

Report of the Trustees and  
Unaudited Financial Statements  
for the Year Ended 31 August 2020  
for  
Moreton Hall School Trust Limited

Knights Lowe Chartered Accountants  
Eldo House  
Kempson Way  
Suffolk Business Park  
Bury St Edmunds  
Suffolk  
IP32 7AR

Moreton Hall School Trust Limited

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for the Year Ended 31 August 2020

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## Moreton Hall School Trust Limited

### Report of the Trustees for the Year Ended 31 August 2020

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 2020. The trustees have adopted the provisions of 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).

As was reported in last year's accounts in April 2020 the parents of the children at Moreton Hall School were informed by the Governors that Moreton Hall Prep school would have to cease operation at the end of the summer term and would not be offering any prep school educational provision from September 2020.

Over the last decade, the market for standalone 13 plus day and boarding schools has become increasingly difficult. There are several political and economic factors influencing this, including an extremely competitive marketplace from both other Prep schools and Senior Schools who - to secure their own sustainability - have sought to attract pupils at an earlier stage.

The Governors and Senior Management Team have worked extremely hard, in recent years to put strategies in place to increase numbers by.

- retaining current pupils,
- improving the pipeline in the lower part of the school,
- attracting overseas pupils; and
- working on a digital marketing campaign

Bolder initiatives have also been explored, from school partnerships and mergers to outside investment and real estate development, to secure the school's long-term sustainability,

The devastating effect of the Coronavirus, has significantly undermined these plans, impacting as early as March 2020 with the mandated closure of the school. Many parents have found themselves in difficult financial positions; overseas boarding is not viable and unlikely to become feasible again until at least 2021/22 and summer rental opportunities have been cancelled, meaning that Moreton Hall's income is and will be depressed for the next 18 months. With pupil numbers low and likely to drop further, the school is not financially viable and with the future uncertain following the recovery of the Global pandemic, it was not judged to be in the pupils' best interests to try to operate next year on a skeletal basis.

#### OBJECTIVES AND ACTIVITIES

##### Objectives and policies

Moreton Hall School Trust Limited is registered with the Charity Commission . Its principal activity is providing education .

Now that the Prep School has closed the Trustees are focussed on a number of key areas of activity:

- 1 - Continuing to utilise the school facilities for nursery education .
- 2 - Leasing out now unutilised classroom space to other schools
- 3 - Short-term rental of domestic accommodation on the school site.
- 4 - Continuing maintenance of the site
- 5 - The search for a potential buyer of the site which will allow the orderly realisation of the charity's assets and settling liabilities.

## Moreton Hall School Trust Limited

### Report of the Trustees for the Year Ended 31 August 2020

#### FINANCIAL REVIEW

##### Financial overview

These results reflect the significant impact of the pandemic and the subsequent decision to close the Prep School.

Revenue has fallen by 27% reflecting reduced fee income , specific discounts offered to parents (typically 20%) to acknowledge the switch to predominantly remote schooling , loss of overseas boarding income due to travel restrictions and the cancellation of summer schools and other rental opportunities.

Costs have risen by 13% reflecting the costs of staff redundancy and the provision for unpaid fees relating to closure and the impact of the pandemic.

Resources expended have exceeded incoming resources in the year, therefore the school is showing net outgoing resources.

The Trustees continue to support the charity and are exploring a number of opportunities to utilise the charity's assets for educational and other purposes . With the Trustees support the charity continues to service its debt partially through income from the Nursery school and other tenants.

##### Going concern

Following the closure of the Prep School the Trustees continue to closely monitor the financial situation.

Based on their projections and with Trustee support the charity can continue to operate gaining income from letting out some parts of the site whilst the Trustees explore ways to gain best value from the Charity's assets and effect an orderly closure.

The process of fully realising best value for the Charity's assets could take a number of years .

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

##### Appointment and training

Trustees are selected from individuals who have demonstrated a commitment to Moreton Hall, share its values and are fully supportive of its ethos. Individual trustees are selected on the basis of matching their skills and experience to the particular needs that arise within the trustee body from time to time. The training of trustees is based around certain core areas such as the role of trustees and our obligations as a charity, supplemented by specific training on an as needs basis.

##### Organisational structure

The Company's Trustees appoint staff who look after the day to day running of the organisation. The Trustees are supported by a board of Governors who have a breadth of Educational, Financial, and property management experience.

All major decisions regarding the performance of the school are reviewed and agreed with the governing body. The governing body meets three times a year and reviews all aspects of the performance of the school.

The Trustees delegated day to day management of the school to the Headmaster; Mrs L Wakerell during the period reported on. The major areas of school activity are overseen by a number of governance committees. The committees are: finance, marketing, education and , health and safety.

##### Public benefit statement

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Moreton Hall School Trust Limited

Report of the Trustees  
for the Year Ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

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 trustees have assessed the major risks to which the charitable company is exposed, in particular related to operations and finances of the school, and are satisfied that the systems are in place to mitigate their exposure to major risks. The trustees feel that the greatest potential risk to the charitable company is any reduction in pupil numbers. Efforts have been made to manage costs conservatively

In a difficult market environment the Governors and the Senior Management team had worked hard to put strategies in place to maintain and increase pupil numbers the pandemic significantly undermined those plans and ultimately led to the closure of the Prep School.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01509238 (England and Wales)

Registered Charity number

280927

Registered office

Moreton Hall School

Mount Road

Bury St Edmunds

Suffolk

IP32 7BJ

Trustees

P B Loft Director

N R Smith Director

School Governors

Mr N Smith (Chair)

Mr P Loft

Mr R Dellow

Mr M Hurley

Ms A Ward-Thomas

Mrs M Nice

Mr P Day

Mr R O'Brian (resigned October 2019)

Headteacher

Mr C Moxon (resigned September 2019)

Mrs L Wakerell (appointed September 2019)

Company Secretary

N R Smith

Moreton Hall School Trust Limited

Report of the Trustees  
for the Year Ended 31 August 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Examiner  
Knights Lowe Chartered Accountants  
Eldo House  
Kempson Way  
Suffolk Business Park  
Bury St Edmunds  
Suffolk  
IP32 7AR

Bankers  
Lloyds Bank  
28-34 Risbygate Street  
Bury St Edmunds  
Suffolk  
IP33 3AH

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 25 May 2021 and signed on its behalf by:

P B Loft - Trustee

Independent Examiner's Report to the Trustees of  
Moreton Hall School Trust Limited

Independent examiner's report to the trustees of Moreton Hall School Trust Limited ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2020.

**Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

**Independent examiner's statement**

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of FCA which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

James Knights  
FCA  
Knights Lowe Chartered Accountants  
Eldo House  
Kempson Way  
Suffolk Business Park  
Bury St Edmunds  
Suffolk  
IP32 7AR

Date: .....

Moreton Hall School Trust Limited

Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31 August 2020

		2020 Unrestricted funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	3	76	39
Charitable activities	4		
Activities for generating funds		707,768	938,114
Rental Income		1,610	28,214
		<hr/>	<hr/>
Total		709,454	966,367
EXPENDITURE ON			
Charitable activities	5		
Activities for generating funds		22,258	3,152
Staff costs		744,063	687,944
Support costs		355,709	301,786
Depreciation		33,392	37,583
		<hr/>	<hr/>
Total		1,155,422	1,030,465
		<hr/>	<hr/>
NET INCOME/(EXPENDITURE)		(445,968)	(64,098)
RECONCILIATION OF FUNDS			
Total funds brought forward		(614,029)	(549,931)
		<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		<u>(1,059,997)</u>	<u>(614,029)</u>

The notes form part of these financial statements



Moreton Hall School Trust Limited

Balance Sheet  
31 August 2020

	Notes	2020 Unrestricted funds £	2019 Total funds £
FIXED ASSETS			
Tangible assets	12	226,949	286,601
Investments	13	1,597,204	1,597,204
		<hr/>	<hr/>
		1,824,153	1,883,805
CURRENT ASSETS			
Stocks	14	-	1,528
Debtors	15	94,297	121,960
Cash at bank and in hand		28,702	903
		<hr/>	<hr/>
		122,999	124,391
CREDITORS			
Amounts falling due within one year	16	(304,761)	(409,127)
		<hr/>	<hr/>
NET CURRENT ASSETS		(181,762)	(284,736)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,642,391	1,599,069
CREDITORS			
Amounts falling due after more than one year	17	(2,702,388)	(2,213,098)
		<hr/>	<hr/>
NET ASSETS		(1,059,997)	(614,029)
		<hr/>	<hr/>
FUNDS	21		
Unrestricted funds		(1,059,997)	(614,029)
		<hr/>	<hr/>
TOTAL FUNDS		(1,059,997)	(614,029)
		<hr/>	<hr/>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

Moreton Hall School Trust Limited

Balance Sheet - continued

31 August 2020

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

The financial statements were approved by the Board of Trustees and authorised for issue on 25 May 2021 and were signed on its behalf by:

P B Loft - Trustee

Moreton Hall School Trust Limited

Cash Flow Statement  
for the Year Ended 31 August 2020

Notes	2020 £	2019 £
Cash flows from operating activities		
Cash generated from operations 1	(414,796)	(84,758)
Interest paid	(26,562)	(50,320)
Interest element of hire purchase payments paid	(1,605)	(1,605)
Finance costs paid	(1,520)	(4,311)
	<hr/>	<hr/>
Net cash used in operating activities	(444,483)	(140,994)
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	(440)	(55,308)
Sale of tangible fixed assets	6,008	-
	<hr/>	<hr/>
Net cash provided by/(used in) investing activities	5,568	(55,308)
	<hr/>	<hr/>
Cash flows from financing activities		
Loan repayments in year	(42,953)	(42,566)
Additional Trustee loans in year	535,370	199,938
Capital repayments in year	(5,012)	(5,012)
	<hr/>	<hr/>
Net cash provided by financing activities	487,405	152,360
	<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period	48,490	(43,942)
Cash and cash equivalents at the beginning of the reporting period 2	(19,788)	24,154
	<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period 2	28,702	(19,788)
	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

Moreton Hall School Trust Limited

Notes to the Cash Flow Statement  
for the Year Ended 31 August 2020

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(445,968)	(64,098)
Adjustments for:		
Depreciation charges	34,539	37,583
Loss on disposal of fixed assets	19,545	-
Interest paid	26,562	50,320
Interest element of hire purchase and finance lease rental payments	1,605	1,605
Finance costs	1,520	4,311
Decrease in stocks	1,528	153
Decrease in debtors	27,663	16,101
Decrease in creditors	(81,790)	(130,733)
Net cash used in operations	<u>(413,191)</u>	<u>(83,153)</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	-	449
Notice deposits (less than 3 months)	28,702	454
Overdrafts included in bank loans and overdrafts falling due within one year	-	(20,691)
Total cash and cash equivalents	<u>28,702</u>	<u>(19,788)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.19 £	Cash flow £	At 31.8.20 £
Net cash			
Cash at bank and in hand	903	27,799	28,702
Bank overdraft	(20,691)	20,691	-
	<u>(19,788)</u>	<u>48,490</u>	<u>28,702</u>
Debt			
Finance leases	(17,124)	5,012	(12,112)
Debts falling due within 1 year	(41,047)	1,885	(39,162)
Debts falling due after 1 year	(2,130,986)	(494,302)	(2,625,288)
	<u>(2,189,157)</u>	<u>(487,405)</u>	<u>(2,676,562)</u>
Total	<u>(2,208,945)</u>	<u>(438,915)</u>	<u>(2,647,860)</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Preparation of financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Moreton Hall School Trust Limited, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the charity can be found in the reference and administrative details on page 3.

The presentational currency of the financial statements is the Pound Sterling (£).

Preparation of consolidated financial statements

The financial statements contain information about Moreton Hall School Trust Limited as an individual company and do not contain consolidated financial information as the parent of a group. The charity is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

The subsidiary, Moreton Hall School Trust, has been excluded from consolidation as it has not traded in the current or preceding year.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

a) Fees receivable

Fees receivable represents the value of the tuition fees and pupil registrations for the year, less bursaries and other discounts given.

b) Donations and grants

Monetary donations and grants received are credited to the Statement of Financial Activity in the year of receipt and released over the expected life of the asset. Donated assets are only reflected in the financial statements if material and if their market value can be reasonably determined.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 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.

Charitable activities

Costs of charitable activities includes all expenditure other than for generating funds or governance incurred in furtherance of the charity's objectives.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. The bases on which support costs have been allocated are set out in note 7.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Sports Hall	- Straight line over 10 to 40 years
Long leasehold	- Straight line over 10 to 40 years
Fixtures and fittings	- 10 years straight line
Motor vehicles	- 25% on reducing balance

Stocks

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

Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Taxation

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

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.

There are currently no restricted funds in the charity.

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.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The company contributes to a Department for Education and Employment scheme, which is a defined benefit scheme, at rates set by the scheme actuary and advised to the company 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 company. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

Non-teaching staff are eligible to become members of a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds.

The annual contributions payable to both schemes are charged to the Statement of Financial Activities in the period to which they relate.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

The Trust 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 measured at their settlement value, with the exception of advance fee schemes. A simple discount is offered by the Trust on the prevailing fee rates payable in return for payment in advance. The advance payment must be treated as deferred income until the criteria for income recognition are met.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less provision for impairment.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Trust's accounting policies, which are described below, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily available 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 which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any key sources of estimation uncertainty. Critical judgements relate to going concern as follows:

Going concern

The company meets its day to day working capital requirements through loan from Trustees.

During the year, and in previous years the company has been provided with loans from Trustees, this has continued since the year end to ensure that the company can meet its cash requirements. Additional funds will and have been made available, and the Trustees will continue to provide support going forward.

From the financial planning undertaken and subject to not requiring excessive sums for property repairs and assuming continued support from the bank, the governors consider it appropriate to prepare the financial statements on a going concern basis.

Following the decision in April 2020 to close the school and end the activity of providing education, this activity ended in the 31 August 2020 financial year. It is still considered appropriate to prepare the charity and company accounts on a going concern basis as the company still has the support of its trustees, as it closes the school activity and makes plans to ensure that the assets of the charity are maintained and utilised to ensure a return can be made to all creditors and any surplus used inline with the charitable purpose of the company.

Moreton Hall School Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations and fundraising	76	39
	<u>76</u>	<u>39</u>

Donations and fundraising relates to donations received from various parties.

4. INCOME FROM CHARITABLE ACTIVITIES

		2020	2019
	Activity	£	£
Fees receivable	Activities for generating funds	558,804	790,597
Grants	Activities for generating funds	87,535	-
Extras and disbursements recoverable and recovered	Activities for generating funds	37,854	63,180
Other income	Activities for generating funds	23,575	84,337
Rent receivable	Rental Income	1,610	28,214
		<u>709,378</u>	<u>966,328</u>

Grants received, included in the above, are as follows:

	2020	2019
	£	£
Covid Job Retention Scheme	87,535	-
	<u>87,535</u>	<u>-</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6) £	Support costs (see note 7) £	Totals £
Activities for generating funds	22,258	-	22,258
Staff costs	744,063	-	744,063
Support costs	307,063	48,646	355,709
Depreciation	33,392	-	33,392
	<u>1,106,776</u>	<u>48,646</u>	<u>1,155,422</u>



Moreton Hall School Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020	2019
	£	£
Staff costs	744,063	687,944
Rates and insurance	36,485	30,346
Light and heat	30,736	25,817
Repairs - premises and household	9,681	29,202
Gardens and grounds	7,650	9,510
Advertising	1,209	1,445
Catering costs	33,349	56,404
Professional fees, training, subscriptions & licences	19,144	11,923
General teaching expenses	15,683	20,883
Disbursements recoverable	8,171	18,121
Telephone, post & stationery	16,389	15,087
Administration costs - health & safety, pest control & other admin	1,042	529
Bad debts	41,410	(592)
Travel and motor expenses	3,626	5,268
Leasing costs	4,630	12,441
Depreciation	34,539	37,583
Loss on sale of assets	19,545	-
Redundancy cost	79,424	-
	<u>1,106,776</u>	<u>961,911</u>

7. SUPPORT COSTS

	Finance	Governance	Totals
	£	costs £	£
Support costs	<u>29,687</u>	<u>18,959</u>	<u>48,646</u>

Independent examiners fees

	2020	2019
	£	£
Independent examination fees	7,140	-
Other fees payable to independent examiner	11,819	15,389

Moreton Hall School Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration	-	5,400
Other non-audit services	18,959	6,918
Depreciation - owned assets	29,959	31,477
Depreciation - assets on hire purchase contracts and finance leases	4,580	6,107
Deficit on disposal of fixed assets	19,545	-
Operating lease costs - other	-	8,429
	<u>          </u>	<u>          </u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2020 nor for the year ended 31 August 2019.

Trustees receive no interest on loans that have been made to the charity.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2020 nor for the year ended 31 August 2019.

10. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	625,231	592,537
Social security costs	48,516	43,164
Other pension costs	70,316	52,243
	<u>          </u>	<u>          </u>
	<u>744,063</u>	<u>687,944</u>

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

	2020	2019
Administrative & teaching staff	<u>34</u>	<u>32</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
£60,001 - £70,000	<u>-</u>	<u>1</u>

During the previous year retirement benefits were accruing to 1 high paid staff member in respect of defined benefit pension schemes.

Moreton Hall School Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

10. STAFF COSTS - continued

Key management personnel

The key management personnel of the Trust comprise the Trustees, the Headmaster, the Deputy Headmaster and the Head of Lower School. The total remuneration (including pension contributions, excluding social security costs) of the key management personnel for the year totalled £56,315 (2019: £143,331). The total social security costs of the key management personnel for the year totalled £6,390 (2019: £14,892).

11. EXCEPTIONAL ITEMS

During the period the School activity ended. Further disclosure and detail is included in the Trustees report & at note 25.

This process caused all teaching staff and the majority of support staff to be made redundant as at 31 August 2020.

The full redundancy cost is accrued in these accounts and was paid to the employees on the 3rd September 2020.

12. TANGIBLE FIXED ASSETS

	Sports Hall £	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 September 2019	113,591	267,514	137,512	45,014	563,631
Additions	-	-	440	-	440
Disposals	-	-	(49,208)	(14,950)	(64,158)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2020	113,591	267,514	88,744	30,064	499,913
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>					
At 1 September 2019	84,666	111,651	54,019	26,694	277,030
Charge for year	2,992	18,091	8,876	4,580	34,539
Eliminated on disposal	-	-	(23,655)	(14,950)	(38,605)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2020	87,658	129,742	39,240	16,324	272,964
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>					
At 31 August 2020	25,933	137,772	49,504	13,740	226,949
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2019	28,925	155,863	83,493	18,320	286,601
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of tangible fixed assets includes £ 13,740 (2019 - £ 18,320 ) in respect of assets held under hire purchase contracts.

Moreton Hall School Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 September 2019 and 31 August 2020	1,597,204
NET BOOK VALUE	
At 31 August 2020	1,597,204
At 31 August 2019	1,597,204

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Moreton Hall School Limited

Registered office: Moreton Hall School, Mount Road, Bury St Edmunds, Suffolk, IP32 7BJ

Nature of business: Investment in freehold property.

Class of share:	%
Ordinary A	holding 100

	2020 £	2019 £
Aggregate capital and reserves	1,606,947	1,606,947

Moreton Hall School Limited owns the freehold property excluding the playing field, which the school uses for its charitable activity. A lease was granted by Moreton Hall School Limited on 20 October 2009, for use of the property at Moreton Hall School. The term of this lease is 99 years, with yearly rentals payable of one peppercorn.

14. STOCKS

	2020 £	2019 £
Stocks	-	1,528

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	15,833	108,013
Prepayments and accrued income	17,438	13,947
Development costs	61,026	-
	94,297	121,960

Moreton Hall School Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 18)	39,162	61,738
Hire purchase (see note 19)	5,012	5,012
Trade creditors	42,873	72,978
Amounts owed to group undertakings	6,947	6,947
Social security and other taxes	73,481	12,095
Other creditors & accruals	137,286	14,707
Fees in advance	-	235,650
	<u>304,761</u>	<u>409,127</u>

Analysis of fees in advance

Fees are payable termly in advance therefore the income is deferred as the criteria for income recognition has not been met. Within deferred income are annual and multi-annual fees paid in advance in return for a discount. An analysis of deferred income is shown as follows:

	2020	2019
	£	£
Deferred income brought forward	235,650	339,680
Amounts released in year	(235,650)	(301,905)
Income deferred in year	-	197,875
	<u>-</u>	<u>197,875</u>
Deferred income carried forward	-	235,650
	<u>-</u>	<u>235,650</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans (see note 18)	769,835	805,303
Other loans (see note 18)	1,855,453	1,325,683
Hire purchase (see note 19)	7,100	12,112
Other creditors	70,000	70,000
	<u>2,702,388</u>	<u>2,213,098</u>

a) Loan stock of £200,000 was issued on 20 October 2009, as deferred consideration for the purchase of the shares in Moreton Hall School Limited.

The Loan stock was redeemable in October 2019, with interest payable at a range of rates, being 4.25% for the year to 19 October 2010, 5% for the year to 19 October 2011, 7.5% for the year to 19 October 2012, and 10% from 20 October 2012 onwards.

b) The bank loan is repayable over 25 years at £5,300 per month and interest is charged on the loan at a rate of 2% above the bank's base rate.

c) On 30 July 2012 the bank provided funding for a new classroom block in the form of fixed rate loan of £101,500 repayable over 20 years at £655.26 per month. Interest is charged on the loan at a rate fixed for 10 years of 5.73%.

Moreton Hall School Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

18. LOANS

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year on demand:		
Bank overdrafts	-	20,691
Classroom loan	946	4,144
Lloyds mortgage	38,216	36,903
	<u>39,162</u>	<u>61,738</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	44,207	42,558
Loan stock	200,000	200,000
	<u>244,207</u>	<u>242,558</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	137,385	135,785
Other LT creditors	1,655,453	1,125,683
	<u>1,792,838</u>	<u>1,261,468</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more than 5 years	588,243	626,960

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts 2020 £	2019 £
Net obligations repayable:		
Within one year	5,012	5,012
Between one and five years	7,100	12,112
	<u>12,112</u>	<u>17,124</u>
	Non-cancellable operating leases	
	2020 £	2019 £
Within one year	-	5,195

Moreton Hall School Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

20. SECURED DEBTS

The following secured debts are included within creditors:

	2020 £	2019 £
Bank overdraft	-	20,691
Bank loans	808,997	846,350
Hire purchase contracts	12,112	17,124
	<u>821,109</u>	<u>884,165</u>

Lloyds Bank plc, provider of the bank overdraft and bank loans, hold a charge over the leasehold property and all other property and assets of the charitable company.

The hire purchase contracts hold charges over the assets to which they relate.

The loan stock is secured by a fixed and floating charge over all property and assets of the charitable company.

21. MOVEMENT IN FUNDS

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	(614,029)	(445,968)	(1,059,997)
	<u>(614,029)</u>	<u>(445,968)</u>	<u>(1,059,997)</u>
TOTAL FUNDS	<u>(614,029)</u>	<u>(445,968)</u>	<u>(1,059,997)</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	709,454	(1,155,422)	(445,968)
	<u>709,454</u>	<u>(1,155,422)</u>	<u>(445,968)</u>
TOTAL FUNDS	<u>709,454</u>	<u>(1,155,422)</u>	<u>(445,968)</u>

Moreton Hall School Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
Unrestricted funds			
General fund	(549,931)	(64,098)	(614,029)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>(549,931)</u>	<u>(64,098)</u>	<u>(614,029)</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	966,367	(1,030,465)	(64,098)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>966,367</u>	<u>(1,030,465)</u>	<u>(64,098)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.18 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	(549,931)	(510,066)	(1,059,997)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>(549,931)</u>	<u>(510,066)</u>	<u>(1,059,997)</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,675,821	(2,185,887)	(510,066)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,675,821</u>	<u>(2,185,887)</u>	<u>(510,066)</u>



Moreton Hall School Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

22. EMPLOYEE BENEFIT OBLIGATIONS

The charity contributes to the Teachers Superannuation pension scheme for its professional employees and a defined contribution scheme for other staff. Contributions paid in the year were £70,316 (2019: £52,243). At the year end a balance of £9,918 (2019: £7,459) was outstanding.

23. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 August 2020 or 31 August 2019.

24. RELATED PARTY DISCLOSURES

a) The company has loans from trustees. The total amount due to trustees at 31 August 2020 is £1,655,453 (2019: £1,125,683). No interest is being charged on these loans.

b) A lease was granted to the charitable company on 20 October 2009, from MHSL Field Nominee Limited for use of the playing fields at Moreton Hall School. The term of this lease is 99 years, with yearly rentals payable of one peppercorn.

c) A lease was granted to the charitable company on 20 October 2009, from Moreton Hall School Limited for use of the property at Moreton Hall School. The term of this lease is 99 years, with yearly rentals payable of one peppercorn.

25. ULTIMATE CONTROLLING PARTY

The charitable company is jointly controlled by the directors, with no one director having ultimate control over the charitable company.

26. SIGNIFICANT EVENTS

In April 2020, the parents of the children at Moreton Hall School were informed by the Governor's that Moreton Hall Prep School would have to cease operation at the end of the Summer Term, 30th June 2020.

Therefore this activity ended in the 31 August 2020 financial year. The intention of the trustees and Governors is to make plans to ensure that the assets of the charity are maintained and utilised to ensure a return can be made to all creditors and any surplus used inline with the charitable purpose of the company.

Further information relating to the event can be found in the Trustees Report.

Moreton Hall School Trust Limited

Detailed Statement of Financial Activities  
for the Year Ended 31 August 2020

	2020 £	2019 £
<b>INCOME AND ENDOWMENTS</b>		
Donations and legacies		
Donations and fundraising	76	39
Charitable activities		
Fees receivable	558,804	790,597
Grants	87,535	-
Extras and disbursements recoverable and recovered	37,854	63,180
Other income	23,575	84,337
Rent receivable	1,610	28,214
	<hr/> 709,378	<hr/> 966,328
Total incoming resources	709,454	966,367
<b>EXPENDITURE</b>		
Charitable activities		
Wages	625,231	592,537
Social security	48,516	43,164
Pensions	70,316	52,243
Rates and insurance	36,485	30,346
Light and heat	30,736	25,817
Repairs - premises and household	9,681	29,202
Gardens and grounds	7,650	9,510
Advertising	1,209	1,445
Catering costs	33,349	56,404
Professional fees, training, subscriptions & licences	19,144	11,923
General teaching expenses	15,683	20,883
Disbursements recoverable	8,171	18,121
Telephone, post & stationery	16,389	15,087
Administration costs - health & safety, pest control & other admin	1,042	529
Bad debts	41,410	(592)
Travel and motor expenses	3,626	5,268
Leasing costs	4,630	12,441
Depreciation of tangible fixed assets	34,539	37,583
Loss on sale of tangible fixed assets	19,545	-
Redundancy cost	79,424	-
	<hr/> 1,106,776	<hr/> 961,911
Support costs		

This page does not form part of the statutory financial statements

Moreton Hall School Trust Limited

Detailed Statement of Financial Activities  
for the Year Ended 31 August 2020

	2020 £	2019 £
Support costs		
Finance		
Bank loan interest	906	4,491
Bank mortgage interest	15,656	25,829
Loan note interest	10,000	20,000
Hire purchase interest	1,605	1,605
Bank charges and other interest	1,520	4,311
	<hr/>	<hr/>
	29,687	56,236
 Governance costs		
Auditors' remuneration	-	5,400
Auditors' remuneration for non audit work	18,959	6,918
	<hr/>	<hr/>
	18,959	12,318
 Total resources expended	<hr/>	<hr/>
	1,155,422	1,030,465
 Net expenditure	<hr/>	<hr/>
	(445,968)	(64,098)

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## Signature 1

Signed by Paul Loft using authentication code OGt4UllBU0o0SVJU at IP address 81.155.66.246, on 2021/05/26 07:37:56 Z.

Paul Loft's e-mail address is: paulbloft@gmail.com.

## Signature 2

Signed by James Knights using authentication code L1Yva8KjWkVcWnowaw== at IP address 213.129.74.45, on 2021/05/28 10:16:45 Z.

James Knights's e-mail address is: james@knightslowe.co.uk.

James Knights added the following comments:

"Independent Exam Signed"