

**Charity Registration No. 307005**

**Company Registration No. 01078648 (England and Wales)**

**NORTHEASE MANOR SCHOOL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

# NORTHEASE MANOR SCHOOL LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Governors</b>	Mrs J Toben MloD, MCIOF (Chair) Mrs G Des Moulins Ms C Wickham BA Hons, MA. R.C.A. Mr A Walker MA NPQH Mrs P Ford BA Hons, FCIH Mrs M Stebbing
<b>Head</b>	Mr M Ward
<b>Charity number</b>	307005
<b>Company number</b>	01078648
<b>Principal address and registered office</b>	Newhaven Road Rodmell Lewes East Sussex BN7 3EY
<b>Auditor</b>	Knill James LLP One Bell Lane Lewes East Sussex BN7 1JU
<b>Main Bankers</b>	Lloyds Bank PLC 82 High Street Lewes East Sussex BN7 1XW  Charity Bank Limited Fosse House 182 High Street Tonbridge Kent TN9 1BE
<b>Solicitors</b>	Sherrards Employment Law Solicitors 4 Albourne Court Henfield Road Albourne West Sussex BN6 9DB

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# NORTHEASE MANOR SCHOOL LIMITED

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# **NORTHEASE MANOR SCHOOL LIMITED**

## **GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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The Governors present their annual report and financial statements for the year ended 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

#### **Objectives and activities**

The objects are set out in the Memorandum of Association as being the promotion and provision of facilities for the advancement of education. Northease Manor School (Northease) is for pupils aged between 10 and 18 who have special educational needs and disabilities (SEND).

It remains the policy of the Governors that Northease should continue to be a centre of excellence for the education of pupils with specific learning difficulties.

We aim to provide an outstanding educational environment that restores and increases pupils' self-esteem and educates the whole child, so that each pupil has the tools they need to overcome the societal barriers and attitudes to their specific learning difficulty. The school has a clear and focused objective to become a leading school in its field. We promote the academic, moral, and physical development of our pupils through our academic curriculum, pastoral care, sporting, and other activities.

The Governors have read the Charity Commission's guidance on public benefit, and the specific guidance for charities whose objects include education. The Governors have paid due regard to the Commission's guidance, and all who make decisions about the activities the Charity undertakes are concerned to ensure that a real educational benefit is provided to a broad range of pupils. The Governors consider that the achievements and performance of the charity demonstrate success in this regard.

Governors keep under review the structure of the school to ensure that we meet the required standards for the curriculum. From the start of the Academic year 2019/20 the school ceased to provide Boarding, focusing resources on day pupils, and expanding our sixth form provision.

#### **School values and position**

The school has evolved to reflect those needs that are sought after by parents and children. The school is now focused on students with communication and interaction difficulties and / or cognition and learning difficulties as well as those young people with an autism spectrum condition (ASC) diagnosis. The school is actively engaged with its local educational authority partners in meeting current and future need.

The school's aim is to 'Make the difference. Changing Lives. We achieve this by:

- Combining specialist expertise with passion and freedom
- Delivering impactful outcomes for our pupils and all those who have touched their lives
- Recognising and valuing difference
- Building confidence, character, and capability to realise potential right now, tomorrow and for the future

Clear expectations of the school community's attitudes and behaviours are set out in our school values:

- Be Kind
- Be Brave
- Be Curious

# **NORTHEASE MANOR SCHOOL LIMITED**

## **GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **Key Objectives**

The school has a clear vision to become the Leading special educational needs provider; equipping people with the skills, attitudes, behaviours, and opportunities to flourish. We aim to achieve this by:

- Role-modelling educational excellence, are pioneers in research and continuously seek to do better and be better
- Providing a personalised education through bespoke solutions
- Overcoming challenges with resilience and confidence
- Thriving by achieving one's potential

The school's Strategy is based on delivery in 6 strategic pillars:

- Nurturing our community
- Creating collaborative excellence
- Growing our people
- Strengthening our partnerships
- Driving operational simplicity
- Sustaining strong governance and financial resilience

#### **Ethos**

Northeast is a charity benefiting young people with specific learning needs who have not flourished in other settings. The school's fees are inclusive of all therapies, and it has a commitment to continue working with local authorities and parents to provide an education that meets the needs of its pupils so that they achieve in line with or above their peers who do not have SEND.

The school celebrates pupils of all backgrounds and prides itself on its approach to equalities, diversity and inclusion which is embedded in the curriculum and school's culture.

The safeguarding practice in the school has been commended by various inspecting bodies including Ofsted, ISI and local education authorities. The school continues to work with all agencies in relation to keeping children safe. The behaviour of pupils at Northeast is outstanding, reflecting the approach the school has in addressing behaviour based on individual need. The pastoral care allows pupils and staff to work in a safe environment so that students achieve academically, emotionally, and socially; many of our pupils have communication needs and the school is committed to instilling the life skills required for pupils to contribute effectively to their communities and society in general.

Maintaining pupil wellbeing and supporting them during the Covid 19 pandemic has and remains the top priority. The school has been commended by our Local Authority Commissioning partners for maintaining both therapies and learning in challenging times Brighton and Hove City Council said: 'the online learning that (Northeast) are providing and the therapeutic support is very well received'.

Northeast believes in equality of opportunity and is committed to the development of staff in line with its key objectives. At the school's core is a culture which genuinely celebrates diversity and champions inclusion. These are more than just words for us; they are the hard-and-fast principles guiding how we build our teams, cultivate leaders, and create a community that is the right fit for every person inside of it.

# **NORTHEASE MANOR SCHOOL LIMITED**

## **GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Curriculum**

The curriculum is inclusive for all pupils. No pupils are restricted from entering any route of study and as such all have a balanced curriculum that meets their academic, social, and emotional needs. The school offers a curriculum in line with the maintained sector and in addition has subjects such as Horticulture, Duke of Edinburgh, Engineering, life courses such as 'ASDAN', and a full enrichment programme. (In light of the COVID-19 pandemic we have had to move to a 'bubble system' in school and because of this we have had to run a reduced enrichment programme). We also have a 'Preparation for Adulthood' strand which runs throughout the curriculum and includes learning how to do the day-to-day tasks that many neurotypical people can take for granted. The social aspect of learning is key for our pupils and this preparation for independence beyond Northease is essential.

The school has integrated therapies as part of its local offer and pupils benefit from education staff who have been trained in practical aspects of Speech and Language Therapy and Occupational Therapy. The therapy team at Northease work with their teacher colleagues in partnership so that all pupils' needs are at the forefront of what the school does. This work has resulted in teachers gaining formal qualifications for teaching young people with speech, language, and communication needs (Elklan).

Northease offers a full sporting curriculum and we are proud to say that, even with the restrictions that COVID has placed upon us, at Northease we continue to make use of our amazing outdoor space offering football, cricket, softball, tennis, athletics, and swimming.

The Arts are exceptionally popular at Northease, and the school's art, photography and textiles show are always commended by parents, carers and visitors. The school has a full suite of iMacs for editing and the professional nature of the work produced has been commended by all.

### **Achievements and performance**

Pupil achievement is excellent at Northease: on average all pupils achieve more than one grade higher than predicted across all subjects, without taking into account their educational need. The school does not make adjustments for SEND and uses standardised tests to predict grades. This sets the school above the vast majority of similar schools and the grades are continuing to rise. These results are all the more impressive this year and bear testament to the hard work of both students and staff on having to switch seamlessly to online learning during lockdown.

The school has recently received a routine regulatory compliance inspection by the Independent Schools Inspectorate (ISI) (having migrated from Ofsted last year). The school was found to be fully compliant in all areas.

The most recent educational quality inspection report highlights that:

The school is moving securely in the right direction. The head is extremely well supported by an effective senior- and middle-leadership teams. There has been a significant and positive shift in the school's culture and ethos. A shared determination to successfully meet each pupils particular individual needs is starting to reap considerable rewards. Very effective use of training, including working in close partnership with the therapy team, is supporting improvements well.

Pupils benefit from good teaching. Consequently, their outcomes are strong across a broad range of subjects. Leaders know precisely where any variability in this quality remains and take effective action accordingly. Pupils are typically highly engaged and often enthused by their work. Extensive and diverse enrichment activities help promote their personal development well. The behaviour of pupils is often truly impressive and is outstanding overall. Almost all are unfailingly polite and courteous. Pupils are great ambassadors for the school.

### **Community**

Moving out of the pandemic, Northease is now actively developing links with local schools and businesses to better the experience and outlook for our pupils.

# NORTHEASE MANOR SCHOOL LIMITED

## GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### Financial review

The school's financial performance is linked to several factors, the most significant being pupil numbers. The school has successfully reversed an adverse position where pupil numbers had fallen to 61. The combination of the last three Ofsted ratings of 'Good' and the support we have received from our principle Local Authority partners (East Sussex CC, West Sussex CC and Brighton and Hove CC) has seen pupil numbers increase year on year (in 2020/21 we started the year with 77 and finished the year with 92). The school starts 2021/22 with 101 pupils with more joining 'in year'.

Increasing pupil numbers and the improved oversight through the Finance and Estates Committee has had a significant and positive impact and provided a robust platform for the long-term sustainability of the school. The Governors have approved in year a set of financial golden rules to ensure we have sufficient liquidity to cover our regular commitments; that we maintain active oversight of our loan portfolio and start to build reserves from 2021/22 onwards. The return to financial stability has required a five-year financial plan which the school is achieving and improving on year on year.

2017/18	Planned deficit	£404,648	Actual deficit	£343,095
2018/19	Planned deficit	£257,000	Actual deficit	£157,721
2019/20	Planned deficit	£49,000	Actual surplus	£50,411
2020/21	Planned Surplus	£840	Actual surplus	£67,618

Our financial plan is supported by a 25-year mortgage from Charity Bank, which was put in place to ensure sufficient working capital was available and the school can start to make necessary investments in the estate and equipment. We provide termly management information to Charity Bank.

We are a registered charity which means we do not have commercial owners and any surpluses are put back into developing the school. We are Department of Education approved to accept students with local authority funding, if available, and because of our charitable status we can offer affordable fees for those who are self-funding.

As reported in our last annual report we successfully bid for funding to repair our outdoor swimming pool, we are indebted to the late Alex Pincus who introduced us to Wooden Spoon, the children's charity of rugby. Wooden Spoon fund life changing projects that support children and young people with disabilities or living in disadvantage. The school is proud to work with such an extraordinary charity and has successfully completed the work to time and budget with the pool fully reopening in the Spring of 2022.

### Reserves policy

It is the policy of the school that its financial activities are maintained within a tight budget, which is approved by Governors. The nature of the school's activities determines that the reserves fund, property, and other net assets, are held to cover unexpected shortfalls on the Statement of Financial Activities. The Governors consider that, in the event of a significant drop in short-term funding, they will be able to continue the school's activities whilst consideration is given to ways in which additional funds may be raised. In addition, we have agreed that we will seek to build reserves each year with effect from 2020/21; to be agreed annually. In this year £67,000 will be moved to free reserves.

### Investment policy and objectives

There are no restrictions on the school's absolute powers of investment. The policy continues to be to put any retained funds in higher deposit interest accounts.

# **NORTHEASE MANOR SCHOOL LIMITED**

## **GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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### **Principal Risks and Uncertainties**

The Governors review the school's current and planned future activities in the light of known and emerging risks major risks and have the systems and procedures designed to manage them. The largely unforeseen Covid 19 pandemic has had wide-ranging impact upon the economy and society. The school has a dependency on an ecosystem that includes HM Government and local authorities who have both been adversely impacted it is hard to yet determine what this means in the short/medium term, but we have run scenarios to understand how we would manage income reduction.

The economic context is rapidly changing with inflation and interest rate experiencing upward movement month on month; this combined with surging energy pricing; shortages in the supply of materials and labour (and associated cost increases) and the potential for further initiatives to claw back revenue through taxation are being tracked closely and are being factored into forward planning. The rapid increase in pupil numbers through the last three years is giving us further confidence that our financial plan is robust, but we are not complacent.

As well as economic uncertainty, there remains health uncertainty nationally as it is difficult to predict the future and how we live with covid. The school's response to the covid 19 crisis has been well planned and responsive through dynamic risk assessments and business continuity planning. There was no impact to our fee income in 2020/21 and additional costs for PPE were covered by a planned contingency and offset against in-year saving during lockdown.

Our plans and strategies for managing risk include maintaining effective internal controls, risk registers, a considered risk appetite, incident-reporting and monitoring systems and insurance cover where appropriate.



# **NORTHEASE MANOR SCHOOL LIMITED**

## **GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Plans for future periods**

After a period of austerity, Northease is now investing in both the fabric of the school and on delivering outstanding outcomes for its students. More than £170k will have been spent on the school site in the last calendar year and more than half the students will be sitting in front of new laptops or PC. Perhaps most importantly, the governors have invested in the school team with the appointment of key positions onto the leadership team; confirming the appointment of the interim Head, Martyn Ward on a permanent basis; Deputy Head and Operations and Facilities Manager as well as investing in the teaching, therapy, and pastoral teams.

School leadership has recently redefined the school purpose, a compelling vision for the future, and has created a strategy to deliver. Added to this, new structures and systems not only ensure compliance (school statutory responsibilities are built into the job descriptions of members of the leadership team as core competencies) but also ensure that the school is able to take advantage of the significant investment in the school that governors have agreed, investment that will allow for the delivery of the best outcomes for our students. These systems include even more robust monitoring (triangulating regular feedback from pupils, parents, staff, and Local authorities, with observations from leadership and governors, as well as the data collected about staff and student performance), and even more frequent training based on needs established through monitoring systems. These new systems have already led to improvements in planning, teaching, monitoring and assessment, recording and reporting.

School numbers have increased more than 30% in the past 18 months, and the pattern is set to continue. The crisis facing educational and family support systems in the Southeast is a significant factor in the growth of admissions, but improved relationships with our Local Authority Partners who see Northease as value for money in delivering excellent outcomes for our students is the key factor.

Coupled with this increase in income is an improved financial literacy across the organisation, and the school team now seeks best value in all its financial dealings.

The year for which these accounts have been prepared is against the backdrop of the Ofsted report following the third lockdown which showed that SEND pupils had fared less well with and during on-line learning than their peers while GCSE results for pupils at Northease have never been better.

The Ofsted report in 2018 commends Northease where 'behaviour is outstanding' and the school is being well-led in relation to individual needs. The report confirms that Northease is a good school where students' educational and social, emotional, and mental health needs are well-met. During 2020/21 Governors approved a move to the Independent Schools Inspectorate (ISI) which was supported by our Local Authority strategic partners.

2021/22 will see the benefits of the established governing body, the new Head and senior leadership team working hard together, to further improve governance, financial sustainability and most importantly, the teaching, learning, and safeguarding at the school.

### **Structure, governance and management**

The charitable company's original constitution is per the 1972 Trust Deed and registered with the Charity Commissioners under charity number 307005. The Memorandum and Articles of Association (1972) have been amended in subsequent years, the latest amendment being in 2020.

The Northease Manor School Limited (the Trust) is the legal entity that owns the land, buildings, and other assets of Northease Manor School. The school operates as a charitable company limited by guarantee. The Board of Governors of Northease Manor School Limited (the Board) are the directors and trustees of the charitable company. The agenda for all meetings takes account of these separate but concurrent responsibilities.

None of the Governors have any beneficial interest in the company. All Governors are members of the company and guarantee to contribute £1 in the event of a winding up.

# **NORTHEASE MANOR SCHOOL LIMITED**

## **GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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The Governors, who also act as Trustees and who are also the directors for the purpose of company law, and who served during the year and since the year end were:

Mrs J Toben MloD, MCIOF (Chair)

Mrs G Des Moulins

Ms C Wickham BA Hons, MA. R.C.A.

Mr A Walker MA NPQH

Mrs P Ford BA Hons, FCIH

Mrs M Stebbing

### **Recruitment and appointment of Governors**

The Governors aim to maintain a Board with a diverse range of skills and expertise, experience, and perspective to provide effective direction and oversight. The size of the Board was reviewed in 2020 and via a special resolution of the Board of Governors, it was agreed that the Board should consist of not fewer than five and not more than 9 Governors. The Board has absolute discretion as to the appointment of any governor. The term of office for a Governor is three years and they are eligible to serve up to a further two terms.

The Chair is responsible for the leadership of the Board and ensuring its effectiveness in all aspects of its role. The Chair facilitates both the contribution of Governors and the constructive relations between the Board and the Head and Senior Leadership Team.

The Governors handbook includes role descriptions for Governors plus the Chair and Safeguarding Governor, a conflicts of interest policy and a code of conduct for Governors, based upon the Nolan Principles (the Seven Principles of Public Life). Terms of Reference have been established for Academic and Finance and Estates Committees.

The Board may from time to time, seek nominations from parents of pupils attending the school. The number of Parent Governors must not exceed one third of the Board. A parent governor ceases to be a Governor on the day his or her child leaves the school. No parent governors were in place during the academic year 2020/21.

# **NORTHEASE MANOR SCHOOL LIMITED**

## **GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Organisational structure**

The Board is ultimately responsible for all aspects of the school and its future well-being. It has delegated to the Head in his or her role as Chief Executive, responsibility for the day-to-day operation and management of the school. The Board exercises an appropriate measure of control over this delegated responsibility by:

### **Education & Charitable Objects**

- Approving the academic policy statement.
- Annually reviewing the child protection policy and procedures.
- Receiving data (but not the individual details) on formal parental complaints and providing a panel to hear appeals.
- Ensuring that the charitable objects of the school are met and that public benefit ensues.

### **Finance**

- Providing written delegated financial powers to the Head of Finance.
- Approving a five-year financial forecast.
- Approving the annual revenue and capital budgets and regularly reviewing performance against these budgets at least each term.
- Approving fees to be paid by parents.
- Keeping a regular oversight of unpaid fees, debtors and bad debts.
- Approving any expenditure outside the agreed budget at the school.
- As governors of the Trust, overseeing investment & investment property matters.
- Ensuring that all matters relating to income and corporation tax, value added tax and council tax are being properly dealt with.
- Reviewing the annual report and financial statements with the auditors and then approving them.
- Receiving an annual report on all insurance cover, including that indemnifying the liabilities of the directors and officers.

### **Staff & Personnel Matters**

- Approving the terms of and conditions of employment for all staff.
- Approving all increases and changes to the approved salary scales and setting the level of remuneration for the Head and the Head of Finance.
- Receiving reports on compliance with changes in employment law.
- Monitoring the application of the staff discipline and grievance procedures.

### **Estate and Premises**

- By way of a planned maintenance programme, ensuring buildings, plant and equipment are maintained to a high standard.
- Ensuring the school has appropriate policies and systems to comply with all building safety and health & safety legislation.
- Approval of changes to building redesign and usage and the development of new facilities

### **Professional Advice & Support**

- Appointing all professional advisers and keeping those appointments under review.

The full Board of Governors meets at least once a term. A further skills audit of the Board is due to be undertaken to inform the recruitment of further suitably skilled Governors.

### **Remuneration of key management**

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the school remains sensitive to the broader issues of pay and employment conditions elsewhere.

### **Funds held as custodian trustee**

There are no arrangements where the charity or Governors are acting as custodians.

# **NORTHEASE MANOR SCHOOL LIMITED**

## **GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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### **Auditor**

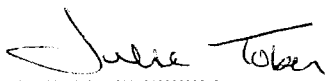
In accordance with the company's articles, a resolution proposing that Knill James LLP be reappointed as auditor of the company will be put at a General Meeting.

### **Disclosure of information to auditor**

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

In approving the Governors' Report, we also approve the Directors' Report included therein, in our capacity as company directors.

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



Mrs J Toben MloD, MCIOF (Chair)

**Chair**

Date: 17 March 2022

# **NORTHEASE MANOR SCHOOL LIMITED**

## **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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The Governors, who are also the directors of Northease Manor School Limited for the purpose of company law, are responsible for preparing the Governors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare accounts 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 year.

In preparing these accounts, the Governors are required to:

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

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts 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.

# NORTHEASE MANOR SCHOOL LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE GOVERNORS OF NORTHEASE MANOR SCHOOL LIMITED

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#### Opinion

We have audited the financial statements of Northease Manor School Limited (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 Governors' 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 Governors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

# **NORTHEASE MANOR SCHOOL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE GOVERNORS OF NORTHEASE MANOR SCHOOL LIMITED**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Governors' 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 directors' report included within the Governors' report.

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

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

#### **Responsibilities of Governors**

As explained more fully in the statement of Governors' responsibilities, the Governors, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

# **NORTHEASE MANOR SCHOOL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE GOVERNORS OF NORTHEASE MANOR SCHOOL LIMITED**

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In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud, we:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company complies with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements, including the Trustees' report, remaining alert to new or unusual transactions which may not be in accordance with the governing document.

The most significant laws and regulations that have an indirect impact on the financial statements are The Education (Independent School Standards) Regulations 2014, Keeping Children Safe in Education under section 175 of the Education Act 2002, and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

We identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to, testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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



# NORTHEASE MANOR SCHOOL LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE GOVERNORS OF NORTHEASE MANOR SCHOOL LIMITED

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#### 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 auditors' 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.

*Knill James LLP*

Mark Filsell FCA (Senior Statutory Auditor)  
for and on behalf of Knill James LLP

*25 March 2022*

Chartered Accountants  
Statutory Auditor

One Bell Lane  
Lewes  
East Sussex  
BN7 1JU

# NORTHEASE MANOR SCHOOL LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

### Current financial year

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
	Notes					
<b><u>Income and endowments from:</u></b>						
Donations and legacies	3	12,901	-	6,582	19,483	10,722
Charitable activities	4	2,039,236	-	-	2,039,236	1,775,106
Fundraising projects	5	-	-	-	-	8,923
Investments	6	35	-	-	35	111
Other income	7	94,873	-	-	94,873	105,116
<b>Total income</b>		<b>2,147,045</b>	<b>-</b>	<b>6,582</b>	<b>2,153,627</b>	<b>1,899,978</b>
<b><u>Expenditure on:</u></b>						
Charitable activities	8	2,029,356	48,566	8,087	2,086,009	1,849,567
<b>Net incoming/(outgoing) resources before transfers</b>		<b>117,689</b>	<b>(48,566)</b>	<b>(1,505)</b>	<b>67,618</b>	<b>50,411</b>
Gross transfers between funds		(73,133)	83,995	(10,862)	-	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>44,556</b>	<b>35,429</b>	<b>(12,367)</b>	<b>67,618</b>	<b>50,411</b>
Fund balances at 1 September 2020		(162,514)	1,442,487	18,486	1,298,459	1,248,048
<b>Fund balances at 31 August 2021</b>		<b>(117,958)</b>	<b>1,477,916</b>	<b>6,119</b>	<b>1,366,077</b>	<b>1,298,459</b>

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

All income and expenditure derive from continuing activities.

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

# NORTHEASE MANOR SCHOOL LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

Prior financial year

		Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes				
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	360	-	10,362	10,722
Charitable activities	4	1,775,106	-	-	1,775,106
Fundraising projects	5	3,228	-	5,695	8,923
Investments	6	111	-	-	111
Other income	7	105,116	-	-	105,116
<b>Total income</b>		<b>1,883,921</b>	<b>-</b>	<b>16,057</b>	<b>1,899,978</b>
<b><u>Expenditure on:</u></b>					
Charitable activities	8	1,800,807	47,573	1,187	1,849,567
<b>Net incoming/(outgoing) resources before transfers</b>		<b>83,114</b>	<b>(47,573)</b>	<b>14,870</b>	<b>50,411</b>
Gross transfers between funds		(29,968)	29,968	-	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>53,146</b>	<b>(17,605)</b>	<b>14,870</b>	<b>50,411</b>
Fund balances at 1 September 2019		(215,660)	1,460,092	3,616	1,248,048
<b>Fund balances at 31 August 2020</b>		<b>(162,514)</b>	<b>1,442,487</b>	<b>18,486</b>	<b>1,298,459</b>

# NORTHEASE MANOR SCHOOL LIMITED

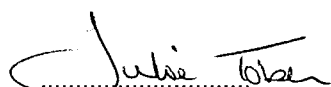
## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	14		1,521,199		1,459,950
<b>Current assets</b>					
Debtors	15	955,760		288,982	
Cash at bank and in hand		392,705		842,976	
		<u>1,348,465</u>		<u>1,131,958</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(1,043,587)</u>		<u>(833,449)</u>	
<b>Net current assets</b>			304,878		298,509
<b>Total assets less current liabilities</b>			<u>1,826,077</u>		<u>1,758,459</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(460,000)		(460,000)
<b>Net assets</b>			<u><u>1,366,077</u></u>		<u><u>1,298,459</u></u>
<b>Income funds</b>					
Restricted funds	20		6,119		18,486
Unrestricted funds - designated	21		1,477,916		1,442,487
Unrestricted funds - general	22		(117,958)		(162,514)
			<u><u>1,366,077</u></u>		<u><u>1,298,459</u></u>

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

The accounts were approved by the Governors on 17 March 2022



Mrs J Toben MloD, MCIOF (Chair)  
Governor

Company Registration No. 01078648

# NORTHEASE MANOR SCHOOL LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	26		(340,704)		499,512
<b>Investing activities</b>					
Purchase of tangible fixed assets		(111,652)		(39,330)	
Proceeds on disposal of tangible fixed assets		2,050		-	
Investment income received		35		111	
<b>Net cash used in investing activities</b>			(109,567)		(39,219)
<b>Financing activities</b>					
Repayment of bank loans		-		198,600	
<b>Net cash (used in)/generated from financing activities</b>			-		198,600
<b>Net (decrease)/increase in cash and cash equivalents</b>			(450,271)		658,893
Cash and cash equivalents at beginning of year			842,976		184,083
<b>Cash and cash equivalents at end of year</b>			392,705		842,976

# **NORTHEASE MANOR SCHOOL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **1 Accounting policies**

#### **Charity information**

Northeast Manor School Limited is a private company limited by guarantee incorporated in England and Wales and a registered charity. The registered office is Newhaven Road, Rodmell, Lewes, East Sussex, BN7 3EY.

#### **1.1 Accounting convention**

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The charitable company is a Public Benefit Entity as defined by FRS 102.

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

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

#### **1.2 Going concern**

The financial statements have been prepared on a going concern basis. The Governors have prepared detailed budgets and cash flow forecasts for at least 12 months from the date of the approval of these financial statements, including an assessment of the impact on the school of Covid-19 as part of the preparation of a business continuity plan. On the basis of these, along with a robust recovery plan and together with support from Charity bank, the Governors consider it appropriate to prepare the financial statements on a going concern basis.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the Governors in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Governors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

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

#### **1.4 Income**

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

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

School fees receivable are charged for services and use of the premises are accounted for in the period in which the service is provided.

# NORTHEASE MANOR SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

#### 1.6 Tangible fixed assets

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

Capital items over £1,000 are capitalised at cost.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land	Not depreciated
Freehold buildings	50 years/15 years straight line
Computer hardware & software	3 years straight line
Fixtures, fittings & equipment	15% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

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

#### 1.8 Cash and cash equivalents

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

# NORTHEASE MANOR SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

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

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

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

##### **Basic financial assets**

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

##### **Basic financial liabilities**

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

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

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

##### **Derecognition of financial liabilities**

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

#### 1.10 Employee benefits

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

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

#### 1.11 Retirement benefits

The school operates a defined contributions pension scheme. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Academic staff are members of the teachers' superannuation scheme administered by the Teachers' Pension Agency. Contributions to the scheme are charged to the statement of financial activities as they fall due.

#### 1.12 Leases

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



# NORTHEASE MANOR SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 2 Critical accounting estimates and judgements

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

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

#### Key sources of estimation uncertainty

##### Depreciation

The charitable company exercises judgement to determine useful lives and residual values of property, plant and equipment. The assets are depreciated down to their residual values over their estimated useful lives.

### 3 Donations and legacies

	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	12,901	6,582	19,483	360	10,362	10,722

### 4 Charitable activities

	Charitable Income - school fees 2021 £	Charitable Income Other school income 2021 £	Total 2021 £	Charitable Income - school fees 2020 £	Charitable Income Other school income 2020 £	Total 2020 £
Gross fees	1,994,360	47,186	2,041,546	1,757,949	19,533	1,777,482
Less: Bursaries and discounts	(2,310)	-	(2,310)	(2,376)	-	(2,376)
	1,992,050	47,186	2,039,236	1,755,573	19,533	1,775,106

# NORTHEASE MANOR SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 5 Fundraising projects

	<b>Total</b>	<b>Unrestricted funds general</b>	<b>Restricted funds</b>	<b>Total</b>
	<b>2021</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fundraising events	-	3,228	5,695	8,923

### 6 Investments

	<b>Unrestricted funds general 2021 £</b>	<b>Unrestricted funds general 2020 £</b>
Interest receivable	35	111

### 7 Other income

	<b>Unrestricted funds general 2021 £</b>	<b>Unrestricted funds general 2020 £</b>
Net gain on disposal of tangible fixed assets	2,050	-
Rent and letting fees	5,108	6,684
Registration fees and miscellaneous income	87,715	98,432
	<b>94,873</b>	<b>105,116</b>

# NORTHEASE MANOR SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 8 Charitable activities

	Teaching and educational costs	Welfare costs	Support and administration costs for schooling	Premises costs	Total	Total
	2021 £	2021 £	2021 £	2021 £	2021 £	2020 £
Staff costs	1,217,800	137,896	181,263	-	1,536,959	1,440,194
Depreciation and impairment	-	651	1,186	48,566	50,403	54,984
Other costs	17,956	24,138	262,539	160,504	465,137	312,105
	<u>1,235,756</u>	<u>162,685</u>	<u>444,988</u>	<u>209,070</u>	<u>2,052,499</u>	<u>1,807,283</u>
Share of governance costs (see note 10)	33,510	-	-	-	33,510	42,284
	<u>1,269,266</u>	<u>162,685</u>	<u>444,988</u>	<u>209,070</u>	<u>2,086,009</u>	<u>1,849,567</u>
<b>Analysis by fund</b>						
Unrestricted funds - general	1,261,179	162,685	444,988	160,504	2,029,356	1,800,807
Unrestricted funds - designated	-	-	-	48,566	48,566	47,573
Restricted funds	8,087	-	-	-	8,087	1,187
	<u>1,269,266</u>	<u>162,685</u>	<u>444,988</u>	<u>209,070</u>	<u>2,086,009</u>	<u>1,849,567</u>

# NORTHEASE MANOR SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 8 Charitable activities

(Continued)

For the year ended 31 August 2020

	Teaching and educational costs	Welfare costs	Support and administration costs for schooling	Premises costs	Total 2020
	£	£	£	£	£
Staff costs	1,024,121	246,576	169,497	-	1,440,194
Depreciation and impairment	-	3,969	3,442	47,573	54,984
Other costs	18,379	18,583	159,984	115,159	312,105
	<u>1,042,500</u>	<u>269,128</u>	<u>332,923</u>	<u>162,732</u>	<u>1,807,283</u>
Share of governance costs (see note 10)	42,284	-	-	-	42,284
	<u>1,084,784</u>	<u>269,128</u>	<u>332,923</u>	<u>162,732</u>	<u>1,849,567</u>
<b>Analysis by fund</b>					
Unrestricted funds - general	1,083,597	269,128	332,923	115,159	1,800,807
Unrestricted funds - designated	-	-	-	47,573	47,573
Restricted funds	1,187	-	-	-	1,187
	<u>1,084,784</u>	<u>269,128</u>	<u>332,923</u>	<u>162,732</u>	<u>1,849,567</u>

# NORTHEASE MANOR SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 9 Charitable activities

Other costs relating to teaching and educational costs comprise:	2021 £	2020 £
Educational equipment	12,323	6,033
Professional development	2,230	4,635
Specialist fees (exams)	3,403	6,271
Vocational courses	-	504
Tuck shop expenses	-	936
	<u>17,956</u>	<u>18,379</u>
Other costs relating to welfare costs comprise:	2021 £	2020 £
Catering supplies	24,138	18,583
	<u>24,138</u>	<u>18,583</u>
Other costs relating to premises costs comprise:	2021 £	2020 £
Council tax & water	9,508	12,543
Insurance	27,230	25,589
Fuel & light	36,985	43,011
Health & safety	8,052	4,684
Buildings maintenance	6,665	5,746
Grounds maintenance	8,895	3,676
Household expenses	21,825	19,266
Covid related expenses	40,223	-
Swimming pool expenses	1,121	644
	<u>160,504</u>	<u>115,159</u>

# NORTHEASE MANOR SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

<b>9</b>	<b>Charitable activities</b>	<b>(Continued)</b>	
	<b>Other costs relating to support and administration costs for schooling comprise:</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Stationery & printing	11,813	24,375
	Postage	630	407
	Telephone	14,241	14,315
	Television, film & cameras	461	167
	Legal & professional	117,768	47,764
	Recruitment costs	25,759	541
	Licences	9,572	5,338
	Travelling & motor	4,228	6,628
	Marketing & promotion	10,635	944
	Maintenance of equipment	12,790	12,256
	IT development & support	37,096	31,523
	Bad debts	452	5,251
	Miscellaneous	4,537	4,809
	Subscriptions & licenses	12,557	5,666
		<u>262,539</u>	<u>159,984</u>
<b>10</b>	<b>Governance costs</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Audit fees	9,900	9,380
	Accountancy	1,065	10,210
	Payroll costs	3,465	3,181
	Bank charges	782	1,441
	Clerking costs	2,888	1,902
	Loan interest	15,410	16,170
		<u>33,510</u>	<u>42,284</u>
	Analysed to:		
	Charitable activities	<u>33,510</u>	<u>42,284</u>
<b>11</b>	<b>Auditor's remuneration</b>		
	The analysis of auditor's remuneration is as follows:	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Audit of the charitable company's annual accounts	<u>9,900</u>	<u>9,380</u>

# NORTHEASE MANOR SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 12 Governors

None of the Governors (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

### 13 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	48	48
	<u>48</u>	<u>48</u>
<b>Employment costs</b>	<b>2021 £</b>	<b>2020 £</b>
Wages and salaries	1,287,016	1,194,853
Social security costs	82,757	87,746
Other pension costs	167,186	157,595
	<u>1,536,959</u>	<u>1,440,194</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2021 Number	2020 Number
£60,000 - £70,000	1	1
	<u>1</u>	<u>1</u>

# NORTHEASE MANOR SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 14 Tangible fixed assets

	Freehold land	Computer hardware & software	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2020	3,001,875	124,588	22,953	69,770	3,219,186
Additions	74,633	15,943	3,596	17,480	111,652
Disposals	-	-	-	(52,800)	(52,800)
At 31 August 2021	3,076,508	140,531	26,549	34,450	3,278,038
<b>Depreciation and impairment</b>					
At 1 September 2020	1,550,026	124,359	15,081	69,770	1,759,236
Depreciation charged in the year	48,566	210	1,186	441	50,403
Eliminated in respect of disposals	-	-	-	(52,800)	(52,800)
At 31 August 2021	1,598,592	124,569	16,267	17,411	1,756,839
<b>Carrying amount</b>					
At 31 August 2021	1,477,916	15,962	10,282	17,039	1,521,199
At 31 August 2020	1,451,849	229	7,872	-	1,459,950

### 15 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	921,778	231,882
Other debtors	822	-
Prepayments and accrued income	33,160	57,100
	955,760	288,982

### 16 Loans and overdrafts

	2021 £	2020 £
Bank loans	460,000	460,000
Payable after one year	460,000	460,000



# NORTHEASE MANOR SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 16 Loans and overdrafts

(Continued)

The long-term loans are secured by fixed charges over the freehold property known as Northease Manor School together with funds held in the Debt Service Reserve Account.

The loan is repayable over a period of 25 years at an interest rate of 3.25% above the Bank of England base rate, with a break option after five years in November 2023. No capital repayments are due on the amount of the loan drawn down for 36 months following the initial draw down date.

### 17 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	23,619	21,961
Deferred income	911,107	702,737
Trade creditors	65,175	69,489
Other creditors	24,607	23,760
Accruals and deferred income	19,079	15,502
	<u>1,043,587</u>	<u>833,449</u>

### 18 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	16	<u>460,000</u>	<u>460,000</u>

# **NORTHEASE MANOR SCHOOL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2021**

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### **19 Retirement benefit schemes**

#### **Defined contribution schemes**

The school operates two pension schemes for the benefit of employees. The Teachers' Pension Scheme (TPS), a defined benefit scheme, is available to all teachers. All other staff can enter a defined contributions scheme.

#### **Defined contribution**

The assets of the scheme are held separately from those of the School in an independently administered fund. Contributions to the scheme are charges to the Statement of Financial Activities as they fall due. Contributions payable by the charitable company in the year amounted to £8,081 (2020 - £8,122).

The company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. Contributions totalling £nil (2020 - £nil) were payable to the fund at the year end and are included in creditors.

# NORTHEASE MANOR SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 19 Retirement benefit schemes

(Continued)

##### Teachers' Pension Scheme

###### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in schools and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

###### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay, including a 0.08% employer administration charge
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The employer's pension costs paid to TPS in the period amounted to £159,106 (2020 - £149,472).

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

# NORTHEASE MANOR SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 20 Restricted funds

The income funds of the charitable company include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 September 2019	Incoming resources	Resources expended	Balance at 1 September 2020	Incoming resources	Resources expended	Balance at 31 August 2021
	£	£	£	£	£	£	£
Sensory garden	-	2,780	(86)	2,694	-	(2,694)	-
Sensory equipment	24	-	(24)	-	-	-	-
Sunken Trampoline	35	-	-	35	-	(35)	-
Enterprise	220	780	(220)	780	-	(780)	-
Sponsored Dog Fund	-	1,935	(857)	1,078	-	(1,078)	-
David Wood Pianola Fund	3,337	-	-	3,337	2,531	-	5,868
Swimming Pool	-	200	-	200	51	-	251
Wooden Spoon Swimming Pool	-	10,362	-	10,362	-	(10,362)	-
Sussex Police	-	-	-	-	500	(500)	-
Lions	-	-	-	-	3,500	(3,500)	-
	<u>3,616</u>	<u>16,057</u>	<u>(1,187)</u>	<u>18,486</u>	<u>6,582</u>	<u>(18,949)</u>	<u>6,119</u>

The Sensory Garden Fund has been set up to provide resources for the outside classroom and sensory garden.

The Sensory Equipment and Sunken Trampoline Fund has been set up to provide sensory items for the students.

The Enterprise Fund has been set up to provide resources to the school.

The Sponsored Dog Fund has been set up to fund items for the students for extracurricular sessions.

The David Wood Pianola Fund relates to donations received from Mr David Wood OBE towards the cost of the restoration and delivery of a vintage pianola by David Dibley. Part-payment for David Dibley's services was made in the year to 31 August 2018 and is included in fixed assets.

The Swimming Pool fund has been set up to provide equipment for the swimming pool.

The Wooden Spoon Swimming Pool fund relates to a successful bid by the school for funding for the repair of our outdoor swimming pool.

The Sussex Police Fund has been set up to provide CCTV equipment as extra security for the school.

The Lions Club Fund has been set up to provide students with ICT equipment.

# NORTHEASE MANOR SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 21 Designated funds

The income funds of the charitable company include the following designated funds which have been set aside out of unrestricted funds by the governors for specific purposes:

	Balance at 1 September 2019 £	Resources expended £	Transfers £	Balance at 1 September 2020 £	Resources expended £	Transfers £	Balance at 31 August 2021 £
Fixed Asset Fund	1,460,092	(47,573)	29,968	1,442,487	(48,566)	83,995	1,477,916
	<u>1,460,092</u>	<u>(47,573)</u>	<u>29,968</u>	<u>1,442,487</u>	<u>(48,566)</u>	<u>83,995</u>	<u>1,477,916</u>

The Fixed Asset Fund has been established to reflect the charitable company's investment in its freehold property assets. A transfer is made each year from the general fund to reflect any additions paid by general funds and also disposals made in the year. The transfer to the general fund during 2021 totalled £83,995 (2020 - £29,968).

### 22 Analysis of net assets between funds

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 August 2021 are represented by:				
Tangible assets	43,283	1,477,916	-	1,521,199
Current assets/(liabilities)	298,759	-	6,119	304,878
Long term liabilities	(460,000)	-	-	(460,000)
	<u>(117,958)</u>	<u>1,477,916</u>	<u>6,119</u>	<u>1,366,077</u>

	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 August 2020 are represented by:				
Tangible assets	7,101	1,442,487	10,362	1,459,950
Current assets/(liabilities)	290,385	-	8,124	298,509
Long term liabilities	(460,000)	-	-	(460,000)
	<u>(162,514)</u>	<u>1,442,487</u>	<u>18,486</u>	<u>1,298,459</u>

# NORTHEASE MANOR SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 23 Operating lease commitments

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

	2021 £	2020 £
Within one year	3,418	-
Between two and five years	12,327	3,418
	<u>15,745</u>	<u>3,418</u>

### 24 Capital commitments

At 31 August 2021 the charitable company had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment

2021 £	2020 £
46,645	-

### 25 Related party transactions

#### Remuneration of key management personnel

Key management personnel received remuneration, which includes employers NI, and employer pension contributions, as follows:

	2021 £	2020 £
Aggregate compensation	<u>204,190</u>	<u>186,406</u>

# NORTHEASE MANOR SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

26	Cash generated from operations	2021 £	2020 £
	Surplus for the year	67,618	50,411
	Adjustments for:		
	Investment income recognised in statement of financial activities	(35)	(111)
	Gain on disposal of tangible fixed assets	(2,050)	-
	Depreciation and impairment of tangible fixed assets	50,403	54,984
	Movements in working capital:		
	(Increase)/decrease in debtors	(666,778)	210,437
	Increase in creditors	1,768	11,470
	Increase in deferred income	208,370	172,321
	<b>Cash (absorbed by)/generated from operations</b>	<b>(340,704)</b>	<b>499,512</b>

27	Analysis of changes in net debt	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
	Cash at bank and in hand	842,976	(450,271)	392,705
	Loans falling due after more than one year	(460,000)	-	(460,000)
		<u>382,976</u>	<u>(450,271)</u>	<u>(67,295)</u>