

COMPANY NUMBER: 00799603
CHARITY NUMBER: 307043

**GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
AND FINANCIAL STATEMENTS
FOR
PENNTHORPE SCHOOL TRUST LIMITED
(LIMITED BY GUARANTEE)
FOR THE YEAR ENDED 31 AUGUST 2020**

PENNTHORPE SCHOOL TRUST LIMITED

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PENNTHORPE SCHOOL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Governors

Mr L Dannatt
Mrs A Hazlewood
Mrs J Kapsalis
Mrs E Loynes
Mr A Merrett
Mr J Scholefield

Key Management Personnel

Head

Mrs A Bolton

Secretary and Bursar

Mr B Dempster (appointed 1 September 2020)

Deputy Head

Mr A Falkus (appointed 1 September 2020)

Charity number

307043

Company number

00799603

Registered office and principal address

Pennthorpe School
Church Street
Rudgwick
West Sussex
RH12 3HJ

Auditors

TC Group
The Courtyard
Shoreham Road
Upper Beeding
West Sussex
BN44 3TN

Bankers

Barclays Bank plc
90 High Street
Crawley
West Sussex
RH10 1BP

PENNTHORPE SCHOOL TRUST LIMITED

GOVERNORS' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2020

The Governors are pleased to present their report and financial statements for the year ended 31 August 2020, which also comply with the Companies Act 2006 requirement for a Directors' Report and Strategic Report.

The financial statements have been prepared in accordance with the Companies Act 2006, Charities Act 2011 and Accounting and Reporting for Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Pennthorpe School Trust Limited ('the School') was incorporated in 1964 and operates as Pennthorpe School. The School is a company limited by guarantee (company number 00799603), registered with the Charity Commission (charity number 307043) and is governed by its Articles of Association, last amended on 7 May 2019.

Recruitment, Induction and Training

Governors of the School are elected on the basis of nominations received by the Chair of Governors, to the Board's specifications concerning eligibility, personal competence, specialist skills and availability. Governors are elected at any meeting of the Board, subject to confirmation of their eligibility to act as a Director and Trustee and serve a term of office of five years. A retiring Governor shall be eligible for re-election for consecutive periods not exceeding two terms in office from the date of his or her original appointment (save that Governors in post at the time the Articles of Association were adopted shall serve out the remainder of the five-year period). This may be extended at the discretion of, and subject to any conditions imposed by, the Governors.

New Governors are inducted into the workings of the Charity and the School. They are given copies of various documents including the AGBIS "Guidelines for Governors" manual, the Articles of Association, the latest audited accounts and the most recent School ISI inspection report. They are encouraged to visit the school and given orientation briefings by the Chair of Governors and/or other Governors, the Head and the Bursar and receive Safeguarding training.

Governors are encouraged to attend external training, courses and conferences designed to keep them informed and updated on current issues and regulations concerning education and governance.

Governors, Directors and Charity Trustees

The Governors of Pennthorpe School Trust Limited ("the School", "the Charity", "the Company" or "Pennthorpe") are the School's charity trustees under charity law and the directors of the charitable company. The members of the Governing Body who served in office as Governors during the year and subsequently are detailed below:

Mr T Baggott (Chair)	Resigned 23 July 2020 (Chair 5 December 2019 – 23 July 2020)
Mr D Edginton (Vice Chair)	Resigned 14 February 2020
Mr S Browning	Resigned 20 November 2019
Mr L Dannatt	Appointed 2 April 2020
Mrs A Hazlewood	Appointed 28 November 2019
Mr C Hibbs	Resigned 17 March 2020
Mr D Irwin	Resigned 22 July 2020
Mrs J Kapsalis	
Mr R Kelly	Resigned 20 November 2019
Mrs E Loynes	Appointed 8 January 2020
Mr M Lucas	Resigned 5 December 2019 (Chair until resignation)
Mr T Manly	Resigned 17 March 2020
Mr A Merrett	
Mr J Scholefield	Appointed 2 November 2020

The activities of the Governing Body are carried out through four committees listed below:

(1) Education Committee

PENNTHORPE SCHOOL TRUST LIMITED

GOVERNORS' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2020

- (2) Bursary Committee
- (3) Finance Committee and General Purposes Committee
- (4) Remuneration Committee

The Chair is a member of all committees and other governors are members of at least one committee.

Organisational Management

The members of the Governing Body, as the Charity's trustees, are legally responsible for the overall management and control of the School. Much of the Governing Body's detailed work policies are carried out by the four committees listed above, pursuant to terms of reference set by the Governing Body. Meetings of the full Governing Body are held at least once a term.

The day-to-day running of the School is delegated to the Head, Bursar and Deputy Head, as the key management personnel, who in turn are supported by other members of the Senior Leadership Team. The Head and Bursar attend all meetings of the full Governing Body and committee meetings.

The Governing Body delegates decisions on staff pay, in accordance with the School's Pay and Conditions Policy, to the Remuneration Committee. The committee meets annually to consider the remuneration levels of the Senior Leadership Team and a review by the Head and the Bursar of all School staff, including key management personnel. All members of staff are required to participate in arrangements made for performance management. The Head reviews progress and sets targets with all members of key management personnel except the Bursar and other staff are reviewed by members of the Senior Management Team; the review of progress and target setting for the Head and Bursar are undertaken by the Governors.

Employment policy

The School is an equal opportunities employer.

Investment powers and policy

These are governed by the Memorandum and Articles of Association, which permit surplus funds to be invested in any investments, security or property as may be thought fit and as may be prescribed by law. The School's investment objective is to maximise the return on its investment funds while maintaining maximum security and a high degree of liquidity. To meet this objective, the School invests in call deposits with a high security rating.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Objects

The Charity's objects as set out in the Memorandum and Articles of Association are to acquire and carry on in the United Kingdom any boarding or day school or schools for the education of boys and/or girls and to provide education based on the Christian values.

In furtherance of these objects for the public benefit the School has established and administers bursaries and scholarships. The Board is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011.

Aims

At Pennthorpe we aim:

- to inspire every pupil with the ambition to discover and achieve academic excellence
- to stimulate and nurture every pupil on a uniquely personal journey of self-development
- to cultivate and enrich an engaged, happy and collaborative community: pupils, parents and the local and global communities
- to enable, maintain and develop business stability and growth

Our aim is to provide a competitively priced, market leading education for children aged 2 to 13 where children can be happy, confident and capable learners, prepared for the rigour and opportunities of life in the 21st century, while generating an increasing surplus that can be reinvested in the school campus to provide facilities that will offer the very best experience for the pupils.

PENNTHORPE SCHOOL TRUST LIMITED

GOVERNORS' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2020

Our vision is to bestow unlimited opportunity to enable all children, regardless of ability, to explore, discover and experience success. We aspire to set no limits on learning: to equip children with skills for a world that we do not yet comprehend, instilling ambition, core values, confidence and an unquestionable passion for learning.

Pennthorpe is dedicated to providing every child with an unforgettably rich adventure filled with happiness, curiosity, challenge and growth.

Objectives

Pennthorpe's principal objectives are set out as follows:

- A distinct and attractive market proposition
- High achievement through excellent learning and teaching
- A curricular and extra-curricular provision and pastoral system to enable every pupil to achieve success and positive wellbeing
- Financial strength and sustainability
- Effective, motivated and skilled staff
- A high standard of development and maintenance of the School's assets
- Effective governance and leadership
- An outstanding reputation across all stakeholder groups

To ensure delivery of these key principal objectives, the Governing Board meets annually to review its strategic aims and the executive team subsequently produces an Annual Implementation Plan which details how they will be delivered and enhanced.

A robust development plan is in place to further improve the core areas of the School.

A School Site Development Plan has been devised to support the future development of the site and the implementation of this is planned and documented in an annual maintenance plan.

Activities

The Charity's principal activity, continues to be the provision of day school education to pupils ranging from 2 to 13 years of age.

Public Benefit

In setting objectives and planning activities the Governors have given careful consideration to the Charity Commission's general guidance on charitable purpose and public benefit, and in particular to its supplementary guidance on the advancement of education. Pennthorpe School Trust Limited is a charitable trust which seeks to benefit the public through the pursuit of its objects, aims and objectives. Fees are set at a level to ensure the financial viability of the School and at a level that is consistent with the achievement of its aims and objectives. The School's charitable objects are "to provide education", such objects are recognised as benefitting the public when pursued in the context of formal education in a body where all surplus funds are re-invested. The School is a charitable body with no external shareholders and no possibility of making distributions whether in the form of dividends or otherwise. All surpluses are re-invested in education.

The awarding of bursaries for those who could not otherwise afford independent education, is a measurable means of providing public benefit. The Governing Body takes the view that bursaries awarded to those who would not otherwise be able to afford the fees are important, but not to the exclusion of the much wider benefit that the School provides within the community. The School has extended and refined means-testing by introducing a more rigorous and detailed process, including assessment by an independent specialist company. Those pupils who attend our school and who receive financial support contribute to the School community in a variety of ways, and so the benefit is not purely to those pupils but to the whole School. Included within the total bursaries, discounts and awards are means tested bursaries totalling £34,015 (2019: £47,631). Additionally, the School provided discounts to all pupils in the Summer term in light of the COVID-19 pandemic.

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We make available our sports facilities either free of charge or at a nominal rate to local sports clubs in the evenings and weekends when not in use by the pupils at the school. We loan our facilities to local educational institutions to better their educational resources and our minibuses to local charities for holiday clubs. Members of school staff are encouraged to volunteer in local community projects or as governors in local schools.

ACHIEVEMENTS AND PERFORMANCE

Operational performance of the School:

Pennthorpe was judged to be Excellent, the highest possible grade, in both 'Pupil's Academic and other Achievements' and 'Pupil's Personal Development' in the last full ISI Inspection. This achievement has been greatly fostered by the selection, retention and personal commitment of high-quality leadership and staff.

Notable Achievements:

- All of Year 8 gained a place at their first choice of senior school
- 48% of Year 8 pupils gained scholarships at prestigious schools across the South East
- Planning permission was granted for the development of an astro surface on the school campus
- Excellent feedback from parents during the Parent Survey, January 2020 conducted by an external consultant
- A new conservatory was erected as an extension of the Library
- The Sports Hall was renovated with a new floor and ceiling
- The old English room was upgraded to 'The Octopod' as a space specifically for the Year 8 pupils
- The school was successful in providing an excellent virtual provision during the lockdown period, enabling children from 2 to 13 years, to access live lessons from home on a full timetable
- The school successfully re-opened to all but three year groups in June 2020 to support children in returning to school when the Government permitted
- A new pastoral structure was implemented with a focus on a tiered approach to supporting pupils in and out of school, including new Head of year posts and a part-time School Counsellor.
- A Wellbeing week for the whole school community incorporated visiting speakers and workshops, workshops for parents, mentor training and wellbeing activities for all staff
- A new wellbeing program was designed to support pupils during and after the lockdown period, to ensure that children were not isolated and that the traumas experienced were effectively managed
- A Librarian was employed to support the focus on reading for pleasure
- Selected out of more than 300 entries as a finalist in the Independent Schools of the Year 2020 awards

FINANCIAL REVIEW

Results for the year

The Charity's net incoming resources were £184,465 (2019: £212,655).

Reserves level and policy and financial viability

The Governors have established a general reserve policy to afford some protection to the School and its charitable programme and to provide time to adjust to changing financial circumstances.

Uncommitted reserves this year stand at £3,902,021. Of these reserves, a total of £4,363,995 comprise the charity's fixed assets, a significant portion of which is represented by freehold land and buildings. This does not leave any free reserves available for immediate requirement. The Governing Body has a target of 12 weeks' funding of total expenditure without placing reliance on external funding.

The last few years have remained economically challenging for the local and wider region. The Governors continue to assess this aspect closely at their termly meetings, and endeavour to adapt accordingly.

It is the policy of the Governing Body to generate annual operating surpluses to enable the bank loan to be repaid and to sustain reserves at the desired level. Procedures are in place to ensure that expenditure stays within the budgets set or, where expenditure in excess of that budgeted is required to be incurred, that corresponding increases in income or savings have been identified prior to incurring the excess expenditure. The Governing Body receives termly management accounts and cash flow forecasts which are linked to the budget in place.

PENNTHORPE SCHOOL TRUST LIMITED

GOVERNORS' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2020

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors have an established procedure to review key risks on an ongoing basis.

The economic environment has not been helpful to independent schools over the past several years and many have closed as a result, with those outside the South East bearing the brunt. We have been secure at Pennthorpe throughout this period but we have also been financially prudent. Even during this tricky economic climate, we have continued to invest further in the School, and we will continue to improve and enhance the School's facilities as our finances allow. Pennthorpe has a strategic plan in place to grow in numbers and this has already resulted in increased numbers across the School. We never lose sight of the fact that within our resources, we must provide the best possible education and learning environment for our pupils.

The risk management process identifies risks, assesses their impact and likelihood, and where necessary, recommends controls to mitigate and monitor those risks assessed as high. The generic controls used to minimise risk include:

- a full high level risk assessment matrix reviewed by Senior Management and the Governing Body;
- detailed terms of reference together with formal agendas for each committee and full Governing Body meeting;
- strategic development planning;
- comprehensive budgeting and management accounting;
- established organizational structures and line of reporting;
- formal written policies and approval levels; and
- vetting procedures as required by law for the protection of the vulnerable.

COVID-19

In March 2020 the UK government introduced social distancing measures in response to the COVID-19 pandemic, which required the School premises to close temporarily. As a result, the School introduced a virtual schooling provision for all its pupils to access and its Summer term fees were discounted. Remote lessons were received well by pupils and parents with some years able to return during the second half of the term. The governors have considered the reforecasts of the financial position as a result of COVID-19, specifically the income and expenditure for a period of twelve months from finalisation of these financial statements and the level of funds held. They continue to adopt the going concern basis in preparing the financial statements.

FUNDRAISING PRACTICES

The school recognises the contribution made by its supporters, with voluntary donations being a valuable part of the school's incoming resources. All fundraising activity is carried out by the Friends of Pennthorpe (FoP) which is led by an elected committee of parents and operates independently of the school. This group raises money for the school through events and activities which are voluntary and advertised in a non-intrusive manner. The school does not utilise the services of any external commercial fundraisers. Given that the majority of donations are from parents of current pupils, either direct or through the FoP, and only limited fundraising activity takes place, the school does not consider it necessary at this time to subscribe to a fundraising regulator.

FUTURE PLANS

The School reviews the strategic aims and the operational Implementation Plan annually to continue to ensure the delivery of a first-class education. The key objectives within the current plan are:

- 1) To establish an outstanding provision for pupils from 2 to 13, to be a leading provider of excellence within West Sussex and the South East
- 2) To review the school's position within a changing marketplace, with specific consideration of affordability and a competitive package to ensure long term viability
- 3) To formulate strategies to improve the quality of teaching and learning in order to raise achievement across the spectrum of activity. This requires focus on:
 - Considering alternative options to the Common Entrance model which embraces the subject knowledge required for senior school entry while effectively providing children with the necessary skills to ensure they are successful in their futures
- 4) To support the school community in surviving and thriving during the COVID-19 pandemic, ensuring all children continue to progress academically whilst prioritising the community's welfare

PENNTHORPE SCHOOL TRUST LIMITED

GOVERNORS' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2020

-
- 5) To establish a vibrant culture of departmental promotion, to develop existing frameworks for celebrating pupil success both in and out of school and within the wider community, and to promote staff wellbeing
 - 6) To continue to strengthen the academic systems, curriculum and processes which scaffold and monitor the effectiveness of teaching and learning across the school
 - 7) To implement a coherent Digital Strategy which includes:
 - Innovative learning for pupils
 - Digitally confident pupils
 - Skilled and creative teaching
 - Secure and sustainable use of technology
 - First class systems
 - Effective and efficient communication and administration

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also the directors of Pennthorpe School Trust Limited for the purposes of company law) are responsible for preparing the Governors' Annual Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard in the UK and Republic of Ireland'.

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, 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; and
- prepare the financial statements 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 financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

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

This report, including the strategic report, was approved by the Governors, as Directors of the charitable company on 3 December 2020 and signed on their behalf by:

.....

Mrs A Hazlewood

Governor

PENNTHORPE SCHOOL TRUST LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Opinion

We have audited the financial statements of Pennthorpe School Trust Limited for the year ended 31 August 2020 set out on pages 11 to 22. 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 2020 and the surplus or deficit 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The governors are responsible for the other information. The other information comprises the information included in the governors' annual report (incorporating the directors' report and strategic report), other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

PENNTHORPE SCHOOL TRUST LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report (incorporating the directors' report and strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the governors' report (incorporating the directors' report and strategic report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 governors' report (incorporating the directors' report and strategic 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 by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the governors

As explained more fully in the governors' responsibilities statement, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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.

PENNTHORPE SCHOOL TRUST LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

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

Use of our report

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

The previous year's financial statements were audited by Kreston Reeves LLP, who issued an unqualified opinion on those financial statements on 22 May 2020.

TC Group

Mark Cummins FCCA
(Senior Statutory Auditor)
for and on behalf of TC Group
Statutory Auditors
Office: Sussex

Dated: 8th January 2021

PENNTHORPE SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Funds Total 2020 £	Unrestricted Total Funds 2019 £
INCOME FROM:					
Donations	6	-	500	500	-
Other trading activities	7	29,129	-	29,129	36,480
Investments	8	3,527	-	3,527	-
Charitable activities	9	3,373,617	-	3,373,617	3,399,731
Other income	10	92,864	-	92,864	-
Total income		3,499,137	500	3,499,637	3,436,211
EXPENDITURE ON:	11				
Raising Funds		47,856	-	47,856	51,977
Charitable activities		3,266,983	333	3,267,316	3,171,579
Total expenditure		3,314,839	333	3,315,172	3,223,556
Net income/expenditure and net movement in funds		184,298	167	184,465	212,655
Fund balances brought forward		3,717,723	-	3,717,723	3,505,068
Fund balances carried forward	24	3,902,021	167	3,902,188	3,717,723

All income and gains for the year are recognised above. All of the school's activities are classed as continuing.

The Statement of Financial Activities also complies with the requirements for an income and expenditure account.

The notes on pages 14 to 22 form part of these financial statements

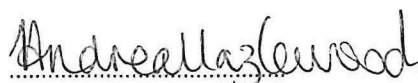
PENNTHORPE SCHOOL TRUST LIMITED

Company Number: 00799603

BALANCE SHEET
AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Tangible assets	13		4,363,995		4,335,630
CURRENT ASSETS					
Stock	14		24,914		25,978
Debtors	15		190,840		301,756
Cash at bank and in hand			703,870		496,399
			<u>919,624</u>		<u>824,133</u>
CURRENT LIABILITIES					
Creditors due within one year	16		<u>(638,443)</u>		<u>(657,292)</u>
NET CURRENT ASSETS/(LIABILITIES)			281,181		166,841
CREDITORS DUE AFTER MORE THAN ONE YEAR	17		(742,988)		(784,748)
NET ASSETS			<u>3,902,188</u>		<u>3,717,723</u>
REPRESENTED BY:					
RESTRICTED FUNDS	23		167		-
UNRESTRICTED FUNDS	24				
General school funds			3,902,021		3,717,723
			<u>3,902,188</u>		<u>3,717,723</u>

The accounts were approved by the Board of Governors and signed on their behalf by:



 Mrs A Hazlewood
 Governor



 Mrs J Kapsalis
 Governor

Date: 3 December 2020

The notes on pages 14 to 22 form part of these financial statements

PENNTHORPE SCHOOL TRUST LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Cash flows from operating activities:					
Net income/(expenditure) for the year		184,465		212,655	
Adjustments for:					
Depreciation charges	13	122,757		122,737	
Dividends, interest and rents from investments	8	(3,527)		-	
Interest payable		17,297		20,827	
Loss/(profit) from sale of tangible fixed assets		(2,755)		-	
(Increase)/decrease in stock		1,064		(2,341)	
(Increase)/decrease in debtors		110,916		(117,735)	
Increase/(decrease) in creditors		(5,854)		94,973	
Net cash provided by/(used in) operating activities			424,363		331,116
Cash flows from investing activities:					
Dividends, interest and rents from investments	8	3,527		-	
Proceeds on sale of tangible fixed assets		3,000		-	
Purchase of tangible fixed assets	13	(151,367)		(38,638)	
Net cash provided by/(used in) investing activities			(144,840)		(38,638)
Cash flows from financing activities:					
Loan repayments		(54,755)		(52,507)	
Interest payable		(17,297)		(20,827)	
Net cash provided by/(used in) financing activities			(72,052)		(73,334)
Change in cash and cash equivalents in the year			207,471		219,144
Cash and cash equivalents at the beginning of the year			496,399		277,255
Cash and cash equivalents at the end of the year			703,870		496,399
Analysis of cash and cash equivalents					
Cash at bank and in hand			703,870		496,399
Total cash and cash equivalents			703,870		496,399

The notes on pages 14 to 22 form part of these financial statements

PENNTHORPE SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 STATUTORY INFORMATION

The charity is a charitable company, limited by guarantee, registered in England and Wales. The registered office, company number and charity number are detailed in the Legal and Administrative Information.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared under the Companies Act 2006 and in accordance with the Charities' Statement of Recommended Practice (SORP (FRS102)) and Financial Reporting Standard 102.

The charitable company meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements are prepared in Sterling and rounded to the nearest £1.

After reviewing the charity's forecasts and projections, the governors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. These considerations take into account the estimated impact of Covid-19 as outlined in the Governors' Annual Report. The charity therefore continues to adopt the going concern basis in preparing its financial

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the governors, no assumptions concerning the future or estimation certainty affecting assets and liabilities at the balance sheet date are likely to result in material adjustment to their carrying amounts in the next financial year.

Deposits held are repayable when a pupil leaves the school and are included in creditors, with a proportion classified as due after one year as this reflects the true timing of their repayment.

2.2 Income

Fees receivable and charges for services, less any allowances, scholarships and bursaries granted by the school against those fees are accounted for in the period in which the service is provided. Where fees are received for a future service period they are included in deferred income, including those fees received under an advance fee payment scheme. The services provided are outside the scope of VAT.

Investment income is accounted for on an accruals basis.

Donations, legacies, grants and other voluntary income are accounted for as and when entitlement arises, the amount can be reliably measured and the economic benefit is considered probable.

Where a donor or an appeal has imposed restrictions the income is credited to a restricted fund.

2.3 Expenditure

Expenditure is accounted for on an accruals basis with irrecoverable VAT included with the item to which it

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

PENNTHORPE SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

2.3 Expenditure cont'd

All costs are allocated between expenditure categories and departments on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.

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

2.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land 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 is not depreciated

Freehold buildings	- 10 years to 100 years straight line
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Fixtures, fittings and equipment	- 25% reducing balance
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Computer equipment	- 25% or 50% straight line
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Motor vehicles	- 25% reducing balance
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At each reporting date, the charity reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. Any such loss would be recognised immediately as expenditure in that year.

2.5 Stock

Stock represents school uniform held for resale and is valued at the lower of cost or realisable value.

2.6 Operating lease commitments

Rentals paid under operating leases are charged against income on a straight line basis over the period of the

2.7 Pensions

Teaching staff are members of the Teachers' Pension Scheme (TPS), a defined benefit scheme administered by the Teachers' Pension Agency. Contributions to the scheme are charged to the Statement of Financial Activities as they fall due. The TPS is an unfunded scheme. Contributions on a 'pay as you go' basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972. Actuarial valuations are carried out on a notional set of investments. Under the definitions set out in FRS 102 the TPS is a multi-employer pension scheme. The charity is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, under FRS 102 the scheme is accounted for as if it were a defined contribution scheme. The charity also contributes to a defined contribution pension scheme for its non-teaching staff.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments. The governors seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to

2.10 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

PENNTHORPE SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

2.11 Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

2.12 Financial instruments

The charitable company only has financial assets and liabilities of a kind that qualify as basic financial instruments which are recognised at transaction value and subsequently at their settlement value.

2.10 Fund accounting

Unrestricted funds comprise those funds which can be used in accordance with the charitable objects at the discretion of the governors.

Restricted funds are those funds that can only be used for particular restricted purposes in accordance with the wishes of the donor or when funds are raised for particular restricted purposes.

3 TURNOVER

The turnover of the charity is wholly attributable to the objects of the charity as stated in the Governors' Annual Report and is earned entirely within the UK.

This is stated after charging:

	2020	2019
	£	£
Operating lease payments	43,092	47,638
Stock recognised as an expense	27,499	28,635
Depreciation	122,757	122,737
(Profit)/loss on disposal of assets	(2,755)	-
Auditors' remuneration - audit services (see note 11)	11,700	6,313
Auditors' remuneration - non-audit services (see note 11)	1,086	2,112

5 TAXATION

The charitable company is registered as a charity and all of its income falls within the exemptions under Part 11 of the Corporation Tax Act 2010.

6 INCOME FROM DONATIONS AND LEGACIES

	UNRESTRICTED	RESTRICTED	TOTAL	TOTAL
	£	£	2020	2019
	£	£	£	£
Donations	-	500	500	-

7 INCOME FROM OTHER TRADING ACTIVITIES

	UNRESTRICTED	RESTRICTED	TOTAL	TOTAL
	£	£	2020	2019
	£	£	£	£
School uniform shop	29,129	-	29,129	36,480

8 INCOME FROM INVESTMENTS

	UNRESTRICTED	RESTRICTED	TOTAL	TOTAL
	£	£	2020	2019
	£	£	£	£
Interest receivable	3,527	-	3,527	-

PENNTHORPE SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

9 INCOME FROM CHARITABLE ACTIVITIES

	TOTAL 2020 £	TOTAL 2019 £
Gross school fees	3,751,211	3,475,627
less bursaries and allowances	(480,581)	(227,378)
Net school fees	3,270,630	3,248,249
Add:		
Registration fees	15,775	6,800
Extras	-	18,758
School bus service and minibuss hire	4,687	7,305
Flexiday income	78,530	112,100
Premises hire	3,995	6,519
	3,373,617	3,399,731

Bursaries and allowances include a discount provided on the Summer term 2020 fees as a result of the nationwide lockdown arising from the Covid-19 pandemic.

10 OTHER INCOME

	UNRESTRICTED £	RESTRICTED £	TOTAL 2020 £	TOTAL 2019 £
Coronavirus Job Retention Scheme Grant	90,109	-	90,109	-
Profit on disposal of fixed assets	2,755	-	2,755	-
	92,864	-	92,864	-

11 ANALYSIS OF EXPENDITURE

	Staff Costs £	Depreciation £	Other costs £	Total 2020 £	Total 2019 £
Costs of raising funds					
School uniform shop	-	-	27,499	27,499	28,635
Finance costs	-	-	20,357	20,357	23,342
Total costs of raising funds	-	-	47,856	47,856	51,977
Charitable activities					
Education					
Teaching	1,899,711	54,394	196,053	2,150,158	2,029,376
Welfare	-	-	213,976	213,976	272,912
Premises	97,227	68,363	312,228	477,818	534,856
Support and governance	281,626	-	143,738	425,364	334,435
Total charitable expenditure	2,278,564	122,757	865,995	3,267,316	3,171,579
Total expenditure	2,278,564	122,757	913,851	3,315,172	3,223,556

PENNTHORPE SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

11 ANALYSIS OF EXPENDITURE cont'd

Analysis of support and governance costs:

	2020	2019
	£	£
Governance costs:		
Auditors remuneration for audit services:		
Current auditors	9,000	-
Previous auditors	2,700	6,313
Governors' training	2,299	-
Total governance costs	13,999	6,313
Support costs:		
Auditors' remuneration for non audit services:		
Current auditors	600	-
Previous auditors	486	2,112
Legal and professional fees relating to support	36,310	28,602
Support staff wages, national insurance and pension	281,626	213,256
Other support costs	92,343	84,152
	425,364	334,435

12 STAFF COSTS

The average monthly number of employees during the year was:

	2020	2019
	Number	Number
Teaching	34	34
Classroom assistants	21	22
Administration, premises and other	17	16
	72	72

The aggregate payroll costs for the year were as follows:

	2020	2019
	£	£
Wages and salaries	1,795,751	1,675,268
Social security costs	162,377	146,881
Pension costs	292,980	188,278
Employee benefits	12,459	15,049
Agency staff	14,997	23,107
	2,278,564	2,048,583

None of the governors received any remuneration, reimbursed expenses or other benefits from the school or any connected body (2019: none).

There was one ex-gratia payment in the year totalling £661 (2019: none).

PENNTHORPE SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

12 STAFF COSTS cont'd

Staff earning in excess of £60,000 per annum in the following bands are:

	2020 Number	2019 Number
£90,000-£99,999	-	1
£100,000-£109,999	1	-

Of the employees whose emoluments exceed £60,000, 1 (2019: 1) has benefits accruing under a defined benefit scheme. Contributions payable by the company to that scheme for the higher paid employee were:

	2020 £	2019 £
Defined benefit schemes	21,964	13,065

The key management personnel of the school are detailed in the Governors' Report and Legal and Administrative Information. In 2020: 3 staff (2019: 4 staff)

	2020 £	2019 £
Aggregate employee benefits of key management personnel (including employer national insurance and pension contributions)	283,244	311,203

13 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Fixtures, Fittings & Equipment £	Computer Equipment	Motor Vehicles £	Total £
Cost					
At 1 September 2019	5,638,225	496,879	256,138	5,118	6,396,360
Additions	19,556	96,760	18,056	16,995	151,367
Disposals	-	(30,693)	(51,173)	(5,118)	(86,984)
At 31 August 2020	5,657,781	562,946	223,021	16,995	6,460,743
Depreciation					
At 1 September 2019	1,456,519	370,424	228,852	4,935	2,060,730
Charge for year	68,363	36,469	14,909	3,016	122,757
Eliminated on disposal	-	(30,448)	(51,173)	(5,118)	(86,739)
At 31 August 2020	1,524,882	376,445	192,588	2,833	2,096,748
Net Book Value					
At 31 August 2020	4,132,899	186,501	30,433	14,162	4,363,995
At 31 August 2019	4,181,706	126,455	27,286	183	4,335,630

PENNTHORPE SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

14 STOCK

	2020	2019
	£	£
Stock of uniform	24,914	25,978

15 DEBTORS

	2020	2019
	£	£
Fee debtors	84,484	217,293
Prepayments and accrued income	95,618	81,440
Other debtors	10,738	3,023
	190,840	301,756

16 CREDITORS: due within one year

	2020	2019
	£	£
Bank loan (secured)	56,930	53,425
Trade creditors	108,423	54,089
Accruals and deferred income	19,386	78,356
Other creditors	34,395	28,430
Fees in advance	356,532	377,699
Deposits	22,000	29,000
Other taxes and social security	40,777	36,293
	638,443	657,292

Fees in advance represent fees received for Autumn term 2020.

17 CREDITORS: due after more than one year

	2020	2019
	£	£
Bank loan (secured)	620,388	678,648
Deposits	122,600	106,100
	742,988	784,748

18 ANALYSIS OF SECURED DEBTS

The bank loan is wholly repayable in instalments as follows:

	2020	2019
	£	£
In less than one year	56,930	53,425
In more than one year but less than five years	227,720	213,700
In more than five years	392,668	464,948
	677,318	732,073

The bank loan is secured by legal charges over the freehold land and buildings and by a debenture in favour of Barclays Bank plc. The bank loan was formalised with Barclays Bank plc on 10 April 2018 for a 13 year term at a variable interest rate of 2% above base rate.

PENNTHORPE SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

19 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2020 the company had total commitments under non-cancellable operating leases which are payable as follows:

	2020	2019
	£	£
Within one year	37,208	11,234
Between one and five years	111,471	14,744
	<u>148,679</u>	<u>25,978</u>

20 PENSION COMMITMENTS

The school participates in the Teachers' Pension Scheme (England and Wales) (TPS) for its teaching staff. The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Regulations 2010 (as amended) and the Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a 'pay as you go' basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgement that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020 and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

PENNTHORPE SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

20 PENSION COMMITMENTS cont'd

In view of the above rulings and decisions the assumptions used in the March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The pension charge for the year includes employer contributions payable to the TPS of £272,049 (2019: £169,253) and at the year end £31,213 (2019: £21,739) was accrued in respect of contributions due to the scheme.

The school also contributes to defined contribution schemes on behalf of its other staff. Employer contributions payable to these schemes were £20,931 (2019: £19,025) and at the year end £3,168 (2019: £5,700) was accrued in respect of contributions due to these schemes.

21 SHARE CAPITAL AND CONTROL

The charity is limited by guarantee and does not have a share capital. In the event of a winding up each member guarantees to contribute an amount of no more than £1.

22 RELATED PARTY TRANSACTIONS

There were no transactions with related parties during the current or previous year.

23 RESTRICTED FUNDS

During the year, £500 was received to be spent by the Beehive and £333 of the donation was spent. The remaining £167 is carried forward and has been spent in Autumn term 2020.

24 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
At 31 August 2020			
Tangible fixed assets	4,363,995	-	4,363,995
Current assets	919,457	167	919,624
Creditors: less than one year	(638,443)	-	(638,443)
Creditors: more than one year	(742,988)	-	(742,988)
	3,902,021	167	3,902,188
	Unrestricted Funds £	Restricted Funds £	Total 2019 £
At 31 August 2019			
Tangible fixed assets	4,335,630	-	4,335,630
Current assets	824,133	-	824,133
Creditors: less than one year	(657,292)	-	(657,292)
Creditors: more than one year	(784,748)	-	(784,748)
	3,717,723	-	3,717,723