

Charity Registration No. 525920

Company Registration No. 00885772 (England and Wales)

KINGSMEAD SCHOOL HOYLAKE TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

KINGSMEAD SCHOOL HOYLAKE TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D Renison Mrs A Renison Mr M Watts Mr E H Bradby Mrs C E Lanceley Mr A J Watts
Secretary	Mr D Renison
Clerk to the trustees	Mrs T Evans
Senior staff member	Mrs T Evans (Bursar)
Charity number	525920
Company number	00885772
Registered office	Bertram Drive Hoylake Wirral CH47 0LL
Independent examiner	Jean Ellis BA FCA CTA DSG Castle Chambers 43 Castle Street Liverpool L2 9TL
Bankers	Lloyds TSB Bank Plc
Solicitors	Brabners LLP

KINGSMEAD SCHOOL HOYLAKES TRUST LIMITED

A COMPANY LIMITED BY GUARANTEE

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KINGSMEAD SCHOOL HOYLAKES TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

Objectives and activities

The charity's objects, as set out in its Memorandum and Articles of Association, included the provision of a first class education based on Christian principles, and to build Christian character and leadership rooted in Biblical teaching.

Despite the closure of the school, the trustees will continue to operate the charity and utilise its assets in line with the objects and are considering a wide range of future alternative ways of doing so.

The trustees have and will continue to pay due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. The trustees have taken legal, surveying and accountants advice at all material times to ensure that they continue to act within the objects of to ensure that they continue to act within the objects of the charity.

Achievements and performance

With the school closing in 2020 the trustees have been focused on raising funds from the rooms and facilities of the charity as a temporary measure whilst exploring other options including the sale of land and buildings. These efforts are ongoing.

Financial review

The results for the year show a deficit of £89,790 (2020: Surplus £936,728) including income from the sale of land of £nil (2020: £1,610,000). The major source of income in the year was £128,499 (2020: £12,809) from hire of rooms and facilities.

Grants of £43,436 (2020: £187,769) were received for core activities which included £43,436 (2020: £96,627) of coronavirus job retention scheme grants.

The main expenditure of the charity was that of staff salaries and property related costs, including utilities, repairs and maintenance.

For 2021, with the school closed, the £13,479 fees received for education and tuition consisted of debts recovered (2020: fees received were £1,707,230).

As noted earlier in this report, based on the falling numbers, the trustees took the decision to close the school in 2020.

The trustees are currently reviewing the long term reserves policy of the charity.

Plans for future periods

The trustees are currently considering the long-term plan for the charity which will be in accordance with its stated objects.

KINGSMEAD SCHOOL HOYLAKES TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management

Kingsmead School is a registered charity and is incorporated under the Companies Act 2006 as a company limited by guarantee. It operates under the Memorandum and Articles of Association dated 5 August 1966.

The Board of Governors governs the policy of the charity. All governors give of their time freely and no remuneration was paid in the year. The trustees will review the structure, governance and management of the charity going forward.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr D Renison

Mrs A Renison

Mr M Watts

Mr E H Bradby

Mr S Kumar

(Resigned 28 November 2020)

Mrs C E Lanceley

Mr A J Watts

New governors are elected at a meeting of the Board of Governors. It is the responsibility of the Board to ensure that the appointment of governors provides the full range of abilities and skills which are needed to ensure the effective governance of the charity.

The trustees' report was approved by the Board of Trustees.



Mr E H Bradby

Trustee

16 May 2022

KINGSMEAD SCHOOL HOYLAKES TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The trustees, who are also the directors of Kingsmead School Hoylakes Trust Limited for the purpose of company law, are responsible for preparing the Trustees' 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity 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 trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that 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.

KINGSMEAD SCHOOL HOYLAKES TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF KINGSMEAD SCHOOL HOYLAKES TRUST LIMITED

I report to the trustees on my examination of the financial statements of Kingsmead School Hoylake Trust Limited (the charity) for the year ended 31 August 2021.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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



Jean Ellis BA FCA CTA
DSG

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

Dated: 16 May 2022

KINGSMEAD SCHOOL HOYLAKE TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted funds 2021 £	Unrestricted funds 2020 £
	Notes		
<u>Income and endowments from:</u>			
Donations and legacies	3	44,438	190,698
Charitable activities	4	13,479	1,887,716
Other trading activities	5	128,499	12,809
Other income	6	-	1,610,000
Total income		186,416	3,701,223
<u>Expenditure on:</u>			
Raising funds	7	271,588	45,358
 <u>Charitable activities</u>			
Education and tuition	8	4,618	2,326,105
Catering	8	-	217,514
Other pupil welfare	8	-	175,518
Total charitable expenditure		4,618	2,719,137
Total resources expended		276,206	2,764,495
 Net (expenditure)/income for the year/ Net movement in funds		(89,790)	936,728
 Fund balances at 1 September 2020		1,204,050	267,322
Fund balances at 31 August 2021		1,114,260	1,204,050

The school closed at the end of the 2020 school year with details of the income and expenditure on these discontinued operations shown in notes 4 and 8 of the accounts.

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

KINGSMEAD SCHOOL HOYLAKES TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13	1,059,477		1,089,149	
Current assets					
Stocks	15	742		742	
Debtors	16	9,305		14,662	
Cash at bank and in hand		159,718		273,793	
		<u>169,765</u>		<u>289,197</u>	
Creditors: amounts falling due within one year	18	<u>(114,982)</u>		<u>(174,296)</u>	
Net current assets		54,783		114,901	
Total assets less current liabilities		<u>1,114,260</u>		<u>1,204,050</u>	
Income funds					
Unrestricted funds		1,114,260		1,204,050	
		<u>1,114,260</u>		<u>1,204,050</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The accounts were approved by the Trustees on 16 May 2022

Edward Hugh Bradley

Mr E H Bradby
Trustee

Company Registration No. 00885772

KINGSMEAD SCHOOL HOYLAKES TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(99,581)		716,074
Investing activities					
Purchase of tangible fixed assets		(14,494)		(3,909)	
Net cash used in investing activities			(14,494)		(3,909)
Financing activities					
Proceeds from borrowings		-		150,000	
Repayment of borrowings		-		(650,000)	
Net cash used in financing activities			-		(500,000)
Net (decrease)/increase in cash and cash equivalents			(114,075)		212,165
Cash and cash equivalents at beginning of year			273,793		61,628
Cash and cash equivalents at end of year			159,718		273,793

KINGSMEAD SCHOOL HOYLAKES TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Charity information

Kingsmead School Hoylake Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Bertram Drive, Hoylake, Wirral, CH47 0LL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

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

Despite the closure of the school in 2020 the trustees continue to operate the charity in line with the objects and utilise the assets of the charity to achieve these objectives. At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.2 Charitable funds

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

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

1.3 Incoming resources

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

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

Donations, legacies and other forms of voluntary income are recognised in the statement of financial activities as incoming resources when receivable, except insofar as they are incapable of financial measurement.

Fee income is shown in the financial statements on a reasonable basis and is shown gross of bursaries and scholarships. Bursaries and scholarships are included within resources expended in the course of charitable activities. Fee income received in advance of the commencement of the school term is treated as a liability.

Income from fundraising and lettings is recognised as an incoming resource when receivable, with hiring out of facilities classified as trading income.

1.4 Resources expended

KINGSMEAD SCHOOL HOYLAKES TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Resources expended are accounted for on an accruals basis and are recognised when there is a legal or constructive obligation to pay.

Resources expended have been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources.

All expenditure is inclusive of VAT as the school is not VAT registered.

- Costs of generating voluntary income comprises the costs associated with attracting donations and grants.
- Charitable expenditure comprises direct expenditure in the furtherance of the charitable company's objectives.
- Governance costs are the costs associated with the governance arrangements of the charitable company which relates to the general running of the charitable company as opposed to those costs associated with fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to day-to-day management of the charitable company's activities, those incurred in the governance of its assets and are associated with constitutional and statutory requirements.
- Support costs, which are incurred directly in support of expenditure on the objects of the charitable company, include the functions such as general management, finance, human resources and premises, and are allocated across the categories of charitable expenditure. The basis for allocation has been explained in the notes to the financial statements.

1.5 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% straight line or over 10 years
Fixtures, fittings & equipment	10% reducing balance
Computer equipment	25% reducing balance

Freehold land is not depreciated.

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

KINGSMEAD SCHOOL HOYLAKES TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease).

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

Basic financial assets

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

KINGSMEAD SCHOOL HOYLAKES TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

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

KINGSMEAD SCHOOL HOYLAKES TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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 £Nil (2020 £186,943) and at the year-end £Nil (2020: £Nil) 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 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 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 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 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 the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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.

KINGSMEAD SCHOOL HOYLAKES TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

2 Critical accounting estimates and judgements

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of fixed assets

Impairments are recognised where the trustees believe that there is an indication of impairment. They are recognised where the carrying amount of an asset exceeds its recoverable amount. The timing and quantum of any impairment is a matter of management judgement.

Impairment of debtors

The trustees review the carrying amount of receivables on a regular basis to identify items where recoverability may be in doubt. The timing and quantum of any impairment of receivables is a matter of management judgement.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	1,002	2,929
Grants receivable for core activities	43,436	187,769
	<u>44,438</u>	<u>190,698</u>

Grants receivable for core activities includes £43,436 (2020: £96,627) in respect of coronavirus job retention scheme grants.

KINGSMEAD SCHOOL HOYLAKES TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

4 Charitable activities

	Education and tuition £	Catering £	Other pupil welfare £	Total 2021 £	Total 2020 £
Incoming resources from charitable activities	13,479	-	-	13,479	1,887,716

Charitable trading income

The school closed at the end of the 2020 school year. The income for discontinued operations included above amounted to £13,479 (2020: £1,887,716). The associated expenditure is included in note 8 of the accounts.

For the year ended 31 August 2020

	Education and tuition £	Catering £	Other pupil welfare £	Total 2020 £
Incoming resources from charitable activities	1,707,230	83,969	96,517	1,887,716
Analysis by fund				
Unrestricted funds	1,707,230	83,969	96,517	1,887,716

5 Other trading activities

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Hire of school facilities	128,499	12,809

6 Other income

	2021 £	2020 £
Sale of land	-	1,610,000

KINGSMEAD SCHOOL HOYLAKES TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

7 Raising funds

	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	-	27,162
Staff costs	-	15,141
Depreciation and impairment	-	3,055
	<hr/>	<hr/>
Fundraising and publicity	-	45,358
	<hr/>	<hr/>
<u>Trading costs</u>		
Staff costs	37,906	-
Depreciation and impairment	44,166	-
Support costs	189,516	-
	<hr/>	<hr/>
Trading costs	271,588	-
	<hr/>	<hr/>
	<u>271,588</u>	<u>45,358</u>

KINGSMEAD SCHOOL HOYLAKES TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities

	Education and tuition £	Catering £	Other pupil welfare £	Total 2021 £	Total 2020 £
Staff costs	4,432	-	-	4,432	1,652,770
Activities undertaken directly	186	-	-	186	511,393
	<u>4,618</u>	<u>-</u>	<u>-</u>	<u>4,618</u>	<u>2,164,163</u>
Share of support costs (see note 9)	-	-	-	-	544,440
Share of governance costs (see note 9)	-	-	-	-	10,534
	<u>4,618</u>	<u>-</u>	<u>-</u>	<u>4,618</u>	<u>2,719,137</u>

The school closed at the end of the 2020 school year. The expenditure for discontinued operations included above amounted to £4,618 (2020: £2,719,137). The associated income is included in note 4 of the accounts.

For the year ended 31 August 2020

	Education and tuition £	Catering £	Other pupil welfare £	Total 2020 £
Staff costs	1,446,130	125,118	81,522	1,652,770
Activities undertaken directly	410,783	53,785	46,825	511,393
	<u>1,856,913</u>	<u>178,903</u>	<u>128,347</u>	<u>2,164,163</u>
Share of support costs (see note 9)	460,286	37,878	46,276	544,440
Share of governance costs (see note 9)	8,906	733	895	10,534
	<u>2,326,105</u>	<u>217,514</u>	<u>175,518</u>	<u>2,719,137</u>
Analysis by fund				
Unrestricted funds	<u>2,326,105</u>	<u>217,514</u>	<u>175,518</u>	<u>2,719,137</u>

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9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	53,468	-	53,468	221,068	-	221,068
Depreciation & Impairment	-	-	-	44,538	-	44,538
Other costs	130,748	-	130,748	278,834	-	278,834
Audit fees	-	2,300	2,300	-	10,000	10,000
Accountancy	-	2,500	2,500	-	-	-
Governors' expenses	-	500	500	-	534	534
	<u>184,216</u>	<u>5,300</u>	<u>189,516</u>	<u>544,440</u>	<u>10,534</u>	<u>554,974</u>
Analysed between						
Trading	184,216	5,300	189,516	-	-	-
Charitable activities	-	-	-	544,440	10,534	554,974
	<u>184,216</u>	<u>5,300</u>	<u>189,516</u>	<u>544,440</u>	<u>10,534</u>	<u>554,974</u>

Governance costs includes payments to the Independent Examiner of £2,500 for the independent exam; they also received audit fees for the 2020 year of £2,300 (2020- £10,000).

10 Trustees

Three trustees were reimbursed a total of £500 in expenses (2020: £534).

One trustee, Mrs Renison, was previously employed as a pupil counsellor. During the year she was remunerated £NIL (2020: £2,980). At the year end no amounts were outstanding to any trustee.

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FOR THE YEAR ENDED 31 AUGUST 2021

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
Teaching	-	49
Domestic	3	8
Administration	3	6
	<u>6</u>	<u>63</u>

Employment costs

	2021	2020
	£	£
Wages and salaries	87,877	1,599,240
Social security costs	4,832	102,796
Other pension costs	3,097	186,943
	<u>95,806</u>	<u>1,888,979</u>

During the year, termination benefits and similar costs of £Nil (2020: £221,941) were paid.

There were no employees whose annual remuneration was £60,000 or more.

12 Taxation

Kingsmead School Hoylake Trust Limited is a registered charity and is thus exempt from tax on income and gains falling within sections 466 to 493 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to charitable objects. No tax charges have arisen in the charitable company.

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FOR THE YEAR ENDED 31 AUGUST 2021

13 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 September 2020	1,774,552	654,505	197,904	2,626,961
Additions	13,764	730	-	14,494
	<u>1,788,316</u>	<u>655,235</u>	<u>197,904</u>	<u>2,641,455</u>
At 31 August 2021				
Depreciation and impairment				
At 1 September 2020	727,768	621,220	188,824	1,537,812
Depreciation charged in the year	33,656	8,477	2,033	44,166
	<u>761,424</u>	<u>629,697</u>	<u>190,857</u>	<u>1,581,978</u>
At 31 August 2021				
Carrying amount				
At 31 August 2021	<u>1,026,892</u>	<u>25,538</u>	<u>7,047</u>	<u>1,059,477</u>
At 31 August 2020	<u>1,046,784</u>	<u>33,285</u>	<u>9,080</u>	<u>1,089,149</u>

All land and buildings are freehold. Land and buildings includes £21,537 in respect of land which is not depreciated.

In 1966, the original properties of Kingsmead School and surrounding playing fields were donated to the school by the former headmaster, Mr Watts, and are therefore excluded from the above figures. The costs incurred in ascertaining the value of the properties at that time would outweigh any benefit to the financial statements. During the period ended 31 August 2020 some of the donated land was sold for £1.6m.

All tangible fixed assets are held for use by the charitable company.

14 Financial instruments	2021	2020
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>3,648</u>	<u>1,807</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>113,774</u>	<u>152,879</u>
15 Stocks	2021	2020
	£	£
Finished goods and goods for resale	<u>742</u>	<u>742</u>

KINGSMEAD SCHOOL HOYLAKES TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

16 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	2,735	1,312
Other debtors	913	495
Prepayments and accrued income	5,657	12,855
	<u>9,305</u>	<u>14,662</u>

An impairment loss of £53,938 (2020: £67,253) has been recognised against trade debtors.

17 Loans and overdrafts

	2021	2020
	£	£
Other loans	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Payable within one year	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

18 Creditors: amounts falling due within one year

	2021	2020
	£	£
Borrowings	100,000	100,000
Other taxation and social security	1,208	21,417
Accruals and deferred income	13,774	52,879
	<u>114,982</u>	<u>174,296</u>

19 Restricted funds

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

	Movement in funds			Movement in funds	
	Incoming resources	Resources expended	Balance at 1 September 2020	Incoming resources	Balance at 31 August 2021
	£	£	£	£	£
Foundation Appeal	565	(565)	-	-	-
	<u>565</u>	<u>(565)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Foundation Appeal - this fund was established to provide bursaries and scholarships to children facing financial hardship, and comprised voluntary income made by way of donations each year.

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20 Operating lease commitments

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

	2021 £	2020 £
Within one year	5,227	5,227
Between two and five years	8,712	13,939
	<u>13,939</u>	<u>19,166</u>

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	47,490	106,182

22 Cash generated from operations

	2021 £	2020 £
(Deficit)/surplus for the year	(89,790)	936,728
Adjustments for:		
Depreciation and impairment of tangible fixed assets	44,166	47,593
Movements in working capital:		
(Increase)/decrease in stocks	-	4,863
Decrease in debtors	5,357	127,658
(Decrease) in creditors	(59,314)	(400,768)
Cash (absorbed by)/generated from operations	<u>(99,581)</u>	<u>716,074</u>

23 Analysis of changes in net funds

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	273,793	(114,075)	159,718
Loans falling due within one year	(100,000)	-	(100,000)
	<u>173,793</u>	<u>(114,075)</u>	<u>59,718</u>