

Charity registration number 307005

Company registration number 01078648 (England and Wales)

NORTHEASE MANOR SCHOOL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

NORTHEASE MANOR SCHOOL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Governors	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 M Stebbing Mr R Kantaria (Appointed 11 July 2023)
Headteacher	Mrs C Stamos
Charity number	307005
Company number	01078648
Registered office	Newhaven Road Rodmell Lewes East Sussex BN7 3EY
Auditor	Knill James LLP One Bell Lane Lewes East Sussex BN7 1JU
Bankers	Lloyds Bank plc 8 High Street Lewes East Sussex BN7 2AD Charity Bank Limited Fosse House 182 High Street Tonbridge Kent TN9 1BE
Solicitors	Sherrards Employment Law Solicitors 4 Albourne Court Henfield Road Albourne West Sussex BN6 9FF

NORTHEASE MANOR SCHOOL LIMITED

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NORTHEASE MANOR SCHOOL LIMITED

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2023

The Governors present their annual report and financial statements for the year ended 31 August 2023.

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 students 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 neurodiverse students.

We aim to provide an outstanding educational environment that restores and increases young peoples' self-esteem and educates the whole child, so that each student has the tools they need to overcome the societal barriers and attitudes to their specific learning support need. 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 students 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 students. 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 students, and expanding our sixth form provision.

School values and position

The school has evolved to reflect those needs and aspirations that are sought after by parents, carers and students. The school is focuses on neurodiverse needs including speech, language and communication difficulties, autism spectrum condition (ASC), dyslexia and other processing, sensory and cognitive delays.

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

- Combining specialist expertise with passion and freedom
- Delivering impactful outcomes for our students and all those who have touched their lives
- Recognising and valuing difference
- Building confidence, character, and capability to realise students' potential

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

- Kindness
- Safety
- Effort
- Attendance

NORTHEASE MANOR SCHOOL LIMITED

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2023**

Key Objectives

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

- Being committed to educational excellence
- Providing a personalised education through individualised solutions
- Overcoming challenges with resilience and confidence
- Supporting students academically and pastorally to achieve 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 neurodiverse children and young people 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 and carers to provide an education that meets the needs of its young people.

The school celebrates students 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 recently by ISI and the school continues to work with all agencies in relation to keeping children safe. The behaviour of students at Northeast is good, reflecting the approach the school has in addressing behaviour based on individual need. The pastoral care allows students and staff to work in a safe environment so that students achieve academically, emotionally, and socially; many of our students have communication needs and the school is committed to instilling the life skills and preparation for adulthood required for students to contribute effectively to their communities and society in general.

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 2023**

Curriculum

The curriculum is inclusive for all students. No students 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', PSHE as a distinct class for all students, and a full enrichment programme. We also have a 'Preparation for Adulthood' class in each year group that includes learning how to do the day-to-day tasks, including travel into the community, that many neurotypical people can take for granted. The social aspect of learning is key for our students and this preparation for independence beyond Northease is essential.

The school has integrated therapies as part of its local offer and students 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 students' needs are at the forefront of what the school does.

We are able to offer P.E. classes, as well as sporting enrichments to all of our students as well as Sports Studies for GCSE.

The Arts are exceptionally popular at Northease; neurodiverse children and young people can often excel in these areas. The school offers GCSE, and skills-based classes to all students and achieves excellent results. The school also runs Project Northease, an arts based Enterprise Project solely to promote the artistic achievements of our students. The end of year art, photography and textiles show is always commended by parents, carers and visitors.

Achievements and performance

GCSE results achieved by the students are, on average, more than one grade higher than predicted across all subjects. The school accommodates for the academic needs of its students and uses standardised tests to predict grades. Student needs are not just measured through academic attainment at Northease, rather the whole needs of the child are developed through the nurturing, supportive nature of classes, therapies and pastoral care.

Inspection

The school was inspected by the Independent Schools Inspectorate (ISI) in February 2022 and March 2023. The school was found to be fully compliant in all areas on both occasions, with no action points or recommendations. A further Local Authority safeguarding inspection took place in February 2023 which also did not raise any concerns.

Covid 19

The school's response to the Covid 19 crisis was well planned and responsive. Education and therapies remained at the forefront throughout the crisis, with effective programmes for home education and support. Parents and carers were effusive in their praise for the quality of the school's support during the pandemic. Instances of Covid amongst staff during 2022/23 still resulted in high levels of absence periodically, however the school still follows the Covid absence policy in force post pandemic due to the high level of medical need of some students.

Community

The school is now developing links with local schools and businesses. The school development plan has a focus on engagement for students and with the community.

Northease hosts new-parent coffee mornings, training opportunities provided by the in-house therapy team, as well as Parent Evenings, a 6th form Open House, Preparation for Exams, and an Options Evening for those who require planning preparation. Parents are welcomed on site to meet with teachers, therapists and the senior leadership team whenever they wish as we maintain an open-door policy. Within the wider community the school is developing links with similar schools and is conducting and hosting visits to share current practice and provide a network of support.

NORTHEASE MANOR SCHOOL LIMITED

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2023**

Financial review

The school's financial performance is linked to several factors, the most significant being student numbers. The school has successfully reversed an adverse position where student numbers had fallen to below 60. The combination of two recent ISI inspection that met all compliance requirements, 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 student numbers increase year on year. The school started 2022/23 with 107 students with more joining 'in year'.

Historically, low student numbers and a series of unexpected significant costs, left the school running at serious deficit for a number of years. Increasing student 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 approved 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. Works and investments that were due to be carried in the summer of 2023 were delayed and therefore, the planned expenditure not made, resulting in the increased unplanned surplus. This will be rectified in the 2023/24 academic year as major building works that were delayed are now scheduled.

Our financial plan is supported by a mortgage from Charity Bank; a 25-year repayment mortgage for £410,000 whilst a previous three-year fixed term interest only mortgage for £50,000 has now been repaid in accordance to the terms of the loan. These were put in place as part of our recovery plan to ensure sufficient capital was available and for the school to start to make necessary investments in the estate and equipment.

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.

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 2021/22; to be agreed annually.

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 2023**

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) as well as expected increases in teaching and support staff salaries are being factored into forward planning. The rapid increase in student 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 the financial impact of the pandemic, Brexit and a recession. The school has been well planned through dynamic risk assessments and business continuity planning. An increase in fees was agreed with all local authorities as well as private fee payers for 2023/24. Three local authorities also agreed a further increase for 2024/25 with agreement the fee remain stable for 2025/26.

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.

Plans for future periods

School numbers have increased more than 50% in the past 2 years and the school was at capacity in 2022. For 2023 the school aims to keep student numbers at a manageable figure around 110. 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 in the maintenance of student numbers. Increased fees with the local authorities has not had an effect on placements.

In 2023-24 Northease continues to offer a high-quality provision that represents good value for money for our stakeholders. Current and forecasted economic conditions had added to the school's challenges in delivering on planned outcomes, and the school governors and leadership team are working together to form a strategy to ensure the school's continued success into the future. Following a safeguarding visit from ESCC in September 2022 considerable changes were required to ensure safeguarding; these were addressed and resulted in a further inspection in February 2023 which had no further improvements required. This resulted in expenditure which will need to be incorporated into fees for the future.

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.

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 2023*

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

(Resigned 30 September 2022)

Mrs M Stebbing

Mr R Kantaria

(Appointed 11 July 2023)

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 Board consists 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 students 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 2022/23.

NORTHEASE MANOR SCHOOL LIMITED

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2023**

Organisational structure

The Board is ultimately responsible for all aspects of the school and its future well-being. Through a Scheme of Delegation, it has delegated to the Headteacher in their 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 Headteacher 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 four times a year. 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 2023

Auditor

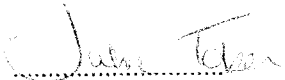
In accordance with the company's articles, a resolution proposing that Knill James LLP be reappointed as auditor of the company will be put at a General Meeting.

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 MlD, MCIOF (Chair)

Chair

Date: 27th March 2024

NORTHEASE MANOR SCHOOL LIMITED

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

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 MEMBERS OF NORTHEASE MANOR SCHOOL LIMITED

Opinion

We have audited the financial statements of Northease Manor School Limited (the 'charitable company') for the year ended 31 August 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 MEMBERS OF NORTHEASE MANOR SCHOOL LIMITED

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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, 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.

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 MEMBERS OF NORTHEASE MANOR SCHOOL LIMITED

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.

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.

NORTHEASE MANOR SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTHEASE MANOR SCHOOL LIMITED

Knill James LLP

David Martin FCA (Senior Statutory Auditor)
for and on behalf of Knill James LLP

3 May 2024

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 2023

Current financial year

		Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
	Notes					
<u>Income and endowments from:</u>						
Donations and legacies	3	-	-	325	325	7,405
Charitable activities	4	2,839,352	-	-	2,839,352	2,605,256
Fundraising projects	5	2,642	-	-	2,642	1,300
Investments	6	1,451	-	-	1,451	47
Other income	7	116,980	-	-	116,980	89,645
Total income		2,960,425	-	325	2,960,750	2,703,653
<u>Expenditure on:</u>						
Raising funds	8	531	-	-	531	1,413
Charitable activities	9	2,685,893	52,524	953	2,739,370	2,511,345
Total expenditure		2,686,424	52,524	953	2,739,901	2,512,758
Net incoming/(outgoing) resources before transfers		274,001	(52,524)	(628)	220,849	190,895
Gross transfers between funds		(42,087)	42,087	-	-	-
Net income/(expenditure) for the year/ Net movement in funds		231,914	(10,437)	(628)	220,849	190,895
Fund balances at 1 September 2022		39,773	1,516,416	783	1,556,972	1,366,077
Fund balances at 31 August 2023		271,687	1,505,979	155	1,777,821	1,556,972

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

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 2023

Prior financial year

		Unrestricted funds general	Unrestricted funds designated	Restricted funds	Total
	Notes	2022 £	2022 £	2022 £	2022 £
<u>Income and endowments from:</u>					
Donations and legacies	3	-	-	7,405	7,405
Charitable activities	4	2,605,256	-	-	2,605,256
Fundraising projects	5	1,300	-	-	1,300
Investments	6	47	-	-	47
Other income	7	89,645	-	-	89,645
Total income		2,696,248	-	7,405	2,703,653
<u>Expenditure on:</u>					
Raising funds	8	1,413	-	-	1,413
Charitable activities	9	2,453,648	50,396	7,301	2,511,345
Total expenditure		2,455,061	50,396	7,301	2,512,758
Net incoming/(outgoing) resources before transfers		241,187	(50,396)	104	190,895
Gross transfers between funds		(83,456)	88,896	(5,440)	-
Net income/(expenditure) for the year/ Net movement in funds		157,731	38,500	(5,336)	190,895
Fund balances at 1 September 2021		(117,958)	1,477,916	6,119	1,366,077
Fund balances at 31 August 2022		39,773	1,516,416	783	1,556,972

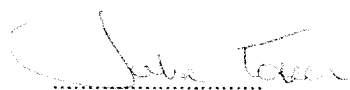
NORTHEASE MANOR SCHOOL LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	16		1,557,943		1,555,840
Current assets					
Debtors	17	948,918		749,705	
Cash at bank and in hand		663,719		816,013	
		<u>1,612,637</u>		<u>1,565,718</u>	
Creditors: amounts falling due within one year	19	<u>(1,008,516)</u>		<u>(1,163,721)</u>	
Net current assets			604,121		401,997
Total assets less current liabilities			2,162,064		1,957,837
Creditors: amounts falling due after more than one year	20		(384,243)		(400,865)
Net assets			<u>1,777,821</u>		<u>1,556,972</u>
Income funds					
Restricted funds	24		155		783
Unrestricted funds - designated	23		1,505,979		1,516,416
Unrestricted funds - general			271,687		39,773
			<u>1,777,821</u>		<u>1,556,972</u>

The financial statements were approved by the Governors on 27th March 2024



Mrs J Toben MloD, MCIOF (Chair)
Trustee

Company registration number 01078648

NORTHEASE MANOR SCHOOL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	27		(24,444)		533,490
Investing activities					
Purchase of tangible fixed assets		(70,389)		(97,644)	
Proceeds from disposal of tangible fixed assets		-		(3,450)	
Investment income received		1,451		47	
Net cash used in investing activities			(68,938)		(101,047)
Financing activities					
Repayment of bank loans		(58,912)		(9,135)	
Net cash used in financing activities			(58,912)		(9,135)
Net (decrease)/increase in cash and cash equivalents			(152,294)		423,308
Cash and cash equivalents at beginning of year			816,013		392,705
Cash and cash equivalents at end of year			663,719		816,013

NORTHEASE MANOR SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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. 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 or grantors 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 2023

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	15 or 50 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 2023

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.

NORTHEASE MANOR SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

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

	Restricted funds	Restricted funds
	2023	2022
	£	£
Donations and grants	325	7,405

4 Charitable activities

	School fees	Other school income	Total School fees	Other school income	Total
	2023	2023	2023	2022	2022
	£	£	£	£	£
Gross fees	2,825,141	16,521	2,841,662	2,585,472	2,607,566
Less: Bursaries and discounts	(2,310)	-	(2,310)	-	(2,310)
	<u>2,822,831</u>	<u>16,521</u>	<u>2,839,352</u>	<u>2,583,162</u>	<u>2,605,256</u>

NORTHEASE MANOR SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

5 Income from other trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fundraising events	2,642	1,300

6 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	1,451	47

7 Other income

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Net (loss)/gain on disposal of tangible fixed assets	-	(3,450)
Rent and letting fees	2,988	2,988
Registration fees and miscellaneous income	113,992	90,107
	116,980	89,645

8 Raising funds

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Fundraising and publicity		
Staging fundraising events	531	1,413
	531	1,413

NORTHEASE MANOR SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

9 Charitable activities

	Teaching and educational costs	Welfare costs	Support and administration costs	Premises costs	Total	Total
	2023 £	2023 £	2023 £	2023 £	2023 £	2022 £
Staff costs	1,696,583	139,699	274,407	-	2,110,689	1,888,214
Depreciation and impairment	-	10,644	5,118	52,524	68,286	63,004
Other costs	57,463	48,499	209,328	195,813	511,103	525,710
	<u>1,754,046</u>	<u>198,842</u>	<u>488,853</u>	<u>248,337</u>	<u>2,690,078</u>	<u>2,476,928</u>
Share of governance costs (see note 11)	49,292	-	-	-	49,292	34,417
	<u>1,803,338</u>	<u>198,842</u>	<u>488,853</u>	<u>248,337</u>	<u>2,739,370</u>	<u>2,511,345</u>
Analysis by fund						
Unrestricted funds - general	1,803,338	198,842	487,900	195,813	2,685,893	2,453,648
Unrestricted funds - designated	-	-	-	52,524	52,524	50,396
Restricted funds	-	-	953	-	953	7,301
	<u>1,803,338</u>	<u>198,842</u>	<u>488,853</u>	<u>248,337</u>	<u>2,739,370</u>	<u>2,511,345</u>

NORTHEASE MANOR SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

9 Charitable activities

(Continued)

For the year ended 31 August 2022

	Teaching and educational costs	Welfare costs	Support and administration costs	Premises costs	Total
	2022 £	2022 £	2022 £	2022 £	2022 £
Staff costs	1,515,586	112,642	259,986	-	1,888,214
Depreciation and impairment	-	9,753	2,855	50,396	63,004
Other costs	47,028	42,643	246,731	189,308	525,710
	<u>1,562,614</u>	<u>165,038</u>	<u>509,572</u>	<u>239,704</u>	<u>2,476,928</u>
Share of governance costs (see note 11)	34,417	-	-	-	34,417
	<u>1,597,031</u>	<u>165,038</u>	<u>509,572</u>	<u>239,704</u>	<u>2,511,345</u>
Analysis by fund					
Unrestricted funds - general	1,597,031	165,038	502,271	189,308	2,453,648
Unrestricted - designated	-	-	-	50,396	50,396
Restricted funds	-	-	7,301	-	7,301
	<u>1,597,031</u>	<u>165,038</u>	<u>509,572</u>	<u>239,704</u>	<u>2,511,345</u>

10 Charitable activities - other costs

Other costs relating to teaching and educational costs comprise:	2023 £	2022 £
Educational equipment	21,418	30,265
Professional development	21,091	5,530
Specialist fees (exams)	12,279	9,216
Tuck shop expenses	2,675	2,017
	<u>57,463</u>	<u>47,028</u>

NORTHEASE MANOR SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

10 Charitable activities - other costs

(Continued)

Other costs relating to welfare costs comprise:	2023 £	2022 £
Catering supplies	45,318	42,593
Catering hospitality	3,181	50
	<u>48,499</u>	<u>42,643</u>

Other costs relating to premises costs comprise:	2023 £	2022 £
Council tax & water	13,226	8,268
Insurance	37,248	30,821
Fuel & light	71,522	56,887
Health & safety	10,362	6,185
Buildings maintenance	32,402	55,944
Grounds maintenance	8,035	4,277
Household expenses	10,452	26,632
Swimming pool expenses	12,566	294
	<u>195,813</u>	<u>189,308</u>

Other costs relating to support and administration costs for schooling comprise:	2023 £	2022 £
Stationery & printing	15,968	14,618
Postage	349	302
Telephone	9,825	20,243
Television, film & cameras	159	159
Legal & professional	3,731	16,169
Recruitment costs	2,020	7,378
Travelling & motor	3,301	5,074
Marketing & promotion	-	1,039
Maintenance of equipment	19,409	27,933
IT development & support	70,120	64,795
Bad debts	(1,800)	(2,950)
Miscellaneous	9,826	3,098
Subscriptions & licences	14,936	15,991
Outsourcing	50,709	64,693
Licences	10,775	8,189
	<u>209,328</u>	<u>246,731</u>

NORTHEASE MANOR SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

11 Governance costs

	2023 £	2022 £
Audit fees	11,340	10,380
Accountancy	2,250	210
Legal and professional	4,310	3,904
Bank charges	864	1,041
Clerking costs	1,419	1,543
Loan interest	29,109	17,339
	<u>49,292</u>	<u>34,417</u>
Analysed between Charitable activities	<u>49,292</u>	<u>34,417</u>

12 Auditor's remuneration

Fees payable to the charity's auditor and associates:	2023 £	2022 £
For audit services		
Audit of the financial statements of the charity	<u>11,340</u>	<u>10,380</u>

13 Governors

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

14 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	<u>62</u>	<u>56</u>
Employment costs	2023 £	2022 £
Wages and salaries	1,763,486	1,556,605
Social security costs	139,270	129,018
Other pension costs	197,479	202,591
	<u>2,100,235</u>	<u>1,888,214</u>

NORTHEASE MANOR SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

14 Employees

(Continued)

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

	2023 Number	2022 Number
£60,000 - £70,000	1	1
£70,000 - £80,000	1	1

Remuneration of key management personnel

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

	2023 £	2022 £
Aggregate compensation	300,087	334,760

15 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

16 Tangible fixed assets

	Freehold land £	Computer hardware & software £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2022	3,165,404	18,823	32,418	34,450	3,251,095
Additions	42,087	-	28,302	-	70,389
At 31 August 2023	3,207,491	18,823	60,720	34,450	3,321,484
Depreciation and impairment					
At 1 September 2022	1,648,988	5,360	19,122	21,785	1,695,255
Depreciation charged in the year	52,524	6,274	5,118	4,370	68,286
At 31 August 2023	1,701,512	11,634	24,240	26,155	1,763,541
Carrying amount					
At 31 August 2023	1,505,979	7,189	36,480	8,295	1,557,943
At 31 August 2022	1,516,416	13,463	13,296	12,665	1,555,840

NORTHEASE MANOR SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	914,533	705,210
Prepayments and accrued income	34,385	44,495
	<u>948,918</u>	<u>749,705</u>

18 Loans and overdrafts

	2023 £	2022 £
Bank loans	<u>391,953</u>	<u>450,865</u>
Payable within one year	7,710	50,000
Payable after one year	<u>384,243</u>	<u>400,865</u>

The bank 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.

Loan 1 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.

19 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	18	7,710	50,000
Other taxation and social security		29,883	32,232
Deferred income	21	914,533	1,015,797
Trade creditors		23,066	27,955
Other creditors		24,819	27,357
Accruals and deferred income		8,505	10,380
		<u>1,008,516</u>	<u>1,163,721</u>

20 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	18	<u>384,243</u>	<u>400,865</u>

NORTHEASE MANOR SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

21 Deferred income

	2023 £	2022 £
Arising from Fees in advance	914,533	1,015,797

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	914,533	1,015,797
Movements in the year:		
Deferred income at 1 September 2022	1,015,797	911,107
Released from previous periods	(1,015,797)	(911,107)
Resources deferred in the year	914,533	1,015,797
Deferred income at 31 August 2023	914,533	1,015,797

Deferred income represents winter term fees for the coming school year which are billed in advance.

22 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 £12,691 (2022 - £9,807).

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 £2,516 (2022 - £2,108) 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 2023

22 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 actuarial valuation of the TPS that was available during the period 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 £184,787 (2022 - £192,783).

Post year end the latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

A copy of the latest valuation report and supporting documentation can be found on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>)

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 2023

23 Unrestricted funds - designated

These are unrestricted funds which are material to the charitable company's activities.

	At 1 September 2022 £	Resources expended £	Transfers £	At 31 August 2023 £
Fixed asset fund	1,516,416	(52,524)	42,087	1,505,979
Previous year:	At 1 September 2021 £	Resources expended £	Transfers £	At 31 August 2022 £
	1,477,916	(50,396)	88,896	1,516,416

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 2023 totalled £42,087 (2022 - £88,896).

NORTHEASE MANOR SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

24 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:

	Balance at 1 September 2021 £	Movement in funds		Transfers	Balance at 1 September 2022 £	Movement in funds		Balance at 31 August 2023 £
		Incoming resources £	Resources expended £	£		Incoming resources £	Resources expended £	
David Wood Pianola Fund	5,868	-	(5,868)	-	-	-	-	-
Swimming Pool	251	-	-	-	251	-	(128)	123
School Outdoor Equipment	-	1,873	(1,881)	8	-	-	-	-
Big Bang	-	500	(500)	-	-	-	-	-
Duke of Edinburgh	-	500	-	-	500	-	(500)	-
Screwfix Foundation	-	4,500	(4,920)	420	-	-	-	-
Library	-	32	-	-	32	-	-	32
Tennis coaching	-	-	-	-	-	250	(250)	-
Budding Foundation	-	-	-	-	-	75	(75)	-
	6,119	7,405	(13,169)	428	783	325	(953)	155

NORTHEASE MANOR SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

24 Restricted funds

(Continued)

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 School Outdoor Equipment fund has been set up to provide funding for the school which is raised through a fundraising campaign led by a member of staff and others who undertake a variety of physical challenges.

The Big Bang Fund has been set up due to amounts received from entering a competition which was then used on an exploration and experimentation garden.

The Duke of Edinburgh fund has been set up to help support the school in its purchase of resources.

The Screwfix Foundation Fund has been set up to upgrade parts of the school plumbing system.

The Library fund has been set up to support the purchase of books for the library.

The Tennis Coaching fund has been set up to provide tennis lessons for the students.

The Budding Foundation fund has been set up to purchase horticultural equipment.

NORTHEASE MANOR SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

25 Analysis of net assets between funds

	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 August 2023 are represented by:				
Tangible assets	51,964	1,505,979	-	1,557,943
Current assets/(liabilities)	603,966	-	155	604,121
Long term liabilities	(384,243)	-	-	(384,243)
	<u>271,687</u>	<u>1,505,979</u>	<u>155</u>	<u>1,777,821</u>
	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 August 2022 are represented by:				
Tangible assets	39,424	1,516,416	-	1,555,840
Current assets/(liabilities)	401,214	-	783	401,997
Long term liabilities	(400,865)	-	-	(400,865)
	<u>39,773</u>	<u>1,516,416</u>	<u>783</u>	<u>1,556,972</u>

26 Operating lease commitments

Lessee

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:

	2023 £	2022 £
Within one year	4,102	4,102
Between two and five years	3,076	7,178
	<u>7,178</u>	<u>11,280</u>

NORTHEASE MANOR SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

27	Cash generated from operations	2023 £	2022 £	
	Surplus for the year	220,849	190,895	
	Adjustments for:			
	Investment income recognised in statement of financial activities	(1,451)	(47)	
	(Gain)/loss on disposal of tangible fixed assets	-	3,450	
	Depreciation and impairment of tangible fixed assets	68,286	63,004	
	Movements in working capital:			
	(Increase)/decrease in debtors	(199,213)	206,055	
	(Decrease) in creditors	(11,651)	(34,557)	
	(Decrease)/increase in deferred income	(101,264)	104,690	
	Cash (absorbed by)/generated from operations	(24,444)	533,490	
28	Analysis of changes in net funds			
		At 1 September 2022 £	Cash flows At 31 August 2023 £	
	Cash at bank and in hand	816,013	(152,294)	663,719
	Loans falling due within one year	(50,000)	42,290	(7,710)
	Loans falling due after more than one year	(400,865)	16,622	(384,243)
		365,148	(93,382)	271,766