

Charity Registration No. 528409

Company Registration No. 00787642 (England and Wales)

**MORETON HALL EDUCATIONAL TRUST LTD**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

# MORETON HALL EDUCATIONAL TRUST LTD

## LEGAL AND ADMINISTRATIVE INFORMATION

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| <b>Trustees</b>               | Dr L V Boon<br>Mr C M Heath<br>Mrs C M Neilson<br>Mrs S M Tunstall<br>Ms E J Flynn<br>Ms L Yule<br>Mr C N H Pursglove<br>Dr J J Dixey<br>Mr A L Stockdale<br>Dr M M Grant<br>Mrs A G Foulger<br>Mrs S E Groves<br>Mrs C A Jones<br>Ms S E Hincks | (Resigned 9 March 2020)<br><br><br><br><br><br><br><br><br><br><br><br><br><br>(Appointed 2 November 2020) |
| <b>Secretary</b>              | Mr I Davies  |  |
| <b>Charity number</b>         | 528409   |  |
| <b>Company number</b>         | 00787642   |  |
| <b>Registered office</b>      | Moreton Hall<br>Weston Rhyn<br>Oswestry<br>Shropshire<br>United Kingdom<br>SY11 3EW  |  |
| <b>Senior management team</b> | Mr G Budd, Principal<br>Mrs C Tilley, Vice Principal<br>Ms S Hughes, Head of Senior School<br>Mr I Davies, Financial Controller  | (Appointed 1 September 2019)   |
| <b>Auditor</b>                | Azets Audit Services<br>Column House<br>London Road<br>Shrewsbury<br>Shropshire  |  |

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# MORETON HALL EDUCATIONAL TRUST LTD

## TRUSTEES REPORT

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The trustees present their report and accounts for the year ended 31 August 2020.

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 governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)".

### Objectives and activities

#### Charitable object

The object of the Charity is to benefit the public through the advancement of education, including the provision of boarding and day schooling for girls from the age of 3 to 18 and boys aged 3 to 13, with overseas boys up to age 18 accommodated in a separate International Study Centre.

#### Aims

The School's principal aims are to provide:

- Provides an exceptional, kind, personalised and suitably challenging education in a nurturing and liberal boarding environment where pupils take pride in each other's achievements.
- Listens to each pupil so we can provide opportunities which encourage them to forge their own path, follow their individual dreams and accomplish what they never thought possible.
- Produces inquisitive pupils with the maturity, self-awareness and resilience to flourish in the modern world and fosters lifelong friendships between them.
- Nurtures grounded self-confidence, a willingness to give everything a go and the self-belief to tackle any challenge head-on.
- Creates articulate, diverse and entrepreneurial global citizens who make ambitious and environmentally responsible contributions to teams, society and business.
- Develops wellbeing, creativity, curiosity, intellectual independence and emotional intelligence in its pupils both within and beyond the classroom.
- Encourages its pupils to have a thirst for new experiences and innovation, to passionately join in and to put themselves forwards without fear of failure.
- Ensures that every pupil makes the best possible progress across the full spectrum of Moreton life, seeking excellence not perfection, and continues to do so once they leave us.

#### Objectives for the year

The trustees' main objective during this year of uncertainty and upheaval was to maintain the high standards of our joyous, aspirational and nurturing community, whether online or in person. While the pandemic raged outside our gates and reached into our school, Moreton planned, pivoted, innovated and ultimately, flourished.

Whilst planning the objectives for the year under review the trustees kept in mind the Charity Commission's guidance on public benefit. The trustees' objectives for the year under review were to maintain the academic standards of the School; to be able to fund development while at the same time holding fees as low as possible and ensuring a proper level of reward for employees; to promote open access to the School by maintaining and if possible increasing the provision of bursaries; to achieve further progress with the development plan for improving facilities; to promote links between the School and the local community including schools in the maintained sector.

#### Strategies to achieve the year's objectives.

The pandemic required innovation in every area of the school. With the assistance of our IT department, our teaching staff successfully moved to online teaching, with positive feedback for our online learning provision from both pupils and parents. Administration staff worked from home during lockdown. While buildings sat empty, our maintenance department completed several building projects, including a new library, junior art suite and common room for year 11, and an archive room. The trustees took a number of unprecedented steps to keep the school financially stable and to address the needs of parents during this time: school fees were reduced for the Summer term 2020, and staff placed on furlough when necessary. During these adjustments, our academic programme remained at its normal pace and our rich and varied extracurricular activities continued, either online or in person.

# MORETON HALL EDUCATIONAL TRUST LTD

## TRUSTEES REPORT

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The trustees' strategy for achieving these objectives during the year has been to monitor the academic achievements of the School and to engage with the Principal and his colleagues on developments in the curriculum; to monitor the financial performance of the School and to approve a budget for the year which produces a surplus sufficient to support the School's development plan, whilst also taking into consideration the pressure that substantial fee increases can have on family budgets; to build a bursary appeal fund through the School's Foundation; to use the resources of the School's foundation to offer bursary support to students from local maintained schools; to subsidise places for local students and Moreton Hall students.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

### Significant activities

The principal activity this year has been to maintain our academic, pastoral and extracurricular standards during the pandemic while shifting to pandemic rules and online learning. When awarded the Boarding School of the Year 2021 by Tes Independent School Awards, the judges said, "Moreton Hall wowed judges with its commitment to its students and the wider community, exemplifying the best of the boarding school sector and managing the difficulties of the pandemic with aplomb."

Despite the obstacles, Moreton accomplished a great deal during this year. We successfully transitioned to online schooling and kept the closeness and spirit of the school alive. The extensive society calendar of events moved online, and masterclasses were added. Pastoral care remained outstanding. We created initiatives to deal with COVID changes, including a bespoke six-week programme of life skills and A-Level and university preparation for Years 11 & 13 to fill the gap left in their time table when exams were cancelled. When our new community theatre, the Holroyd, was shuttered, Moreton continued to champion the local arts community by providing a virtual weekly venue for performing artists and their audiences. Our performing arts academy, Face2Face, continued and offered sessions free of charge to local pupils. Moreton also opened the ACE Sports Performance Hub which allows the school to provide to the community for sport what we already offer across the performing arts.

### Grant-making

The School has a bursary appeal fund, which is administered within its Foundation, which gives financial support to parents whose child has been awarded a place at the School but who cannot afford the full fees. The School also provides bursaries funded from its own income. All bursaries are means tested up to 100% of fees and reviewed annually. The School also awards scholarships to pupils who show exceptional academic, musical, sporting or artistic promise.

During the year the School was able to award £3,624,611 (2019 - £3,640,617) in scholarship awards for academic, sport, musical, artistic and all-round excellence, and means tested bursaries designed to widen access to the School's education and relieve hardship where the pupil's education and prospects would otherwise be at risk.

### Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

### Achievements and performance

#### Charitable activities

The extent to which the School achieves its aims cannot be measured by examination results alone. There are a range of indicators, not all measurable in quantitative terms, which show how well the School is providing an academic environment with high aspirations, an appropriate academic challenge which enables each pupil to realise their full potential, a wide range of activities through which children can develop a breadth of interests and learn to work cooperatively, a caring, supportive and well-ordered environment in which children from a variety of social backgrounds can feel secure and equally valued, and an ethos which encourages spiritual and personal development.

The School's financial performance is measured against the budget for the year with monthly management accounts which compare actual and budgeted expenditure and income, thus ensuring that, providing there are no unforeseen exceptional variations in expenditure or income, there are no significant variations from budget.

The Charity is continuing to develop wider community links. The development of the Holroyd Community Theatre, opened in November 2019, will cement Moreton's reputation as a regional hub for the Arts. In addition, the charity has developed a key role in supporting the staff and pupils of a nearby state school. On a weekly basis, Moreton offers local students' extra tuition in core subjects, with an emphasis on the gifted and talented, ensuring that the most able pupils receive the stretch and challenge they require.

# MORETON HALL EDUCATIONAL TRUST LTD

## TRUSTEES REPORT

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The Charity also encourages widening participation by inviting pupils from local schools to events such as the Annual Careers Convention and Moreton Means Business Conference.

While some performance factors are clearly within our control, for example quality of teaching staff, other factors are not, which was even more apparent this year as the nation moved into lockdown. We count ourselves fortunate in being able to acknowledge the positive contribution made to this year's achievements by a number of factors not susceptible to control, such as our pupils' striving for excellence and their parents' endorsements of the life values we seek to inculcate. At A Level, over 91% of grades achieving A\* to B, whilst at GCSE, 63% of all entries achieving top grades 9 – 7.

In December 2018, the school was inspected by the Independent Schools Inspectorate and was awarded the top grade of 'Excellent' for the quality of the achievement of the pupils, including their academic development, and their personal development.

The Enrichment programme within the school continues to develop with an extensive programme of lectures, clubs and societies taking learning beyond the syllabus. These activities continued online when we could no longer meet in person. The school achieves outstanding results beyond the classroom including success in Mathematical Olympiads, Physics Olympiads, Oxford Essay competitions and National Arts Awards. Additionally, the school has a long-standing reputation for Spoken English and the Performing Arts where students achieve recognition of their talents.

The school's Enrichment Programme, which was originally designed to assist in the preparation of Oxbridge candidates, has now been extended to each year group and is available to every girl in the school. It is designed to challenge and stretch girls and aims to provide every pupil with an education that is as broad as it is deep. Academic Societies include Gertrude Bell, aimed at girls with an interest in anthropology, geography and archaeology; Pi, for would-be engineers and mathematicians; Jenner, for pupils hoping to pursue a career in every field of medicine; and Bronwen, open to every girl in the school to develop thinking skills and explore areas not covered by the examination boards. For those who intend to apply to Oxbridge (or other highly competitive Universities), an accelerated programme of tutorials, seminars and intensive interview practice is on offer.

The Lady Barbirolli Music Society provides students with opportunities to receive professional level coaching through a series of masterclasses and workshops run by professional musicians.

Now in its ninth year, the Jenner Society is a Medical Science Society, established and run by the Lower Sixth Form students, which invites speakers to discuss biological developments and encourages attendance at a range of events and workshops to help girls interested in Medical and Veterinary Science.

The Bronwen Society provides a diverse collection of lectures and trips to inspire Moreton students beyond the confines of the curriculum.

There is a strong commitment to co-curricular activities for all pupils. The extended curriculum programme is designed to encourage girls to pursue a broad base of extended curriculum and enrichment activities whilst allowing the flexibility to follow special interests. Activities are tailored to each year group and offered for an hour every day after school. Year 7 and 8 children are expected to take at least four activities, Year 9 and above, three. In reality, participation rates are higher than this. Students are welcome to suggest activities they would like added to the programme, as they did this year with yoga and mindfulness.

Our societies are just one aspect of our extracurricular programme, which also include Spoken English and debating, for which Moretonians regularly achieve national success, and sports, drama, art and music in many forms. Moretonians can be found at the national level across the performing arts and sports.

Student-led Moreton Enterprises (ME), a cornerstone of our entrepreneurial education, achieved turnover of £18,967 (2019: £34,284). This year, ME opened an online tuck and a Courtyard Cafe and held the Moreton Means Business conference, which offered lectures and workshops from professionals to Moretonians and invited local students.

The DofE Award has continued to thrive at Moreton Hall throughout the pandemic. A total of 20 Lower 5 students are working towards the Bronze Award and 33 Sixth Form pupils (19 Upper 6 and 14 Lower 6) are preparing for the Gold Award. Like most schools, we have taken advantage of the changes to assessment authorised during the Covid Pandemic: overnight camps for expeditions have been in the school grounds and students are allowed to volunteer for a family member. There has been no change to the policy that the School does not undertake the Silver programme.

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Sport is truly for every pupil at Moreton, as we understand how vital exercise is for both physical and mental health. While our Sports Department provides carefully monitored programmes for elite athletes, they also provide the same level of care for those pupils who are still searching for the activity that suits them best. Moreton offers a choice of more than 20 sports. Pupils have access to enhanced and specialist coaching from sporting teachers and professionals. We invite current international players and coaches to deliver special training days and workshops and regularly take pupils to events which benefit their physical and mental development.

This year, Moreton ranked in the top 35 independent schools for sport. We enhanced our strong sports offering by redeveloping our golf course, appointing a new Head of Lacrosse Development and opening of our ACE Sports Hub, which opens our facilities and expertise to the wider region.

### **Lacrosse 19 -20**

The 1st team are North Schools' Champions, 1st Team Qualified for the championship groupings at National schools which is the top 8 nationally, Qualified for the Challenge Cup (for top 10 schools in the Country) and Shropshire North County A Champions. The 2nd team are North Schools' Champions, Welsh Rally Winners. The 2nd Team also were finalists at National schools.

The U15 Team are Welsh Rally winners. They also finished top 8 at National Schools' & the U15 team were North schools' winners. The U14 team were North Schools' Champions and Welsh Rally Winners. They finished Top 8 at National Schools. The U13 Team Won the prep school tournament and also the Packwood Prep schools Tournament. There were no national schools for U13 and U12 due to the pandemic.

Home Internationals was cancelled due to the pandemic, however 3 of our girls were selected for Home Internationals team to represent their country. Seven pupils from Moreton have some National representation for either England Lacrosse or Welsh Lacrosse.

### **Hockey**

1sts, 2nds and 3rds at Senior level all out representing Moreton.

U16 Shropshire Schools County Winners.

U16 Girls by reaching the Regional Final the girls qualified for National Finals.

U16 Tier 3 Investec Girls Schools Championships National Final Winners held at Reading Hockey Club.

U13 Shropshire Schools Runners Up.

U12 Shropshire Schools County Winners.

Due to the pandemic, no Summer sports took place in the academic year as we went into lockdown in March 2020.

### **Fundraising activities**

Like the rest of the school, Foundation activities had to pivot with the pandemic. Before the lockdown, the Foundation held dinners and quiz nights to promote Moreton in our communities. Unfortunately, we were forced to cancel our popular Annual Business Lunch and OM reunions as they could not take place in-person. The Foundation laid the groundwork for the next Capital projects and continues to support the Holroyd Community Theatre.

### **Investment performance**

The Charity does not have specific investment objectives, as the investments held are minimal. Investment performance is not therefore measured. All investment decisions are made within the restrictions imposed by the Memorandum and Articles of Association.

### **Financial review**

A summary of the results of operations for the year is given in the statement of financial activities on page 11. The school's operating deficit before exceptional items, of £130,274 (2019 - surplus £325,182). Because of the impact of COVID-19, these results were not in line with what had previously been budgeted. The results, however, are considered to be very satisfying considering the extraordinary circumstances of the past year.

### **Appropriation of resources**

The trustees recommend that any unrestricted surplus at the end of the year be carried forward. It is anticipated that a significant amount of these reserves will be used to fund future capital projects.

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## TRUSTEES REPORT

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### Fixed assets

The valuation of the land and buildings in the Charity depends largely on their continued use as a boarding School or similar activity. The trustees are satisfied that there is not a significant difference between the market value of the land and buildings and the value at which they are shown in the Financial Statements. Changes in fixed assets during the year are set out in the notes to the financial statements.

### Reserves policy

The total funds of the School as at 31st August 2020 were £6,829,105 (2019: £6,959,379). Of these £5,621,124 were unrestricted funds, and £1,207,981 restricted funds. Of the £5,621,124 of unrestricted funds, £8,213,014 is represented by tangible fixed assets. Therefore, the School currently has a deficit on free reserves of £2,591,890 which primarily represents funds expended on fixed assets which have been financed through working capital.

The deficit on free reserves is consistent with the trustees' medium term (5 to 10 year) projections, with cash flow projections to the years ended 31 August 2024 having been produced and considered. The School aims to continue providing an excellent environment for pupils at the School by improving on the facilities of the School both in terms of academic and pastoral provision. The programme is reviewed and updated on a regular basis, along with its impact on cash flows. In addition to the improvements programme the School has undertaken a buildings condition survey to ensure that an adequate maintenance programme is in place to protect the fabric of the current plant for the long term. The School believes that it is able to operate with a deficit on free reserves and over the foreseeable future to continue to finance these two programmes through surpluses.

The reserves policy of the school will be reviewed on an annual basis by the trustees.

### Risk management

The trustees are responsible for the management of the risks faced by the School. Detailed considerations of risk are delegated to the senior management team of the School. Risks are identified and assessed, and controls established throughout the year. A formal review of the Charity's risk management processes is undertaken on an annual basis.

The key controls used by the Charity include:

- formal agendas for all Committee and Board activity.
- comprehensive strategic planning, budgeting, management accounting, and cash flow forecasting.
- established organisational structure and line of reporting.
- formal written policies, including health and safety, crisis management, and compliance with all relevant legislation applicable to schools.
- clear authorisation and approval levels; and
- vetting procedures as required by law for the protection of children

Through the risk management processes established for the School, the trustees are satisfied that the major risks to which the School is exposed, as identified by the trustees, have been reviewed and systems or procedures have been established to manage those risks. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Management has considered the Covid-19 scenario and concluded that it will continue to have a material impact on income. As such, appropriate steps have been taken to ensure the school continues to operate to the highest standards, these measures include utilising the various Government schemes and careful control of all expenditure.

Revised budgets, prepared by management and reviewed by Trustees, show the school is able to operate within its agreed banking facilities despite the Covid impact. As such, both management and trustees are confident they have the appropriate strategy in place to deal with future challenges. That said, although the position remains under constant review, based on the facilities available, it is considered appropriate to prepare the accounts on a going concern basis.



# MORETON HALL EDUCATIONAL TRUST LTD

## TRUSTEES REPORT

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### Future plans

- to deliver our strategic plan, Values Vision and Commitments.
- to continue to develop the school's non-core activities to ensure that facilities within the school are utilised outside of the academic year, with particular emphasis on the development of our Summer School business.
- to continue to review the academic syllabus.
- to maintain the current high standards of academic achievement as measured by external public examinations.
- to continue to seek new ways to provide and promote extracurricular opportunities of an extraordinary range and quality to build confidence and resilience.
- to widen access to the school still further by extending the provision of means-tested bursaries.
- to place Moreton invaluable at the heart of our local educational community by building partnerships and sharing resources with local schools to the mutual benefit of all involved.
- to continue to build and encourage community access to the schools' facilities.
- to redevelop key buildings.
- to position Moreton Prep as one of the top 10 small independent prep schools in the country.

### Theatre Project

The Holroyd Community Theatre was completed in November 2019. The Theatre will be utilised by the surrounding primary and secondary state schools which will have access to the theatre as well as teaching, performances and workshops from the Moreton Hall drama department. Moreton's Face2Face Performance Academy, which is open to and has a significant following from the local community, will also be able to expand its programme of drama, dance and musical theatre. North Shropshire Music for local musicians from Shropshire and the Welsh Borders will also benefit from this facility and will make the theatre their home.

### Structure, governance and management

Moreton Hall Educational Trust Limited is a charitable company limited by guarantee and therefore has no share capital. Each member is liable, upon the winding up of the company, to an amount not exceeding £2. The charity was incorporated on 10th January 1964.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. The Memorandum and Articles were drawn up on 9th December 1963.

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:

|                    |                             |
|--------------------|-----------------------------|
| Dr L V Boon        |                             |
| Mr C M Heath       |                             |
| Mrs C M Neilson    |                             |
| Mrs S M Tunstall   |                             |
| Ms E J Flynn       |                             |
| Ms L Yule          |                             |
| Mr C N H Pursglove |                             |
| Dr J J Dixey       |                             |
| Mr A L Stockdale   |                             |
| Dr M M Grant       | (Resigned 9 March 2020)     |
| Mrs A G Foulger    |                             |
| Mrs S E Groves     |                             |
| Mrs C A Jones      |                             |
| Ms S E Hincks      | (Appointed 2 November 2020) |

The directors retiring by rotation who, being eligible, are available for re-election are:

Mr C N H Pursglove  
Dr J J Dixey  
Mr C M Heath  
Mrs C M Neilson

# MORETON HALL EDUCATIONAL TRUST LTD

## TRUSTEES REPORT

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### **Recruitment and appointment of new trustees**

Trustees are appointed by the existing board of trustees in accordance with the company's Memorandum and Articles of Association. There is no set time limit for a trustee's term in office, although each year one third of the board retire by rotation. No fee or remuneration is payable to trustees, other than reimbursement, if claimed, of reasonable costs incurred in attending meetings. A trustee who is disqualified from acting under the Charities Act 2011 or does not meet all the conditions as set out in point 40 of Articles of Association, will cease to be a trustee.

In appointing new trustees, the Board first reviews the skills and expertise available among serving trustees, looking at educational, financial, legal, charity and business skills. Having identified the skills and expertise required trustees discuss suitably qualified candidates and then appoint the most suitable candidate. The Board looks to have an appropriate gender balance among trustees and to have among the trustees, Old Moretonians (former pupils of the school), and former parents.

The School has taken out trustee indemnity insurance. This covers claims made against the School in respect of trustees' liability arising from any negligent act, error or omission committed in good faith.

### **Induction and training of new trustees**

All new trustees are invited to spend a day at the school, which usually coincides with their first trustee meeting, and includes a complete tour of the school and meetings with relevant senior management. They are also encouraged to attend any seminars specifically relevant to their role as trustee. New trustees appointed as members of the Finance Committee are briefed on the School's financial position by the chairman of the Committee. All Governors undertake relevant safeguarding training and receive regular updates on safeguarding provision from the school's DSL.

### **Organisational structure**

The trustees of the Charity are responsible for the overall management and control of the School and meet three times a year. There is one principal trustee sub-committee. The Finance Committee meets before each meeting of the full trustees, and addresses matters relating to finance. Mr A L Stockdale was chairman of the finance committee during the year.

The work of implementing most of the trustees' policies and the day to day running of the School is delegated to the Principal, the Financial Controller and the Senior Management Team. The Principal and Financial Controller attend all full Trustee and Finance Committee meetings.

### **Key management personnel remuneration policy**

The pay of key management personnel is reviewed annually by the governors. The charity benchmarks remuneration against other similar sized independent schools, using both AGBIS and the Baines Cutler salary surveys.

### **Wider network**

Moreton Hall belongs to several representative bodies in the independent school sector, whose goal is the enhancement of the highest standards of education. We are also seeking to increase our contact with local charities and schools in our ongoing endeavours to widen public access to the schooling we can provide and to optimise the use of our cultural and sporting facilities. The school also benefits from the generosity of a thriving network of Old Moretonians whose close support we greatly appreciate.

### **Related parties**

The Charity has a wholly owned non-charitable subsidiary, Moreton Hall Services Limited, whose trading performance is disclosed in the consolidated accounts which are publicly available from the Registrar of Companies, Cardiff.

The Holroyd Community Theatre Company Limited is a dormant company.

### **Disclosure of information to auditor**

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

The trustees report, including the strategic report, was approved by the Board of Trustees.

**Dr J J Dixey**

Trustee

Dated: 27 May 2021

# MORETON HALL EDUCATIONAL TRUST LTD

## TRUSTEES REPORT

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### **Statement of trustees' responsibilities**

The trustees, who are also the directors of Moreton Hall Educational Trust Ltd for the purpose of company law, are responsible for preparing the Trustees Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts 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 accounts, 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 accounts 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 accounts 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.

# MORETON HALL EDUCATIONAL TRUST LTD

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MORETON HALL EDUCATIONAL TRUST LTD

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#### Opinion

We have audited the financial statements of Moreton Hall Educational Trust Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise Group Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, the Group Consolidated Balance Sheet, the Group Consolidated Statement of Cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2020, and of the group's incoming resources and application of resources 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

#### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# MORETON HALL EDUCATIONAL TRUST LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF MORETON HALL EDUCATIONAL TRUST LTD

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#### **Opinion 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, which includes the directors' report and strategic report prepared for the purpose of company law, 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 included within the trustees 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 group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Trustees**

As explained more fully in the statement of trustee responsibilities, the trustees, who are also the directors of the group for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 group's and the parent 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 group or the parent 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.

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

**Dawn Owen BA (Hons) FCA BFP FCA (Senior Statutory Auditor)**  
**for and on behalf of Azets Audit Services**

**Chartered Accountants**

Column House  
London Road  
Shrewsbury  
SY2 6NN

# MORETON HALL EDUCATIONAL TRUST LTD

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

|   | Notes | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|---|-------|----------------------------|--------------------------|--------------------|--------------------|
| <b><u>Income and endowments from:</u></b> |       |                            |                          |                    |                    |
| Donations and legacies                    | 3     | 5,350                      | 18,578                   | 23,928             | 110,699            |
| Charitable activities                     | 4     | 8,479,070                  | -                        | 8,479,070          | 10,326,596         |
| Investments                               | 5     | 1,737                      | -                        | 1,737              | 722                |
| Activities for generating funds           |       |                            |                          |                    |                    |
| - Trading Company                         |       | 18,967                     | -                        | 18,967             | 34,284             |
| Other income                              | 6     | 696,458                    | -                        | 696,458            | 50,000             |
| <b>Total income and endowments</b>        |       | <b>9,201,582</b>           | <b>18,578</b>            | <b>9,220,160</b>   | <b>10,522,301</b>  |
| <b><u>Expenditure on:</u></b>             |       |                            |                          |                    |                    |
| Raising funds                             | 7     | 40,831                     | -                        | 40,831             | 43,256             |
| Charitable activities                     | 9     | 9,247,560                  | 40,176                   | 9,287,736          | 10,120,773         |
| Costs of generating funds                 |       |                            |                          |                    |                    |
| - Trading costs                           |       | 18,922                     | -                        | 18,922             | 32,859             |
| <b>Total resources expended</b>           |       | <b>9,307,313</b>           | <b>40,176</b>            | <b>9,347,489</b>   | <b>10,196,888</b>  |
| Net gains/(losses) on investments         | 13    | (2,945)                    | -                        | (2,945)            | (231)              |
| <b>Net movement in funds</b>              |       | <b>(108,676)</b>           | <b>(21,598)</b>          | <b>(130,274)</b>   | <b>325,182</b>     |
| Fund balances at 1 September 2019         |       | 5,729,800                  | 1,229,579                | 6,959,379          | 6,634,197          |
| <b>Fund balances at 31 August 2020</b>    |       | <b>5,621,124</b>           | <b>1,207,981</b>         | <b>6,829,105</b>   | <b>6,959,379</b>   |

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

All income and expenditure derive from continuing activities.

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

# MORETON HALL EDUCATIONAL TRUST LTD

## CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 AUGUST 2020

|  |       | <u>Group</u> |             | <u>Charity</u> |             |
|--|-------|--------------|-------------|----------------|-------------|
|  | Notes | 2020<br>£    | 2019<br>£   | 2020<br>£      | 2019<br>£   |
| <b>Fixed Assets</b>                          |       |              |             |                |             |
| Tangible assets                              | 14    | 10,053,265   | 9,545,891   | 10,052,740     | 9,545,191   |
| Investments                                  | 15    | 7,809        | 10,754      | 7,809          | 10,754      |
| Investments in subsidiary                    |       | -            | -           | 2              | 2           |
|  |       | <hr/>        | <hr/>       | <hr/>          | <hr/>       |
|  |       | 10,061,074   | 9,556,645   | 10,060,551     | 9,555,947   |
| <b>Current assets</b>                        |       |              |             |                |             |
| Stocks                                       |       | 8,370        | 16,723      | 5,735          | 15,026      |
| Debtors                                      | 17    | 280,400      | 549,715     | 282,477        | 549,715     |
| Cash at bank and in hand                     |       | 304,575      | 2,241,374   | 292,236        | 2,235,674   |
|  |       | <hr/>        | <hr/>       | <hr/>          | <hr/>       |
|  |       | 593,345      | 2,807,812   | 580,448        | 2,800,415   |
| <b>Creditors</b>                             |       |              |             |                |             |
| Amounts falling due within one year          | 19    | (2,473,141)  | (3,879,298) | (2,471,888)    | (3,883,519) |
| <b>Net current assets/(liabilities)</b>      |       | <hr/>        | <hr/>       | <hr/>          | <hr/>       |
|  |       | (1,879,796)  | (1,071,486) | (1,891,440)    | (1,083,104) |
| <b>Total assets less current liabilities</b> |       | <hr/>        | <hr/>       | <hr/>          | <hr/>       |
|  |       | 8,181,278    | 8,485,159   | 8,169,111      | 8,472,843   |
| <b>Creditors</b>                             |       |              |             |                |             |
| Amounts falling due after more than one year | 20    | (1,352,173)  | (1,525,780) | (1,352,173)    | (1,525,780) |
| <b>Net assets</b>                            |       | <hr/>        | <hr/>       | <hr/>          | <hr/>       |
|  |       | 6,829,105    | 6,959,379   | 6,816,938      | 6,947,063   |
| <b>Funds</b>                                 |       |              |             |                |             |
| Unrestricted funds                           |       | 5,621,124    | 5,729,800   | 1,207,981      | 5,717,484   |
| Restricted funds                             | 23    | 1,207,981    | 1,229,579   | 5,608,957      | 1,229,579   |
|  |       | <hr/>        | <hr/>       | <hr/>          | <hr/>       |
| <b>Total funds</b>                           |       | <hr/>        | <hr/>       | <hr/>          | <hr/>       |
|  |       | 6,829,105    | 6,959,379   | 6,816,938      | 6,947,063   |

The accounts were approved by the Board on 27 May 2021

**Dr J J Dixey**  
Trustee

# MORETON HALL EDUCATIONAL TRUST LTD

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

|   | Notes | 2020<br>£   | £ | 2019<br>£   | £ |
|---|-------|-------------|---|-------------|---|
| <b>Cash flows from operating activities</b>                   |       |             |   |             |   |
| Cash generated from operations                                | 27    | (808,154)   |   | 1,285,238   |   |
| <b>Investing activities</b>                                   |       |             |   |             |   |
| Purchase of tangible fixed assets                             |       | (890,374)   |   | (966,499)   |   |
| Sale proceeds on disposal of fixed assets                     |       | 250         |   | 4,912       |   |
| Interest received   |       | 1,737       |   | 722         |   |
| Financing costs   |       | (48,690)    |   | (54,853)    |   |
| <b>Net cash used in investing activities</b>                  |       | (937,077)   |   | (1,015,718) |   |
| <b>Financing activities</b>                                   |       |             |   |             |   |
| Repayment of bank loans                                       |       | (191,568)   |   | (171,353)   |   |
| New loan  |       | -           |   | 503,750     |   |
| <b>Net cash (used in)/generated from financing activities</b> |       | (191,568)   |   | 332,397     |   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   |       | (1,936,799) |   | 601,917     |   |
| Cash and cash equivalents at beginning of year                |       | 2,241,374   |   | 1,639,457   |   |
| <b>Cash and cash equivalents at end of year</b>               |       | 304,575     |   | 2,241,374   |   |
| <b>Relating to:</b>   |       |             |   |             |   |
| Bank balances and short-term deposits                         |       | 304,575     |   | 2,241,374   |   |



# MORETON HALL EDUCATIONAL TRUST LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2020*

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#### **1 Accounting policies**

##### **Charity information**

Moreton Hall Educational Trust Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is Moreton Hall, Weston Rhyn, Oswestry, Shropshire, SY11 3EW, United Kingdom.

##### **Group accounts**

These financial statements consolidate the results of the charity and its wholly owned subsidiary Moreton Hall Services Ltd on a line-by-line basis. In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for Moreton Hall Educational Trust Ltd. The charity income for the year was £9.2m (2019: £10.5m) with a deficit of £130k (2019: Surplus £325k).

#### **1.1 Accounting convention**

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") (effective 1 January 2019), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations, but which has since been withdrawn.

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

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the accounts, 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 accounts.

Management have considered the Covid-19 scenario and concluded that it will continue to have a material impact on income. As such appropriate steps have been taken to ensure the school continues to operate to the highest standards, these measures include utilising the various Government schemes and careful control of all expenditure.

Revised budgets have been prepared by management and reviewed by Trustees. These show the school is able to operate within its agreed banking facilities despite the Covid impact. As such both management and trustees are confident, they have the appropriate strategy in place to deal with the future challenges. That said although the position remains under constant review, based on the facilities available, it is considered appropriate to prepare the accounts on a going concern basis.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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 accounts.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

# MORETON HALL EDUCATIONAL TRUST LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1.4 Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be qualified with reasonable accuracy.

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.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

#### 1.5 Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to this category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

#### 1.6 Tangible fixed assets

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

|                       |  |
|-----------------------|--|
| Freehold property     | 2% - 10% straight line on cost                     |
| M & E work            | 2% on cost   |
| Fixtures and fittings | 20% - 33.3% on cost, 10% - 25% on reducing balance |
| Motor vehicles        | 25% on reducing balance                            |

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 net income/(expenditure) for the year.

It is the general policy of the school to only capitalise expenditure which exceeds £2,000.

#### 1.7 Fixed asset investments

The investment in the subsidiary company and unlisted investments are stated at cost at the balance sheet date. Listed investments are revalued to market value at each year end. The Statement of Financial Activities includes the net gains and losses on disposals throughout the year.

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at cost.

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

#### 1.9 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

# MORETON HALL EDUCATIONAL TRUST LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2020*

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#### **1.10 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.

#### **1.11 Creditors**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### **1.12 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 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.

##### ***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 receipts 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.

#### **1.13 Taxation**

The charity is exempt from corporation tax on its charitable activities.

#### **1.14 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.

# MORETON HALL EDUCATIONAL TRUST LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **1.15 Retirement benefits**

The school contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme, and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS17 therefore, the scheme is accounted for as a defined contribution scheme. The school contributes to individual personal pension schemes for non-teaching staff. Contributions to both schemes are charged to the SOFA as they become payable in accordance with the rules of the schemes.

### **1.16 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease.

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

### **1.17 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

During the year Moreton Hall Educational Trust received Coronavirus Job Retention Scheme grant income from the government of £646,458.

### **1.18 Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Designated funds are funds which the trustees have set aside for specific purposes as the need arises.

Restricted funds can only be used for specific purposes within the objects of the School. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

## **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 clear from other sources. The estimates and associated assumptions are based on historical experience and other factors that are 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.

**MORETON HALL EDUCATIONAL TRUST LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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**3 Donations and legacies**

|  | Unrestricted funds | Restricted funds  | Total 2020        | Total 2019        |
|--|--------------------|-------------------|-------------------|-------------------|
|  | £                  | £                 | £                 | £                 |
| Donations and gifts                      | 5,350              | 18,578            | 23,928            | 110,699           |
|  | <u>          </u>  | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>For the year ended 31 August 2019</b> | <u>-</u>           | <u>110,699</u>    |                   | <u>110,699</u>    |

**4 Charitable activities**

|  | Gross fees receivable | Remissions        | Registration fees | Other educational income | Total 2020        | Total 2019        |
|--|-----------------------|-------------------|-------------------|--------------------------|-------------------|-------------------|
|  | £                     | £                 | £                 | £                        | £                 | £                 |
| Sales within charitable activities       | 12,020,969            | (3,624,611)       | 24,782            | 57,930                   | 8,479,070         | 10,326,596        |
|  | <u>          </u>     | <u>          </u> | <u>          </u> | <u>          </u>        | <u>          </u> | <u>          </u> |
| <b>Analysis by fund</b>                  |                       |                   |                   |                          |                   |                   |
| Unrestricted funds                       | 12,020,969            | (3,624,611)       | 24,782            | 57,930                   | 8,479,070         |                   |
| Restricted funds                         | -                     | -                 | -                 | -                        | -                 |                   |
|  | <u>          </u>     | <u>          </u> | <u>          </u> | <u>          </u>        | <u>          </u> |                   |
|  | 12,020,969            | (3,624,611)       | 24,782            | 57,930                   | 8,479,070         |                   |
|  | <u>          </u>     | <u>          </u> | <u>          </u> | <u>          </u>        | <u>          </u> |                   |
| <b>For the year ended 31 August 2019</b> |                       |                   |                   |                          |                   |                   |
| Unrestricted funds                       | 12,788,434            | (3,640,617)       | 24,631            | 1,154,148                |                   | 10,326,596        |
| Restricted funds                         | -                     | -                 | -                 | -                        |                   | -                 |
|  | <u>          </u>     | <u>          </u> | <u>          </u> | <u>          </u>        |                   | <u>          </u> |
|  | 12,788,434            | (3,640,617)       | 24,631            | 1,154,148                |                   | 10,326,596        |
|  | <u>          </u>     | <u>          </u> | <u>          </u> | <u>          </u>        |                   | <u>          </u> |

**5 Investments**

|           | 2020              | 2019              |
|-----------|-------------------|-------------------|
|           | £                 | £                 |
| Dividends | 1,737             | 722               |
|           | <u>          </u> | <u>          </u> |
|           | 1,737             | 722               |
|           | <u>          </u> | <u>          </u> |

**MORETON HALL EDUCATIONAL TRUST LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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**6 Other income**

|              | <b>2020</b> | <b>2019</b> |
|--------------|-------------|-------------|
|              | <b>£</b>    | <b>£</b>    |
| Other income | 50,000      | 50,000      |
| JRS income   | 646,458     |             |
|              | <hr/>       | <hr/>       |
|              | 696,458     | 50,000      |
|              | <hr/>       | <hr/>       |

**7 Raising funds**

|                        | <b>2020</b> | <b>2019</b> |
|------------------------|-------------|-------------|
|                        | <b>£</b>    | <b>£</b>    |
| Fundraising activities | 40,831      | 43,256      |
|                        | <hr/>       | <hr/>       |

**MORETON HALL EDUCATIONAL TRUST LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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**8 Income from subsidiary's trading activities**

The Charity owns the whole of the share capital of Moreton Hall Services Ltd, a company registered in the United Kingdom with number 2964198, which continued as the trading arm of the School supplying staff, pupils and parents with a range of products on a continuing basis.

Its trading results for the year, as extracted from the audited accounts, are summarised below:

|  | <b>2020</b><br><b>£</b> | <b>2019</b><br><b>£</b> |
|--|-------------------------|-------------------------|
| Turnover                               | 18,967                  | 34,284                  |
| Cost of sales                          | <u>(15,322)</u>         | <u>(28,267)</u>         |
| <b>Gross profit</b>                    | 3,645                   | 6,017                   |
| Administrative expenses                | <u>(3,600)</u>          | <u>(6,218)</u>          |
| <b>Operating profit/(loss)</b>         | 45                      | (201)                   |
| <b>Interest payable</b>                | <u>-</u>                | <u>-</u>                |
| Net profit/(loss)                      | 45                      | (201)                   |
| Retained profit brought forward        | <u>12,316</u>           | <u>12,517</u>           |
| Distributions paid to parent           | <u>(194)</u>            | <u>-</u>                |
| <b>Retained profit carried forward</b> | <u><u>12,167</u></u>    | <u><u>12,316</u></u>    |

Gift aid payment of £194 distributed to Parent company. At 31 August 2020 there was amounts due to parent of £2,077 (2019: amounts owed £8,432).

Its balance sheet for the year, as extracted from the audited accounts, is summarised below:

|                          | <b>2020</b><br><b>£</b> | <b>2019</b><br><b>£</b> |
|--------------------------|-------------------------|-------------------------|
| Fixed assets             | 525                     | 700                     |
| Current assets           | 14,974                  | 15,829                  |
| Less current liabilities | <u>(3,330)</u>          | <u>(4,211)</u>          |
| <b>Net assets</b>        | <u><u>12,169</u></u>    | <u><u>12,318</u></u>    |
| Called up share capital  | 2                       | 2                       |
| Profit and loss account  | <u>12,167</u>           | <u>12,316</u>           |
| <b>Total equity</b>      | <u><u>12,169</u></u>    | <u><u>12,318</u></u>    |

**MORETON HALL EDUCATIONAL TRUST LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**9 Charitable activities**

|  | Education        | Teaching         | Welfare        | Premises       | Total<br>2020    | Total<br>2019     |
|--|------------------|------------------|----------------|----------------|------------------|-------------------|
|  | £                | £                | £              | £              | £                | £                 |
| Staff costs                                | -                | 5,867,864        | -              | -              | 5,867,864        | 6,111,165         |
| Depreciation and<br>Impairment             | 40,176           | -                | -              | 327,143        | 367,319          | 337,881           |
| Bad debts                                  | 21,116           | -                | -              | -              | 21,116           | (19,992)          |
| Hire of plant and<br>machinery.            | -                | -                | -              | -              | -                | -                 |
| Teaching costs                             | -                | 325,115          | -              | -              | 325,115          | 369,457           |
| House expenditure                          | -                | -                | 76,184         | -              | 76,184           | 99,156            |
| Medical and sanatorium                     | -                | -                | 26,666         | -              | 26,666           | 35,019            |
| Catering                                   | -                | -                | 313,365        | -              | 313,365          | 520,044           |
| School hospitality                         | -                | -                | 26,653         | -              | 26,653           | 124,183           |
| Building repairs and<br>maintenance        | -                | -                | -              | 100,459        | 100,459          | 128,065           |
| Special projects                           | -                | -                | -              | 34,955         | 34,955           | 25,138            |
| Grounds and gardens                        | -                | -                | -              | 27,524         | 27,524           | 26,397            |
| Security - night patrol                    | -                | -                | -              | 43,949         | 43,949           | 46,819            |
| Rates                                      | -                | -                | -              | 38,923         | 38,923           | 33,428            |
| Utilities                                  | -                | -                | -              | 236,430        | 236,430          | 263,903           |
| Insurance                                  | -                | -                | -              | 43,700         | 43,700           | 41,246            |
| Lettings                                   | 152,349          | -                | -              | -              | 152,349          | 214,401           |
| Other charitable expense                   | 350,736          | -                | -              | (196)          | 350,540          | 411,632           |
|  | <u>564,377</u>   | <u>6,192,979</u> | <u>442,868</u> | <u>852,887</u> | <u>8,053,111</u> | <u>8,767,942</u>  |
| Share of support costs<br>(see note 10)    | 1,152,243        | -                | -              | -              | 1,152,243        | 1,265,074         |
| Share of governance<br>costs (see note 10) | 82,382           | -                | -              | -              | 82,382           | 87,757            |
|  | <u>1,799,002</u> | <u>6,192,979</u> | <u>442,868</u> | <u>852,887</u> | <u>9,287,736</u> | <u>10,120,773</u> |
| <b>Analysis by fund</b>                    |                  |                  |                |                |                  |                   |
| Unrestricted funds                         | 1,758,826        | 6,192,979        | 442,868        | 852,887        | 9,247,560        |                   |
| Restricted funds                           | 40,176           | -                | -              | -              | 40,176           |                   |
|  | <u>1,799,002</u> | <u>6,192,979</u> | <u>442,868</u> | <u>852,887</u> | <u>9,287,736</u> |                   |
| <b>For the year ended 31 August 2019</b>   |                  |                  |                |                |                  |                   |
| Unrestricted funds                         | 1,962,296        | 6,480,622        | 778,402        | 886,009        |                  | 10,107,329        |
| Restricted funds                           | 13,444           | -                | -              | -              |                  | 13,444            |
|  | <u>1,975,740</u> | <u>6,480,622</u> | <u>778,402</u> | <u>886,009</u> |                  | <u>10,120,773</u> |



**MORETON HALL EDUCATIONAL TRUST LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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**10 Support costs**

|                         | Support costs    | Governance costs | 2020             | 2019             | Basis of allocation |
|-------------------------|------------------|------------------|------------------|------------------|---------------------|
|                         | £                | £                | £                | £                |                     |
| Staff costs             | 829,636          | -                | 829,636          | 828,761          |                     |
| Depreciation            | 15,452           | -                | 15,452           | 19,930           |                     |
| Bank loan interest      | 48,690           | -                | 48,690           | 54,853           |                     |
| Bank charges            | 6,683            | -                | 6,683            | 4,814            |                     |
| Telephone               | 19,166           | -                | 19,166           | 24,774           |                     |
| Postage and stationery  | 28,138           | -                | 28,138           | 40,972           |                     |
| Marketing and publicity | 148,545          | -                | 148,545          | 208,670          |                     |
| Office equipment        | 18,085           | -                | 18,085           | 698              |                     |
| Staff recruitment       | 14,092           | -                | 14,092           | 50,880           |                     |
| Motor expenses          | 436              | -                | 436              | 294              |                     |
| Subscriptions           | 19,860           | -                | 19,860           | 17,572           |                     |
| Sundry expenses         | 3,460            | -                | 3,460            | 12,856           |                     |
| Professional fees       | -                | 70,322           | 70,322           | 74,237           | Governance          |
| Auditors' remuneration  | -                | 12,060           | 12,060           | 13,520           | Governance          |
|                         | <u>1,152,243</u> | <u>82,382</u>    | <u>1,234,625</u> | <u>1,352,831</u> |                     |
| Analysed between        |                  |                  |                  |                  |                     |
| Charitable activities   | <u>1,152,243</u> | <u>82,382</u>    | <u>1,234,625</u> | <u>1,352,831</u> |                     |

**MORETON HALL EDUCATIONAL TRUST LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**11 Trustees**

There were no trustees' remuneration or other benefits for the year ended 31 August 2020 nor for the year ended 31 August 2019.

**Trustees' expenses**

Trustees were reimbursed expenses in the year of £501 (2019: £171).

**12 Employees**

**Number of employees**

The average monthly number of employees during the year was:

|                       | <b>2020</b>   | <b>2019</b>   |
|-----------------------|---------------|---------------|
|                       | <b>Number</b> | <b>Number</b> |
| Teaching              | 119           | 123           |
| Support and ancillary | 122           | 129           |
|                       | <u>241</u>    | <u>252</u>    |

**Employment costs**

|                       | <b>2020</b>      | <b>2019</b>      |
|-----------------------|------------------|------------------|
|                       | <b>£</b>         | <b>£</b>         |
| Wages and salaries    | 5,557,337        | 5,878,510        |
| Social security costs | 504,411          | 534,716          |
| Other pension costs   | 723,448          | 526,700          |
|                       | <u>6,785,196</u> | <u>6,939,926</u> |

The number of employees whose annual remuneration was £60,000 or more were:

|                     | <b>2020</b>   | <b>2019</b>   |
|---------------------|---------------|---------------|
|                     | <b>Number</b> | <b>Number</b> |
| £80,000 - £90,000   | 1             | 1             |
| £90,001 - £100,000  | -             | 1             |
| £100,001 - £110,000 | 1             | -             |
| £130,001 - £140,000 | 1             | -             |
| £140,001 - £150,000 | -             | 1             |
|                     | <u>-</u>      | <u>1</u>      |

Three (2019: two) of these employees have retirement benefits accruing in the defined benefit scheme.

Contributions made by Moreton Hall Educational Trust Ltd on their behalf were as follows:

£80,001 - £90,000: £16,492 (2019: £11,477)

£90,001 - £100,000: £Nil (2019: £13,455)

£100,001 - £110,000: £19,333 (2019: £Nil)

£130,001 - £140,000: £27,956 (2019: £Nil)

**MORETON HALL EDUCATIONAL TRUST LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
***FOR THE YEAR ENDED 31 AUGUST 2020***

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**13 Net gains/(losses) on investments**

|                            | <b>2020</b>       | <b>2019</b>       |
|----------------------------|-------------------|-------------------|
|                            | <b>£</b>          | <b>£</b>          |
| Revaluation of investments | (2,945)           | (231)             |
|                            | <u>          </u> | <u>          </u> |

# MORETON HALL EDUCATIONAL TRUST LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 14 Group tangible fixed assets

|  | Freehold<br>property<br>£ | M & E Work<br>£ | Imp to property<br>£ | Plant and<br>machinery<br>£ | Fixtures and<br>fittings<br>£ | Motor vehicles<br>£ | Total<br>£        |
|--|---------------------------|-----------------|----------------------|-----------------------------|-------------------------------|---------------------|-------------------|
| <b>Cost</b>                            |                           |                 |                      |                             |                               |                     |                   |
| At 1 September 2019                    | 13,277,734                | 577,378         | 41,723               | 11,731                      | 688,171                       | 175,258             | 14,771,995        |
| Additions                              | 862,014                   | -               | -                    | -                           | 24,861                        | 3,499               | 890,374           |
| Disposals                              | -                         | -               | -                    | -                           | -                             | (4,023)             | (4,023)           |
| At 31 August 2020                      | <u>14,139,748</u>         | <u>577,378</u>  | <u>41,723</u>        | <u>11,731</u>               | <u>713,032</u>                | <u>174,734</u>      | <u>15,658,346</u> |
| <b>Depreciation and<br/>impairment</b> |                           |                 |                      |                             |                               |                     |                   |
| At 1 September 2019                    | 4,269,856                 | 186,249         | 41,723               | 11,031                      | 600,285                       | 116,960             | 5,226,104         |
| Depreciation<br>charged in the year    | 333,949                   | 11,549          | -                    | 175                         | 21,821                        | 15,452              | 382,946           |
| Eliminated in respect<br>of disposals  | -                         | -               | -                    | -                           | -                             | (3,969)             | (3,969)           |
| At 31 August 2020                      | <u>4,603,805</u>          | <u>197,798</u>  | <u>41,723</u>        | <u>11,206</u>               | <u>622,106</u>                | <u>128,443</u>      | <u>5,605,081</u>  |
| <b>Carrying amount</b>                 |                           |                 |                      |                             |                               |                     |                   |
| At 31 August 2020                      | <u>9,535,943</u>          | <u>379,580</u>  | <u>-</u>             | <u>525</u>                  | <u>90,926</u>                 | <u>46,291</u>       | <u>10,053,265</u> |
| At 31 August 2019                      | <u>9,007,878</u>          | <u>391,129</u>  | <u>-</u>             | <u>700</u>                  | <u>87,886</u>                 | <u>58,298</u>       | <u>9,545,891</u>  |

**MORETON HALL EDUCATIONAL TRUST LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**14 Group tangible fixed assets**

Included in cost of land and buildings is freehold land of £349,289 (2019: £1,296,624), which is not depreciated.

The assets shown above as plant and machinery comprise the total tangible fixed assets of Moreton Hall Services Ltd.

**15 Fixed asset investments**

|                          | <b>Listed<br/>investments<br/>£</b> | <b>Unlisted<br/>investments</b> | <b>Total<br/>£</b> |
|--------------------------|-------------------------------------|---------------------------------|--------------------|
| <b>Cost or valuation</b> |                                     |                                 |                    |
| At 31 August 2019        | 10,027                              | 727                             | 10,754             |
| Valuation changes        | (2,945)                             | -                               | (2,945)            |
|                          | <hr/>                               | <hr/>                           | <hr/>              |
| At 31 August 2020        | 7,082                               | 727                             | 7,809              |
|                          | <hr/>                               | <hr/>                           | <hr/>              |
| <b>Carrying amount</b>   |                                     |                                 |                    |
| At 31 August 2020        | 7,082                               | 727                             | 7,809              |
|                          | <hr/>                               | <hr/>                           | <hr/>              |
| At 31 August 2019        | 10,027                              | 727                             | 10,754             |
|                          | <hr/>                               | <hr/>                           | <hr/>              |

**MORETON HALL EDUCATIONAL TRUST LTD****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2020****16 Charity and group financial instruments**

|   | <b>Group</b>      |                   | <b>Charity</b>    |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | <b>2020</b>       | <b>2019</b>       | <b>2020</b>       | <b>2019</b>       |
|   | <b>£</b>          | <b>£</b>          | <b>£</b>          | <b>£</b>          |
| <b>Carrying amount of financial assets</b>          |                   |                   |                   |                   |
| Debt instruments measured at amortised cost         | 560,582           | 2,742,073         | 550,320           | 2,736,373         |
| Equity instruments measured at cost less impairment | 727               | 727               | 727               | 727               |
| Equity instruments measured at fair value           | 7,082             | 10,027            | 7,082             | 10,027            |
|   | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Carrying amount of financial liabilities</b>     |                   |                   |                   |                   |
| Measured at amortised cost                          | 1,885,909         | 2,215,421         | 1,884,656         | 2,219,642         |
|   | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |

Financial assets measured at amortised cost in relation to the group consists of trade debtors, other debtors and cash at bank and in hand. The charity also includes amounts due from subsidiary.

Financial liabilities measured at amortised cost consists of bank loans, bank overdrafts, trade creditors, other creditors and accruals.

In relation to the equity instruments measured at fair value, dividend income of £1,737 (2019: £722) has been recognised in the year. The fair value adjustment for the year was a loss of £2,945 (2019: £231).

**17 Debtors**

|   | <b>Group</b>   |                | <b>Charity</b> |                |
|---|----------------|----------------|----------------|----------------|
|   | <b>2020</b>    | <b>2019</b>    | <b>2020</b>    | <b>2019</b>    |
|   | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>       |
| <b>Amounts falling due within one year:</b> |                |                |                |                |
| Trade debtors                               | 157,798        | 498,639        | 157,798        | 498,639        |
| Amounts owed by subsidiary undertaking      | -              | -              | 2,077          | -              |
| Other debtors                               | 98,209         | 2,060          | 98,209         | 2,060          |
| Prepayments and accrued income              | 24,393         | 49,016         | 24,393         | 49,016         |
|   | <u>280,400</u> | <u>549,715</u> | <u>282,477</u> | <u>549,715</u> |

**MORETON HALL EDUCATIONAL TRUST LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**18 Loans and overdrafts**

|   | <b>Group</b> |             | <b>Charity</b> |             |
|---|--------------|-------------|----------------|-------------|
|   | <b>2020</b>  | <b>2019</b> | <b>2020</b>    | <b>2019</b> |
|   | <b>£</b>     | <b>£</b>    | <b>£</b>       | <b>£</b>    |
| Bank loans  | 1,576,440    | 1,768,008   | 1,576,440      | 1,768,008   |
| Payable within one year                                 | 224,267      | 242,228     | 224,267        | 242,228     |
| Payable after one year                                  | 1,352,173    | 1,525,780   | 1,352,173      | 1,525,780   |
| Amounts included above which fall due after five years: |              |             |                |             |
| Payable by instalments                                  | 617,646      | 697,921     | 617,646        | 697,921     |

The bank loans are secured by a first legal charge over freehold land and property, a fixed charge over book debts and a floating charge over all other assets. In addition to this there is an available overdraft facility, secured under the same provisions.

**19 Creditors: amounts falling due within one year**

|   | <b>Group</b>     |                  | <b>Charity</b>   |                  |
|---|------------------|------------------|------------------|------------------|
|   | <b>2020</b>      | <b>2019</b>      | <b>2020</b>      | <b>2019</b>      |
|   | <b>£</b>         | <b>£</b>         | <b>£</b>         | <b>£</b>         |
| Bank loans and overdrafts (see note 18) | 224,267          | 242,228          | 224,267          | 242,228          |
| Other taxation and social security      | 156,099          | 177,474          | 156,099          | 177,474          |
| Deferred income                         | 50,000           | 40,000           | 50,000           | 40,000           |
| Payments received on account            | 1,733,306        | 2,972,183        | 1,733,306        | 2,972,183        |
| Trade creditors                         | 69,258           | 186,149          | 69,258           | 186,149          |
| Amounts due to subsidiary               | -                | -                | -                | 8,432            |
| Other creditors                         | 106,586          | 40,946           | 106,586          | 40,946           |
| Accruals and deferred income            | 133,625          | 220,318          | 132,372          | 216,107          |
|   | <u>2,473,141</u> | <u>3,879,298</u> | <u>2,471,888</u> | <u>3,883,519</u> |

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

|                          | <b>Group</b> |             | <b>Charity</b> |             |
|--------------------------|--------------|-------------|----------------|-------------|
|                          | <b>2020</b>  | <b>2019</b> | <b>2020</b>    | <b>2019</b> |
|                          | <b>£</b>     | <b>£</b>    | <b>£</b>       | <b>£</b>    |
| Bank loans (see note 18) | 1,352,173    | 1,525,780   | 1,352,173      | 1,525,780   |

**MORETON HALL EDUCATIONAL TRUST LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**21 Prepaid Fees Scheme**

|                  | <b>2020</b>    | <b>2019</b>    |
|------------------|----------------|----------------|
|                  | <b>£</b>       | <b>£</b>       |
| Within 1 year    | 88,949         | 100,988        |
| Within 1-2 years | 29,333         | 40,532         |
| Within 2-5 years | 14,667         | 29,334         |
|                  | <u>132,949</u> | <u>170,854</u> |

The balance represents the accrued liability under the contracts. The movements during the year were:

|   | <b>2020</b>      |
|---|------------------|
|   | <b>£</b>         |
| Balance at 1st September 2019                     | 170,854          |
| Additional prepaid fee amounts                    | 84,863           |
| Amounts utilised in payment of fees to the school | <u>(122,768)</u> |
| Balance at 31st August 2020                       | <u>132,949</u>   |



# **MORETON HALL EDUCATIONAL TRUST LTD**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **22 Retirement benefit schemes**

##### **Defined contribution schemes**

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and from April 2014, by the Teachers' Pension Regulations 2014. 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 TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

##### **Valuation of the Teacher's Pension Scheme**

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contribution. Actuarial schema valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014.

The Valuation report was published by the Department for Education in March 2019. This showed an increase in employer contribution rates from September 2019 set as 23.68% of pensionable pay (including a 0.08% employer administration charge (Previously 16.48%).

The pension charge for the year represents contributions payable to the Scheme of £668,728 (2019 - £481,900).

The school also contributes to personal pension schemes for some non-teaching staff. They are defined contribution schemes and contributions are charged to the SOFA as they accrue. The total pension charge for the year was £54,720 (2019 - £44,800).

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

**MORETON HALL EDUCATIONAL TRUST LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**23 Movement in funds**

|                              | Balance at 1<br>September<br>2019<br>£ | Incoming<br>resource<br>£ | Movement in funds<br>Resources<br>expended<br>£ | Transfers<br>between<br>funds<br>£ | Balance at<br>31 August<br>2020<br>£ |
|------------------------------|--|---------------------------|---|------------------------------------|--------------------------------------|
| <b>Unrestricted funds</b>    |  |                           |   |                                    |                                      |
| General fund                 | 5,717,484                              | 9,182,809                 | (9,291,336)                                     | -                                  | 5,608,957                            |
| Non-charitable trading funds | 12,316                                 | 18,967                    | (19,116)  | -                                  | 12,167                               |
|                              | <u>5,729,800</u>                       | <u>9,201,776</u>          | <u>(9,310,452)</u>                              | <u>-</u>                           | <u>5,621,124</u>                     |
| <b>Restricted funds</b>      |  |                           |   |                                    |                                      |
| IT Centre Fund               | 2,322                                  | -                         | (2,322)   | -                                  | -                                    |
| Norman Quick                 | 5,598                                  | -                         | -   | -                                  | 5,598                                |
| Foundation                   | 58,306                                 | -                         | (1,325)   | -                                  | 56,981                               |
| Lingard Goblet               | 1,000                                  | -                         | -   | -                                  | 1,000                                |
| Science Block                | 88,073                                 | -                         | (2,002)   | -                                  | 86,071                               |
| Sports Pavilion              | 55,437                                 | -                         | (1,188)   | -                                  | 54,249                               |
| Walled Garden                | 3,000                                  | -                         | -   | -                                  | 3,000                                |
| Theatre Project              | 1,015,843                              | 18,578                    | (33,339)  | -                                  | 1,001,082                            |
|                              | <u>1,229,579</u>                       | <u>18,578</u>             | <u>(40,176)</u>                                 | <u>-</u>                           | <u>1,207,981</u>                     |
|                              | <u>6,959,379</u>                       | <u>9,220,354</u>          | <u>(9,350,628)</u>                              | <u>-</u>                           | <u>6,829,105</u>                     |

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

**MORETON HALL EDUCATIONAL TRUST LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
***FOR THE YEAR ENDED 31 AUGUST 2020***

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**IT Centre**

This fund represents monies given to cover the development of the IT suite and income is released from this fund in line with the depreciation of the suite.

**Foundation**

This fund represents money received for bursaries and capital projects raised from appeals, events and bequests. In the year ended 31 August 2014 this money was spent on the development of the science block and income is being released from the fund in line with the depreciation of the science block.

**Science Block**

This represents monies given for the development of the science block and is being released from the fund in line with the depreciation of the science block.

**Sports Pavilion**

This fund represents monies given for the building of a sports pavilion and is being released from the fund in line with the depreciation of the pavilion.

**Centenary Scholarships**

This represents money given for scholarships awarded to pupils. All monies have been spent on scholarships in the year.

**Walled Garden**

This represents money given for a project to develop the walled garden. The work on the walled garden has yet to be started.

**Theatre Project**

This represents money given to build The Holroyd Community Theatre and is being released from the fund in line with depreciation of the theatre.

**MORETON HALL EDUCATIONAL TRUST LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

| <b>24 Analysis of net assets between funds - Group</b>     | <b>Unrestricted funds<br/>£</b> | <b>Restricted funds<br/>£</b> | <b>Total<br/>£</b> |
|--|---------------------------------|-------------------------------|--------------------|
| <b>Fund balances at 31 August 2020 are represented by:</b> |                                 |                               |                    |
| Tangible assets  | 8,213,014                       | 1,840,251                     | 10,053,265         |
| Investments  | 7,809                           | -                             | 7,809              |
| Current assets/(liabilities)                               | (1,247,526)                     | (632,270)                     | (1,879,796)        |
| Long term liabilities                                      | (1,352,173)                     | -                             | (1,352,173)        |
|  | <u>5,621,124</u>                | <u>1,207,981</u>              | <u>6,829,105</u>   |

**Analysis of net assets between funds – Charity**

|  | <b>Unrestricted funds<br/>£</b> | <b>Restricted funds<br/>£</b> | <b>Total<br/>£</b> |
|--|---------------------------------|-------------------------------|--------------------|
| <b>Fund balances at 31 August 2020 are represented by:</b> |                                 |                               |                    |
| Tangible assets  | 8,212,489                       | 1,840,251                     | 10,052,740         |
| Investments  | 7,811                           | -                             | 7,811              |
| Current assets/(liabilities)                               | (1,259,170)                     | (632,270)                     | (1,891,440)        |
| Long term liabilities                                      | (1,352,173)                     | -                             | (1,352,173)        |
|  | <u>5,608,957</u>                | <u>1,207,981</u>              | <u>6,816,938</u>   |

**25 Operating lease commitments**

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

|                            | <b>2020<br/>£</b> | <b>2019<br/>£</b> |
|----------------------------|-------------------|-------------------|
| Within one year            | 5,828             | 5,828             |
| Between two and five years | 9,227             | 15,055            |
|                            | <u>15,055</u>     | <u>20,883</u>     |

**MORETON HALL EDUCATIONAL TRUST LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**26 Related party transactions**

**Remuneration of key management**

|                        | <b>2020</b> | <b>2019</b> |
|------------------------|-------------|-------------|
|                        | <b>£</b>    | <b>£</b>    |
| Aggregate compensation | 424,288     | 428,451     |

**Transactions with related parties**

During the year the charity entered into the following transactions with related parties:

One the trustee Mr M Heath, had grandchildren at the School. They receive no remission of fees by virtue of their membership of the governing body.

**27 Cash generated from operations**

|  | <b>2020</b>      | <b>2019</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Surplus for the year                                 | (130,274)        | 325,182          |
| Adjustments for:                                     |                  |                  |
| Investment income recognised in profit or loss       | (1,737)          | (722)            |
| Loss on disposal of tangible fixed assets            | (196)            | (3,424)          |
| Fair value gains and losses on investments           | 2,945            | 231              |
| Depreciation and impairment of tangible fixed assets | 382,946          | 358,044          |
| Financing costs                                      | 48,690           | 54,853           |
| Movements in working capital:                        |                  |                  |
| Decrease/(increase) in stocks                        | 8,353            | 1,406            |
| Decrease/(Increase) in debtors                       | 277,747          | (132,452)        |
| (Decrease)/Increase in creditors                     | (1,406,628)      | 642,120          |
| Increase in deferred income                          | 10,000           | 40,000           |
| <b>Cash generated from operations</b>                | <b>(808,154)</b> | <b>1,285,238</b> |

**28 Capital commitments**

At the reporting end date, the charity had capital commitments as follows:

|  | <b>2020</b> | <b>2019</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| Contracted for but not provided in the financial statements: |             |             |
| Acquisition of property, plant and equipment                 | -           | 500,000     |

**29 Controlling party**

The School, having no share capital, is under control of the Board of Trustees.

**MORETON HALL EDUCATIONAL TRUST LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
***FOR THE YEAR ENDED 31 AUGUST 2020***

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