

Red House School Limited

Report of the Trustees (including Strategic Report)
and Financial Statements
for the Year Ended 31 August 2021

“Charity Commission Copy”
Registered No: 527377

ANDERSON BARROWCLIFF LLP
Chartered Accountants

Red House School Limited

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for the Year Ended 31 August 2021

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Red House School Limited

Charity Reference and Administrative Details
for the Year Ended 31 August 2021

Registered Company number

00312473 (England and Wales)

Registered Charity number

527377

Registered office

36 The Green
Norton
Stockton on Tees
TS20 1DX

Trustees

V L Duncan	- Chair	K E Huddart
G D Cordwell-Smith	- Vice Chair	A Rangan
N Simpson	- Secretary (from 25/11/20)	A G Taylor
K Shaw		S D Wright
S J Ashforth		M J Anderson
S M Costigan		J Henning
M E Elwell		F Hunt

Other changes in trustees holding office are as follows:

A L Mallen-Beadle – resigned 25 November 2020

V Bedi was appointed President in November 2017 and J A Robson continues to act as Vice President. Neither are registered as statutory directors of the company. The school no longer has a staff representative in attendance at School Council meetings.

Head

R Ashcroft

Auditors

Anderson Barrowcliff LLP
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

Bankers

Lloyds TSB	Yorkshire Bank
27 High Street	30 St Vincent Place
Stockton	Glasgow
TS18 1SG	G1 2HL

Solicitors

Milners Solicitors
Whitehall Waterfront
2 Riverside Way
Leeds
West Yorkshire
LS1 4EH

Red House School Limited

Report of the Trustees **for the Year Ended 31 August 2021**

The trustees present their report and the audited financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' in preparing the annual report and financial statements of the charity.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with the Charities Act 2011 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) published in October 2019, and the Companies Act 2006.

TRUSTEES

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end are shown on page 1.

OBJECTIVES AND ACTIVITIES

In setting our objectives and planning our activities our trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

Red House School is a coeducational independent day school for children between the ages of 2 and 16. The Head (from September 2021), Dr Rebecca Ashcroft, is a member of the Independent Schools Association (ISA) and the School Council, Red House's governing body, is in membership of the Association of Governing Bodies of Independent Schools (AGBIS). The Head of Finance & Compliance, Mrs Andrea Tomlinson, is a member of the Independent Schools' Bursars Association (ISBA). The aim of the school is to provide a high quality, inclusive education in a nurturing, inclusive and caring environment.

Red House was established in 1929, by a group of parents to provide the very best education possible for their children. This remains just as true today and a close working collaboration between parents and staff ensures that the pupils are happy in school and achieve their very best.

Red House is a truly cooperative community in which every member of the Red House family is working towards the goal of being the best they can be, whilst supporting those around them. We offer each of our pupils the opportunity to make the most of their talents and gain a wealth of new experiences in a happy, encouraging, and nurturing environment. We maximise their potential by affording our pupils a huge range of learning and co-curricular opportunities, whilst ensuring the highest levels of pastoral care. We want our pupils to flourish and to leave us at the end of their Red House journey, surrounded by friends, with the best grades possible, being fully prepared for the next exciting phase of their lives.

The pupils perform exceptionally well academically, with every child achieving their best. Indeed, we are immensely proud to have been ranked the No. 1 independent school in the area for results at GCSE a number of times and have received the highest rating of 'Excellent', in both categories, following an inspection by the Independent Schools Inspectorate in 2019.

Our pupil's success is the result of their curiosity and intellectual engagement, as well as their developing maturity and self-confidence. Making learning exciting, engaging and memorable lies at the heart of a Red House education. However, academic results are not the sole success criteria: your child will enjoy a holistic education, and be inspired as much by the world outside the classroom as the world within it. At Red House, every aspect of school life complements the others, and it is precisely this rounded education which produces independent and creative young adults, who are prepared and ready to make their mark in the world.

As we fast approach our centenary year in 2029, Red House is a thriving community, and a truly unique school, which is both vibrant, progressive and dynamic, with space to breathe and think.

The school usually operates one form in each year in Key Stage 1, two forms per year in Key Stage 2 and three forms per year in Key Stages 3 and 4.

During the year under review, the school completed the significant refurbishment of the Chemistry and Physics labs. In addition, we invested considerably in ICT, purchasing 100 Chrome Books, 17 desktop PCs and monitors and 4 new interactive panels.

Red House School Limited

Report of the Trustees **for the Year Ended 31 August 2021**

Whilst we take pride in our traditions and Christian heritage, Red House also aims to be at the forefront of developments in both teaching and learning. Opportunities to experience and use ICT are embedded into the curriculum whilst suites of computers ensure each child is able to make the most of the technology available.

SIGNIFICANT ACTIVITIES

Early Years Foundation Stage (EYFS)

Following an extensive building programme Red House Nursery School opened in Spring 2005. Boys and girls, whose third birthday is in the term they join the School, are welcomed into the Nursery on a full-time basis. The purpose-built Nursery provides a secure, warm and friendly environment in which children can play and learn. With access to its own enclosed patio and garden, the Nursery offers spacious, safe and calm surroundings that help each individual child develop and discover. Nursery children are encouraged to use the outdoor learning environment and are taken on a range of off-site educational activities.

Junior School

Based on the same site as the Nursery, the Junior School offers a secure, stimulating and caring environment in which the needs of each individual child are provided for and nurtured. Children from Reception to Year 5 are taught on this campus.

Offering a high quality of education in all areas of school life, professional, dedicated staff identify the special requirements of each child and provide opportunities for all the children to develop their academic, social, physical and intellectual potential. Interactive panels in each classroom and an ICT suite on the Junior School site ensure that ICT is an integral part of our pupils' education from an early age. The outdoor learning area encourages the children to work independently and to make the most of outdoor learning. In a usual non-COVID-19 year, children in each year are also taken on a wide range of educational and co-curricular visits.

Children leave the Junior School fully equipped for a smooth and successful transition to the Senior School.

Senior School

Children in Years 6-11 are taught on the Senior School campus. Year 6 is housed in two classrooms on the ground floor. Year 6 provides exciting challenges across the full range of academic subjects and introduce pupils to a wide range of sporting, cultural and creative activities. This develops a pupil's talents and skills and lays secure foundations for the future.

In Year 6, pupils are taught by specialist 'secondary' staff for PE, Art, DT, Computing and French. For the remainder of their lessons, they are taught by the two Year 6 Form Teachers. In a 'normal' year, Year 6 are taught in specialist facilities e.g. the labs and the Computing suites, and there is no doubt this helps children to achieve their full potential. This was not possible in the year ending 31 August 2021 due to the introduction of 'bubbles' during the current COVID-19 pandemic.

Senior pupils have access to a full range of GCSEs. All pupils study the 'core' subjects of Mathematics, English Language, English Literature, Biology, Chemistry and Physics and French, along with three other 'option' subjects chosen from an extensive list of options. From September 2021, French will no longer be considered a 'core' subject and will become an 'option' subject.

There would normally be a number of educational visits each year, including field trips, theatre visits, foreign languages trips and excursions to local and national museums and other places of educational interest. However, this was not possible in the academic years 2020-2021, under Government restrictions during the COVID-19 pandemic.

Again, in a typical year, pupils participate in a broad and diverse range of co-curricular activities, including sport, drama, music tuition and ICT, to maintain a broad and balanced education. However, again because of the introduction of 'bubbles' from September 2020 until July 2021, this was not possible.

ICT

There is a strong emphasis throughout the whole School on the development of ICT skills. An extensive computer network, which includes several suites of wireless Chrome Books (100 in total), laptops and iPads, is linked to all areas. Continued investment into state-of-the-art equipment, including, 17 new desktop computers, 4 new interactive panels and software enables teachers to deliver lessons in ways that were not possible a few years ago.

Red House School Limited

Report of the Trustees **for the Year Ended 31 August 2021**

The School continued to invest heavily in new technology throughout the year, spending in the region of £50,000 on equipment to enhance interactive classroom teaching.

Independent research is facilitated through unlimited - filtered - access to the Internet. The ICT facilities are made available to pupils before and after school and during breaks and lunches.

The ICT department have supported all pupils and staff extensively this year, especially providing Teams support during the nine-week school lockdown from January-March 2021. A large number of pupils of parents who were key workers were also supported in school via Teams in this period.

Music & Drama

Despite Government guidelines and COVID-19 restrictions, Music and Drama remained important aspects of life at Red House and the opening of the Music School in the previous academic year is a prominent enactment of the school's commitment to the performing arts. Private tuition for a wide range of brass, string and percussion instruments continued to be available to children throughout the school. Unfortunately, because of the implementation of 'bubbles' in September 2020, co-curricular music, for example, orchestra, Junior and Senior Choirs, a recorder group and a number of other instrumental groups were put on hold and resumed again in September 2021.

In a usual year, Junior School productions, Senior School Carol Service, Junior Nativity Services, music concerts and drama productions by Senior School pupils are all significant events in the school year. The school also produces a musical each year which includes children from both sites. However in 2020-21, many of these events were not possible because of Government guidance and restrictions.

Co-Curricular Activities

In a usual year, co-curricular activities, those aspects of a pupil's learning and development that run parallel to their academic studies, are an integral part of life at Red House School and are considered as an extension of the curriculum rather than an addition to it. However in 2020-21, many of these events were not possible because of Government guidance and restrictions. Examples of our typical co-curricular offerings include: outdoor adventure education, with trips to Outward Bound, Ullswater, Duke of Edinburgh's Award expeditions, an annual ski trip and the ambitious and exciting programme of sporting activities, Education for Leisure, that take place in Year 11, are all flourishing providing opportunities for pupils at Red House. In the academic year 2020-2021, residential trips were only possible after 17 May 2021, and examples of trips we were able to run in the Summer Term included: Year 6 Bush Craft trip and a Year 8 residential to Derwent Water.

The Duke of Edinburgh's (DofE) Award scheme not only provides opportunities for pupils to become involved in adventure education but also allows pupils to develop their skills, physical prowess and contribute to community service. Most pupils in Year 10 take part in the scheme. Trim trails on both school sites provide alternative suitable physical challenge for pupils during break and lunchtimes. Again, it was not possible to run the DofE scheme in the 2020-21 academic year. However, it has resumed in September 2021.

Other activities at the Senior School include: chess club, dance, public speaking, orienteering, art club, ICT and go-karting. There are a large number of clubs and activities that take place in the Junior School including: table top games, drama, Zen club, ICT, art and craft, sport, DT, cooking and Spanish. Unfortunately, because of the implementation of 'bubbles' in September 2020, all co-curricular clubs were put on hold and started again in September 2021.

Sport

Prior to 2020-2021, Red House pupils would be entered for a number of local and national competitions and sport plays a major role in the physical development of children and is central to school life. Our excellent facilities augmented by resources brought in from outside ensures that all pupils have access to a wide and varied programme of sporting activities. Pupils in the Junior School are taught by specialist sports teachers using equipment and facilities on both sites. The school has a large sports hall, extensive playing fields and a new all-weather sports pitch. The sports curriculum not only has obvious health benefits but also provides opportunities to develop team working and leadership skills as well as the enjoyment of competing against other individuals and teams.

In the academic year 2020-21, sports fixtures were only able to operate in the Summer Term of 2021 due to Government restrictions imposed due to the COVID-19 pandemic. Our annual sports day was cancelled because of social distancing rules in place at the time.

Red House School Limited

Report of the Trustees **for the Year Ended 31 August 2021**

Pastoral Care, Mindfulness and Wellbeing

Red House is a warm and caring school providing a secure and supportive environment in which young people develop into confident, mature and respectful young adults. A programme of personal, health and social awareness ensures that our pupils are equipped to deal with issues in the modern world and prepares them for life after Red House.

In the academic year 2020-2021, whole-school wellness and mindfulness has been championed through a range of activities for both pupils and staff. Mindfulness and wellness is an integral part of life for pupils at Red House School. This has been achieved through regular assemblies on topics related to wellness; the development and introduction of a Wellbeing and Positive Mental Health Policy; a pupil Wellbeing board; mindfulness being further embedded into the PSHE programme across both sites; and through the launch of wellness initiatives, such as, Christmas crafting, 'Attitude of Gratitude' journals, '30 ways to Thrive', 'Acts of Kindness Bingo' and 'Little Jars of Kindness' for all pupils from Year 2 to 11.

During the recent January-March 2021 lockdown, protecting the emotional wellbeing of the pupils and keeping them connected to school became a top priority at Red House School. This was achieved through weekly Teams calls with each year group, called 'Teams Talks', with pupils across Years 6 to 11, and daily wellbeing and mindfulness challenges were set over Teams each day. In this academic year, Red House was also awarded the Bronze Award by the Carnegie Centre for Excellence School's Mental Health Award.

For staff, wellbeing initiatives included a whole-school staff quiz during lockdown; a mindfulness Christmas crafting evening over three nights, with over 35 members of staff across both sites participating; Staff Wellness Boards in both staff rooms; SMT mentors for all senior school teaching staff during the most recent lockdown, with weekly wellbeing chats, over Teams, during the period of remote learning; and 'Attitude of Gratitude' goodie bags and post-it notes in both staff rooms.

In a usual year, Red House pupils support many local and international charities both through charitable giving and practical involvement. The choir sings in local hospitals at Christmas and presents, given by pupils, are distributed. There are strong links with our local church St. Mary's Norton and Stockton Parish Church. Pupils from the Junior School have their assembly in the church weekly and both the Senior School and the Junior School have their Harvest Festival and Easter services in the Church. Examples of charities supported in the year 2020-2021, include, Young Minds, Macmillan, Children in Need and the Billingham and Stockton Food Bank.

Cultural

In a usual year, many pupils are successfully entered for music and speech and drama examinations during the year and younger pupils entered for LAMDA examinations have considerable success. A number of concerts would be performed and performances would be held throughout the year on both sites to showcase the talents of the children. The PTA would run a number of events for the School, raising funds and building a sense of community.

However, in the year 2020-2021 this was limited as a result of the COVID-19 pandemic. The PTA organised events in-school at Christmas and at Easter and the Year 11 Prom was successfully held on GCSE Results Day. A smaller number of pupils were entered for music and speech and drama examinations than in a typical year because of the disruption to music lessons taking place and examination centres being open.

Careers and post-16 guidance

Careers guidance runs throughout the whole school curriculum. In previous years, all Senior School pupils have an interview with an external Careers Officer.

From August 2021, we invested in the implementation of Unifrog, an online tool for pupils in Years 7-11 to use to search for careers, build a CV, learn to write a persuasive cover letter, record competencies, complete virtual work experience, search for Sixth Forms and universities, complete a free MOOC, and more. Unifrog provision has built into the PSHE programme. We have also launched a 'Be Inspired' Careers Programme, inviting alumnae and parents to come into school to deliver careers talks to the pupils.

Admission

Entry to the school, with the exception of the Early Years Foundation Stage, is dependent upon the availability of places and the successful completion of an entrance assessment.

Children entering Nursery and Reception classes are required to achieve a satisfactory assessment during their time in the Reception to progress into Year 1.

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for the Year Ended 31 August 2021

PUBLIC BENEFIT STATEMENT

Red House School was founded by a group of parents who wished to give their children the very best start in life by providing them with a first-rate education. Since those early days the school has grown and developed, but the underlying principle of providing the highest quality education, still remains true.

Historically, and continuing to the present day, fees have been set at a level below that of other independent schools within the region providing access to a wide spectrum of society.

A Bursary Policy has been developed which provides a number of bursaries; up to 100% of fees is available.

The school allows its facilities to be used by a number of outside organisations at reduced or zero rates. These include various sports and music clubs, for example a Teacher's Choir, and charity events.

The school educates around 340 pupils who might otherwise be educated by the state.

The school provides teaching practice opportunities for students from local universities and work experience placement for pupils of maintained schools. For example, we hosted a PE student from Leeds Beckett University in the Spring and Summer Terms 2021.

In a typical year, Red House has hosted Teachmeet events, enabling teachers from many different schools to come together and share ideas.

Red House is used as an examination centre for home educated children.

A number of teachers within the school are supported in their roles as GCSE and A level examiners and moderators of public examinations.

Volunteers

The charity benefits from parents and friends supporting the school's activities and the valuable work done by the PTA.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

We measure our success under a broad number of pupil outcomes.

Academic

The 2021 GCSE examination results were outstanding. The headline figures were 64% grades 7-9 (A*/A), 44% grades 8-9 (A*) and a 99.7% pass rate at grade C or above (grades 4-9). These results are some of the best the school has ever seen.

In addition to the excellent academic results, the school is committed to ensuring every child achieves their full potential. The school has a continuous commitment to maintaining full compliance with the requirements set out in the Education (Independent School Standards) Regulations 2014 and Early Years Foundation Stage Statutory Framework.

Red House pupils also had considerable success at all ages when entered for national competitions, including, the Junior Language Challenge, the Physics Olympiad and the ISA Wiring competition.

Inspection

The School was inspected by the Independent Schools Inspectorate in April 2019. The School was fully compliant in all aspects of the focused compliance inspection and achieved excellent, the highest rating possible, in all areas of the Educational Quality Inspection.

Principal risks and uncertainties

The School Council periodically assesses risks and uncertainties facing the company. These are principally the general economic environment, difficulties faced with planning applications, maintaining adequate financial reserves, recruiting and retaining key members of staff and potential failure of computer hardware or software.

The board of trustees believe that they have taken adequate steps to mitigate these risks.

Red House School Limited
Report of the Trustees
for the Year Ended 31 August 2021

FINANCIAL REVIEW

Results

The results for the year and financial position of the charity are shown in the annexed financial statements. The charity reported net surplus of funds of £140,300 (2020 – £51,664) and had net assets of £3,460,219 (2020 - £3,319,919).

The charity enjoys the continued support of its bankers because of its very strong net assets position, strong cash flows and its return to reporting net income.

Reserves policy

The school's aim is to generate and maintain reserves to ensure the highest standards of education are achieved.

In the longer term, these reserves will allow the school to fund the development of its asset base without recourse to further borrowings. The principal funding source available to the charity is school fee income.

The school will aim to prepare an annual budget based on forecasted revenue and costs with an aim to make a surplus which would increase reserves by £250,000 per annum. This is based on £150,000 reserves for capital projects, £50,000 as a contingency for committed expenditure and £50,000 for cash reserves. The basis of the policy is to endeavour to steadily increase cash reserves by a minimum of £50,000 per annum with a long view to retained reserves covering 1 term's committed expenditure.

The school has reserves of £3,460,219 of which £3,452,985 are unrestricted. Further details are given in notes 20 and 21 to the financial statements. The trustees believe that the school has sufficient reserves to continue to provide the high quality education that our pupils and parents expect during the current outbreak of Coronavirus (COVID-19).

Incoming resources policy and objectives

Budgetary forecasts are made on an annual basis.

Going Concern

As a result of the outbreak of Coronavirus (COVID-19) there is much financial uncertainty in the UK. However, the trustees have reviewed the school's financial position and level of reserves and as a result of this review have a reasonable and proper expectation that the school has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the trustees believe that the going concern basis remains the appropriate basis to prepare these financial statements. The on-going situation will continue to be monitored.

The trustees are satisfied with the performance of the charity.

PLANS FOR FUTURE PERIODS

In 2016, the School made the decision to remain in Norton. The sites have been master planned to determine the best use of the land we have on the Norton site. The improvement of facilities has already begun with the addition of an all-weather sports pitch and the ongoing refurbishment of a number of areas in both schools. Prior to this academic year, this has included the Hall, Sports Hall, classrooms, the ICT suite, an outdoor classroom in the Junior School, the Music House and the Biology Lab.

In the 2020-2021 academic year, the following renovations have been completed: the refurbishment of the Chemistry and Physics Labs, renovation of the Barn in the Junior School, alongside the redecoration of the two Year 6 classrooms, the Senior School Staff Room, the Pastoral Intervention Room, and three other teaching spaces (German, RSA and English). In addition, in the region of £50,000 was invested in new ICT equipment. The school will continue to invest significantly in new technology.

Further plans include:

From 2021-2022, introducing a Parent Portal for parents via ISAMS and moving from PASS to ISAMS iFinance.

From 2021-2022, investing in CPOMS for recording/logging any child protection, safeguarding, bullying or SEND concerns.

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From 2021-2022, utilising accessing CPD courses for all staff and School Council members by investing in the SSS Learning suite of courses.

Creating more classroom space and extending the size of the Senior School to have three-form entry with 20 pupils in each form by 2025. Classroom space could be achieved by building above Rooms C, D and E (History, Geography and IT) and the Sports Hall and creating a first floor, redeveloping K, L, R and Q (German, Design Technology, Computing and RS) and creating a floor above.

Following a robust Curriculum Review, potentially creating a dance studio in rooms 15 and 16 (the current Year 6 classrooms) and a Food Technology room in one of the ICT rooms.

Making more space in the Dining Hall, by removing the existing stage and creating a shallow, two-step stage, where dining tables could be placed to increase capacity.

Developing plans to extend into a Sixth Form and create a designated Sixth Form area for pupils and teaching.

Coronavirus (COVID-19)

The school remained open during the lockdown of January-March 2021 for the children of key workers. Moving forward, we do not expect school to close as a result of the pandemic. However, should we have to do so, the school will take the following steps:-

- Implement the comprehensive remote learning programme, via Teams, which ran throughout the second school lockdown period from January to March 2021. This was complimented upon by a significant number of parents.
- any reduction in fees will be proportionate and will take into account any financial support available from central government. School Council will always aim to ensure any discount leaves the Income and Expenditure of the school in surplus each year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

In accordance with the Articles of Association, the affairs of the company are controlled by a council of management consisting of governors. The office of governor is therefore equivalent to that of director for all requirements of the Companies Act 2006, and that of trustee for all requirements of the Charities Act 1993, as amended by the Charities Act 2011.

Council members can be drawn from the parent body and the wider community and are elected by members of the company at the Annual General Meeting. Up to one quarter of council members may be drawn from the wider community.

Induction and training of new trustees

New trustees are provided with an extensive package of information relating to the school, including current and historical information and minutes of relevant meetings.

Organisational structure

The School Council is supported by three sub committees: Management, Education and Health & Safety. The full school council meets twice per term and the sub committees meet at least once per term, to oversee the activities of the charity.

The Head is appointed to manage the day to day activities of the school. Throughout this audit period it was Mr Ken James. Dr Rebecca Ashcroft is the Head from 1 September 2021.

The trustees set the remuneration of the senior management team which includes the Head.

Wider network

Red House School is a member of the Association of Governing Bodies of Independent Schools and the Independent Schools Association. Both provide support and advice to the school.

Red House School Limited

Report of the Trustees **for the Year Ended 31 August 2021**

Related parties

The charity is not dependent on the support of related parties.

Risk management

The trustees have consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.

Fund-raising

The school does not carry out any significant fund-raising activities for the school's own funds.

TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Red House School Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2019 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


DISCLOSURE OF INFORMATION TO THE AUDITORS

We, the trustees of the charitable company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as trustees in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as trustees.

ON BEHALF OF THE BOARD



G D Cordwell-Smith – Vice Chair

4 November 2021

Red House School Limited
(A Company Limited by Guarantee)
Independent Auditor's Report to the Members of Red House School Limited

Opinion

We have audited the financial statements of Red House School Limited for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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

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Independent Auditor's Report to the Members of Red House School Limited

- 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Use of our report

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

Jerome Bury FCA - Senior Statutory Auditor
For and on behalf of Anderson Barrowcliff LLP
Statutory Auditors
Chartered Accountants
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

5 November 2021

Red House School Limited
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2021

	Notes	Unrestricted Fund £	Restricted Funds £	2021 Total Fund £	2020 Total Fund £
Income from:					
Donations and legacies	2	22,237	-	22,237	1,719
Charitable activities	3	3,715,329	-	3,715,329	3,461,262
Investment income	4	202	-	202	4,140
Other income	5	32,670	-	32,670	108,340
Total income		3,770,438	-	3,770,438	3,575,461
Expenditure on:					
Charitable activities					
Educational activities	6	3,629,521	617	3,630,138	3,523,797
Total expenditure		3,629,521	617	3,630,138	3,523,797
Net income / (expenditure)		140,917	(617)	140,300	51,664
Net movement in funds	9	140,917	(617)	140,300	51,664
Reconciliation of funds:					
Total funds brought forward	20	3,312,068	7,851	3,319,919	3,268,255
Total funds carried forward	20	3,452,985	7,234	3,460,219	3,319,919

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

Red House School Limited**Balance Sheet
At 31 August 2021**

	Notes	2021 £	2020 £
Fixed Assets			
Tangible assets	14	5,139,379	5,009,953
		<u>5,139,379</u>	<u>5,009,953</u>
Current assets			
Stocks	15	71,807	67,999
Debtors	16	151,624	165,391
Cash at bank and in hand		952,865	938,091
		<u>1,176,296</u>	<u>1,171,481</u>
Creditors:			
Amounts falling due within one year	17	(905,871)	(817,444)
		<u>270,425</u>	<u>354,037</u>
Net current assets/(liabilities)			
		<u>5,409,804</u>	<u>5,363,990</u>
Total assets less current liabilities			
CREDITORS			
Amounts falling due after more than one year	18	(1,949,585)	(2,044,071)
		<u>3,460,219</u>	<u>3,319,919</u>
Net assets			
Charity funds			
Restricted funds	20	7,234	7,851
Unrestricted funds	20	1,117,442	976,525
Unrestricted funds - revaluation reserve	20	2,335,543	2,335,543
		<u>3,460,219</u>	<u>3,319,919</u>
Total charity funds			

The financial statements were approved and authorised for issue by the Board on 4 November 2021.

Signed on behalf of the board of trustees



V L Duncan – Chair of Trustees

Red House School Limited
Cash Flow Statement
for the Year Ended 31 August 2021

	Notes	2021 £	2020 £
Cash inflow from operating activities	22	294,895	97,571
Interest paid		(54,084)	(55,623)
Net cash flow from operating activities		240,811	41,948
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(195,930)	(173,559)
Proceeds from sale of tangible fixed assets		300	-
Proceeds from sale of other investments		-	1,000,000
Investment income		202	4,140
Net cash flow from investing activities		(195,428)	830,581
Cash flow from financing activities			
New loan finance		-	2,000,000
Capital repayment of long-term loans and finance lease		(30,609)	(2,610,855)
Net cash flow from financing activities		(30,609)	(610,855)
Net increase in cash and cash equivalents		14,774	261,674
Cash and cash equivalents at 1 September		938,091	676,417
Cash and cash equivalents at 31 August		952,865	938,091
Cash and cash equivalents consist of:			
Cash at bank and in hand		952,865	938,091
Cash and cash equivalents at 31 August		952,865	938,091

Red House School Limited
Notes to the Financial Statements
for the Year Ended 31 August 2021

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General information and basis of preparation

Red House School Limited is constituted as a private charitable company limited by guarantee in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention as amended by deemed cost. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Fees received in advance of education to be provided in future years are held as liabilities until taken to income in the term when used.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

The charity has received donations in respect of capital expenditure. The income is credited to the Statement of Financial Activities when receivable. They are not deferred over the life of the asset.

Red House School Limited

Notes to the Financial Statements
for the Year Ended 31 August 2021

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(c) Income recognition - continued

Grants of a revenue nature are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. All expenditure is categorised as "Expenditure on charitable activities".

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

The analysis of these costs is included in note 7.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:-

Freehold - buildings	- 2% on cost
Freehold - artificial sports pitch	- 8.33% on cost
Property improvements	- 6.67% on cost
Fixtures and fittings	- 25% on cost and 15% on cost
Motor vehicles	- 25% on cost

(g) Other investments

Other investments include freehold land and buildings that are no longer held for the benefit of the Charity's objectives.

(h) Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

(i) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(j) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans and finance leases which are subsequently measured at amortised cost using the effective interest method.

The notes form part of these financial statements

Red House School Limited

Notes to the Financial Statements
for the Year Ended 31 August 2021

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(k) Confirmation deposits

Confirmation deposits represent sums received to confirm acceptance of a pupil into the school. They are refundable on leaving education and are held as creditors until that time.

(l) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

(m) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

(n) Leases

Assets acquired under finance leases are capitalised and depreciated over the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

(o) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of some employees. Contributions are expensed as they become payable.

Retirement benefits to teachers of the school are provided by the Teachers' Pension Scheme (TPS). This is a defined benefit scheme which is externally funded and contracted out of the State Earnings - Related Pension Scheme. Contributions to the scheme are calculated so as to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method. The TPS is a multi-employer scheme and the school is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

(p) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(q) Going concern

As a result of the outbreak of Coronavirus (Covid-19) there is some financial uncertainty in the UK. However, the trustees have reviewed the school's financial position and level of reserves and the school has contingency plans, which have been proven to work, in the event of a school closure. The trustees therefore have a reasonable and proper expectation that the school has adequate resources and plans in place to continue in operational existence for a period of twelve months from approving these financial statements. Accordingly, the trustees believe that the going concern basis of preparation remains appropriate.

The notes form part of these financial statements

Red House School Limited

Notes to the Financial Statements
for the Year Ended 31 August 2021

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(r) Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 of the revision, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

(s) Government grants

The school received government grants in respect of the Coronavirus Job Retention Scheme. These grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the school will comply with conditions attached to them. The grants were received using the accrual model.

2 INCOME FROM DONATIONS AND LEGACIES

	2021	2020
	£	£
Gifts	<u>22,237</u>	<u>1,719</u>

Income from donations and legacies was £22,237 (2020: £1,719) of which £22,237 (2020: £1,719) was attributable to unrestricted funds.

3 INCOME FROM CHARITABLE ACTIVITIES

	2021	2020
	£	£
School fees	3,434,949	3,101,447
Registration fees	2,425	1,575
School uniform sales	54,092	60,196
Catering & other income	171,955	183,846
Co-curricular activities	51,908	114,198
	<u>3,715,329</u>	<u>3,461,262</u>

The above income is attributable to unrestricted funds.

4 INCOME FROM INVESTMENTS

	2021	2020
	£	£
Interest – deposits	<u>202</u>	<u>4,140</u>

Income from investments was £202 (2020: £4,140) of which £202 (2020: £4,140) was attributable to unrestricted funds.

The notes form part of these financial statements

Red House School Limited
Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

5 OTHER INCOME

	2021	2020
	£	£
Government grants receivable - Coronavirus Job Retention Scheme	32,670	108,340
	<u>32,670</u>	<u>108,340</u>

Other income was £32,670 (2020: £108,340) of which £32,670 (2020: £108,340) was attributable to unrestricted funds.

6 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Educational Activities £	Support Costs £	Total 2021 £	Total 2020 £
Teaching staff	2,173,307	-	2,173,307	2,092,784
Educational support costs	684,315	-	684,315	647,585
Support costs (see note 7)	-	410,857	410,857	375,235
Catering costs	79,420	-	79,420	67,748
Uniform costs	44,700	-	44,700	43,869
Depreciation and loss on disposal of assets	128,953	-	128,953	125,152
Interest payable	54,084	-	54,084	55,623
Bank charges	2,594	-	2,594	1,603
Co-curricular activities	51,908	-	51,908	114,198
	<u>3,219,281</u>	<u>410,857</u>	<u>3,630,138</u>	<u>3,523,797</u>

£617 (2020: £564) of the above costs were attributable to restricted funds. £3,629,521 (2020: £3,523,233) of the above costs were attributable to unrestricted funds.

7 ALLOCATION OF SUPPORT COSTS

Support cost	Basis of allocation	2021 £	2020 £
Governance (see note 8)		159,036	145,595
Senior management	Allocated on time basis	114,699	109,133
Admin staff costs	Allocated on time basis	137,122	120,507
Total		<u>410,857</u>	<u>375,235</u>

8 GOVERNANCE COSTS

	Basis of allocation	2021 £	2020 £
Senior management	Allocated on time basis	12,744	12,126
Admin staff costs	Allocated on time basis	99,504	93,981
Auditor's remuneration (see note 10)	Governance	11,500	11,300
Legal & professional fees	Governance	35,288	28,188
		<u>159,036</u>	<u>145,595</u>

The notes form part of these financial statements

Red House School Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

9 NET MOVEMENT IN FUNDS

Net movement in funds is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets - owned assets	123,888	118,298
Depreciation of tangible fixed assets - leased assets	5,364	5,364
(Profit)/ loss on disposal of tangible fixed assets - owned assets	(299)	1,490
Operating lease rentals	32,691	20,040
	<u>32,691</u>	<u>20,040</u>

10 AUDITOR'S REMUNERATION

	2021	2020
	£	£
Fees payable to the charity's auditor for the audit of the charity's annual accounts	11,500	11,300
Fees payable to the charity's auditor for other services	15,965	11,966
Fees payable to the charity's auditor in respect of the Teachers' pension plan	1,100	1,100

11 TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES

The trustees neither received nor waived any remuneration during the year (2020: £Nil).

The total amount of employee remuneration benefits received by key management personnel is £437,368 (2020: £420,877).

The trustees did not have any expenses reimbursed during the year (2020: £Nil).

12 STAFF COSTS AND EMPLOYEE BENEFITS

The average monthly headcount was 84 staff (2020: 82 staff) and the average monthly full-time equivalent employees (FTE) during the year were as follows:

	2021	2020
Charitable activities	59	60
Governance	3	3
	<u>62</u>	<u>63</u>

The total staff costs and employees' benefits was as follows:-

	2021	2020
	£	£
Wages & salaries	2,166,765	2,076,983
Social security costs	198,359	183,448
Defined contribution pension costs	23,718	22,499
Defined benefit pension operating costs	337,825	344,421
	<u>2,726,666</u>	<u>2,627,351</u>

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2021	2020
	Number	Number
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-

The notes form part of these financial statements

Red House School Limited
Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

13 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £	2020 £
Bank loans and overdrafts	51,998	53,356
Finance lease	2,086	2,267
	<u>54,084</u>	<u>55,623</u>

14 TANGIBLE FIXED ASSETS

	Freehold property £	Property Improvements £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or deemed cost:					
At 1 September 2020	4,611,077	557,860	298,235	7,000	5,474,172
Additions	-	184,114	74,565	-	258,679
Disposals	-	-	-	(7,000)	(7,000)
	<u>4,611,077</u>	<u>741,974</u>	<u>372,800</u>	<u>-</u>	<u>5,725,851</u>
At 31 August 2021					
Depreciation:					
At 1 September 2020	258,779	53,216	145,225	6,999	464,219
Charge for year	41,223	37,232	50,797	-	129,252
Elimination on disposals	-	-	-	(6,999)	(6,999)
	<u>300,002</u>	<u>90,448</u>	<u>196,022</u>	<u>-</u>	<u>586,472</u>
At 31 August 2021					
Net book value:					
At 31 August 2021	<u>4,311,075</u>	<u>651,526</u>	<u>176,778</u>	<u>-</u>	<u>5,139,379</u>
At 31 August 2020	<u>4,352,298</u>	<u>504,644</u>	<u>153,010</u>	<u>1</u>	<u>5,009,953</u>

Included in the deemed cost of land and buildings is freehold land of £2,549,935 (2020: £2,549,935).

Tangible fixed assets held at deemed cost

The historic cost equivalent of land and buildings included at deemed cost are as follows:-

	2021 Land & Buildings £	2020 Land & Buildings £
Cost	2,716,796	2,716,796
Accumulated depreciation	(741,264)	(700,041)
	<u>1,975,532</u>	<u>2,016,755</u>

Freehold land and buildings above were recognised using previous valuations as deemed cost on transition to SORP (FRS 102).

Red House School Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

14 TANGIBLE FIXED ASSETS – continued

Included in the total net book value of fixtures and fittings was £14,305 (2020: £19,670) in respect of assets held under finance leases.

Details regarding tangible fixed assets pledged as security for liabilities of the charity are shown in notes 17, 18 and 19.

15 STOCKS

	2021	2020
	£	£
Uniforms	65,727	59,139
Food	3,629	2,000
Cleaning products	2,451	6,860
	<u>71,807</u>	<u>67,999</u>

All stock held is for charitable activities.

16 DEBTORS

	2021	2020
	£	£
Fees debtors	29,049	59,822
Other debtors	104,944	81,495
Prepayments & accrued income	17,631	24,074
	<u>151,624</u>	<u>165,391</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans & overdrafts	90,104	23,537
Trade creditors	141,697	43,560
Other tax & social security	53,192	130,030
Other creditors	41,345	60,424
Fees in advance	509,850	455,936
Confirmation deposits received	8,600	6,800
Accruals & deferred income	55,244	88,228
Finance leases	5,839	8,929
	<u>905,871</u>	<u>817,444</u>

Bank loans and overdrafts totalling £1,977,689 (2020: £2,000,000) are secured by a first legal mortgage over all the freehold property and a mortgage debenture over all the charity's assets.

Finance leases are secured on the assets to which they relate.

Red House School Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

18 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans & overdrafts	1,887,585	1,976,463
Confirmation deposits received	62,000	62,400
Finance leases	-	5,208
	<u>1,949,585</u>	<u>2,044,071</u>

Bank loan terms of repayment are over 48 months and interest is payable at 2.5% above Yorkshire Bank's base rate.

Bank loans and overdrafts totalling £1,977,689 (2020: £2,000,000) are secured by a first legal mortgage over all the freehold property and a mortgage debenture over all the charity's assets.

Finance leases are secured on the assets to which they relate.

19 LEASES

(a) Finance lease – lessee

Total future minimum finance lease payments are as follows:

	2021	2020
	£	£
Not later than one year	7,553	10,385
Later than one and not later than five years	-	7,552
	<u>7,553</u>	<u>17,937</u>
Less finance charges	1,714	3,800
	<u>5,839</u>	<u>14,137</u>

(b) Operating leases – lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than one year	31,521	31,521
Later than one and not later than five years	46,717	57,136
	<u>78,238</u>	<u>88,657</u>

Red House School Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

20 FUND RECONCILIATION

Unrestricted funds				
	Balance at 1 September 2020	Income	Expenditure	Balance at 31 August 2021
	£	£	£	£
Unrestricted	976,525	3,770,438	(3,629,521)	1,117,442
Revaluation reserve	2,335,543	-	-	2,335,543
	<u>3,312,068</u>	<u>3,770,438</u>	<u>(3,629,521)</u>	<u>3,452,985</u>
 Restricted funds				
	Balance at 1 September 2020	Income	Expenditure	Balance at 31 August 2021
	£	£	£	£
Capital fund	4,111	-	(617)	3,494
Graduate leader fund	3,740	-	-	3,740
	<u>7,851</u>	<u>-</u>	<u>(617)</u>	<u>7,234</u>

Fund descriptions

- (a) **Unrestricted funds**
The unrestricted funds represent the cumulative net income and expenses of the charity.
- (b) **Revaluation reserve**
The revaluation reserve represents the effect of the revaluation of land and buildings at the date of transition to SORP (FRS 102)
- (c) **Restricted funds**
Capital fund:
This represents a donation of £3,800 towards the sports pitch and a £2,000 donation from the PTA towards the cost of a piano. Transfers will be made from the fund to offset depreciation charged on these assets.
- Graduate leader fund:
This represents a grant from Stockton on Tees Borough Council to support staff training, development and recruitment to provide the best possible start for children and safeguard affordability of childcare provision for parents.

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fixed assets	5,135,885	3,494	5,139,379
Current assets	1,172,556	3,740	1,176,296
Current liabilities	(905,871)	-	(905,871)
Creditors more than one year	(1,949,585)	-	(1,949,585)
Total	<u>3,452,985</u>	<u>7,234</u>	<u>3,460,219</u>

The notes form part of these financial statements

Red House School Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

22 RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income for year	140,300	51,664
Investment income	(202)	(4,140)
Interest payable	54,084	55,623
Depreciation and loss on disposal of fixed assets	128,953	125,152
Decrease/(increase) in stock	(3,808)	2,950
(Increase)/decrease in debtors	13,767	(66,965)
(Decrease)/increase in creditors	(38,199)	(66,713)
	<u>294,895</u>	<u>97,571</u>
Net cash flow from operating activities	<u>294,895</u>	<u>97,571</u>

23 ANALYSIS OF CHANGES IN NET DEBT

	Balance at 1 September 2020	Cash flow	Balance at 31 August 2021
	£	£	£
Cash and cash equivalents			
Cash at bank and in hand	938,091	14,774	952,865
Debt			
Debts falling due within 1 year	(32,466)	(63,477)	(95,943)
Debts falling due after 1 year	(1,981,671)	94,086	(1,887,585)
	<u>(2,014,137)</u>	<u>30,609</u>	<u>(1,970,530)</u>
	<u>(1,076,046)</u>	<u>45,383</u>	<u>(1,017,665)</u>

24 PENSIONS AND OTHER POST-RETIREMENT BENEFITS

(a) Defined contribution pension plans

The charity operates a defined contribution pension plan for some employees. The amount recognised as an expense in the year was £23,718 (2020: £22,499).

The defined contribution liability is allocated to unrestricted funds.

(b) Defined benefit pension plans

The teachers of the school belong to the Teachers' Pension Scheme England and Wales (TPS). The scheme is a defined benefit scheme. The total pension cost was £337,825 (2020: £344,421). At the year-end contributions of £40,993 (2020: £39,712) were outstanding at the balance sheet date.

Red House School Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

24 PENSIONS AND OTHER POST-RETIREMENT BENEFITS - continued

INTRODUCTION

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

THE TEACHERS' PENSION BUDGETING AND VALUATION ACCOUNT

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

VALUATION OF THE TEACHERS' PENSION SCHEME

As a result of the latest scheme valuation employer contributions were increased in September 2019 from a rate of 16.4% to 23.6%. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses.

The next valuation is expected to take effect in 2023.

A copy of the latest valuation report can be found by following this link to [the Teachers' Pension Scheme website](#)

SCHEME CHANGES

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, rejected the Government's application for permission to appeal the Court of Appeal's ruling and subsequently referred the case to an Employment Tribunal to determine a remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

Since then, claims have also been lodged against the main public service schemes including the TPS. The Department has conceded those in line with the rest of the government. In July 2020 HM Treasury launched a 12-week public consultation which will provide evidence to support the delivery of an appropriate remedy for the affected schemes, including TPS.

A final remedy will be determined once the results of the consultation are established.

In December 2019, a further legal challenge was made against the TPS relating to an identified equalities issue whereby male survivors of opposite-sex marriages and civil partnerships are treated less favourably than survivors in same-sex marriages and civil partnerships. The Secretary of State for Education agreed not to defend the case. In June 2020, the Employment Tribunal recorded its findings in respect of the claimant. DfE is currently working to establish what changes are necessary to address this discrimination.

Any impact of these events will be taken into account when the next scheme valuation is implemented. This is scheduled to be implemented in April 2023, based on April 2020 data.

Red House School Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

25 RELATED PARTY TRANSACTIONS

Information about related party transactions and outstanding balances is outlined below:

	Income £	Expenditure £	Outstanding Balances (Trade creditors) £	Commitments £
Agne Limited a company of which Mr S Costigan is a director				
At 31 August 2021	-	8,052	245	-
At 31 August 2020	-	8,842	-	-

The expenditure of £2,455 (2020: £6,516) relates to marketing costs and £5,597 (2020: £2,326) relates to stationery, printing and signage.

26 FINANCIAL INSTRUMENTS

The carrying amounts of the charity's financial instruments are as follows:

	2021 £	2020 £
<i>Financial liabilities</i>		
Measured at amortised cost		
- Bank loans (see notes 17 and 18)	1,977,689	2,000,000
- Obligations under finance leases	5,839	14,137
	<u>1,983,528</u>	<u>2,014,137</u>

The expenses attributable the charity's financial instruments are summarised as follows:

	2021 £	2020 £
<i>Expenses</i>		
Financial liabilities measured at amortised cost		
Bank loan interest	(51,998)	(53,356)
Finance lease	<u>(2,086)</u>	<u>(2,267)</u>