

Charity registration number 1121132

Company registration number 06188419 (England and Wales)

HOPE HOUSE SCHOOL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

HOPE HOUSE SCHOOL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr J Barrie Mr B Jones
Chair	Mr B Jones
Charity number	1121132
Company number	06188419
Registered office	Hope School Barnby Road Balderton Newark Notts NG24 3NE
Auditor	Rogers Spencer Newstead House Pelham Road Nottingham NG5 1AP
Senior Staff	Mrs Michelle McRae - Headteacher (appointed Sept 22) Mrs Joanne Kiernan- Interim Headteacher (Sept 21 - Aug 22)

HOPE HOUSE SCHOOL LIMITED

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HOPE HOUSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

Hope House School is a small independent special school for students with a primary need of autism spectrum disorder and related speech and language communication needs. Some students also have other complexities such as, ADHD, PDA. Many of our students have a disjointed education history, often due to long term school absence. All students have an Education Health Care Plan.

Our Vision... *is for every young person to fulfil their personal potential. Hope House school provides every student with support when they need it - for them to develop into happy, healthy, and secure young adults who are prepared for adult life.*

Our Core Values *...Are based on the recognition that many of our students have had difficult journeys before arriving at Hope House school. Educational provision has been inappropriate, often resulting in several adverse experiences for both the young person and their family. Therefore, we aim to transform those early experiences of education by addressing any barriers to learning through both individualised and personalised learning experiences. At the same time, we acknowledge the importance of a student's social and emotional development and the importance of working together with peers and adults, to build positive relationships. Relationships underpin our values at Hope House school. We understand the power of building positive relationships to create and foster a culture of warmth, nurture, integrity, mutual respect, and kindness within the school environment, valuing the individual at all times, which is reflected by ensuring the voice of our young people is heard through PRIDE (Peace, Respect, Independence, Determination and Equality) FORCE.*

The school is in a rural setting in Balderton, near Newark, Nottinghamshire. It is housed in several independent one storey buildings, set out in a 'u' shape around a central grassy area which is currently being developed into a multi-sensory space. There are other detached two storey buildings in the grounds, one used for post-16 pupils and the other for administration. There is an outdoor space devoted to forest school activities and a wooden play area with specialist equipment for pupils to use as part of their curriculum and at group social times. An outdoor area attached to the lower school classroom provides an enhanced provision to extend children's learning and exploration. There is a separate building dedicated to additional curriculum activities such as music and food technology. It houses a well-equipped sensory room that supports activities that are bespoke to individual needs and group activities. A multi-agency room provides space for 1:1 sessions/assessment and the delivery of specific programs of intervention. In addition to specific reading areas in each classroom, there is a small communal library for pupils to access as part of the focus on promoting reading for pleasure.

The school has an ambitious and engaging curriculum which is broad and rich to enable all our young people to reach their potential as they Prepare for Adulthood (PfA). The school's curriculum offer is diverse, catering for the needs of pupils from early Engagement through to Level 2 qualifications. The PfA curriculum is accredited through ASDAN via personalised pathways. There are various enrichment opportunities and memorable experiences for all students, including visits to National Trust places of interest and local landmarks to embed student's understanding of cultural diversity and British values. All students have regular access to the local community and travel far and wide to promote skills for independent living. All students engage in careers education and, in addition to this, older students receive career guidance from independent advisors. Pupils have the option to access riding for the disabled (RDA) as part of their provision. Weekly swimming and tennis lessons are also provided within our local community.

Multi-disciplinary professionals regularly visit the school, including an educational psychologist, occupational therapist and a speech and language therapist. All staff receive training from the Autism Educational Trust to ensure we have the knowledge and skills to provide a personalised provision for our students. We are currently on a journey to become a recognised trauma-informed school.

HOPE HOUSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2022*

Financial review

2022 Business Review

We are pleased to highlight the recent increase in pupil numbers and the subsequent positive impact on the school's operations and financial stability. This growth has been a testament to the exceptional educational environment and the unwavering commitment of our staff and administration.

Over the past academic year, the School has experienced a notable increase in pupil numbers, with a rise from 15 to 24 students. This growth reflects the school's growing reputation for providing quality education and fostering a supportive learning environment.

The growth in pupil numbers from 15 to 24 at Hope House School has been a transformative experience for our institution. The increased student body has positively impacted the running of the school, allowing for expanded educational opportunities and personalised instruction. Furthermore, the financial stability resulting from this growth has empowered us to invest in our infrastructure.

Income / funding

Over the 21/22 academic year, the school has experienced a significant increase in income/funding, amounting to £139K higher than budgeted. This substantial boost in financial resources has had a profoundly positive effect on the overall running of the school and cashflow.

With this increased income, we have been able to enhance various aspects of our educational offerings, providing an enriched learning experience for all our students. The additional funding has allowed us to invest in modern teaching materials, updated technology, and improved facilities, ensuring that our students have access to the best resources available.

As part of our commitment to maintaining exceptional standards, the school continues to undergo regular quality assurance visits. These visits help us identify areas for improvement and ensure that we are constantly delivering the highest standard of education to our students. The additional income/funding has allowed us to implement the recommendations from these visits promptly, further enhancing the quality of our educational provision.

In line with our dedication to financial transparency, we will regularly review school fees to ensure they cover all the costs associated with running the school. This proactive approach ensures that our financial resources are effectively allocated, enabling us to maintain and improve the quality of education while remaining financially sustainable.

Overall, the significant increase in income/funding over the 21/22 academic year has brought about numerous positive changes to our school. It has allowed us to enhance our educational offerings, expand our capacity, and ensure the continuous improvement of our educational provision through regular quality assurance visits. We remain committed to providing an exceptional educational experience for all our students while ensuring financial stability for the long-term sustainability of the school.

HOPE HOUSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2022 Financial performance Summary

In the past year, our School experienced a welcome increase in income, primarily due to the enrollment of more pupils, reflecting our School's growing popularity and trust within the community. While this was a positive development, our financial performance faced challenges as overheads costs only slightly decreased by £25k ultimately leaving us with a deficit of £27k. However, this deficit is an improvement on the previous year's deficit of £342k.

Despite our efforts, a significant portion of our expenses consists of fixed costs, such as salaries and essential operational expenses. Unfortunately, these costs do not offer much flexibility for adjustments, which posed a challenge in aligning our expenses with our increased income.

As we look ahead, it's essential to continue to explore strategies to manage our fixed costs more efficiently, ensuring a more balanced financial position in the future while maintaining the quality of education we provide to our students.

Reserves policy

It is the policy of the Charity to maintain unrestricted free reserves at a sufficient level to finance three months trading. Assuming monthly expenditure of £100k per month, the Charity has not been able to satisfy this target with a balance in the bank amounting to £166k at 31 December 22.

This was a temporary dip in cashflow as the Spring term invoices weren't paid until early January 2023. This is expected to be upheld throughout 2023.

Unrestricted Funds

The unrestricted funds of £17k will be rolled over into the 2023 year.

Principal source of funding

The principal source of funding is that of various Midlands-based councils, in particular Nottinghamshire and Lincolnshire County Councils.

Principal risks and uncertainties

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

2023 and 2024 expectation overview

The positive expectations of last year's review have been achieved and Trustees look forward to an increase in pupil placements and the DfE have given approval for two additional places from September 2023. Local Authority support has proven positive. The new Headteacher has developed the school in every area including the curriculum, teaching and learning, professional development and budget control and management.

As well, strategic decisions taken over the last 3 years means that the school is considered efficient. A robust structure, reporting and process driven controls also means that business can be managed effectively and is unlikely to encounter the same type of challenges seen over the last 4 years.

Trustees are in discussion with the land owners to further develop the school and site in 2023/24.

Structure, governance and management

Hope House School is a company limited by guarantee by its Memorandum and Articles of Association dated 26th August 2007.

Appointment of trustees

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr J Barrie

Mr C Coen

Mr B Jones

(Resigned 11 November 2022)

HOPE HOUSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2022*

The Trustees are guided by the Head Teacher who advises them on the key aspects of business operations and personnel. This included setting pay rises for the whole staff and increments for the Senior Management Team following appraisals.

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.

Mr B Jones

Chair

Dated: 26 September 2023

HOPE HOUSE SCHOOL LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees, who are also the directors of Hope House School Limited 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.

HOPE HOUSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF HOPE HOUSE SCHOOL LIMITED

Opinion

We have audited the financial statements of Hope House School Limited (the 'charity') for the year ended 31 December 2022 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 December 2022 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 and the Charities Act 2011.

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

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 charity'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 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

HOPE HOUSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HOPE HOUSE SCHOOL LIMITED

Matters on which we are required to report by exception

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

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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent of which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charitable company through discussions with trustees and other management, and from our knowledge and experience of the charity sector and grant providers;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including the Companies Act 2006, Charities Act 2011, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

HOPE HOUSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HOPE HOUSE SCHOOL LIMITED

We assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- Understanding the design of the charitable companies remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims; and
- Reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

HOPE HOUSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HOPE HOUSE SCHOOL LIMITED

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Melvin Bailey FCCA DChA (Senior statutory auditor)
Rogers Spencer

27 September 2023

Chartered Accountants
Statutory Auditor

Newstead House
Pelham Road
Nottingham
NG5 1AP

Rogers Spencer is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

HOPE HOUSE SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds	
	Notes	2022 £	2021 £
<u>Income from:</u>			
Donations and legacies	3	3,382	6,353
Charitable activities	4	1,259,396	965,419
Investments	5	17	38
Total income		<u>1,262,795</u>	<u>971,810</u>
<u>Expenditure on:</u>			
Charitable activities	6	1,280,790	1,306,241
Finance interest	10	8,998	8,122
Total resources expended		<u>1,289,788</u>	<u>1,314,363</u>
Net expenditure for the year/ Net movement in funds		(26,993)	(342,553)
Fund balances at 1 January 2022		<u>44,421</u>	<u>386,974</u>
Fund balances at 31 December 2022		<u><u>17,428</u></u>	<u><u>44,421</u></u>

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.

HOPE HOUSE SCHOOL LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12		44,572		48,537
Current assets					
Debtors	13	463,901		14,400	
Cash at bank and in hand		166,455		435,931	
		<u>630,356</u>		<u>450,331</u>	
Creditors: amounts falling due within one year	15	<u>(652,790)</u>		<u>(446,765)</u>	
Net current (liabilities)/assets			(22,434)		3,566
Total assets less current liabilities			22,138		52,103
Creditors: amounts falling due after more than one year	16		(4,710)		(7,682)
Net assets			<u>17,428</u>		<u>44,421</u>
Income funds					
Unrestricted funds			17,428		44,421
			<u>17,428</u>		<u>44,421</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 26 September 2023

Mr B Jones
Trustee

Company Registration No. 06188419

HOPE HOUSE SCHOOL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	20		(261,958)		(192,203)
Investing activities					
Purchase of tangible fixed assets		(8,697)		(30,346)	
Proceeds on disposal of tangible fixed assets		3,772		11,830	
Interest received		17		38	
Net cash used in investing activities			(4,908)		(18,478)
Financing activities					
Payment of obligations under finance leases		(2,610)		(5,598)	
Net cash used in financing activities			(2,610)		(5,598)
Net decrease in cash and cash equivalents			(269,476)		(216,279)
Cash and cash equivalents at beginning of year			435,931		652,210
Cash and cash equivalents at end of year			166,455		435,931

HOPE HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Hope House School Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Hope School, Barnby Road, Balderton, Newark, Notts, NG24 3NE.

1.1 Accounting convention

The financial statements have been prepared in accordance 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)" (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 31 December 2022 the financial statements indicate net current liabilities of £22,434 with cash at bank of £166,455. However, since the year end pupil numbers have increased and have remained consistent resulting in predicted surpluses for both 2023 and 2024. This has resulted in a much improved and higher bank balance at the time of approving the accounts.

Therefore, 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.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

HOPE HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Liabilities are recognised as resources expended when it is probable that a transfer of economic benefits will be required in settlement and the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure relating to donated services and facilities is included on the same basis and at equivalent amounts as recognised within incoming resources.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services of its beneficiaries. It includes both the direct pay and non-pay costs and support costs relating to those activities.

Governance costs are shown as part of support costs. These are associated with the administrative arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with the charitable activity. These include audit fees, legal advice, and preparation of the statutory accounts and costs of trustee meetings.

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:

Leasehold improvements	10% Straight line
Fixtures and fittings	25% Reducing balance
Computers	33% Straight line
Motor vehicles	25% Reducing balance

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 the statement of financial activities.

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).

1.8 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.

HOPE HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.9 Retirement benefits

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

1.10 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	3,382	6,353

4 Income from charitable activities

	2022	2021
	£	£
Fees from local authorities	1,259,396	965,419

HOPE HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Investments

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Interest receivable	17	38

HOPE HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Expenditure on charitable activities

	2022 £	2021 £
Staff costs	935,395	920,432
Depreciation and impairment	11,189	10,246
Staff training	18,318	28,940
Equipment, furniture and resources	41,292	30,088
School trips	60	-
School uniform	2,156	601
Other school expenses	14,783	13,117
Sensory integration, therapy and counselling	27,111	47,577
Animal expenses	1,292	4,604
School food	16,975	9,112
Rent	30,958	30,382
Light and heat	25,043	16,815
Water rates	738	628
Repairs and maintenance	16,006	31,107
Motor expenses	8,971	14,896
Insurance	39,837	31,660
Printing, postage and stationery	2,086	2,442
Telephone and data cost	26,698	23,900
Disclosure and barring service	653	414
Sundry expenses	2,452	4,986
Profit or loss on disposal of tangible assets	(2,301)	26,867
	<u>1,219,712</u>	<u>1,248,814</u>
Share of governance costs (see note 7)	61,078	57,427
	<u>1,280,790</u>	<u>1,306,241</u>
Analysis by fund		
Unrestricted funds	1,280,790	
	<u>1,280,790</u>	
For the year ended 31 December 2021		
Unrestricted funds		1,306,241
		<u>1,306,241</u>

HOPE HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Governance costs

	2022 £	2021 £
Accountancy fees	16,400	13,250
Audit fees	10,080	10,080
Legal & professional fees	34,598	34,097
	<u>61,078</u>	<u>57,427</u>

8 Trustees

Trustees received £nil of remuneration in 2022 (2021: £nil).

No expenses have been paid out to the trustees in 2022 (2021: £nil).

9 Employees

The average monthly number employees during the year was:

	2022 Number	2021 Number
	<u>30</u>	<u>32</u>

Employment costs

	2022 £	2021 £
Wages and salaries	866,373	852,445
Social security costs	42,467	36,650
Other pension costs	15,559	10,739
	<u>935,395</u>	<u>920,432</u>

There were no employees who received total employee benefits of more than £60,000.

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

	2022 £	2021 £
Aggregate compensation	<u>89,841</u>	<u>123,492</u>

HOPE HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

10 Finance interest

	Unrestricted funds	Unrestricted funds
	2022	2021
Financing costs	8,998	8,122

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

12 Tangible fixed assets

	Leasehold improvements	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2022	20,574	2,319	8,726	105,525	137,144
Additions	-	-	8,697	-	8,697
Disposals	-	-	-	(6,580)	(6,580)
At 31 December 2022	20,574	2,319	17,423	98,945	139,261
Depreciation and impairment					
At 1 January 2022	1,372	342	2,014	84,881	88,609
Depreciation charged in the year	2,057	406	3,933	4,793	11,189
Eliminated in respect of disposals	-	-	-	(5,109)	(5,109)
At 31 December 2022	3,429	748	5,947	84,565	94,689
Carrying amount					
At 31 December 2022	17,145	1,571	11,476	14,380	44,572
At 31 December 2021	19,203	1,978	6,712	20,644	48,537

13 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	463,361	13,611
Prepayments and accrued income	540	789
	463,901	14,400

HOPE HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

14 Finance lease commitments

Future minimum lease payments due under finance leases:

	2022 £	2021 £
Within one year	9,714	9,352
Within two and five years	4,710	7,682
	<u>14,424</u>	<u>17,034</u>

15 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Obligations under finance leases	14	9,714	9,352
Payments on account		-	23,075
Trade creditors		46,447	19,517
Other creditors		23,970	37,110
Accruals and deferred income		572,659	357,711
		<u>652,790</u>	<u>446,765</u>

16 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Obligations under finance leases	14	<u>4,710</u>	<u>7,682</u>

17 Deferred income

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income at 1 January 2022	354,175	312,279
Released from previous periods	(354,175)	(312,279)
Resources deferred in the year	<u>550,749</u>	<u>354,175</u>
Deferred income at 31 December 2022	<u>550,749</u>	<u>354,175</u>

Deferred income represents amounts received in advance from local authorities relating to post year end term fees.

HOPE HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

18 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £15,559 (2021: £10,739).

19 Related party transactions

Salaries include £Nil (2021: £32,855) paid to Mr M Westmoreland (the husband of the ex trustee and principal Mrs T A Westmoreland).

20 Cash generated from operations	2022 £	2021 £
Deficit for the year	(26,993)	(342,553)
Adjustments for:		
Investment income recognised in statement of financial activities	(17)	(38)
(Gain)/loss on disposal of tangible fixed assets	(2,301)	26,868
Depreciation and impairment of tangible fixed assets	11,189	10,246
Movements in working capital:		
(Increase)/decrease in debtors	(449,501)	48,108
Increase in creditors	205,665	65,166
Cash absorbed by operations	(261,958)	(192,203)