

COMPANY REGISTRATION NUMBER: 00554799
CHARITY REGISTRATION NUMBER: 525919

Terra Nova School Trust Limited
Company Limited by Guarantee
Financial Statements
31 August 2021

CHRISTOPHER BAILEY ACCOUNTANTS (OLDHAM) LIMITED

Chartered Accountants & statutory auditor

Units 10-12

County End Business Centre

Jackson Street

Springhead

Oldham

OL4 4TZ

Terra Nova School Trust Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 August 2021

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Terra Nova School Trust Limited

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Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 August 2021

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2021.

Reference and administrative details

Registered charity name Terra Nova School Trust Limited

Charity registration number 525919

Company registration number 00554799

Principal office and registered office
Terra Nova School
Jodrell Bank
Holmes Chapel
Cheshire
CW4 8BT

The trustees

W F D Sillar	Chair
M J Grice	Vice Chair
E S Stanley	
A C Dick	
M A Boulton	
A R Peak	
E J Lees-Jones	
K Campbell	
J P Standen	

Company secretary I Martin

Auditor Christopher Bailey Accountants (Oldham) Limited
Chartered Accountants & statutory auditor
Units 10-12
County End Business Centre
Jackson Street
Springhead
Oldham
OL4 4TZ

Bankers National Westminster Bank PLC
10 Great Underbank
Stockport
Cheshire
SK1 1LL

Terra Nova School Trust Limited

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Name of the Charity

The name of the charity is "Terra Nova School Trust" but it operates as "Terra Nova School" and throughout this report is referred to as "the School".

Structure, governance and management

Status and administration

Terra Nova School was founded in 1897 and was transferred to Terra Nova School Trust Limited, a company limited by guarantee and a registered charity, in 1955. The registered company number is 554799 and the registered charity number is 525919.

The company is limited by guarantee and its governing document is its Memorandum and Articles of Association. Each Governor has undertaken to contribute a maximum of £1 to the assets of the company in the event of its winding up and as such is a member.

The School has an elected Board of Governors who also act as Trustees of the Charity. A third of the Governors retire by rotation at each Annual General Meeting and are able to offer themselves for re-election. The Board of Governors meets a minimum of 3 times a year to consider matters of policy and strategy. The Finance and General Purposes Committee ("F & G P"), a sub-committee of the Board, also meets 3 times a year to exercise financial oversight and to prepare advice on other operational matters for the full Board. The Board also operates a Health & Safety Committee and a Safeguarding Committee which also meet 3 times a year to monitor the safety and wellbeing of the Schools' pupils and staff. Responsibility for the running of the School lies with the Board of Governors

In line with generally accepted best practice for corporate governance, regular reviews of the Board's range of skills and training are undertaken to determine that the Governors have the necessary breadth of skills and experience. The Board has approved policies which cover conflict of interest, governors' code of conduct and the recruitment of governors. Role descriptions have also been drawn up for the Chair of Governors, the governor who is the nominated safeguarding lead and the normal governor function.

The remuneration of the Head and Bursar is set by the Board with reference to benchmarking surveys. The remuneration of the Senior Leadership Team is agreed by Governors following the Head's recommendation

The Governors who served through the year were:

Mr W F D Sillar	Chairman
Mr M J Grice	
Mrs E S Stanley	
Mr A C Gilchrist	
Mr M A Boulton	
Ms A R Peak	
Mrs E J Lees-Jones	
Ms K Campbell	(Appointed 9 December 2020)
Mr J P Standen	(Appointed 9 December 2020)

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Year ended 31 August 2021

The Headmaster, P R Campbell, and the Bursar, I Martin are responsible to the Governors for the day to day management of the School. They are supported by a Senior Leadership Team which currently consists of:

Mrs C Westall	Deputy Head
Mrs E Williams	Head of Boarding
Mr M Pearson	Assistant Head

Public benefit

The Governors have complied with the duty to have due regard to the Charity Commissions guidance on public benefit in the course of carrying out their responsibilities.

The School, which is already ethnically and socially diverse, has continued to focus on increasing the accessibility to a wider range of families.

The fees of 15 children were subsidised in full, or in part, in the academic year 2020/21 through means tested bursaries and the cost of these remissions, before any donations towards them, amounted to £174,000 (2020: £137,000) equivalent to 4.5% of gross tuition fees.

The School's facilities are usually made available to sports clubs and other groups when not required by the pupils. However the impact of the Covid restrictions prevented this happening for part of the year. Nevertheless examples of use during this period include:

- Use of the Sports facilities by local football and hockey clubs
- Events with the local community including a care home

Each of the constituent parts of the School continue to be involved with raising awareness of and financial support for those less fortunate than themselves both at home and abroad. During the year the following charities have benefited from the care and generosity of our pupils, staff and families: BBC Children in Need; Shelter; Save The Children; Anti Bullying Alliance

Governors' responsibilities statement

The governors, who are also directors for the purposes of company law, are responsible for preparing the governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
 - observe the methods and principles in the applicable Charities SORP;
 - make judgments and accounting 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 financial statements;
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Terra Nova School Trust Limited

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Year ended 31 August 2021

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Child protection

The School is committed to maintaining thorough and continuing Child Protection policies and procedures in accordance with legislation and good practice.

Statement of disclosure of information to auditors

The Governors who were in office on the date of the approval of these financial statements have confirmed that as far as they are aware there is no relevant audit information of which the auditors are unaware. Each of the Governors has confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant information and to establish that the auditors are aware of that information.

Fundraising

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Auditors

SKS Audit LLP have expressed their willingness to continue in office as auditors.

By Order of the Board

M J Grice
Trustee

27 January 2022

Terra Nova School Trust Limited

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Strategic report

Principal activities and review of the business

Staff Changes

At the end of the year the School bade farewell to Mr Philip Stewart who had served as Headmaster for 4 years. During this time Mr Stewart brought much energy and commitment to his role and steered the School through the choppy waters of the Covid 19 pandemic. He oversaw a number of refurbishment projects that have updated the main teaching areas. We wish Mr Stewart every success in his new role in Bangkok. We welcome Mr Paul Campbell as our new Head.

Other staff members who left during the year were: Mr R Hanrahan, Head of Boarding; Ms S Staziker, Teacher and Houseparent; Mrs J Ward, Junior Teacher; Mrs S Capewell, Head of English; Mrs R Lindley, SEN Teaching Assistant; Mrs J Walker, Teaching Assistant; Ms I Jones, Teaching Assistant; Ms L Syed, MFL Teacher and Mrs E Stewart, Administration Manager.

Teaching staff who joined at the start of the new year were: Mrs E Williams, Head of Boarding; Mr J Williams, Houseparent, Mrs C Grey, Head of English; Ms R Egli, MFL Teacher; Ms C Faux, PSCH Teacher; Ms A Hark, Humanities Teacher.

Academic success

The average number of pupils in the School in the period to 31 August 2021 was 65 in the EYFS, 107 in the Junior Prep and 135 in the Senior Prep. This gives an overall total of 307 (this compares to 293 in August 2020). In addition, many children made use of the flexi-boarding facilities for part of the year prior to the pandemic restrictions.

In 2021 all pupils gained access to a senior school of their choice when transferring to the secondary stage of education. Terra Nova continues to support a wide range of school with some pupils leaving at 11+ but the majority of our students transferring at age 13+ with parents recognising the growth in confidence, maturity and achievement gained from the additional 2 years at Terra Nova.

This year 13 pupils were successful in winning scholarships and exhibitions to: Repton; Sedburgh; Shrewsbury; Rugby; and Millfield.

Terra Nova is proud of its academic success but is also delighted to recognise pupil achievement in any form – be it academic, aesthetic or sporting. The School continues to support a breadth of pupil ability and retains its non-selective ethos offering a broad curriculum that meets individual pupil needs. Pupil success is recognised through assemblies, individual pupil commendation or the wider media. Terra Nova is recognised for its committed approach and whole-hearted endeavour in transferring pupils to the next stage of their education.

Development of the school's site

The School continues to strive to improve its setting and facilities. The Governors have identified the provision of a new Sports Centre as a key objective and just under £30,000 was spent in 2020 on the first stages of that project. Architects have been engaged to further develop the project.

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Year ended 31 August 2021

During the year the main item of expenditure was the refurbishment of the Reception year building which was completed just after the year end at a cost of £131,000. This involved the addition of extra space with an extension, a new heating system, some interior modification and new classroom furniture. The other major project completed in the year was a new Year 7/8 Common Room at a cost of £29,000.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Objectives and achievements

Achievements and performance

The main objectives on which the Governors hoped to focus that were commented upon in last year's Strategic Report were as follows:

- the continued development of the School and raising of pupil numbers
- the development of an international boarding operation
- development of the Terra Nova brand
- to raise finance to invest in larger projects such as a new swimming pool and sports hall.
- to focus on the curriculum delivered and the classroom resources available in relation to the School's aim of continually enhancing teaching and learning.
- to continue to expand access to the school and to offer bursaries to an increasing number of children

Despite the impact of the Covid 19 pandemic on the year the Governors believe that progress has been made on all of these objectives. Pupil numbers increased in the year although there are signs that 2021/22 might see a small step backwards. A plan to raise funds for investment in strategic projects has been created and architects appointed to work on the Sports Hall project. The development of teaching and learning has continued with the investment in the refurbishment of the Reception building and the further development of online teaching. The amount of bursary support increased during the year from £137,000 last year to £174,000 as noted in the Public Benefit section above.

Financial review

As with last year the School's operation was significantly affected by the Covid 19 pandemic and this had a major impact on both revenues and costs. This is discussed further below

The results for the period to 31 August 2021 show a deficit of £88,316 compared with a surplus of £5,759 for the preceding year. Income from Donations was £39,551 slightly lower than last year's £43,600. Gross fee income increased by £123,040 to £3,865,457 due to increased pupil numbers in boarding. The cost of Allowances, bursaries and grants was a little down on the previous year at £640,784 but as can be seen from the Note on Public Benefit above the value of means tested bursaries increased from £137,000 to £174,000. The main reason for the fall in the overall cost of allowances was a reduction in the remissions given to parents because pupils were unable to participate in classroom learning. The School did provide excellent distance learning during the lockdown in the Spring term. The School continued to take advantage of the Coronavirus Job Retention Scheme and furloughed some of its staff. As a result grants of £39,956 (2020: £77,726) were received during the period. Total resources expended amounted to £3,605,419 compared to £3,291,998 in 2020. Some of the increased costs stemmed from the pandemic as the School hired temporary facilities to provide more space, and had a full year of purchasing personal protective equipment and extra cleaning/sanitising materials. In addition there were some one off costs related to the recruitment of the new

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Year ended 31 August 2021

Head and a marketing project. The pandemic continued to have a material effect on the School's letting income which fell from £5,251 to £4,834, well below the level before the pandemic.

On the Balance Sheet the additions to Fixed Assets amounted to £173,571, the major components of which are noted in Development of the School Site above. The Debtors balance increased by £41,977 and Creditors increased by £134,150 principally because of payments of fees in advance of the year end. The School had a net cash inflow from operating activities of £127,276 but the investment in capital expenditure as noted above resulted in a net decrease in cash of £46,295. The amount of cash and cash equivalents at the year-end was £1,277,891.

Reserves Policy

The Governors currently have a policy to maintain available cash reserves at a level of at least £250,000. This is reviewed based on activities and the nature of the charitable company's income streams. As the charitable company's greatest costs are those for teaching and ancillary staff, the Governors ensure that adequate cash reserves are held to meet this commitment.

The calculation of the required reserves is an integral part of the charitable company's planning, budget and forecasting processes and takes into account the risks involved with income and expenditure streams being different from that budgeted, the expected levels of pupils in the various parts of the School, and the financial commitments of the School.

The reserves policy will be reviewed annually, with the review considering expected pupil and fee levels, together with future needs and opportunities.

Risk management

The Board of Governors is responsible for the management of risks faced by the School. Operational

management of these risks is delegated to sub-committees, principally the Finance & General Purposes Committee and the Health & Safety Committee. Procedures have been established to identify, assess and control risks.

The key controls used include:

- Formal agendas for all Board and Committee meetings
 - A clearly defined committee structure
 - A clear organisational structure and lines of reporting
 - Detailed delegated powers
 - Financial controls including long and short term forecasting and management accounting
 - Vetting and interview procedures as required by law for the protection of children
 - Regular review of the strategic risks faced by the Schools and the control measures in place to deal with them
 - Medium term strategic planning
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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

The Board has considered the major strategic risks facing the School and has prepared a risk analysis which is reviewed at Board meetings. The Governors consider that the most significant risks facing the School currently are

- Pupil numbers
- Political change
- Regulatory and pension compliance
- Impact of the pandemic

In each case the potential risks under these categories have been detailed, the potential impact on the School assessed and existing controls noted. Any further actions needed to further mitigate the risks have also been identified. These include:

Pupil numbers

The School continues to invest in better recruitment of students from both the UK and internationally

Political change

The School has maintained its links with local and national agencies.

Regulatory compliance

The School has procedures for the Senior Leadership Team and the Board to monitor and approve regulatory requirements.

Impact of the pandemic

The School has further developed its e-learning platform and has a contingency plan in place should further outbreaks occur.

Plans for future periods

The Governors have identified two key elements within the School's strategic plan to drive future development. These are the continued development of the School and expansion of the "Terra Nova" brand in order to raise pupil numbers together with the development of an international boarding operation.

The Governors and Senior Leadership Team are investigating opportunities to raise finance to invest in a key project to provide a sports hall. Initial work has commenced on this and further progress is expected in 2021/22.

The Governors will continue to focus on the curriculum and the classroom resources available in relation to the School's aim of continually enhancing teaching and learning.

The Governors also recognise the need to continue to expand access to the school and

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

plan to maintain the commitment to means tested bursaries.

M J Grice
Trustee

27 January 2022

Terra Nova School Trust Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Terra Nova School Trust Limited

Year ended 31 August 2021

Opinion

We have audited the financial statements of Terra Nova School Trust Limited (the 'charity') for the year ended 31 August 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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 FRS 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 charity's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 charity 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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.

Terra Nova School Trust Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Terra Nova School Trust Limited (continued)

Year ended 31 August 2021

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 trustees are responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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.

Terra Nova School Trust Limited

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Independent Auditor's Report to the Members of Terra Nova School Trust Limited (continued)

Year ended 31 August 2021

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
 - Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
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Company Limited by Guarantee

Independent Auditor's Report to the Members of Terra Nova School Trust Limited (*continued*)

Year ended 31 August 2021

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Independent Auditor's Report to the Members of Terra Nova School Trust Limited *(continued)*

Year ended 31 August 2021

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Bailey (Senior Statutory Auditor)
For and on behalf of John Alderdice & Son
21 Sherburn Terrace
Consett
County Durham
DH8 6ND

Date:

Terra Nova School Trust Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 August 2021

		Unrestricted funds	2021 Restricted funds	Total funds	2020 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	39,551	-	39,551	43,600
Other trading activities	6	3,437,811	(358)	3,437,453	3,173,303
Investment income	7	143	-	143	3,128
Grants	8	39,956	-	39,956	77,726
Total income		3,517,461	(358)	3,517,103	3,297,757
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	9	3,598,907	-	3,598,907	3,283,480
Expenditure on charitable activities	10	6,512	-	6,512	8,518
Total expenditure		3,605,419	-	3,605,419	3,291,998
Transfers between funds	15	21,217	(21,217)	-	-
Net income and net movement in funds		(66,741)	(21,575)	(88,316)	5,759
Reconciliation of funds					
Total funds brought forward		2,247,690	316,307	2,563,997	2,558,238
Total funds carried forward		2,180,949	294,732	2,475,681	2,563,997

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

The notes on page 19 form part of these financial statements.

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Statement of Financial Position

31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	16	1,928,090	1,889,648
Current assets			
Stocks	17	19,496	7,786
Debtors	18	250,903	208,926
Cash at bank and in hand		1,277,891	1,324,186
		<u>1,548,290</u>	<u>1,540,898</u>
Creditors: amounts falling due within one year	19	<u>966,675</u>	<u>832,525</u>
Net current assets		581,615	708,373
Total assets less current liabilities		2,509,705	2,598,021
Creditors: amounts falling due after more than one year	20	<u>34,024</u>	<u>34,024</u>
Net assets		<u>2,475,681</u>	<u>2,563,997</u>
Funds of the charity			
Restricted funds		294,731	316,307
Unrestricted funds		2,180,950	2,247,690
Total charity funds	22	<u>2,475,681</u>	<u>2,563,997</u>

These financial statements were approved by the board of trustees and authorised for issue on 27 January 2022, and are signed on behalf of the board by:

M J Grice
Trustee

The notes on page 19 form part of these financial statements.

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Statement of Cash Flows

Year ended 31 August 2021

	2021 £	2020 £
Cash flows from operating activities		
Net (deficit)/surplus	(88,316)	5,759
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	135,129	123,636
Other interest receivable and similar income	(143)	(3,128)
<i>Changes in:</i>		
Stocks	(11,710)	4,377
Trade and other debtors	(41,977)	(57,615)
Trade and other creditors	134,150	133,393
Cash generated from operations	127,133	206,422
Interest received	143	3,128
Net cash from operating activities	127,276	209,550
Cash flows from investing activities		
Purchase of tangible assets	(173,571)	(144,633)
Net cash used in investing activities	(173,571)	(144,633)
Net increase in cash and cash equivalents	(46,295)	64,917
Cash and cash equivalents at beginning of year	1,324,186	1,259,269
Cash and cash equivalents at end of year	1,277,891	1,324,186

The notes on page 19 form part of these financial statements.

Terra Nova School Trust Limited

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Notes to the Financial Statements

Year ended 31 August 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Terra Nova School, Jodrell Bank, Holmes Chapel, Cheshire, CW4 8BT.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes, restricted income funds or endowment funds.

Terra Nova School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Terra Nova School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Terra Nova School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year

ended

31 August 2021

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	Various rates between 2% and 10%
Fixtures and fittings	-	10% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	20% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or

Terra Nova School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year

ended

31 August 2021

3. Accounting policies *(continued)*

Tangible assets *(continued)*

payable including any related transaction costs.

Terra Nova School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

Terra Nova School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

The company is limited by guarantee and as such has no share capital. The members (at present 6) are each under obligation to contribute £1 in the event of the winding up of the company.

Terra Nova School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	39,551	-	39,551
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations	40,000	3,600	43,600

6. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Gross fees	3,865,457	-	3,865,457
Allowances, bursaries and grants	(640,784)	(358)	(641,142)
Other income	208,304	-	208,304
Letting income	4,834	-	4,834
	3,437,811	(358)	3,437,453
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Gross fees	3,742,417	-	3,742,417
Allowances, bursaries and grants	(669,747)	(1,924)	(671,671)
Other income	97,306	-	97,306
Letting income	5,251	-	5,251
	3,175,227	(1,924)	3,173,303

7. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	143	143	3,128	3,128

Terra Nova School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

8. Grants

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Receipts from Coronavirus Job Retention Scheme	39,956	39,956	77,726	77,726

9. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Education costs	2,051,302	2,051,302	1,942,872	1,942,872
Administration costs	575,156	575,156	492,021	492,021
Establishment expenses	508,367	508,367	447,498	447,498
House costs	464,082	464,082	401,089	401,089
	3,598,907	3,598,907	3,283,480	3,283,480

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Support costs	6,512	6,512	8,518	8,518

10. Expenditure on charitable activities by activity type

	Total funds 2021 £	Total fund 2020 £
Governance costs	6,512	8,518

11. Net income

Net income is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	135,129	123,636

Terra Nova School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

12. Auditors remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	4,400	4,400

Terra Nova School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021 £	2020 £
Wages and salaries	1,929,691	1,800,905
Social security costs	173,868	167,346
Employer contributions to pension plans	269,699	261,971
Other employee benefits	3,092	3,344
	<u>2,376,350</u>	<u>2,233,566</u>

The average head count of employees during the year was 79 (2020: 79).

The number of employees whose remuneration for the year fell within the following bands, were:

	2021 No.	2020 No.
£110,000 to £119,999	<u>1</u>	<u>1</u>

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

15. Transfers between funds

The transfer between restricted funds and unrestricted funds represents an amount equal to depreciation on the capital costs of land, buildings and equipment met by appeal.

Terra Nova School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2021

16. Tangible fixed assets

	Freehold property	Fixtures and fittings	Motor vehicles	IT Equipment	Capital Work in Progress	Total
	£	£	£	£		£
Cost						
At 1 September 2020					39,856	3,685,306
Additions	2,826,807	492,448	29,330	296,865		
Transfers	-	43,351	-	7,483	122,737	173,571
	-	10,152	-	-	(10,152)	
31 August 2021	2,526,807	545,951	29,330	304,348	152,441	3,858,877
Depreciation						
At 1 September 2020					-	1,795,658
Charge for the year	1,262,303	252,974	27,913	252,468		
	86,497	32,150	425	16,057	-	135,129
31 August 2021	1,348,800	258,124	28,338	268,525	-	1,930,787
Carrying amount						
At 31 August 2021	1,478,007	260,827	992	35,823	152,441	1,928,090
At 31 August 2020	1,564,504	239,474	1,417	44,397	39,856	1,889,648

17. Stocks

	2021 £	2020 £
Raw materials and consumables	19,498	7,787

18. Debtors

Terra Nova School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

	2021	2020
	£	£
Trade debtors	75,204	137,033
Prepayments and accrued income	75,699	59,316
Other debtors	100,000	12,577
	<u>250,903</u>	<u>208,926</u>

19. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	132,043	85,788
Accrued	59,084	71,241
Sureties	141,977	144,485
Fees paid in advance	501,405	361,385
Other creditors	132,155	169,626
	<u>966,675</u>	<u>832,525</u>

20. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Deferred income fund	34,024	34,024

21. Pensions and other post retirement benefits

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £246,427 (2020: £239,595) and at the year-end £31,384 (2020 - £30,528) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the

TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2020, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2020. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer

Terra Nova School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

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 judgment 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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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 April 2015 onwards. The pause was lifted in July 2020 and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

In view of the above rulings and decisions the assumptions used in the 31 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.

Support Staff Pension Scheme

Support staff are entitled to join a defined contribution scheme operated by NOW. Contribution rates are 5% by the employee and 3% by the School.

22. Analysis of charitable funds

Unrestricted funds

	1 September 2020	Income	Expenditu re	Transfers	31 August 2021
	£	£	£	£	£
Unrestricted Fund	2,247,690	3,517,461	(3,605,419)	21,217	2,180,949

Terra Nova School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2021

	1 September 2019 £	Income £	Expenditure £	Transfers £	31 August 2020 £
Unrestricted Fund	2,222,389	3,296,081	(3,291,998)	21,218	2,247,690

Restricted funds

	1 September 2020 £	Income £	Expenditure £	Transfers £	31 August 2021 £
Old appeals	99,037	-	-	(5,098)	93,939
Centenary appeal	88,691	-	-	(10,022)	78,669
Kennedy fund	78,440	-	-	(2,120)	76,320
SENCO	33,733	-	-	(865)	32,868
New shooting range	3,112	-	-	(3,112)	-
Bursary Fund	13,294	-	(358)	-	12,936
	316,307	-	(358)	(21,217)	294,732

	1 September 2019 £	Income £	Expenditure £	Transfers £	31 August 2020 £
Old appeals	104,135	-	-	(5,098)	99,037
Centenary appeal	98,713	-	-	(10,022)	88,691
Kennedy fund	80,560	-	-	(2,120)	78,440
SENCO	34,598	-	-	(865)	33,733
New shooting range	6,225	-	-	(3,113)	3,112
Bursary Fund	11,618	3,600	(1,924)	-	13,294
	335,849	3,600	(1,924)	(21,218)	316,307

23. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	1,633,358	294,732	1,928,090
Current assets	1,548,290	-	1,548,290
Creditors less than 1 year	(966,675)	-	(966,675)
Creditors greater than 1 year	(34,024)	-	(34,024)
Net assets	2,180,949	294,732	2,475,681

Terra Nova School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Tangible fixed assets	1,573,341	316,307	1,889,648
Current assets	1,540,898	-	1,540,898
Creditors less than 1 year	(832,525)	-	(832,525)
Creditors greater than 1 year	(34,024)	-	(34,024)
Net assets	2,247,690	316,307	2,563,997

24. Analysis of changes in net debt

	1 Sep 2020	Cash flows	31 Aug 2021
	£	£	£
Cash at bank and in hand	1,324,186	(46,295)	1,277,891