	9
Lottery	196	92	17	202	93	18
Total	1,633	685	124	1,768	574	110

3 RENT

	2023	2022
	£000s	£000s
Lettings income	77	80
Estate rents and wayleaves	303	220
	380	300

All items relate to unrestricted activities.

4 INVESTMENT INCOME

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	2023	Funds	Funds	2022
	£000s	£000s	£000s	£000s	£000s	£000s
Income from trading subsidiary	82	-	82	78	-	78
Income from listed investments	154	-	154	188	-	188
Interest receivable	13	-	13	1	-	1
	249	-	249	267	-	267

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

5 EXPENDITURE

	Direct Staff Costs £000s	Other Costs £000s	Support Costs £000s	Total 2023 £000s	Direct Staff Costs £000s	Other Costs £000s	Support Costs £000s	Total 2022 £000s
Raising funds	383	302	124	809	349	225	110	684
Charitable activities								
Teaching	5,541	474	2,859	8,874	5,122	451	2,552	8,125
Medical	4,067	149	1,422	5,638	3,757	166	1,269	5,192
Care	8,118	212	4,883	13,213	7,428	221	4,360	12,009
Total charitable activities	17,726	835	9,164	27,725	16,307	838	8,182	25,327
TOTAL EXPENDITURE	18,109	1,137	9,288	28,534	16,656	1,063	8,292	26,011

The support costs can be analysed as follows;	2023					2022				
	Raising Funds £000s	Teaching £000s	Medical £000s	Care £000s	Total £000s	Raising Funds £000s	Teaching £000s	Medical £000s	Care £000s	Total £000s
Facilities	46	1,060	527	1,810	3,443	38	885	440	1,512	2,876
Depreciation	19	442	220	755	1,436	18	407	202	695	1,322
Finance and Payroll	6	136	68	233	443	6	130	65	223	424
HR and Training	14	332	165	566	1,077	12	282	140	481	915
IT	11	253	126	433	823	10	230	114	392	746
Transport	4	82	41	140	267	3	73	36	125	237
Governance	15	350	174	598	1,137	16	367	182	626	1,191
Misc	9	204	101	348	662	8	179	89	306	582
	124	2,859	1,422	4,883	9,288	110	2,552	1,269	4,360	8,292

All support costs are divided between the four main headings using the full time equivalent staff numbers employed within those sections. Included in the above figure is insurance at a cost of £6,907 (2022: £6,306) which was taken out over the year to cover Trustees, Governors and Officers of the Trust against legal liability arising from acts of neglect, error or omission.

Interest payable on the bank loans during the year was £52,435 (2022: £nil).

	2023 £000s	2022 £000s
Total auditor's remuneration is made up as follows:		
Audit	29	52
Other services	2	4
	31	56

6 STAFF COSTS AND TRUSTEE EXPENSES

	2023 £000s	2022 £000s
Total staff costs for the year were as follows:		
Wages and salaries	18,461	16,950
Termination payments	-	30
Employer's NIC	1,497	1,363
Employer's pension costs	1,988	1,855
	21,946	20,198

Not included in the above are benefits in kind amounting to £9,356 (2022: £8,259), which were received by staff during the year. Termination payments are in the form of a redundancy payment made on the reorganisation of one department during the year.

	2023 £000s	2022 £000s
Employer's pension costs comprise the following:		
Teachers pension scheme (Note 15)	382	381
Employer contribution to Treloar group personal pension scheme (Note 15)	1,163	1,087
Defined benefit pension scheme - Expected interest cost less expected return (Note 15)	443	387
	1,988	1,855

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

6 STAFF COSTS AND TRUSTEE EXPENSES (continued)

The average number of paid persons employed by the Trust during the year was as follows:

	Full Time Equivalents	
	2023	2022
Teaching	162	162
Medical	95	90
Care (inc catering)	284	287
Facilities and ancillary	75	78
Fundraising	10	8
Marketing	2	2
	<u>628</u>	<u>627</u>
Total average employees by headcount.	<u>856</u>	<u>832</u>

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

	2023	2022
£60,001 to £70,000	4	4
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-
£110,001 to £120,000	1	-
£120,001 to £130,000	1	2

The total amount of employee benefits received by key management personnel for their services during the year is £441,941 (2022: £446,544). Key management is deemed to be the CEO, Principal and FD.

Four of the above members of staff accrued benefits under the Treloar group personal pension scheme and £50,999 (2022: £44,864 - four) was paid by the Trust to the scheme in respect of these members.

The Trustees received no remuneration for their services as Trustees during the period (2022: Nil). One Trustee was reimbursed £93 during the period for travel and other costs incurred in connection with the work of the charity (2022: two trustees - £374).

7 GAINS AND LOSSES ON INVESTMENTS

	Unrestricted Funds £000s	Endowed Funds £000s	Total Unrestricted 2023 £000s	Unrestricted Funds £000s	Endowed Funds £000s	Total 2022 £000s
Listed investments	557	63	620	200	28	228
Unrealised gains on investment property	-	-	-	7	-	7
Unrealised (loss) on listed investments	(1,010)	(143)	(1,153)	(130)	(58)	(188)
	<u>(453)</u>	<u>(80)</u>	<u>(533)</u>	<u>77</u>	<u>-</u>	<u>30</u>
						<u>47</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

8 TANGIBLE FIXED ASSETS

Cost	Opening Balance £000s	Additions/ Transfers £000s	Disposals £000s	Closing Balance £000s
Freehold land and buildings	36,169	5,651	-	41,820
Plant, machinery and motor vehicles	5,416	547	-	5,963
Assets under construction	4,041	(3,301)	-	740
	45,626	2,897	-	48,523
Depreciation	Opening Balance £000s	Charge for Year £000s	Released on Disposal £000s	Closing Balance £000s
Freehold land and buildings	(13,971)	(1,030)	-	(15,001)
Plant, machinery and motor vehicles	(4,199)	(389)	-	(4,588)
Assets under construction	-	-	-	-
	(18,170)	(1,419)	-	(19,589)
Net Book Value	Opening Balance £000s	Additions less charges £000s	Disposals £000s	Closing Balance £000s
Freehold land and buildings	22,198	4,621	-	26,819
Plant, machinery and motor vehicles	1,217	158	-	1,375
Assets under construction	4,041	(3,301)	-	740
	27,456	1,478	-	28,934

Additions/Transfers include £4,041,000 (2022: £194,000) transferred from Assets under construction to Land and Buildings following completion of projects during the year. There was £740,000 of additional expenditure incurred during the year on assets under construction as at 31 August 2023.

9 INVESTMENTS

Fixed asset investments

	Total 2023 £000s	Total 2022 £000s
Listed investments - UK	-	3,556
Listed investments - non-UK	8,955	6,097
Investment properties	623	623
Subsidiaries and associated undertakings	25	25
Unlisted investments	19	19
Bank deposits	299	277
	9,921	10,397

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

9 INVESTMENTS(continued)

Current asset investments

	Total 2023 £000s	Total 2022 £000s
UK Investments - Deposits	25	24

Listed investments

	Total 2023 £000s	Total 2022 £000s
Market value of assets as at 1 September	9,653	9,357
Additions	5,409	4,480
Disposal proceeds	(5,574)	(4,224)
Net unrealised investment (losses)	(1,153)	(188)
Net realised investment gains	620	228
Market value of assets as at 31 August	<u>8,955</u>	<u>9,653</u>

Historical cost as at 31 August

<u>9,514</u>	<u>9,058</u>
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Investment Properties (all UK)

	Total 2023 £000s	Total 2022 £000s
Valuation at 1 September	623	616
Revaluation	-	7
Valuation at 31 August	<u>623</u>	<u>623</u>

Historical cost as at 31 August

<u>126</u>	<u>126</u>
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The Trustees have valued Howards Farm at £480,526, based on the long term yield value of the property.
The Trustees have valued The Vale, Shirley at £142,500, based on the long term yield value of the property.
All valuations will be continuously monitored to ensure material market valuations are reflected in the balance sheet. The values were considered as at 31 August 2023 and no revaluation was considered necessary.

Unlisted investments

	Total 2023 £000s	Total 2022 £000s
Cost and valuation at 31 August	<u>19</u>	<u>19</u>

The Trustees consider that the market value of the above investments is not significantly different from their cost.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

9 INVESTMENTS(continued)

Trading Subsidiary

The Trust owns all the issued share capital of Treloar Enterprises Limited, which shares its Registered Office with the Trust. Its principal activities are the lettings of facilities and the retail presence of the Trust both physically and on line.

The trading subsidiary gift aids its profit to the Trust. Its trading results for the year ended 31st August were:

	Total 2023 £000s	Total 2022 £000s
Turnover	187	213
Cost of sales	(101)	(133)
Gross profit	86	80
Administration expenses	(4)	(7)
Profit on ordinary activities before taxation and interest	82	73
Taxation	-	-
Profit on ordinary activities after taxation	82	73
Gift aided payment - qualifying charitable donation	(82)	(73)
Retained profit for the year	-	-
Retained profit brought forward	3	3
Retained profit carried forward	3	3
Net assets (all equity interests)	28	28

10 DEBTORS

	2023 £000s	2022 £000s
Fees billed in advance	5,803	6,283
Trade debtors	757	81
Other debtors	58	59
Prepayments	525	522
	7,143	6,945

All amounts shown under debtors are due for payment within one year.

11 CREDITORS:Amounts falling due within one year

	2023 £000s	2022 £000s
Trade creditors	1,962	1,133
Income in advance	7,897	7,219
Taxes & social security costs	358	410
Other creditors	424	116
Accruals	336	458
Amounts due to group undertaking	15	3
Bank loans and overdrafts	111	56
	11,103	9,395

The income in advance is in relation to fees invoiced for the year ended 31 August 2024 invoiced prior to 31 August 2023, apart from £218,000 which was received in the year ended 31 August 2022, which has still not been released to income as not yet due to be recognised.

The bank loan is for £1.5million taken out to assist with the development of the Key Worker Accomodation. It is repayable within five years of the balance sheet date and is secured on part of the site.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

12 PROVISIONS

	Fees	Other	Total
	£000's	£000's	£000's
At 1 September 2022	451	417	868
(Decreases) in provision	(4)	(205)	(209)
At 31 August 2023	<u>447</u>	<u>212</u>	<u>659</u>
Amounts are expected to be incurred; - within one year	<u>447</u>	<u>212</u>	<u>659</u>

Provisions include trade debtors, provision for untaken holiday, sickness provision and for employment disputes and where, due to extenuating circumstances, queries may be raised over services provided.

13 RESTRICTED & ENDOWED FUNDS

	Balance 31-Aug-22 £000s	Income £000s	Expenditure £000s	Transfers in/(out) £000s	Gains/ (Losses) on Investments £000s	Balance 31-Aug-23 £000s
Endowed Funds						
Billesden Fund	690	-	-	-	(14)	676
Rossington Bursary Fund	944	-	-	-	(66)	878
Total Endowed funds	<u>1,634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(80)</u>	<u>1,554</u>
Specific appeals fund						
Specific equipment appeals	554	-	(191)	305	-	668
Specific building appeals	7,795	-	(327)	1,074	-	8,542
Total specific appeals fund	<u>8,349</u>	<u>-</u>	<u>(518)</u>	<u>1,379</u>	<u>-</u>	<u>9,210</u>
Other restricted funds						
Billesden fund	10	35	(19)	-	-	26
Campbell sports fund	27	14	(16)	-	-	25
IMPact	63	5	(34)	-	-	34
Transition	-	21	(21)	-	-	-
Motor Vehicles	219	-	-	(88)	-	131
Dietician	-	28	(28)	-	-	-
AAC,AT, Physio and other Equipment	198	116	-	(155)	-	159
Outdoor learning	17	-	-	(17)	-	-
Outdoor Learning Centre	387	50	-	(412)	-	25
KeyWorker Accomodation	125	-	-	(125)	-	-
Swimming Pool	279	259	-	(538)	-	-
Rossington restricted legacy	59	41	-	-	-	100
Learner Tech salary	-	40	(16)	-	-	24
Other	169	86	(104)	(44)	-	107
	<u>1,553</u>	<u>695</u>	<u>(238)</u>	<u>(1,379)</u>	<u>-</u>	<u>631</u>
Total Restricted Funds	<u>9,902</u>	<u>695</u>	<u>(756)</u>	<u>-</u>	<u>-</u>	<u>9,841</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

13 RESTRICTED & ENDOWED FUNDS

	Balance 31-Aug-21 £000s	Income £000s	Expenditure £000s	Transfers in/(out) £000s	Gains/(losses) on Investments £000s	Balance 31-Aug-22 £000s
Endowed Funds						
Billesden Fund	652	-	-	-	38	690
Rossington Bursary Fund	1,012	-	-	-	(68)	944
Total Endowed funds	1,664	-	-	-	(30)	1,634
Specific appeals fund						
Specific equipment appeals	556	-	(126)	124	-	554
Specific building appeals	7,956	-	(318)	157	-	7,795
Total specific appeals fund	8,512	-	(444)	281	-	8,349
Other restricted funds						
Billesden fund	20	8	(19)	-	-	9
Campbell sports fund	32	12	(15)	-	-	29
IMPact	53	25	(16)	-	-	62
Assistive technology	-	15	(15)	-	-	-
Transition	-	60	(60)	-	-	-
Motor Vehicles	137	188	-	(106)	-	219
Pushing the boundaries	14	-	(14)	-	-	-
Dietician	-	25	(25)	-	-	-
AAC,AT, Physio and other Equipment	147	60	(10)	-	-	197
Outdoor learning	16	5	(3)	-	-	18
Outdoor Learning Centre	200	186	-	-	-	386
KeyWorker Accomodation	125	-	-	-	-	125
FTHall	141	16	-	(157)	-	-
Rossington restricted legacy	19	38	-	-	-	57
Swimming Pool	-	279	-	-	-	279
Leamer Tech salary	-	40	(40)	-	-	-
Baths	-	18	-	(18)	-	-
Other	180	28	(36)	-	-	172
	1,084	1,003	(253)	(281)	-	1,553
Total Restricted Funds	9,596	1,003	(697)	-	-	9,902

ENDOWED FUNDS

Where donations are received and are to be invested in a fund and the use of that fund is restricted to the income generated from it, a permanent endowment is created and disclosed as such.

The Billesden fund – was established in 1984 by the Merchant Taylors' and Skinners' Companies to provide assistance with the aftercare and vocational training of students, includes the Billesden officer post which is a research post which provides data on Treloar leavers in order to inform the priorities and direction of the transition strategy.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

13 RESTRICTED & ENDOWED FUNDS (continued)

Rossington Bursary Fund - this was created from a legacy which states that the income from the investment of the fund shall be used to provide access to education for an 'older' age group of young disabled students who are socially disadvantaged.

RESTRICTED FUNDS

Where donations are received for particular items of expenditure, such amounts are credited to the Trust's restricted funds. If an operational area of the Trust discharges such expenditure out of its unrestricted funds, the amount is transferred out of the restricted funds to reimburse the expenditure. Other expenditure is paid directly out of the restricted funds.

Specific appeals fund – capital funds from appeals for new buildings and specific equipment including the Vision Treloar's buildings, Brewer House hall of residence, Evans House hall of residence, minibus, Treloar's Direct assets and other special equipment.

The Billesden fund – income from the endowment above and donations from the Merchant Taylors' and Skinners' Companies is used to provide assistance with the aftercare and vocational training of students, including the Billesden officer post which is a research post which provides data on Treloar leavers in order to inform the priorities and direction of the transition strategy.

Campbell sports fund – enables students to participate in sailing and other sporting activities.

The Independent Mobility Project (IMPact) - provides the most appropriate wheelchair for every student in need at the School and the College, to give them optimum independence.

Assistive Technology fund – supports assistive technology work carried out in the Trust.

Transition – providing support to students to prepare them for the transition from Treloar's back into the community, supporting independence and helping them realise their full potential.

Motor Vehicles - funds raised for the acquisition of new coach and minibus in 2017/18 and for new adapted vehicles in 2018/19.

Pushing the boundaries – has been established to raise funds to allow students to experience activities not normally associated as being available to people with disabilities such as abseiling and rock climbing.

Dietician – supports the work of an on site dietician.

AAC, Assistive technology and physio equipment - support the equipment purchases of the speech & language therapists (alternative & augmentative communications equipment), the physiotherapists and the assistive technology engineers respectively.

Outdoor learning – enriching the outdoor areas of our campus to provide an interactive learning environment for our students.

Outdoor Learning Centre - set up to raise funds for the new Centre on campus to expand provision for students and external visitors.

Key Worker Accommodation - set up to raise funds to build new staff living quarters on site.

FT Hall - funds raised for the renovation of the Florence Treloar Hall.

Swimming Pool - funds raised in order to refurbish the site's swimming facilities.

Rossington Income Fund - income from the endowment above to be used to provide access to education for an 'older' age group of young disabled students who are socially disadvantaged.

Learner Tech salary - funds raised to cover the salary of the learner technology department to help students in class with their IT needs.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2023			Total £000s
	Unrestricted Funds £000s	Restricted Funds £000s	Endowed Funds £000s	
	Tangible fixed assets	19,724	9,210	
Investments	8,367	-	1,554	9,921
Net current assets	(2,377)	631	-	(1,746)
Total assets less current liabilities	25,714	9,841	1,554	37,109
Creditors due over one year	(1,333)	-	-	(1,333)
Provisions	(659)	-	-	(659)
Pension scheme liability	(5,839)	-	-	(5,839)
TOTAL NET ASSETS	17,883	9,841	1,554	29,278

	2022			Total £000s
	Unrestricted Funds £000s	Restricted Funds £000s	Endowed Funds £000s	
	Tangible fixed assets	19,107	8,349	
Investments	8,963	-	1,634	10,597
Net current assets	(968)	1,553	-	585
Total assets less current liabilities	27,102	9,902	1,634	38,638
Creditors due over one year	(944)	-	-	(944)
Provisions	(868)	-	-	(868)
Pension scheme liability	(6,409)	-	-	(6,409)
TOTAL NET ASSETS	18,881	9,902	1,634	30,417

15 PENSIONS

The total pension cost charged to the Statement of Financial Activities for the Year, excluding the movement on actuarial gains and losses, for all the schemes was £1,988,000 (2022: £1,854,995).

Teachers Pension Scheme (England and Wales)

Under the definitions set out in Financial Reporting Standard 102, the Teacher's Pension Scheme (TPS) is a multi-employer pension scheme. As the TPS is underwritten by central government and the Trust has no future obligation to make contributions to the scheme, this is effectively a defined contribution scheme in so far as it affects the Trust. Contributions by the Trust during the period totalled £381,388 (2022: £381,388).

As at 31 August 2023 contributions were being made into the scheme on behalf of 38 (2022: 43) members of staff. The last actuarial valuation dated March 2020 showed that the Teachers Pension Scheme (England and Wales) is in deficit. Under current accounting regulations there is no requirement for any employer to account for its share of the deficit.

Treloar Group Personal Pension Scheme

The Trust operates a defined contribution scheme to provide retirement benefits for its employees who are not members of the Teachers Pension Scheme. Because the Trust makes contributions of at least 1.5% of participating salaries to the Group Personal Pension Scheme, it does not have to offer a Stakeholder Plan. Contributions by the Trust during the period totalled £1,164,479 (2022: £1,086,607).

At 31 August 2023 contributions were being made into the Scheme on behalf of 670 (2022: 613) members of staff.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

15 PENSIONS(continued)

Treloar Defined Benefit Pension Scheme

Treloar Trust (the Trust) operates the Federated Pension Scheme for Treloar Trust (the scheme), a UK registered trust based pension scheme that provides defined benefits. Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Pension Scheme Trustee is responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules, which sets out their powers. The Pension Scheme Trustee is required to act in the best interests of the beneficiaries of the Scheme. There are two categories of pension scheme members: deferred members; current and former employees of the Trust who are not yet in receipt of pension, and Pensioner members: in receipt of pension (some of whom are insured with Aviva and LV).

The Pension Scheme Trustee is required to carry out an actuarial valuation every 3 years, The actuarial valuation of the Scheme was performed by the Scheme Actuary for the Pension Scheme Trustees as at 31 March 2021. This valuation revealed a funding shortfall of £12.1 million. In respect of the deficit in the Scheme as at 31 March 2021, the Trust has agreed to pay £569,554 per annum payable monthly from 1 March 2022 until 30 June 2022, then £804,000 per annum payable in equal monthly instalments for a period of 16 years 2 months from 1 July 2022. The contribution will increase at 2.7%pa at each 1 July with the first increase due on 1 July 2022. The Trust therefore expects to pay £829,423 to the Scheme during the accounting year beginning 1 September 2023. All expenses and liabilities in relation to the scheme are included within unrestricted funds of the Trust.

Principal assumptions

	31-Aug-23 % pa	31-Aug-22 % pa
Discount rate	5.3	4.2
Retail Prices Index (RPI) Inflation	3.2	3.5
Consumer Prices Index (CPI) Inflation	2.7	2.8
Rate of increase to pensions in payment:		
Pre 88 GMP	0.0%	0.0%
Post 88 GMP	2.3%	2.3%
Pre 97 XS	0.0%	0.0%
97-06 pension	3.1%	3.4%
Post 06 pension	2.2%	2.3%
Revaluation of deferred pensions in excess of GMP	2.7%	2.8%
Underpin to revaluation of scale pension (including GMP)	3.0%	3.0%
Retirement age and application of retirement factor adjustment	Assume retire at 60 with retirement factor adjustment applied for members still in service and under age 60 on 1 October 2007	
Mortality before and after retirement	100% S3PMA_Middle 100% S3PFA_Middle CMI 2022 [1.25%]	100% S3PMA_Middle 100% S3PFA_Middle CMI 2021 [1.25%]
Life expectancy of male aged 60 at balance sheet date	85.3	85.9
Life expectancy of male aged 60 in 20 years from balance sheet date	86.8	87.4
Life expectancy of female aged 60 at balance sheet date	88.1	88.6
Life expectancy of female aged 60 in 20 years from balance sheet date	89.6	90.1

For the avoidance of doubt the above assumptions are in absolute terms.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

15 PENSIONS(continued)

Asset breakdown

The fair value of the assets of the Scheme was:

	31-Aug-23 £000's	31-Aug-22 £000's
M&G Total Return Credit Fund	1,186	2,153
Baillie Gifford Multi Asset Growth Fund	1,203	2,098
BNY Mellon Sustainable Global Dynamic Bond Fund	3,002	3,464
Partners Fund	4,163	3,923
LGIM Future World Fund	3,064	3,890
LGIM Future World Fund - GBP Hedged	1,021	1,787
LGIM Matching Core Fix Short	2,187	1,755
LGIM Matching Core Fix Long	528	479
LGIM Matching Core Real Short	868	1,022
LGIM Matching Core Real Long	1,113	1,076
LGIM Future World Multi Asset	1,707	2,589
Annuities	869	1,006
Trustee bank account/NCA	200	203
Total	<u>21,111</u>	<u>25,445</u>

Net defined benefit asset (liability)

	31-Aug-23 £000s	31-Aug-22 £000s
Fair value of Scheme assets	21,111	25,445
Present value of defined benefit obligation	(26,950)	(31,854)
Defined benefit (liability) recognised in the balance sheet	<u>(5,839)</u>	<u>(6,409)</u>

Total expense recognised in Statement of Financial Activities

	31-Aug-23 £000s	31-Aug-22 £000s
Administration expenses	189	225
Past Service Cost	-	-
Net interest on the net defined benefit liability	254	162
Total recognised in the Statement of Financial Activities	<u>443</u>	<u>387</u>

Total amounts taken to Other Comprehensive Income

	31-Aug-23 £000s	31-Aug-22 £000s
Actuarial loss on scheme assets less interest	(4,544)	(8,857)
Remeasurement gains - actuarial gains	4,605	12,564
Amount recognised in Other Comprehensive Income	<u>61</u>	<u>3,703</u>

The return on assets was:

	31-Aug-23 £000s	31-Aug-22 £000s
Interest income	1,051	549
Return on assets less interest income	(4,544)	(8,857)
Total return on assets	<u>(3,493)</u>	<u>(8,308)</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

15 PENSIONS(continued)

Reconciliation to the Statement of Financial Position

	31-Aug-23 £000s	31-Aug-22 £000s
Market value of assets	21,111	25,445
Present value of defined benefit obligation	(26,950)	(31,854)
Funded status	<u>(5,839)</u>	<u>(6,409)</u>
Pension (liability) recognised in the Financial Statements	<u><u>(5,839)</u></u>	<u><u>(6,409)</u></u>

Changes in the present value of the defined benefit obligation

	31-Aug-23 £000s	31-Aug-22 £000s
Present value of defined benefit obligation at beginning of period	31,854	45,216
Benefits paid including expenses	(1,604)	(1,509)
Interest cost	1,305	711
Remeasurement losses - assumptions actuarial gains	(4,499)	(12,406)
Remeasurement (gains) - experience actuarial gains	(106)	(158)
Present value of defined benefit obligation at end of period	<u><u>26,950</u></u>	<u><u>31,854</u></u>

Changes in the fair value of assets

	31-Aug-23 £000s	31-Aug-22 £000s
Fair value of Scheme assets at the beginning of period	25,445	34,878
Interest income	1,051	549
Remeasurement losses - Return on scheme assets excluding interest income	(4,400)	(8,857)
Contributions by Employer	808	609
Administration expenses	(189)	(225)
Benefits paid including expenses	(1,604)	(1,509)
Fair value of Scheme assets at the end of period	<u><u>21,111</u></u>	<u><u>25,445</u></u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

16 MOVEMENT ON UNRESTRICTED RESERVES

	Balance 01-Sep-21 £000s	Net income £000s	Transfers £000s	Gains £000s	Balance 31-Aug-22 £000s
Designated Fund: Property and Equipment Fund	15,467	-	3,640	-	19,107
Designated Fund: Repairs and Improvement Fund	400	-	-	-	400
General reserves	9,914	(491)	(3,640)	-	5,783
Defined benefit pension scheme fund	(10,338)	222	-	3,707	(6,409)
	<u>15,443</u>	<u>(269)</u>	<u>-</u>	<u>3,707</u>	<u>18,881</u>

	Balance 01-Sep-22 £000s	Net income £000s	Transfers £000s	Gains £000s	Balance 31-Aug-23 £000s
Designated Fund: Property and Equipment Fund	19,107		616	-	19,723
Designated Fund: Repairs and Improvement Fund	400		(400)	-	-
General reserves	5,783	(1,568)	(216)	-	3,999
Defined benefit pension scheme fund	(6,409)	298	-	272	(5,839)
	<u>18,881</u>	<u>(1,270)</u>	<u>-</u>	<u>272</u>	<u>17,883</u>

The property and equipment fund represents the net book value of the tangible fixed assets held for charitable purposes less the amount financed by restricted funds. Since this fund represents existing fixed assets (mainly buildings) it cannot be converted easily into cash and therefore cannot be used to fund other activities.

The repairs and improvement fund represents money set aside by the Trustees towards the finance of special maintenance work and planned major improvements to facilities. During the year there were exceptional operating costs incurred in health and safety compliance work which has effectively used this reserve for the purposes for which it was

The Trustees have also established free reserves to provide working capital to create a buffer in case there is a sudden reduction in student numbers and to allow for fluctuations in investment returns. The Trustees' policy is to seek to retain a buffer equal to at least three months of normal operating expenditure.

17 ENTITLEMENT TO LEGACIES

The Trust is aware of possible future receipts from legacies, arising on deaths prior to 31 August 2023 where the exact sums are not quantifiable and these are believed to be in the order of £81,991 (2022: £30,726).

18 CAPITAL COMMITMENTS

As at 31 August 2023, the Trust had contracted to purchase land and four supported living flats within a new development in Alton, Rivermead at a cost of £550,000. As at the year end £510,249 had been incurred, which is included under assets under construction. Completion occurred on 24 November 2023. There were also two small retentions for completed projects that were committed as at 31 August 2023, £51,000 for the Staff Accommodation block and £11,000 for the Pool renovations.

19 TAXATION STATUS

Treloar Trust is a registered charity and no tax is payable on its charitable income. The Trust is not registered for VAT and expenditure is shown inclusive of VAT where incurred.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

20 SHARE CAPITAL

The Trust has no share capital and is limited by guarantee. The liability of each member in the event of a winding up, as stated in the Articles of Association, is limited to £1.

21 RELATED PARTY DISCLOSURE

The balance due at 31 August 2023 to Treloar Enterprises Limited (TEL), the Trust's trading subsidiary, from the Trust was £15,272 (2022: £3,490). Transactions between the Trust and TEL comprised £142,074 (2022: £133,013), including a donation of profits of £81,594 (2022: £77,800).

The Trust granted to TEL the head lease over flats at Campbell Court. In the year ended 31 August 2023 the Trust was due £60,480 (2022: £60,480) in rent and service charges for these flats.

22 ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the trustees are required to make estimates and judgements. The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact amounts reported in the results of operations, financial position and cashflows. Accounting policies are shown in note 1 to the financial statements.

Actuarial assumptions in respect of defined benefit pension scheme

The application of actuarial assumptions relating to the defined benefit pension scheme is incorporated in the financial statements in accordance with FRS102. In applying FRS102, advice is taken from an independent qualified actuary. In this context, significant judgement is exercised in a number of areas, including future changes in inflation, mortality rates and the selection of appropriate discount rates.

Pension scheme deficit reduction payments

As explained in note 15, there is a deficit reduction plan in place in respect of the defined benefit pension scheme. FRS102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

Bad debt provision

Consideration is given to debtors which are past their due date as at the balance sheet date and a provision is made against these debts based on both specific information and experience.

Investment Properties

Values of investment properties are constantly monitored to ensure that material fair values are reflected within the financial statements. These include judgements on the correct basis of valuation to apply, yield values of these properties where this basis is used and assessment of the most appropriate yield basis. All of these matters include some form of uncertainty around these judgements.

Officers and professional advisers

Trustees

Dr Victor Olisa QPM Chair of Treloar Trust
Alistair Mackintosh BSc MBA (*resigned 10/12/2022*)
James Bateson LLB
Cheryl Brewer
Chair of Governors, Treloar School & College (*from 01/09/2023*)
Michael Chadwick ACA CTAI
Chair of Governors, Treloar School & College (*till 31/08/2023*)
David Cook BSc FCIM
Ian Cranna (*appointed 26/01/2023*)
Anna Galliford BComm ACMA
Rhys Iley (*resigned 24/03/2023*)
David Matthews JP BSc CA (*appointed 24/05/2023*)
Michael Meredith (*appointed 07/07/2023, resigned 25/01/2024*)
Neil Smith (*appointed 24/05/2023*)
Lady Win Normington CBE
Udokanma Uzowulu (*resigned 01/03/2023*)
Scott Watkin BEM

Honorary trustee

Rt. Hon. The Lord Mayor of The City of London

Royal patron

HRH The Duchess of Edinburgh GCVO

Senior executives

Simon Birch BA MBA ACA Deputy Chief Executive, Finance & Resources Director
Martin Ingram BSc PGCE Principal of Treloar School & College

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
London, EC1M 6HR

Auditors

Moore Kingston Smith LLP
9 Appold Street
London, EC2A 2AP

Investment managers

Cazenove Capital	Ruffer LLP
1 London Wall Place	80 Victoria Street
London, EC2Y 5AU	London, SW1E 5JL

Patrons

Fiona Adler
Michael Aspel OBE
Bob Barrett
Dan Bentley
The Rev Mark Birch
Stuart C Boreham
Lady Tessa Brewer OBE
Michael Campbell MBE DL
Michael Cassidy CBE
Chris Childs
Christopher Dadson
Dan Eley
Damon de Laszlo DL
Julie Fernandez
Humphrey Hawksley
Suzanna Hext
Jane Macnabb
Maureen Marden
Alderman Sir Andrew Parmley
Bruce Powell
Robert Powell
Ben Rushgrove
Martin Sinclair
Admiral Sir Jock Slater GCB LVO DL
David Smith OBE
Roger Southam
Jeff Stelling
Alastair Stewart OBE
Sir Richard Stilgoe OBE DL
Alan Titchmarsh MBE DL VMH HonFSE
The Right Reverend David Williams,
Bishop of Basingstoke
Dame Jacqueline Wilson DBE FRSL
Tom Yendell

Bankers

Lloyds TSB plc
City Office Branch
PO Box 72, Bailey Drive
Gillingham Business Park
Gillingham
Kent, ME8 0LS

*“You are valued for who you are
This ethos ignites a spark,
For every student who starts,
A clear message that you are amazing as you are.”*

Extract from a poem about Treloar’s by college student Claire

Treloar Trust

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A company limited by guarantee.
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