

Registered Company Number: 06223076 (England and Wales)
Registered Charity Number: 1122269

Breckenbrough School Limited

**Report of the Trustees and Financial Statements
for the Year Ended 31 August 2021**

Breckenbrough School Limited

Contents of the Financial Statements for the Year Ended 31 August 2021

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Breckenbrough School Limited

Report of the Trustees for the Year Ended 31 August 2021

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2021.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 2019).

Reference and administrative details

Registered Company number 06223076 (England and Wales)

Registered Charity number 1122269

Registered office
Sandhutton
Breckenbrough
Thirsk
YO7 4EN

Trustees

Alison Clarke	Chair	
Ruth McTighe	Deputy Chair from 15.11.19	
Stefan Lewicki		
John Littlefair		
John Margham		
Kirit Gordhandas	Appointed 01.01.21	Resigned 12.09.21
Fleur Parker	Appointed 01.01.21	Resigned 17.10.21

Key Management Personnel

Headmaster	Simon Bannister
Deputy Headmaster	James Shutt
Head of Social Education	Stuart Edwards
Bursar	Sue Jones

Auditors
Saffery Champness LLP
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

Solicitors
North Yorkshire County Council
County Hall
Northallerton
DL7 8AD

**Report of the Trustees
for the Year Ended 31 August 2021**

Reference and administrative details (continued)

Bankers	Barclays Bank plc 25 St James Street Harrogate HG1 1ZT
Insurers	Innovation Broking 20 St Dunstons Hill London EC3R 8HL
Co-opted Members	Richard Clarke Sally Burton
Staff Representative Governors	Vacant position
Headmaster	Simon Bannister
Governor appointed by North Yorkshire County Council	Robert Baker
Parent Governors	Carl Wright Daniel Hunter

Our vision is always to put the individual needs of the students first.

Aims, Objectives and Activities

Aims

Breckenbrough School provides education and care for boys from 9 to 19 years of age. Each student at the school has an Education Health and Care Plan (formerly a Statement of Special Educational Needs) created by his funding Local Authority that identifies him as having complex needs such as Autistic Spectrum Condition. Authorities from many parts of the UK place students at Breckenbrough.

We aim to support our students to achieve two key goals during their time at Breckenbrough. Firstly, to be themselves, aspire and be successful. Secondly, to develop strategies and coping mechanisms to help them thrive in the neurotypical world.

Objectives

We review our aspirations and school improvement objectives along with the outcomes of the immense amounts of work done by staff. The Governors focus on the overall school improvement objectives. In individual cases, staff adapt education and care plans for students so that the school always responds as appropriately as it can to a student's specific needs. Done with care, this helps each student to improve on his own "previous best" performances in a range of subjects and social skills and to learn to take increasing responsibility for his own learning and development.

The school works as a "one team" approach. By integrating academic and social education with support mechanisms to meet specific individual needs, each element plays a vital role in providing a framework for helping the students to achieve their full academic and broader personal potential.

Activities

Students display a range of special complex needs. Some experience difficulties associated with Autism and may have been diagnosed with Autistic Spectrum Condition, including Asperger's Syndrome. Some have Attention Deficit Disorder, with some students being diagnosed with a more complex version, that of Attention Deficit Hyperactivity Disorder. Others are designated less specifically as experiencing Social, Emotional, Anxiety and Mental Health needs. The mix of need presented by the students covers a wide range of behaviours and barriers to learning, but most boys are able, each at his own rate, to develop friendships and maintain positive working and learning relationships.

The staff are skilled in encouraging such development and work hard to promote it, showing great sensitivity towards students whose development is slower or more hesitant. The school uses small class sizes and one-to-one tuition when needed, so that adequate attention is given to specific individual needs. There is an appropriate emphasis on outdoor activities, as these can support the practical and social aspects of learning, complementing the more academic and abstract side which some students find harder.

Breckenbrough School provides education to GCSE and A level standard. Some of the education provision is offered through third party providers with our staff in support, which helps in the transition to independent living and higher education studies. The school also gives great attention to the boys' physical, mental and spiritual welfare and helps students to develop positive relationships with peers and adults. The After-care provision, through Beyond Breckenbrough (rarely found elsewhere), continues to provide practical assistance to old scholars as well as help with career guidance and further development of life skills.

The School had an average number of 68 (2020 – 65) boys on roll during the year.

**Report of the Trustees
for the Year Ended 31 August 2021**

Public Benefit

The Trustees have had due regard to guidance published by the Charities Commission on public benefit. The students' achievements are part of the benefit, in that we help to create and develop mature citizens. We regularly offer the school for summer school hire. We worked with a company called Campus Holidays who offer free holidays to under privileged children and those from deprived backgrounds. This was a very successful opportunity for both the school and Campus and over 120 children to enjoy a holiday they would not normally have. Unfortunately, the pandemic has stopped this taking place in 2020 and 2021 but plans are already in place for it to be restarted in 2022.

Achievements and Performance

The school has a long record of successfully changing the lives and behaviour of its scholars. Before coming to the school, a boy will frequently have been the cause of deep concern to parents and educators alike, and in numerous cases has been a "hard to place" student. Parents frequently tell us of the change in attitude displayed by their son after arriving at Breckenbrough, within months or even weeks. These kinds of dramatic changes in attitude have continued during the period of this report.

OFSTED inspected and reported on our residential provision in January 2022 and found the quality of provision and outcomes for residential students to be good. 'Children make good progress in all areas of their development, and their self-belief and confidence improve significantly as a result of visiting this residential provision. Children thrive in an environment where they can be themselves. One child said, 'I can be who I am here, I'm not made to try and be like other children.' We were disappointed that we were downgraded from outstanding and have created a post OFSTED action plan that aims for us to be back to outstanding at the next inspection in 2023.

The last OFSTED academic inspection of the school took place in November 2021, in which our overall rating was judged to be requiring improvement. The school was judged to be good in the areas of Personal Development, Behaviour and Attitudes and Sixth Form provision. Quality of Education was deemed to require improvement and this directs the overall judgement regardless of other areas for inspection. As such, Leadership and Management was also judged to be requiring improvement. We were disappointed with the overall judgement and believe we provide an excellent standard of education from our students' relative starting points but have accepted the judgement and have already made strides forwards as a school. One such development is the introduction of a new curriculum pathway that takes a structured and measurable approach in the delivery of our holistic outcomes within Key Stage 2 and 3. We are due our next Section 5 inspection by spring 2024, where we will need to have addressed the areas requiring improvement. An action plan is in place and we are making very good progress to the objectives set out within this document.

Of the students who graduated from the school in summer 2021, all made the successful transition to higher education, further education or some form of vocational placement or employment. This is the fifth year in succession where students had 100% successful transitions.

The school continues to develop and diversify the curriculum in order to provide a platform for every student to achieve, irrespective of their starting point and identified career path.

Financial Review

Finance is always a major consideration of the Board. Financial performance is monitored and assessed carefully. This year has been a very positive one financially as you will see from the pages to follow with our surplus being £809k (2020 £236k) . Our income is almost entirely dependent on the number of students on roll, paid by each student's home local authority and our student numbers have continued to increase, whilst we already had built in capacity within staffing numbers to allow these students to join us, so costs have not

**Report of the Trustees
for the Year Ended 31 August 2021**

increased over budget. The school has benefited financially from grants issued by DfE directly linked to the additional facilities and routines that were implemented to manage the COVID 19 pandemic. These grants amounted to £53,916. There was also a grant from DfE in the year relating to capital and maintenance of our building of £78,811. In budgeting we do not assume its continuation but these funds are always welcome and go towards the general maintenance and capital investment we make in the school property.

An unusual area of income to us, but very welcome, has been made to the school by a bequest from a Friend in their last will and testament. The residual funds which amounted to £172k arrived in our account in October 2021 but are accounted for in these accounts. This bequest came with no nomination of use so has been approved by the Board to be included in the funding for the construction mentioned below. These additional funds have allowed the school to enlarge the project to create a bespoke cleaning and storage facilities to house the equipment used in the performance of the Outdoor Education curriculum. This is something that is desperately needed to ensure the longevity of this equipment.

The Governors endorse several designations, the first being £250K, to add to the construction fund for the development of a purpose-built therapy facility. This new facility will enable us to deliver our therapies in a conducive environment, so the students can benefit thoroughly from their sessions with Occupational and Speech and Language therapists. We have been able to build up this designation to £550k, accumulated over the last 3 years. The construction of this new facility will commence in May 2022 at an overall cost of circa £1.1 million. It is hoped that the new building will be completed and opened by January 2023 which will benefit all of our students significantly.

An amount of £200k has been designated towards an additional building to house classrooms. The school has identified the need for more classroom space as the student numbers rise. A long-term aspiration is to address the work in maintaining the roof which ideally requires replacement.

A final designation totals £150k and this has been set aside to help fund an enhancement to our current provision which will be delivered on an alternative site. We are in the very early stages of planning this provision which has been brought to us by way of a benefactor, but we have already identified that we will need to equip the facility to ensure it is fit for purpose.

Our policy is to invest when we can in funds and investments on a basis approved by the Charity Commissioners and that remain ethical. We allow for regular strategic planning. Due to the nature of their needs, the number of students starting and leaving the school each year varies, often at irregular points throughout the year. Our plan to increase the number of students to about 65 has been achieved and Department for Education has now given us approval for 70 students to be on roll. The Marketing Officer continues to ensure that Local Authorities and potential parents and their support groups, are kept well aware of our existence and of the benefits we offer so that referrals can be communicated through parental preference. This can be evidenced as successful due to the length of the waiting list for new student places. We continue to resist requests from Local Authorities to reduce our fees, pointing out to them that we do not make annual fee increases on current placements. However, modest annual increases in fee levels are necessary, but these are now only applied once a year to new placements. We remain keen to give Local Authorities value for money and positive outcomes which means retaining practices that we know work for our students and thereby benefit their outcomes and in turn the placing Authorities. High staff-to-student ratios continue to be necessary for our provision to be successful and remain one of the major differences between Breckenbrough and other schools.

In applying the requirement under FRS102, a liability has been recognised for the agreed future deficit payments on the pension scheme with Pensions Trust. The pension deficit recognised at the year-end was £98,000 (2020: £125,000).

Structure, Governance and Management

Legal status

Breckenbrough School Limited was formed on 23 April 2007 and commenced trading on 1 September 2008. The School is a corporate registered charity (number 1122269). The Company is governed by its Memorandum and Articles of Association, as amended by special resolutions dated 21 November 2007 and 1 October 2008.

Recruitment and appointment of Governors

Possible new Board members are approached informally, given information about the work of the Board, meet the Chair and Head Teacher to discuss their involvement, tour the school and, in most instances, attend Board or Committee meetings to learn about the business. Our practice is to issue newcomers with information regarding the charity's policies, constitution, meeting procedures, and an indication of their possible duties. Following appointment, new Governors receive an induction. During the year, the Board arranges regular in-house training sessions aimed at improving Governors' knowledge of the school and understanding of their roles. Where needed (e.g. in relation to Child Protection) specific information and/or training sessions are 'bought in' or attended outside school.

Organisational structure

In the year ended 31 August 2021 the Governing Body included seven Trustees who were members of the Religious Society of Friends (Quakers) appointed by 'Quakers in Yorkshire', the body representing the Religious Society of Friends in the area. The Trustees served as Directors of the Company. The conduct of the School was under the direction of the Board in accordance with the purposes, character and ethos of the School as determined by the Trustees. There were five other members of the Board, one appointed by North Yorkshire County Council, two being parents of boys who are in the school identified by the Head in consultation with parents elected by the parents, and two co-opted by the Board. In making decisions on all matters, successful efforts were made to achieve unity on the Board after the Quaker manner.

Appointments to the Board are for a period of four years, and there is an option to appoint for a second period.

Committees

There are two Committees reporting to the Board - an Education Committee and a Resources Committee that has finance, marketing, personnel and premises within its remit. Individual Governors take specific responsibilities for Health and Safety, Child Protection, Careers, Teaching and Learning and Residential. There is also a Strategy and Development Committee (made up of the full Board Chair, the Education Chair, the Resources Chair and members of the school Senior Leadership Team). All committees meet at least three times a year, following the same cycle each term leading up to the Full Governing Board meeting.

Related parties

Some members of the governors/trustees also serve on the Board of the Charity, known as Beyond Breckenbrough, whose activities include assistance with transition from the school along with the provision of financial and other assistance to old boys of Breckenbrough School, directly or otherwise. During the year the charity paid £7,063 (2020: £6,389) as part of a combined policy which includes Trustee Indemnity Insurance.

Key management personnel remuneration

The trustees consider the board of trustees, Headteacher and the Senior Leadership Team as comprising the key management personnel of the charity, in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All trustees give of their time freely and no trustee remuneration

**Report of the Trustees
for the Year Ended 31 August 2021**

was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 9 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Bursar and, in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises. Neither the Trust nor any of the trustees have interests with other independent special schools but any such interests would be disclosed.

The pay of the Headteacher is reviewed annually and normally increased in accordance with average sector earnings. In view of the nature of the charity, the remuneration is bench-marked with similar establishments of a similar size and activity to ensure that the remuneration set is fair, and not out of line with that generally paid for similar roles.

Pay policy for senior staff

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the directors benchmark against pay levels in other special schools of a similar size run on a charitable basis. The remuneration benchmark is the mid-point of the range paid for similar roles adjusted for a weighting of up to 30% for any additional responsibilities.

Reserves policy

The Trustees try to build resilience within the balance sheet and the charity's aims are to increase reserves wherever possible to manage increases to salaries and pensions and building maintenance outside of the school's control.

The level of total funds at the year-end were £2,991,897 (2020: £2,182,550). The Trustees are pleased to report that the level of unrestricted reserves less unrestricted fixed assets and investments as detailed in note 18, has increased from £889,972 in 2020 to £1,638,500 on 31 August 2021.

The Charity still aims to increase cash reserves through prudent management of overall expenditure, to enable a free cash reserve fund to be available to add to the stability of the School. The target level of reserves is based on 6 months of operating expenditure in accordance with The Charity Commission's guidelines, which is approximately £1,500,000.

In assessing the ability of the school to continue as a going concern the Trustees are mindful of the future commitments and cash is monitored day to day and longer term. The Trustees are of the view that the charity is a going concern.

Principal risks and uncertainties

The Trustees 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.

The Governors examine the principal areas of the School's operations and the major risks faced in each area. All school policies and internal systems are appraised regularly and strengthened and risks are minimised by the implementation as necessary of revised policies and procedures for the management of all activities including the authorisation of all transactions, projects and procedures. The existing policy documents have been reviewed recently including Child Protection, Safeguarding, Health and Safety, Fire Risk Assessment and Emergency Procedures. The school also reviews its activities to respond to the requirements set by OFSTED. The Trustees are satisfied the major risks have been established and action taken to mitigate those risks.

**Report of the Trustees
for the Year Ended 31 August 2021**

Fundraising

The School co-ordinates low-level fund-raising activities for a range of local and national charities such as Children in Need, Red Nose Day, etc. We also undertake fundraising to benefit the School as whole to support specific projects for new equipment for example. These are either led by the School or its employees. We are not registered with the fundraising regulator or with any professional fundraisers or commercial participators.

Land and buildings

The Trustees are of the opinion that the open market value of the land and buildings is materially in excess of book value. This can be evidenced by our most up to date valuation which was concluded in March 2020, as indicated in note 11 of these financial statements. Governors currently request that a valuation is undertaken every three years.

Plans for the future

The Strategy and Development group meet to consider plans to secure the longevity of the School's future. Open thinking is encouraged so as all angles can be considered. Senior leaders are active in keeping abreast of changes to Department for Education thinking and published strategy on SEND to feed into our considerations. Current discussions and investigations centre around sustainability and how we can maintain our standing in the sector, whilst larger commercial enterprises continue to grow with the likes of Cambian, Witherslack Group, and Priory either taking over smaller schools or developing additional provision. We must not be blinkered to these potential threats. The SEND review has just been completed and green paper issued for consultation within the sector until mid-July 2022. Senior leaders are attending sessions to understand the implications of potential changes and will be contributing to the consultation.

It is very evident that these current risks have been considered in the past by our trustees and that informed planning has stood the charity in good stead going forward. We need to remain focused and open to change.

Funds held as custodian for others

The company is the Custodian Trustee of the Breckenbrough School Charitable Trust and also the sole Trustee entrusted to manage the affairs of that charitable Trust which includes the permanent endowment property and investments as indicated in note 11 of these financial statements. The Company has included the freehold land and buildings and investments subject to permanent endowment within its balance sheet.

Statement of trustees' responsibilities

The trustees (who are also directors of Breckenbrough School Limited for the purposes 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 business.

**Report of the Trustees
for the Year Ended 31 August 2021**

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

In so far as the trustees are aware:

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

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 24 May 2022 and signed on its behalf by:



A Clarke

Independent Auditor's Report on the Financial Statements to the Trustees of Breckenbrough School Limited

Opinion

We have audited the financial statements of Breckenbrough School Limited for the year ended 31 August 2021 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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.

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

Independent Auditor's Report on the Financial Statements to the Trustees of Breckenbrough School Limited

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' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Independent Auditor's Report on the Financial Statements to the Trustees of Breckenbrough School Limited

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.

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, guidance issued by the Charity Commission for England and Wales and guidance issued by the Department for Education.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

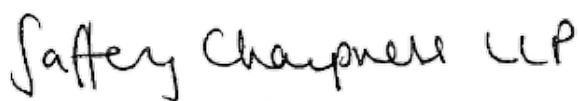
There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement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

Independent Auditor's Report on the Financial Statements to the Trustees of Breckenbrough School Limited

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

Use of our report

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



.....

Sally Appleton BA(Hons) FCA (Senior Statutory Auditor)
For and on behalf of

Saffery Champness LLP
Chartered Accountants
Statutory Auditors
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

25 May 2022

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Breckenbrough School Limited

Statement of Financial Activities
(including income and expenditure account)
for the year ended 31 August 2021

					2021	2020
		Unrestricted	Restricted	Endowment	Total funds	Total funds
	Notes	funds	funds	funds		
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	3	174,061	49,444	-	223,505	33,070
Charitable activities	4	3,775,160	833,182	-	4,608,342	4,056,766
Other trading activities		1,117	-	-	1,117	1,366
Investments		-	-	12	12	323
Other	5	34,531	-	-	34,531	20,955
Total		3,984,869	882,626	12	4,867,507	4,112,480
Expenditure on:						
Raising funds		-	-	-	-	1,382
Charitable activities	6	3,203,969	854,323	-	4,058,292	3,874,474
Total		3,203,969	854,323	-	4,058,292	3,875,856
Net income		780,900	28,303	12	809,215	236,624
Transfers between funds	17	12	-	(12)	-	-
Other recognised gains/(losses)						
Actuarial gain/ (loss) on defined Benefit Scheme		132	-	-	132	(1,000)
Net movements in funds		781,044	28,303	-	809,347	235,624
Reconciliation of funds:						
Total funds brought forward		2,039,851	9,620	133,079	2,182,550	1,946,926
Total funds carried forward		2,820,895	37,923	133,079	2,991,897	2,182,550

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes form part of these financial statements.

Breckenbrough School Limited

Balance Sheet as at 31 August 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	11	1,276,324	1,243,817
Investments	12	48,770	48,761
		1,325,094	1,292,578
Current assets			
Stocks		1,944	4,451
Debtors	13	1,661,524	1,087,227
Cash at bank and in hand		1,612,855	1,385,372
		3,276,323	2,477,050
Creditors			
Amounts falling due within one year	14	(1,538,494)	(1,489,078)
Net current assets		1,737,829	987,972
Total assets less current liabilities		3,062,923	2,280,550
Creditors			
Amounts falling due after more than one year	15	(71,026)	(98,000)
Net assets		2,991,897	2,182,550
Funds	17		
Unrestricted funds – general		1,920,895	1,739,851
Unrestricted funds – designated		900,000	300,000
Restricted funds		37,923	9,620
Endowment funds		133,079	133,079
Total funds		2,991,897	2,182,550

The notes form part of these financial statements

The trustees have prepared accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Board of Trustees on 24 May 2022 and were signed on its behalf by:

A Clarke
Trustee



Registered company number 06223076

Breckenbrough School Limited

**Statement of cash flows
for the year ended 31 August 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	19	405,695	385,008
Cash flows from investing activities			
Interest from investments		12	323
Purchases of property, plant and equipment		(178,215)	(264,536)
		(178,203)	(264,213)
Cash flows from financing activities			
Repayments of borrowing		-	(78,433)
		-	(78,433)
Change in cash and cash equivalents in the reporting period		227,492	42,362
Cash and cash equivalents at the beginning of the reporting period		1,434,133	1,391,771
Cash and cash equivalents at the end of the reporting period	20	<u>1,661,625</u>	<u>1,434,133</u>

Analysis of changes in net debt

	At 1 Sept 2020 £	Cash flows £	At 31 Aug 2021 £
Cash	1,434,133	227,492	1,661,625
	<u>1,434,133</u>	<u>227,492</u>	<u>1,661,625</u>
Total	<u>1,434,133</u>	<u>227,492</u>	<u>1,661,625</u>

The notes form part of these financial statements

Notes to the financial statements (continued)
for the year ended 31 August 2021

1. Accounting policies

Accounting convention

The financial statements have been prepared in accordance with 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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

Breckenbrough School Limited meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

In assessing the ability of the school to continue as a going concern the Trustees are mindful of the future commitments and cash is monitored day to day and longer term. The Trustees are of the view that the company is a going concern.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably and are stated gross within the Statement of Financial Activities.

Fees receivable consists of charges levied for the provision of services for the year to 31 August 2021 in accordance with the Trust Deed.

Grants are recognised in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Where the donor has imposed restrictions then the grant is treated as a restricted fund. Grants which are repayable if not utilised within a specific period are deferred until expended.

Legacies are recognised when the entitlement to the legacy is known with certainty, the value of the legacy receipt can be quantified with reasonable certainty and the timing of the receipt is known with reasonable probability.

Incoming resources from endowment funds are unrestricted income.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is included in the SOFA in the cost of the expenditure incurred.

Notes to the financial statements (continued)
for the year ended 31 August 2021

1. Accounting policies (continued)

Costs of generating funds comprise the costs associated with attracting pupils, in order to generate income.

Education and training comprise the 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.

Governance costs include those costs associated with meeting with the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis, e.g. estimated usage.

Tangible fixed assets

Fixed assets are stated at historical cost.

No depreciation is provided on freehold land.

Depreciation is provided on all other tangible fixed assets at rates calculated to write each assets down to its estimated residual value over its expected useful life, as follows: -

Freehold properties	2% - Straight line
Equipment, fixtures and fittings	20% - Reducing balance (except boilers 4% straight line)
Computer equipment	33.3% - Straight line
Motor vehicles	25% - Reducing balance

Leased assets are depreciated on a straight-line basis over the period of the lease.

Donated assets are capitalised at estimated cost.

Stocks

Stocks are valued at the lower of cost or net realisable value, after making due allowance for obsolete and slow-moving items.

Taxation

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

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measure at their settlement value with the exception of bank loans which are subsequently measured at amortised costs using the effective interest method.

Notes to the financial statements (continued)
for the year ended 31 August 2021

1. Accounting policies (continued)

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds are restricted funds that represent a donation to the Charity with specific criteria that the Charity must follow.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the Balance Sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

Pension costs and other post-retirement benefits

The Charity contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS 102, therefore, the scheme is accounted for as a defined contribution scheme.

In respect of non-teaching staff, the school contributes to a defined benefit scheme administered by the Pension Trust. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS 102, therefore, the scheme is accounted for as a defined contribution scheme.

Contributions to both schemes are charged in the SOFA as they become payable in accordance with the rules of the schemes.

In respect of one staff member, contributions are made to a Self-Invested Pension Plan (SIPP). Contributions are charged to the SOFA as they become payable.

Teaching costs

Supplies of games equipment, books, stationery and sundry materials are written off to the general fund account when the expenditure is incurred.

Notes to the financial statements (continued)
for the year ended 31 August 2021

2. Comparative SOFA

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2020
	£	£	£	£
Donations and legacies	867	32,203	-	33,070
Charitable activities	3,355,500	701,266	-	4,056,766
Other trading activities	1,366	-	-	1,366
Investments	-	-	323	323
Other	20,955	-	-	20,955
Total	3,378,688	733,469	323	4,112,480
Raising funds	1,382	-	-	1,382
Charitable activities	3,141,005	733,469	-	3,874,474
Total	3,142,387	733,469	-	3,875,856
Net income	236,301	-	323	236,624

3. Income from donations and legacies

	Unrestricted funds	Restricted funds	Endowment funds	2021	2020
	£	£	£	£	£
Donations	2,032	7,038	-	9,070	6,892
Legacies	172,029	-	-	172,029	-
Grants	-	42,406	-	42,406	26,178
	174,061	49,444	-	223,505	33,070

Included in donations in 2020 is restricted donations of £6,025 and unrestricted donations of £867. In 2020, the grant income all related to restricted funds.

Notes to the financial statements (continued)
for the year ended 31 August 2021

4. Income from charitable activities

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 £	2020 £
Fees	3,661,171	-	-	3,661,171	3,251,718
Recharges for other costs	111,046	-	-	111,046	97,509
ESFA	-	833,182	-	833,182	701,266
Other income and grants	2,943	-	-	2,943	6,273
	<u>3,775,160</u>	<u>833,182</u>	<u>-</u>	<u>4,608,342</u>	<u>4,056,766</u>

In 2020 £701,266 of ESFA income related to restricted funds. All other income from charitable activities was unrestricted in 2020.

5. Income from other activities

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 £	2020 £
RHI and FIT income	26,643	-	-	26,643	16,668
School Trips	(3,355)	-	-	(3,355)	7,455
Computing and cycle to work scheme	11,240	-	-	11,240	(3,213)
Other	3	-	-	3	45
	<u>34,531</u>	<u>--</u>	<u>-</u>	<u>34,531</u>	<u>20,955</u>

There was a net outflow in relation to school trips in the year relating to refunds for cancelled trips due to covid.

6. Expenditure on charitable activities

	Direct costs £	Support costs £	2021 £	2020 £
School	3,061,151	582,883	3,644,034	3,540,633
Welfare	32,153	-	32,153	16,282
Premises	382,105	-	382,105	317,559
	<u>3,475,409</u>	<u>582,883</u>	<u>4,058,292</u>	<u>3,874,474</u>

Included in expenditure on charitable activities is £854,323 relating to restricted funds (2020 £733,469 restricted)

Notes to the financial statements (continued)
for the year ended 31 August 2021

7. Support costs

	Management	Finance	Information technology	Human resources	Totals
	£	£	£	£	£
School	<u>476,967</u>	<u>20,520</u>	<u>82,294</u>	<u>3,102</u>	<u>582,883</u>

Support costs, included in the above, are as follows:

	2021	2020
	£	£
Wages	261,763	239,011
Social security	23,283	22,466
Pensions	6,116	13,565
Hire of plant and machinery	56,359	66,892
Insurance	55,871	48,845
Postage and stationery	29,973	36,708
Travelling and motor	25,510	29,429
Professional fees	15,955	27,841
Bank charges	2,137	3,353
Computer licences and IT	82,294	78,535
Recruitment	3,102	2,843
Governance	<u>20,520</u>	<u>18,328</u>
	<u>582,883</u>	<u>587,816</u>

8. Net incoming resources

Net resources are stated after charging:

	2021	2020
	£	£
Governors' travel	-	388
Auditors' remuneration	17,820	14,140
Auditors' remuneration for non-audit work	2,700	3,800
Depreciation - owned assets	131,943	87,911
Hire of plant and machinery	56,359	66,892
Loss on disposal of fixed assets	<u>2,579</u>	<u>-</u>

9. Trustees' remuneration and benefits

The charity trustees were not paid or received any other benefits from employment with the Charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses

Travel expenses of £nil (2020: £388) were reimbursed to zero (2020: three) Governors during the year.

Notes to the financial statements (continued)
for the year ended 31 August 2021

10. Staff costs and the cost of key management personnel

	2021	2020
	£	£
Wages and salaries	2,562,393	2,385,442
Social security costs	252,039	227,977
Other pension costs	368,195	331,652
	<u>3,182,627</u>	<u>2,945,071</u>
Supply staff costs	30,724	61,836
	<u>3,213,351</u>	<u>3,006,907</u>

The average monthly number of employees during the year was as follows:

	2021	2020
Teaching and counselling	42	40
Domestic	5	7
Care	18	17
Administration	<u>8</u>	<u>8</u>
	<u>73</u>	<u>72</u>

The number of employees included in the above whose emoluments, excluding pension contributions, exceeded £60,000 were as follows: -

	2021	2020
£60,000 to £70,000	-	-
£70,001 to £80,000	-	-
£80,001 to £90,000	-	1
£90,001 to £100,000	<u>1</u>	<u>-</u>

Pension contributions paid into a defined benefit scheme for the one member (2020: one member) of staff earning over £60,000 were £20,142 (2020: £19,141).

The key management personnel of the charity comprise the board of trustees, Headmaster and the senior leadership team. The total employee benefits of the key management personnel of the Trust were £441,900 (2020: £420,439).

Notes to the financial statements (continued)
for the year ended 31 August 2021

11. Tangible fixed assets

	Land and buildings	Plant and machinery etc	Totals
	£	£	£
Cost			
At 1 September 2020	1,129,120	935,465	2,064,585
Additions	14,195	164,020	178,215
Disposals	-	(100,255)	(100,255)
At 31 August 2021	<u>1,143,315</u>	<u>999,230</u>	<u>2,142,545</u>
Depreciation			
At 1 September 2020	270,900	549,868	820,768
Charge for year	22,840	109,103	131,943
Disposals	-	(86,490)	(86,490)
At 31 August 2021	<u>293,740</u>	<u>572,481</u>	<u>866,221</u>
Net book value			
At 31 August 2021	<u><u>849,575</u></u>	<u><u>426,749</u></u>	<u><u>1,276,324</u></u>
At 31 August 2020	<u><u>858,220</u></u>	<u><u>385,597</u></u>	<u><u>1,243,817</u></u>

Included in cost or valuation of land and buildings is freehold land of £500 (2020 - £500)

The Company is the Custodian Trustee of the Breckenbrough School Charitable Trust and also the sole Trustee entrusted to manage the affairs of that Charitable Trust which includes the permanent endowment property and investments as indicated in note 17 of these financial statements. Financial Reporting Statement 102 requires that the substance of an entity's transactions is reported in its financial statements.

This requires that the commercial effect of a transaction and any resulting assets, liabilities, or gains and losses are shown and that the accounts do not merely report the legal form of a transaction. Following this, the Company has included the freehold land and buildings, and investments subject to permanent endowment, within its Balance Sheet.

All fixed assets are held for continuing use in the Charity's activities.

The freehold land and buildings were professionally valued on 3 March 2020 on an open market basis at £2,280,000 by Barry Crux & Company Limited, Chartered Surveyors. The Trustees do not consider that the valuation would have changed significantly between this year end and the valuation date.

Notes to the financial statements (continued)
for the year ended 31 August 2021

12. Fixed asset investments

By the Trust Deed, the investments are not subject to the limitations of the Trustee Investments Act. The investments represent a bank deposit account within the Endowed Funds (see notes 17 and 18).

13. Debtors: amounts falling due within one year

	2021	2020
	£	£
Trade debtors	1,249,480	926,994
Other debtors	<u>412,044</u>	<u>160,233</u>
	<u>1,661,524</u>	<u>1,087,227</u>

14. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	76,150	100,698
Taxation and social security	58,012	53,743
Other creditors	1,377,332	1,307,637
Pension scheme liability	<u>27,000</u>	<u>27,000</u>
	<u>1,538,494</u>	<u>1,489,078</u>

Other creditors comprised:	2021	2020
	£	£
Fees in advance	1,272,779	1,173,846
Pension scheme contributions	43,238	30,139
Accruals	58,558	101,016
Other creditors	<u>2,757</u>	<u>2,636</u>
	<u>1,377,332</u>	<u>1,307,637</u>

15. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Pension	71,026	98,000
	<u>71,026</u>	<u>98,000</u>

Notes to the financial statements (continued)
for the year ended 31 August 2021

16. Operating lease commitments

At 31 August 2021 the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	42,220	42,220
Between one and five years	791	43,011
	<u>43,011</u>	<u>85,231</u>

17. Movement in funds

	At 1.9.20 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31.8.21 £
Unrestricted funds					
General fund	1,656,581	3,984,869	(3,203,969)	(599,856)	1,837,625
Designated fund	300,000	-	-	600,000	900,000
Capital grant	83,270	-	-	-	83,270
	<u>2,039,851</u>	<u>3,984,869</u>	<u>(3,203,969)</u>	<u>144</u>	<u>2,820,895</u>
Restricted funds					
DFC Grant	9,620	49,444	(49,444)	-	9,620
ESFA funding	-	833,182	(804,879)	-	28,303
	<u>9,620</u>	<u>882,626</u>	<u>(854,323)</u>	<u>-</u>	<u>37,923</u>
Endowed funds					
Foundation capital	84,579	-	-	-	84,579
Lone House capital	48,500	12	-	(12)	48,500
	<u>133,079</u>	<u>12</u>	<u>-</u>	<u>(12)</u>	<u>133,079</u>
Total funds	<u>2,182,550</u>	<u>4,867,507</u>	<u>(4,058,292)</u>	<u>132</u>	<u>2,991,897</u>

Notes to the financial statements (continued)
for the year ended 31 August 2021

17. Movement in funds (continued)

Capital grant - unrestricted

This is a designated fund which represents a capital grant which was received from the Department for Education and Skills and may be repayable in the event of the closure of the School.

DFC Grant

The DFC grant is amounts received for capital funding to be used for improvements to buildings and other facilities, including ICT, or capital repairs and refurbishment. The transfer to unrestricted funds represents the amount spent in the year on capital items using this grant.

ESFA funding

These monies were received from the Education and Skills Funding Agency for the education and support activities of the school and were fully utilised in the year.

Endowed funds

The Foundation capital represents the original endowment to provide for the establishment of the Charity. The Lone House capital represents the replacement under a recoupment order of sums expended following the sale of the property known as Lone House. The amount outstanding at the year-end under the order amounted to £48,500, which represents the original value. The investment generated £12 of interest during the year which has been transferred to unrestricted funds.

Designated funds

Designated funds at 31 August 2021 comprise of:

£550,000 construction fund to be used for classroom maintenance and in creation of a new building within the grounds that will allow us to deliver our therapeutic provision in a purpose-built area allowing space, quietness and privacy for all our students. The fund is expected to be spent over the next 12 months. A further £250,000 was designated to this fund in the year.

£200,000 classroom fund. The school has identified the need for one more classroom space as student numbers increase. This was all designated in the year.

£150,000 alternative site provision. These funds have been designated in the year to help fund an enhancement to the school's current provision on an alternative site. The funds will be used to equip the facility to ensure it is fit for purpose.

Notes to the financial statements (continued)
for the year ended 31 August 2021

18. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £
Fixed assets	1,182,125	9,620	84,579	1,276,324
Investments	270	-	48,500	48,770
Current assets	3,248,020	28,303	-	3,276,323
Current liabilities	(1,538,494)	-	-	(1,538,494)
Long term liabilities	<u>(71,026)</u>	<u>-</u>	<u>-</u>	<u>(71,026)</u>
	<u>2,820,895</u>	<u>37,923</u>	<u>133,079</u>	<u>2,991,897</u>

Prior year analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total funds £
Fixed assets	1,149,618	9,620	84,579	1,243,817
Investments	261	-	48,500	48,761
Current assets	2,477,050	-	-	2,477,050
Current liabilities	(1,489,078)	-	-	(1,489,078)
Long term liabilities	<u>(98,000)</u>	<u>-</u>	<u>-</u>	<u>(98,000)</u>
	2,039,851	9,620	133,079	2,182,550

19. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period	809,347	235,624
Adjusted for:		
Depreciation	131,943	87,911
Loss on disposal of fixed assets	13,765	3,205
Investment income	(12)	(323)
Decrease/(increase) in stocks	2,507	263
(Increase) in debtors	(574,297)	(112,179)
Increase in creditors	49,416	194,507
Pension scheme non-cash movement	<u>(26,974)</u>	<u>(24,000)</u>
	<u>405,695</u>	<u>385,008</u>

Notes to the financial statements (continued)
for the year ended 31 August 2021

20. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand	1,612,855	1,385,372
Cash held as investment	<u>48,770</u>	<u>48,761</u>
	<u>1,661,625</u>	<u>1,434,133</u>

21. Pension commitments

Teachers' Pension Scheme

Introduction

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 multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £304,855 (2020: £263,879). At the year-end £35,758 (2020: £30,139) was due to the scheme. No amounts were prepaid at either year end.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

The Pensions Trust

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial

Notes to the financial statements (continued)
for the year ended 31 August 2021

21. Pension commitments (continued)

Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

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

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

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

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

Present value of provisions

	Period Ending 31 August 2021 (£s)	Period Ending 31 August 2020 (£s)	Period Ending 31 August 2019 (£s)
Present value of provision	98,026	124,720	148,651

Notes to the financial statements (continued)
for the year ended 31 August 2021

21. Pension commitments (continued)

Reconciliation of opening and closing provisions

	Period Ending 31 August 2021 (£s)	Period Ending 31 August 2020 (£s)
Provision at start of period	124,720	148,651
Unwinding of the discount factor (interest expense)	605	1,305
Deficit contribution paid	(27,167)	(26,376)
Remeasurements - impact of any change in assumptions	(132)	1,140
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	98,026	124,720

Income and expenditure impact

	Period Ending 31 August 2021 (£s)	Period Ending 31 August 2020 (£s)
Interest expense	605	1,305
Remeasurements – impact of any change in assumptions	(132)	1,140
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

Assumptions

	31 August 2021 % per annum	31 August 2020 % per annum	31 August 2019 % per annum
Rate of discount	0.63	0.55	0.97

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Notes to the financial statements (continued)
for the year ended 31 August 2021

22. Capital commitments

At 31 August 2021 £nil (2020: £27,089) capital expenditure had been contracted for. At 31 August 2021 there was no capital expenditure that had been approved but not yet contracted for (2020: £nil).

23. Related party disclosures

Some members of the governors/trustees also serve on the Board of the Charity, known as Beyond Breckenbrough, whose activities include assistance with transition from the school along with the provision of financial and other assistance to old boys of Breckenbrough School, directly or otherwise. During the year salaries of £11,329 (2020: £11,246) were recharged to Beyond Breckenbrough. At the year end the school was owed £66,777 (2020: £54,466) by Beyond Breckenbrough.

There were no other related party transactions during the current or preceding year.

24. Ultimate controlling party

Due to the diverse nature of the membership of the company, no one member has control over the company.

25. Limited by Guarantee

The company is limited by guarantee so has no share capital. The members have guaranteed to provide an amount of £1 in the event of the winding up of the company.