

Charity Registration No. 298155

Company Registration No. 02187958 (England and Wales)

THORPE HALL SCHOOL TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



!RickardLuckin

THORPE HALL SCHOOL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	L L Andrews	
	J Gorridge	
	M Reddan	
	D W Sills	
	JA Ladner	(Appointed 1 March 2019)
	E Lambert	(Appointed 28 February 2019)
	S Mereu	(Appointed 4 March 2019)
	M Diaper	(Resigned 24 June 2019 and re-appointed 23 October 2019)
Charity number	298155	
Company number	02187958	
Principal address	Thorpe Hall School Wakering Road Thorpe Bay Southend-on-Sea Essex SS1 3RD	
Registered office	Thorpe Hall School Wakering Road Thorpe Bay Southend-on-Sea Essex SS1 3RD	
Auditor	Rickard Luckin Limited Phoenix House, Suite 8 Christopher Martin Road Basildon Essex SS14 3EZ	

THORPE HALL SCHOOL TRUST

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THORPE HALL SCHOOL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their report and financial statements for the year ended 31 August 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)

Objectives and activities

The charity's objectives, as set out in its Memorandum and Articles of Association, are the advancement of education and provision of independent coeducational day schooling for children between the ages of two and sixteen plus years. Within these objects, the Trust also has to maintain the land and buildings, which are owned by Thorpe Hall School (Essex) Ltd, and provide for bursaries and other educational purposes. The school provides means tested bursaries to a number of children.

The school's aim is to provide a first class independent education, through strong academic tuition and the development of sporting, artistic and social skills in all of its pupils. The school seeks to provide an environment where each pupil can develop and fulfil their potential and thus build self-confidence and a desire to contribute to the wider community.

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging. In the 2018-19 academic year, the school's specific aims have continued to remain:

- 1) To maintain high academic standards throughout the school and treat each pupil as an individual and important member of the school community.
- 2) To continue the development of special needs provision by identifying any weaknesses in individual pupils and putting Individual Education Plans into place as soon as possible.
- 3) To enhance the young person's enterprise scheme and encourage greater participation.
- 4) To continue to develop and enhance our Competency Based Curriculum and disseminate it across the whole community, including an emphasis on pupils understanding the power of metacognition.
- 5) To develop our use of online learning platforms and pupil tracking systems to support teaching and learning in school and at home.
- 6) To ensure that our website contains relevant and compliant information for parents.
- 7) To continue to invest in facilities which enhance learning throughout the School.
- 8) To develop and enhance a good working relationship with other schools and organisations including the Local Authority of Southend Borough Council and to be actively involved in the local community.

The school continues to innovate and share best practice in pedagogy and meta learning. The school now aims to broaden the audience of these innovations through a greater online presence and thought leadership in the local press.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

THORPE HALL SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2019

Achievements and performance

The school has continued to perform very well both academically and in the areas of sport, music and drama.

The 2019 GCSE results saw yet another strong performance leaving our 5 year average of pupils attaining 5 or more A* to C grades remain proudly at 88%. This is over twenty points higher than the national average for maintained schools, including selective schools. In measuring these results in terms of 'value added' 6 of every 10 GCSE exams taken was, on average, one grade higher than predicted by Cognitive Ability Testing.

In the Key Stage 2 SATS results were in line with the best performing local authorities in the UK and the school was listed in the Top 100 Preparatory Schools by the Sunday Times for the 4th year in a row.

The Bursary Scheme continues to offer places either at no cost or heavily subsidised for local families who would not otherwise be able to afford the fees. Bursary grant awards equate to around 3% of turnover.

The school has continued to build upon the partnerships which evolved last year with local Primary Schools, community groups and a secondary school. These schools benefit from both the enhanced facilities that Thorpe Hall School has to offer as well as the experience embedded within our leadership team. The school has enhanced its capacity to form effective partnerships with local schools by appointing a new Development Officer. Her role is focused on promoting the moral purpose of the school in terms of its charitable aims, environmentally sustainable operation and working closely with partner schools to support social mobility within the local area.

The opening of a brand new sports building marks the end of a five and half year project. Named 'The Seaglass', this new and boldly designed building puts the facilities available to the School in a new bracket in terms of what it can offer local families. The Trustees are confident that the building will help the school to recruit more pupils and also attract the best teachers to work at the school. The building will also give the community much needed space in which to perform and play, and the Trustees have already had much interest from local sports clubs and community groups. There is also the plan to expand the use of the Seaglass for more commercial functions, such as weddings and displays.

Financial review

The results for the year are set out in the financial statements published with this report, which continue to demonstrate that the school remains in a strong and sound financial position as a result of prudent management and control.

Unrestricted funds:

It is the governor's policy that unrestricted funds should be applied in the continuous development and benefit of Thorpe Hall School.

Restricted funds:

There are no specific or restricted funds held at present.

Reserves Policy

The Governing Body regularly monitors the reserves to ensure that sufficient funds are maintained to meet anticipated future needs whilst avoiding long term accumulation of excessive sums.

At 31st August 2019, the school had free reserves of £3,475,964

The Governing Body maintains a prudent level of reserves in line with their policy to spend income received on the pupils in the school at that time, except where a specific project required funding to be built up over several years.

The charity is run as a private fee paying school, which is therefore its principal funding source. Those funds when generated will firstly be applied back into the school buildings by way of support to Thorpe Hall School (Essex) Ltd for the servicing and repayment of its mortgage from Barclays Bank PLC. Secondly, those funds have been utilised in the purchase of fixed assets for use within the school.

THORPE HALL SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Future Developments

The school intends to build on its solid foundations, both academically and financially, and will look to move forward and improve further in both areas.

Structure, governance and management

The charity is a company limited by guarantee.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

L L Andrews	
M I Brudenell	(Deceased 6 September 2019)
J Gorridge	
M J Miller	(Resigned 17 October 2018)
M Reddan	
D W Sills	
JA Ladner	(Appointed 1 March 2019)
E Lambert	(Appointed 28 February 2019)
S Mereu	(Appointed 4 March 2019)
M Diaper	(Resigned 24 June 2019 and re-appointed 23 October 2019)

The procedures for appointment of a trustee at the AGM are set out in the Articles of Association of the company. At other time, the trustees endeavor to identify parents of children within the school or other people within the local community at large who have the requisite skills and acumen to act as governors. If such persons agree, they are co-opted to the board and a formal resolution for their appointment is put to the members for confirmation at the next AGM.

None of the trustees have any beneficial interest in the company and those trustees with children at the school pay the same level of fees as non-trustee parents.

Parents of all pupils in the school are offered membership of Thorpe Hall School Trust. That membership terminates upon the departure of such parents last child from the school. The maximum liability or contribution that each member can be called upon to make is £1. The trust requires all parents of pupils in the main school to place an interest free deposit with the trust (the amount of such deposit being determined by the governors from time to time) and this deposit is refundable when their child (or last child) leaves the school. Members of staff may also apply to become members of the trust.

Governor recruitment is through a combination of approaches, one being the co-option of those with necessary skills, from parents of children at the school to those with an interest in the school community. Nominations for Governors will be requested by a specific date. These nominations must include the reasons why the nominee wishes to become a Governor and the attributes they can bring to the Governing Body. These nominations will be considered by the members of the school who will decide the successful candidate.

The Academy provides all new Governors with a comprehensive induction covering a comprehensive range of issues and topics. This is to ensure they gain a better understanding of the role and responsibilities of being a school Governor so they can fulfil their role with confidence.

The Governing Body is committed to providing training for Governors specific to their roles and the requirements of the Academy. The Academy purchases training from appropriate bodies.

THORPE HALL SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2019

Meetings of the board of governors take place at intervals of approximately once a school term. To constitute a quorum there must be at least four governors present, out of a maximum permitted number of governors at 15. The meetings are chaired by the chair of governors or in his/her absence by the vice-chair. The board of governors is responsible for making policy decisions in consultation with the Headteacher, Mr. A. Hampton.

Implementation of those policies is the function of the Headteacher who will consult, as appropriate with the senior leadership team. Individual governors provide guidance on specific areas depending on their personal knowledge, skills and experience. In addition, one sub-committee considers all health and safety matters, a second considers all financial matters, including all ground buildings and maintenance matters and a third considers all education and personnel matters.

The day to day running of the school is delegated to the Headteacher, supported by his leadership teams. The head and members of staff as appropriate are invited to attend the governor's meetings. A Hampton has been Headteacher since 1 September 2007. The senior leadership team comprises of Mr. Andrew Hampton (Headteacher), Mrs. Amanda Leslie (Deputy Head – Lower School), Mrs Jane Banks (Deputy Head – Upper School) and Mr. Richard Turner (Deputy Head – Upper School).

The governors have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Detailed consideration of risk is considered by the governors in consultation with the Headteacher, who is assisted by the senior leadership team and by the health and safety committee. Risks are identified, assessed and controls established throughout the year.

Key controls used by the governors include:

- 1) Formal agendas for all board meetings
- 2) Comprehensive strategic planning, budgeting and management accounting
- 3) Established organisational structure and lines of reporting
- 4) Formal written policies
- 5) Clear authorisation and approval levels and
- 6) Vetting procedures as required by law for the protection of the vulnerable

Through risk management processes established for the school the governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Pay policy for Key Management Personnel

The Board of Trustees abides by the requirement of all relevant national and local agreements with particular reference to:

- School Teachers' Pay and Conditions Document, including due regard to relevant guidance documents and accompanying circulars
- Conditions of Employment for School Teachers in England & Wales

Those on the leadership spine play a critical role in the life of the school. They inspire confidence in those around them and work with others to create a shared strategic vision which motivates pupils and staff. They take the lead in enhancing standards of teaching and learning and value enthusiasm and innovation in others. They have the confidence and ability to make management and organisational decisions and ensure equity, access and entitlement to learning.

Thorpe Hall School (Essex) Limited, a company incorporated in England, is the owner of the freehold land and buildings from which the trust operates as a private school. The Trust pays a rent for that occupation as shown in these accounts. Thorpe Hall School Trust has advanced the monies to Thorpe Hall School (Essex) Ltd to provide part of the funds to build and improve the school. The current account has been secured by way of a second charge against the freehold land and buildings of that company and interest is charged at a rate of 3% per annum above Barclays Bank Plc base rate. The first charge against the freehold land and buildings is held by Barclays Bank Plc in support of their mortgage, again to provide part of the funds to improve the school.

THORPE HALL SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2019

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.

DocuSigned by:

Jonathan Gorridge

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J Gorridge

Dated: *14th August 2020*

THORPE HALL SCHOOL TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees, who are also the directors of Thorpe Hall School Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the 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.

THORPE HALL SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THORPE HALL SCHOOL TRUST

Opinion

We have audited the financial statements of Thorpe Hall School Trust (the 'charity') for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
 - the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.
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THORPE HALL SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THORPE HALL SCHOOL TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

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

- adequate 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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



Kate Bell (Senior Statutory Auditor)
for and on behalf of Rickard Luckin Limited

Chartered Accountants
Statutory Auditor

BH August 2020

Phoenix House, Suite 8
Christopher Martin Road
Basildon
Essex
SS14 3EZ

THORPE HALL SCHOOL TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted funds 2019 £	Total 2018 £
	Notes		
<u>Income and endowments from:</u>			
Charitable activities	3	4,518,432	4,077,370
Investments	4	130,881	128,319
Other income	5	32,662	22,923
Total income		4,681,975	4,228,612
<u>Expenditure on:</u>			
Charitable activities	6	4,627,782	4,069,813
Net income for the year/ Net movement in funds		54,193	158,799
Fund balances at 1 September 2018		3,421,771	3,262,972
Fund balances at 31 August 2019		3,475,964	3,421,771

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THORPE HALL SCHOOL TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	11		701,395		549,316
Current assets					
Stocks	13	1,496		1,379	
Debtors	14	5,512,629		6,072,578	
Cash at bank and in hand		192,690		524,903	
		<u>5,706,815</u>		<u>6,598,860</u>	
Creditors: amounts falling due within one year	16	<u>(1,456,433)</u>		<u>(2,182,127)</u>	
Net current assets			4,250,382		4,416,733
Total assets less current liabilities			<u>4,951,777</u>		<u>4,966,049</u>
Creditors: amounts falling due after more than one year	17		(1,475,813)		(1,544,278)
Net assets			<u><u>3,475,964</u></u>		<u><u>3,421,771</u></u>
Income funds					
Unrestricted funds - general			3,475,964		3,421,771
			<u><u>3,475,964</u></u>		<u><u>3,421,771</u></u>

The financial statements were approved by the Trustees on 16th August 2020

DocuSigned by:

Jonathan Gorridge

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J Gorridge

Trustee

DocuSigned by:

Michael Reddan

.....D3D293669CAP453.....

M Reddan

Trustee

Company Registration No. 02187958

THORPE HALL SCHOOL TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash absorbed by operations	23		(172,742)		(1,757,197)
Investing activities					
Purchase of tangible fixed assets		(240,499)		(115,708)	
Interest received		130,881		128,319	
Net cash (used in)/generated from investing activities			(109,618)		12,611
Financing activities					
Repayment of bank loans		(63,853)		(12,642)	
Net cash used in financing activities			(63,853)		(12,642)
Net decrease in cash and cash equivalents			(346,213)		(1,757,228)
Cash and cash equivalents at beginning of year			524,903		2,282,131
Cash and cash equivalents at end of year			178,690		524,903
Relating to:					
Cash at bank and in hand			192,690		524,903
Bank overdrafts included in creditors payable within one year			(14,000)		-

THORPE HALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Charity information

Thorpe Hall School Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Thorpe Hall School, Wakering Road, Thorpe Bay, Southend-on-Sea, Essex, SS1 3RD.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Deferred income is funds received in advance which relates to future financial years.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Liabilities are recognised as soon as there is legal or constructive obligation committing the charity to expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

THORPE HALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Summer works	4% straight line basis
Fixtures and fittings	10-20% straight line basis
Motor vehicles	10% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THORPE HALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

THORPE HALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.12 Retirement benefits

Retirement benefits to employees of the charity are provided by the Teachers' Pension Scheme ('TPS'), which is a defined benefit scheme and a defined contribution scheme. The assets of the scheme are held separately from those of the charity.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

Payments to the defined contribution retirement benefit scheme are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Charitable activities

	School fees 2019 £	School fees 2018 £
Fee income	4,219,304	4,077,370
Trip income	110,188	-
Catering income	151,396	-
Swimming income	18,225	-
Before and after school clubs	19,319	-
	<u>4,518,432</u>	<u>4,077,370</u>

THORPE HALL SCHOOL TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2019****4 Investments**

	Unrestricted funds general 2019 £	Total 2018 £
Interest receivable	130,881	128,319
	<u> </u>	<u> </u>

5 Other income

	Unrestricted funds general 2019 £	Total 2018 £
Hall hire	32,662	22,923
	<u> </u>	<u> </u>

THORPE HALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Charitable activities

	2019 £	2018 £
Staff costs	2,999,435	2,627,124
Depreciation and impairment	88,420	106,562
Purchases	353,583	217,885
Bursaries and discounts	303,645	276,210
Establishment costs	199,704	190,374
Repairs and maintenance	129,637	111,421
Office expenses	47,445	46,092
Printing, postage and stationery	57,889	77,025
Subscriptions and donations	57,399	55,986
Equipment hire	2,168	781
Sundry and other costs	22,184	37,191
Cleaning	89,945	67,042
Motor expenses	6,162	4,375
Travel and subsistence	16,705	20,997
Advertising and promotion	76,017	68,247
Bad debts and irrecoverable amounts	61,723	88,116
Interest payable	55,601	49,565
	<u>4,567,662</u>	<u>4,044,993</u>
Share of support costs (see note 7)	42,916	10,754
Share of governance costs (see note 7)	17,204	14,066
	<u>4,627,782</u>	<u>4,069,813</u>

During the period the charity has made ex-gratia payments to two employees on their resignation from the charity, totalling £5,000 and £2,000. These payments were made in recognition of the work carried out by the employees on behalf of the charity.

7 Support costs

	Support costs £	Governance costs £	2019 £	2018 £
Legal and professional	42,916	-	42,916	10,754
Audit fees	-	10,680	10,680	10,080
Accountancy	-	6,524	6,524	3,986
	<u>42,916</u>	<u>17,204</u>	<u>60,120</u>	<u>24,820</u>
Analysed between Charitable activities	<u>42,916</u>	<u>17,204</u>	<u>60,120</u>	<u>24,820</u>

THORPE HALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Management	1	1
Administration and support	21	19
Teaching	73	63
	<u>95</u>	<u>83</u>

Employment costs

	2019 £	2018 £
Wages and salaries	2,484,963	2,160,507
Social security costs	231,764	203,912
Other pension costs	259,872	240,634
	<u>2,976,599</u>	<u>2,605,053</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2019 Number	2018 Number
£80,001 - £90,000	1	1
£60,001 - £70,000	1	-

Contributions totalling £24,344 (2018 - £13,427) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

10 Taxation

The Trust is a registered charity and is therefore exempt from taxation.

THORPE HALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

11 Tangible fixed assets

	Summer works	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2018	440,578	966,241	55,671	1,462,490
Additions	112,702	127,797	-	240,499
At 31 August 2019	553,280	1,094,038	55,671	1,702,989
Depreciation and impairment				
At 1 September 2018	88,220	791,314	33,640	913,174
Depreciation charged in the year	18,429	64,424	5,567	88,420
At 31 August 2019	106,649	855,738	39,207	1,001,594
Carrying amount				
At 31 August 2019	446,631	238,300	16,464	701,395
At 31 August 2018	352,358	174,927	22,031	549,316

12 Financial instruments

	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	5,457,426	6,022,552
Carrying amount of financial liabilities		
Measured at amortised cost	2,046,337	1,986,670

13 Stocks

	2019	2018
	£	£
Finished goods and goods for resale	1,496	1,379

14 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	245,773	1,183,411
Other debtors	5,211,653	4,839,141
Prepayments and accrued income	55,203	50,026
	5,512,629	6,072,578

THORPE HALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15 Loans and overdrafts

	2019 £	2018 £
Bank overdrafts	14,000	-
Bank loans	1,543,505	1,607,358
	<u>1,557,505</u>	<u>1,607,358</u>
Payable within one year	81,692	63,080
Payable after one year	<u>1,475,813</u>	<u>1,544,278</u>

The long-term loans are secured by fixed and floating charges over all undertakings by the trust and the property held by Thorpe Hall School (Essex) Limited.

16 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans and overdrafts	15	81,692	63,080
Other taxation and social security		58,516	-
Deferred income	18	827,393	1,739,735
Trade creditors		145,401	94,335
Other creditors		290,820	273,805
Accruals and deferred income		52,611	11,172
		<u>1,456,433</u>	<u>2,182,127</u>

17 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank loans	15	<u>1,475,813</u>	<u>1,544,278</u>

THORPE HALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Deferred income

	2019 £	2018 £
Other deferred income	827,393	1,739,735

Deferred income relates to school fee invoices in advance and payments received in advance. Deferred income is included in the financial statements as follows:

	2019 £	2018 £
Current liabilities	827,393	1,739,735
	827,393	1,739,735

19 Retirement benefit schemes

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff being a defined benefit scheme; and a separate defined contribution scheme available for all employees. The assets of each scheme are held separately.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in schools and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The charge to the statement of financial activities in respect of defined contribution schemes was £259,872 (2018 - £229,560).

Contributions totalling £37,711 (2018 - £312) were payable to the scheme at the end of the period.

THORPE HALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	10,893	10,893
Between two and five years	31,828	42,721
	<u>42,721</u>	<u>53,614</u>

Amounts recognised in the statement of financial activities as an expense during the period in respect of operating lease arrangements are £10,893 (2018 - £1,452).

THORPE HALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Events after the reporting date

The effects of the worldwide Covid-19 pandemic began impacting in the UK from March 2020. This has led to a significant shut-down of both social and economic activity in the UK and in many other countries around the globe.

It is impossible to determine what the impact will be on future charitable activities, but no adjustment is required in respect of the charity's results to 31 August 2019.

22 Related party transactions

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	87,289	81,477

During the year the Charity paid rent totalling £83,500 (2018 - £83,500) and received interest totalling £130,844 (2018 - £128,319) from Thorpe Hall School (Essex) Ltd, a company with common directors.

At the year end the balance due from Thorpe Hall School (Essex) Ltd totalled £5,209,915 (2018 - £4,800,704).

During the year the Charity received income totalling £nil (2018 - £1,284), paid expenses totalling £332 (2018 - £1,864) and received funds transferred from the company totalling £38,000 (2018 - £nil) on behalf of Girls On Board Ltd, a company controlled by J Gorridge.

At the year end the balance due to Girls On Board Ltd totalled £6,498 (2018 due from Girls On Board Ltd - £31,170).

The Charity is controlled by the Trustees who are all also Directors.

23 Cash generated from operations

	2019 £	2018 £
Surplus for the year	54,193	158,799
Adjustments for:		
Investment income recognised in profit or loss	(130,881)	(128,319)
Depreciation and impairment of tangible fixed assets	88,420	106,562
Movements in working capital:		
(Increase)/decrease in stocks	(117)	439
Decrease/(increase) in debtors	559,949	(3,158,195)
Increase in creditors	168,036	54,914
(Decrease)/increase in deferred income	(912,342)	1,208,603
Cash absorbed by operations	(172,742)	(1,757,197)