

TERRINGTON HALL TRUST LIMITED

(Charity number 532362)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 August 2021

HPH
Chartered Accountants
54 Bootham
York
YO30 7XZ

**TERRINGTON HALL TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

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TERRINGTON HALL TRUST LIMITED

GOVERNORS' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021

REFERENCE AND ADMINISTRATIVE INFORMATION

The Governors present their forty sixth annual report and audited financial statements for the year ended 31 August 2021.

Charity Name: Terrington Hall Trust Limited

Charity Registration Number: 532362

Company Registration Number: 01193407

Directors/Governors: Mrs K E Lamont (Chair)
Mr R I Smyth
Mr W J P Derby (resigned 2 July 2021)
Mr R L Cordingley
Mr K Storey
Ms Z A Bannister
Mr M Harrison
Mr S Davidson (resigned 26 March 2021)
Mrs S Hogg
Mr R Dyer (appointed 26 November 2020)
Ms E Colquhoun (appointed 15 March 2022)
Mr B Collins (appointed 15 March 2022)
Mr M Willink (appointed 15 March 2022)

Company Secretary: Mr A P Upton

Head: Mr S D Kibler

Registered Office and Principal Address: Terrington Hall Preparatory School
Terrington, York, YO60 6PR

Advisers

Auditors: HPH Accountants LLP
Chartered Accountants
54 Bootham
York
YO30 7XZ

Solicitors: Harrowells LLP
1 St. Saviourgate
York
YO1 8ZQ

Bankers: HSBC plc
13 Parliament Street
York
YO1 8XS

TERRINGTON HALL TRUST LIMITED

GOVERNORS' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Terrington Hall Trust Limited is a charitable company limited by guarantee, incorporated on 11 December 1974 and registered as a charity on 3 March 1975 and is governed by its Memorandum and Articles of Association. The Governors of the School are also the charity trustees and directors of the company.

Recruitment and training of Governors

Until otherwise determined by a general meeting, the number of members of the governing body shall not be less than seven nor more than thirty. The members of the governing body shall be:

- a) the subscribers to the Memorandum of Association of the trust, and
- b) such other persons (being members of the trust) as shall from time to time be elected thereto by the governing body.

Provided that no person who is a principal or assistant master of the School and no person who is otherwise in receipt of a salary, fees, remuneration or other benefit, in money or monies worth from the trust (save as permitted by Clause 4 of the Memorandum of Association) shall be eligible for members of the governing body.

An annual skills audit of the governing body is carried out and both training needs and the composition of the governing body are considered in the light of this. All information about training courses is made available to Governors. The advent of the Covid-19 Pandemic in the year triggered a review of the individual roles and responsibilities of the Governors and the establishment of a "Covid-19 Governor" position. That responsibility was taken on by an existing Governor to help to oversee the measures taken by the School in such a crucial time. That role is ongoing and, together with all Governor roles and sub-committees within the governing body, will continue to be reviewed to ensure effectiveness and efficacy. Similarly, the ways of working of the governing body will continue to be reviewed and amended as necessary to adapt to the changing circumstances facing all organisations in the UK. In this financial year, that has included adopting social distancing rules and remote collaboration to allow the continued, regular convening of the governing body and its relevant sub-committees.

As part of the above continuous review process, a review of governance best practice was undertaken and as a result, the governing body was restructured to further enhance oversight. A new Governance committee was formed with the responsibility of overseeing all aspects of compliance in addition to the stewardship of Board skills, succession and composition. The remit of the Teaching and Learning Committee was widened to incorporate staff development and welfare, as the engines of teaching quality and pupil wellbeing (renamed Education, Welfare and Staff Development or EWSD). The Marketing Committee remit was widened to include the oversight of strategy and development (Strategy, Marketing and Development or SMD). The Finance and Estates Committee objectives remained as previous, but with an additional emphasis on seamless support for all committees with respect to budgeting and decision-making when required.

This year the Board also ratified its Terms of Reference, which enshrined the restructure of the Governing body, articulated clear remits and objectives for each committee and provided on-going guidance to Governors. The new Governor induction process was also re-launched to incorporate a more comprehensive overview of Charity Commission and Board responsibilities and to provide enhanced visibility of the key strategic priorities and initiatives of the School. New Governor training was up-weighted and annual refresher training for all Board members is now mandatory.

TERRINGTON HALL TRUST LIMITED

GOVERNORS' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Regarding Board membership, at Easter, Simon Davidson stood down from the Board as Chair of the Finance and Estates Committee. We thank him for his excellent financial management and expert guidance through the challenges arising from the Covid-19 Pandemic. Katharine Lamont replaces him as Chair of the Finance and Estates Committee. At the end of the academic year, William Derby retired from the Board after 6 years of exceptional governorship and as Chair of the Marketing Committee. He has been replaced as Chair by Katharine Lamont. New appointees to the Board are Ellen Colquhoun, Ben Collins and Mike Willink. Together they bring new skills to the Board and a wealth of experience in journalism, PR, digital marketing, alumni relations, fundraising and development, organisational transformation and change management.

Organisation

The Governors determine the general policy and strategy of the School as a whole. The School is divided into two sections:

- Preparatory ('Prep') - for pupils aged seven to thirteen years old.
- Pre-Preparatory ('Pre-prep') - for pupils aged three to seven years old.

The day-to-day management of both sections of the School is delegated to the Head.

Remuneration of Senior Staff

The School aims to provide overall remuneration which is fair and competitive with the independent School sector as well as proportionate to the complexity of each role. In determining the right level of pay and wider remuneration, the School:

- Has an established pay policy and pay scale
- Has detailed job descriptions
- Has a professional development review process
- Appoints new staff to a point on the pay scale dependent on experience and qualifications

The Bursar and Heads salaries are benchmarked and their salaries are determined by the School Governors. There is no remuneration or other compensation for any Governor.

OBJECTIVES AND ACTIVITIES

Charitable Objectives and Public Benefits

The aims of the trust, as stated in the Memorandum and Articles and Association, dated 11 December 1974, are to provide all children, irrespective of race, religion, gender, background or academic ability, with the chance to be involved in a caring, supportive and challenging environment where their full potential may be realised. In the furtherance of this aim the Governors, as the charity trustees, have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

Terrington Hall Trust Limited's principal activity continues to be the provision of a day and boarding school for 3 -13 year old children.

TERRINGTON HALL TRUST LIMITED

GOVERNORS' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES (continued)

Through our holistic, innovative and purposeful curriculum, we aim to develop lively, enquiring minds instilled with a love of learning, polite and well-mannered children who display natural self-confidence and humility, and critical thinkers and problem solvers with collaborative leadership skills to enable them to thrive in the 21st Century.

To support these aims, we seek to encourage and foster in children our key values, which are rooted in the Christian tradition upon which the school was founded:

- **Kindness.** We act with kindness always. It is at the heart of everything we do. We show children the power of kindness, encouraging them to act with empathy for each other, their community and our planet.
- **Confidence.** As we take our children on a journey of discovery, we make learning fun and light a spark in hearts and minds. We show how with every small step, we learn and build confidence in our own unique abilities.
- **Courage.** It takes courage to do the right thing. We act with integrity, showing the value of honesty and good character. We show how with courage, we can take calculated risks and be willing to have a go without fear of failure.
- **Growth.** As the world around us evolves, so do we. We encourage children to expand their minds, life experiences and skills, to build confidence and effect change now, and for the future.

By fostering these values and equipping our children with a love of learning and unbounded opportunity, we aim to expand their horizons and secure their brightest possible future. This includes preparing our girls and boys to progress, at the age of thirteen, to their senior school of choice, with the knowledge, technical abilities and confidence to grasp every opportunity presented to them.

Aligned with our values, we aim to support as many charities as we can and have, over the years, undertaken fundraising for a wide range of charities close to the hearts of our community including Teenage Cancer Trust, Prostate Cancer Trust and local charity, LIAM. In our ongoing undertaking to widen public access to our educational provision, we aim to maximise the educational use of our cultural and sporting facilities and to instil in our pupils an awareness of the wider social context of the education they receive.

The new Headmaster of Terrington Hall, Mr Simon Kibler, who began his tenure in September 2020, has settled quickly into the rhythm of the school. Despite the challenges of Covid-19 restrictions (and not being able to convene the entire school community together this year), Simon Kibler has made an early impact in all areas of School life, through smart new communications such as the Terrington Trumpet as well as innovative academic and co-curricular initiatives. He has forged strong connections with the local community and has begun to establish close contacts within the North Yorkshire Cricket Board, with Terrington Hall now serving as a county hub for girls' cricket. Simon has also launched a comprehensive staff development programme which was piloted in the summer term and will roll-out next academic year. This programme will be pivotal in further enhancing the consistency of our teaching excellence as well as rewarding staff for exceptional performance. This scheme has also resulted in two staff promotions; Rachel l'Anson and Paul Mulryne to the positions of Assistant Heads.

Despite the challenges of re-opening the school within the context of the ever-changing Covid-19 landscape, the School leadership facilitated a smooth reintroduction to school for pupils and staff. This process involved weekly evaluations of the Risk Assessment by the Senior Management Team, continued innovations in blended learning and regular updates to the Board of Governors.

TERRINGTON HALL TRUST LIMITED

GOVERNORS' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES (continued)

Key Covid-19 measures were implemented which were aligned with our rigorous risk assessment process. The year group “bubble” system enabled the School to contain Covid-19 infections during the autumn term and the School was able to provide pupils with an uninterrupted curriculum both in the classroom and in “bubbled” co-curricular activities where safe to do so.

Our pupils returned to school engaged and pleased to be back amongst friends after the prior Covid-19 lockdown, and were able to effectively transition online for the spring term lockdown. Although there were many national reports of deteriorating pupil wellbeing across the UK, through pupil voice and through our normal academic testing regime, we did not register any significant trends in pupil anxiety or academic drop-off.

This was in part due to our exceptional on-line learning platform for academic and co-curricular lessons, lead by Deputy Head Academic, Stuart Keens, which included assemblies, pupil committees, sports, activities, PSHE, fireside talks from varying professionals and musical recitals. Teaching staff ran catch-up clinics for those pupils in Years 7 and 8. Technology also played its part in the form of on-line parent/teacher consultations and senior school pupil preparations, with ATOM Learning, interview practice and verbal and non-verbal reasoning being taught on-line where applicable. The decision was also taken to carry on with Common Entrance Exams for pupils in Year 8 in order to maintain a focus for their learning, despite the fact that GCSE's and A-Levels had become teacher assessed.

Pupil wellbeing has been at the heart of the school's outlook. Lead by Deputy Head Pastoral Claire Grant, pastoral provision was up-weighted to include regular “children of concern” staff meetings, year group pastoral lunches with the Headmaster, and special “bubbled” boarding nights. A number of Wellbeing Days were delivered, with pupils coming off timetable to enjoy co-curricular activities and boost their mental health after a difficult and disrupted year. Numerous additional pupil committees were established by the Headmaster who has a passion for recognising pupil voice across the School. Five new pupil voice committees have been launched, many of which are lead by our Year 8 pupils to support the development of their leadership skills.

The Terrington Hall Adventure, Life skills and Leadership (TALL) award programme was launched as a pilot scheme in the summer term, for full roll-out in September 2022. This co-curricular scheme focused upon building 21st century skills is proving hugely popular with all the children and staff. To complement this programme, the School has constructed a Design Technology workshop which will enable pupils in the upper years to undertake basic mechanical work on vintage vehicles, repair their bikes, and engage in upcycling initiatives.

The School's reputation for educational provision grew significantly over the year and autumn term 2020 saw an uplift in prospective parent visits notably from parents with children within the local maintained sector schools. The school roll stood at 149 pupils at the start of September 2020 and we finished the academic year (July 2021) at 178 pupils. This reputation was enhanced by two glowing school reviews and national recognition from Tatler and the Good Schools Guide, where the School was shortlisted as finalist for ‘Best School Food’ 2020.

Grant Making Policy

Grants, scholarships and bursaries are awarded by the Governors on a means-tested basis, through the Bursary Policy process. In the current academic year, the range of financial support methods has been expanded as a result of the Covid-19 pandemic. Various discounts are given to children of the clergy, the armed forces, siblings, ex pupils and staff.

TERRINGTON HALL TRUST LIMITED

GOVERNORS' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES (continued)

The 'Prep' School had an average of 98 pupils during the year, which enabled the School to support pupils through Scholarships, Bursaries, Forces personnel discount and Siblings discount. This support, which is available on a needs basis as determined by the Governing body in consultation with the Head, totalled £234,270.

An average of 70 children attended the 'Pre-prep School' during the year. Support through bursaries reduced 'Pre-prep' fees by £67,403 for the year.

In light of the ongoing impact of the pandemic, a Covid-19 hardship fund was established. Applications can be made for support from this fund in the same manner in which other bursaries are applied for and reviewed.

ACHIEVEMENTS AND PERFORMANCE

Terrington Hall School has risen to the challenge of another academic year characterised by disruption due to Covid-19. A busy autumn term was followed by another transition to remote learning from January 2021 until March 2021. The School's leadership team and staff demonstrated exceptional adaptability and resilience, and responded with the immediate transition to remote learning. Across the entire School, teaching was delivered via Microsoft Teams. Critical Key Worker children attended school and throughout the period we operated with approx. 28-33% of the school roll in school.

Parent feedback was extremely positive, noting the creativity and thorough approach to the academic provision, as well as the empathy and individual pastoral support shown towards all pupils. Blended learning has continued throughout the academic year for those pupils who have been isolating due to Covid-19.

All leaving pupils were successful in their applications to their first choice of senior school with destinations for September 2021 to the following Schools; Ampleforth, Barnard Castle, Repton, Sedbergh, Scarborough College, Shrewsbury and Worksop. Of the 16 year 8 leavers, 12 achieved scholarships or a specific award. The leavers' Common Entrance average was 63%.

The breadth of the academic syllabus has been maintained with pupils enjoying the challenge of languages taught (Spanish, French, Latin and Greek) alongside multiple separate sciences and a variety of Arts, Humanities and outdoor education. Teaching continues to demonstrate breadth and depth, and adapted to individual pupils as appropriate through differentiation. All pupils now have a bespoke prep diary and pupils across the Prep School have a reading diary to log their reading at School and at home.

Education beyond the classroom was curtailed somewhat by lockdown with many venues being closed to visitors. Despite this, once trips were allowed to get going again, we delivered numerous pupil Wellbeing Day trips to support mental health across all year groups and delivered three residential trips at the end of the summer term. Similarly, since the end of lockdown and the return of inside gatherings, we have re-launched our guest speaker programme with a number of senior school Heads sharing knowledge and experience with pupils in a number of formats. These sessions have been well attended, greatly appreciated, and help to round out the educational experience for all.

The co-curricular activities programme extended to include sessions in a range of activities from Japanese, Coding, Orienteering, Dance, to Baking, Photography, Foot Golf, CrossFit, Cross Stitch, Book Club, Bike Track, Choir, to Sports. The introduction of private lessons with professional coaches for tennis, swimming and cricket has also proven popular alongside ongoing peripatetic music lessons.

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GOVERNORS' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENTS AND PERFORMANCE (continued)

The vast majority of children in the Prep School have represented the School at sport, competing in a full and varied fixture list for rugby, netball, hockey, football, cross-country and swimming. Although the calendar for fixtures was unavoidably disrupted, the School still managed to enjoy successful seasons in a number of sports. Sporting Honours were achieved in cricket with:

- 2 Full Yorkshire Cricket caps for 1 boy and 1 girl.
- 4 boys were selected for North Yorkshire Cricket.
- 1 boy was selected for North East England for Hockey.
- 4 girls were selected for North Yorkshire Hockey.

The majority of children have appeared on stage in one of the many performances held in the last year. The Pre-Prep performed a Nativity and Harvest assembly to parent and the Lower Prep performed their Christmas assembly play to parents. Our newly formed whole school Christingle Service and Remembrance Service supplemented this. The Year 8 leavers provided a magical outdoor performance of 'Garlic and Lavender' in June before their end of year. Every child who played a musical instrument performed in various recitals through the year as well as in our main concert, which was performed on-line.

The opportunity at Terrington Hall for every child to perform is pivotal in developing their self-confidence. 75% of pupils in the School have participated in music, singing or drama lessons across the year. The range of instruments played by pupils includes violin, cello, flute, clarinet, oboe, saxophone, cornet, trumpet, french horn, drums, guitar, ukulele and piano. Music board and Drama exams were again disrupted, but 67 music and drama exams taken this year with 14 distinctions, 26 merits, 18 passes, with 100% pass rate.

Opportunities for pupil self-expression were numerous and the annual School Art Competition in the summer was just one example. The School Art Competition celebrates 6 winners from each year group. Our *Art Week* was received enthusiastically by the entire school community and some excellent work was produced. Year 3 and 4's work decorated the Pre Prep playground tree, whilst the Year 7 and 8's large model birds adorned areas at the front of School.

Several improvements were made to the School estate including the redecorating of the School's historic chapel, which serves as our music centre as well as the redecoration of our Dining Room.

Despite the challenges of Covid-19 restrictions, the school continued to share its facilities with the wider local community. The School provided facilities for the local Tennis Club, Westow Cricket Club, Ryedale and Scarborough Cricket, Terrington Choir, North Yorkshire Cricket Board and Sessay Cricket Club, all of whom used the facilities free of charge.

The School supported the Charity of the Year: Teenage Cancer Trust. Children raised monies by various events including Jeans for Genes day, Children in Need and the NSPCC's fundraising ventures, along with a children-led summer fair, with all monies raised going to charity.

Fundraising

The School's fundraising activity is mainly through events run by the dynamic Friends of Terrington Hall parent group who continue to support the school with events that raise funds as well as enhance the community spirit that is so important to the Trust. The School does not have a paid Fundraiser. Events this year were sadly cancelled due to the restrictions of Covid-19 however the Friends of Terrington Hall were able to plan for a comprehensive programme of activities for the coming year, to both raise funds and to galvanise our community following the periods of lockdown.

TERRINGTON HALL TRUST LIMITED

GOVERNORS' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021

FINANCIAL REVIEW

The Governors are satisfied with this year's School financial performance as detailed in the Statement of Financial Activities, the Balance Sheet and the Notes to the Financial Statements. Management, and all staff, have adapted well to the changing national circumstances through rigorous management of resources. Management and Governors have undertaken thorough, continuous review of resources and forecasts since the onset of the pandemic, and continue to do so in the 2021/2022 academic year. This close monitoring has helped to ensure that appropriate mitigating actions and adaptive measures have been made where necessary. This cost management enabled a rebate to be granted on Lent Term fees to compensate for the disruption caused by national lockdown which impacted the School's ability to provide the full Terrington experience. However, the waiving of this rebate by a number of parents was gratefully received and testament to the quality of the Terrington online educational provision. The overpayments were used to fund a new pupil play and climbing area which would otherwise not have been able to be made.

In terms of liquidity and cash flow, the School maintains modest overdraft facilities with the Bank which have been used only occasionally. The School completed the repayment of its fixed term loan facility during the year. An additional variable term loan facility was taken out in the previous year as precautionary measure as part of the Covid-19 impact mitigation plan implemented by Management and the governing body. The loan facility was converted into a fixed term facility in agreement with the lender. The funds drawn down on the facility have not been utilised and remain fully available to the School.

The total funds of the School are £949,234 (2020 - £892,182) of which £190,882 (2020 £199,650) are held in restricted funds

The Governors have established a policy in respect of free reserves (being those funds not tied up in fixed assets and restricted funds) that should equate to two months of resources expended on charitable activities equating to £316,000. At this level, the Governors feel they would be able to continue the current activities of the trust in the event of a significant drop in incoming resources.

The current free reserves are currently below this level at a deficit of £187,000 but the Governors have arranged relevant facilities with the bank which they feel are sufficient for the trust to continue to meet its on-going obligations. It is their policy to build up the reserves to the required level by means of annual operating surpluses.

PRINCIPAL RISKS AND UNCERTAINTIES

During the year, the School's Governors have examined the principal areas of Terrington Hall Trust's operations and considered the major risks in each of these areas. In the opinion of the Governors, the School has established systems which, under normal circumstances, should allow these risks to be managed to an acceptable level in its day to day operation. A comprehensive Risk Register is maintained and is being further developed to form the basis of a regular annual review of mitigation measures necessary to minimise or control risks to an acceptable level.

The Governors continue to keep Terrington Hall Trust's activities under review, particularly with regard to any major risks that may arise from time to time, and to monitor the effectiveness of the system of internal controls and other viable means, including insurance cover where appropriate, by which those risks identified by the Governors can best be managed and mitigated.

TERRINGTON HALL TRUST LIMITED

GOVERNORS' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The Senior Management Team is, through its day-to-day operational management of the charity, responsible for managing and controlling risk in line with the approved policy and framework agreed by the Board. The impact of Covid-19 was identified as a serious risk and the School has moved to mitigate the impact. A separate Covid-19 risk register has been collated in the year and is maintained continuously.

The key controls used by Terrington Hall Trust include:

- Formal agendas and documented minutes for all Committee activity
- Comprehensive strategic planning, annual planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal written policies
- Clear delegation, authorisation and approval levels enshrined in formal Terms of Reference
- Vetting procedures and oversight as required by law for the safeguarding of pupils
- Designated Governors for enhanced oversight in key areas of school policy and practice
- Clear procedures for safe staff and Governor recruitment
- Annual skills audit and succession planning process to ensure ongoing alignment of Board skills with the objectives of the School.

Health and Safety issues are considered at regular meetings of the School Health and Safety Committee; a designated Governor is appointed to the committee, who reports to the Board.

PLANS FOR FUTURE PERIODS

The School leadership team (Senior Management Team and Governors, in consultation with staff) completed an in-depth strategic review and five-year strategic development plan for the Terrington Hall Trust, approved by the Board in June 2021. The leadership team examined the changing landscape for independent education, and the specific opportunities and threats facing the School. The plan sets out comprehensive strategic objectives and initiatives to enable the school to grow and provide the best possible outcomes for our children and staff. The strategic plan was launched to staff in summer 2021 and will be launched to the wider School community in 2022.

As part of this strategic review, the School has identified the opportunity to better reflect Terrington Hall's unique offering and to improve our ability to communicate with our stakeholders including parents and prospective parents. As a result, the School launched a re-branding initiative and development of a new website, which should be ready for launch in summer 2022. This coincided with the appointment of a new Head of Marketing and Admissions.

The School communicates on a weekly basis via its popular newsletter, 'The Trumpet', which has been well received by parents, Governors and our wider community. Our newly formed parents' group, 'Friends of Terrington Hall', has continued to friend-raise, fundraise and investigate ways to organise events despite the pressures that Covid-19 brought. Their future programme of events looks very encouraging and will help galvanise the School community, commencing with the reinstated annual Terrington Hall Fireworks night which promises to be spectacular.

The outstanding reputation of the School is spreading farther and wider, leading to more enquiries and registrations. The School has also addressed the logistical, financial and health and safety challenges posed to it by the impact of Covid-19. Through our ongoing Risk Assessment process and agile blended learning, the School is well placed to address any other challenges presented by the on-going pandemic in the 2021- 2022 academic year.

TERRINGTON HALL TRUST LIMITED

GOVERNORS' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021

PLANS FOR FUTURE PERIODS (continued)

Development of the curriculum will continue apace and the co-curricular Terrington Hall Adventure, Life skills and Leadership Programme (TALL), will add to its stable a number of new initiatives, including the launch of an Independent Project Qualification (IPQ) extended studies, which provides stretch and challenge to Common Entrance, whilst widening our curriculum and providing independent thinking and reflection opportunities for pupils in Years 7 and 8.

To complement our in-classroom learning, all pupils in Lower and Upper Prep will be coached through projects that draw upon communication, collaboration and leadership skillsets that are examined within the LAMDA Communication framework. The main lesson input will take place in Performing Arts lessons, with consolidation work completed during timetabled TALL lessons. Lower Prep lessons will focus primarily around the Solo Introductory Exams, with Stages 1, 2 and 3 being available for pupils in Years 3, 4 and 5, respectively. For Upper Prep, lessons focus on the Public Speaking exam framework, with the level of depth ranging from Entry Level and Grade 1 right through to Grade 8. This allows us all to work together in lessons on the same skillset, but with a wide sense of differentiation that suits every learner. It is hoped that with such a potentially large volume of LAMDA entries, the school could become a recognised LAMDA Examination Centre.

To supplement our outstanding pastoral care within the School, Peer Mentoring training has been delivered to our Year 8 pupils, who are assigned younger children to look after and mentor, as part of the TALL leadership programme. Year 7 Buddies help in a similar way within the Pre-Prep and look after younger children, along with playing and listening to them read.

Our newly appointed Deputy Head Pastoral, Claire Grant, has undergone training for 'Girls on Board' and will be delivering and embedding techniques with relationships between girls from the ages of 11-13.

Pastoral welfare lunches have been established for selected children to dine with the Headmaster and Deputy Head Pastoral, to discuss any school matters or pastoral concerns they may have.

The planning and delivery of Relationships and Sexual Education across the School has been successful and runs alongside the PSHE curriculum with a clear mapping in place and parents have been consulted about it.

There is a pastoral focus at weekly assemblies following the 'theme of the week', led by different staff members.

Our Assistant Head for Wellbeing, Rachel l'Anson, has qualified as a Mental Health First Aider and will be promoting sessions of wellbeing for staff and pupils, as well as seeking to develop a 'hub' for our staff and pupils to use for relaxation and time out. She continues to also seek training opportunities in the form of webinars for staff around the topic of children's mental health and wellbeing.

We are working hard to promote the Forest School, with a designated member of staff currently undergoing training to have school accreditation as forest school leader.

The year ahead will see advancements by the Headmaster and Board of Governors to reach out to our wider community, including establishing new links with our Alumni with the inauguration of the first Terrington Hall Alumni Association. The first events will take place in 2022 and will enable the School to begin to create a database of alumni and friends of the School.

TERRINGTON HALL TRUST LIMITED

GOVERNORS' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021

STATEMENT OF TRUSTEES' AND GOVERNORS' RESPONSIBILITIES

The Governors (who are also the directors and trustees of the Terrington Hall Trust Limited for the purposes of company law) are responsible for preparing the Annual Report and financial statements in accordance with law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company at the end of the year and of its financial activities for that year. In preparing those financial statements the Governors are required to:

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

The Governors are responsible for keeping adequate accounting records which disclose with reasonable accuracy the financial position of the charity and which enables them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE TO OUR AUDITORS

In so far as the Governors are aware at the time of approving our Governors' Annual Report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Company's auditor is unaware, and
- the Governors, having made enquires of fellow directors and the Company auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Governors at its meeting on 15 March 2022 and signed on its behalf by:

K E Lamont
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERRINGTON HALL TRUST LIMITED

Opinion

We have audited the financial statements of Terrington Hall Trust Limited (the 'School') for the year ended 31 August 2021, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and 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 FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the School's affairs as at 31 August 2021 and of its surplus 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 School in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Governors' (who are also directors of the School for the purposes of company law) use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the School'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 Governors' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERRINGTON HALL TRUST LIMITED

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the School and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Governors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement set out on page 11, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors are responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the School or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERRINGTON HALL TRUST LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent Schools Standards) Regulations 2014, Food Hygiene regulations, Health and Safety legislation, Employment legislation, Charity Commission regulations and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and income recognition. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, proof in total testing of fee income, detailed substantive testing on the completeness of other sources of income, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

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

.....
Sarah Wearing (Senior Statutory Auditor)
For and on behalf of HPH, Statutory Auditor

54 Bootham
York
YO30 7XZ

15 March 2022

TERRINGTON HALL TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
AND INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations		1,087	-	1,087	200,270
Charitable activities					
School fees	4	1,688,016	-	1,688,016	1,572,802
Other income	4	199,655	-	199,655	125,309
Other trading activities	5	-	1,402	1,402	13,415
Total income		£ 1,888,758	£ 1,402	£ 1,890,160	£ 1,911,796
Expenditure on:					
Costs of raising funds	6	44,402	1,035	45,437	23,505
Charitable activities	6	1,778,536	9,135	1,787,671	1,793,476
Total expenditure	6	£ 1,822,938	£ 10,170	£ 1,833,108	£ 1,816,981
Net income/(expenditure)		65,820	(8,768)	57,052	94,815
Transfers between funds		-	-	-	-
Net movement in funds		65,820	(8,768)	57,052	94,815
Reconciliation of funds:					
Total funds brought forward		692,532	199,650	892,182	797,367
Total funds carried forward		£ 758,352	£ 190,882	£ 949,234	£ 892,182

The notes on pages 18 to 26 form part of these financial statements.

Income and net movement in funds derive wholly from continuing operations.

TERRINGTON HALL TRUST LIMITED
BALANCE SHEET
AS AT 31 AUGUST 2021

Company number: 01193407

	Note	2021	2020
		£	£
Fixed assets			
Tangible fixed assets	8	945,290	979,130
Current assets			
Stocks	9	23,908	25,570
Debtors	10	76,010	84,636
Cash at bank and in hand	21	625,594	371,125
		<u>725,512</u>	<u>481,331</u>
Creditors: amounts falling due within one year	11	<u>(616,650)</u>	<u>(541,279)</u>
Net current assets/(liabilities)		<u>108,862</u>	<u>(59,948)</u>
Total assets less current liabilities		<u>1,054,152</u>	<u>919,182</u>
Creditors: amounts falling due after more than one year	12	<u>(104,918)</u>	<u>(27,000)</u>
Total net assets		<u><u>£ 949,234</u></u>	<u><u>£ 892,182</u></u>
The funds of the charity			
Unrestricted funds	14	758,352	692,532
Restricted funds	15	190,882	199,650
Total charity funds		<u><u>£ 949,234</u></u>	<u><u>£ 892,182</u></u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

*Approved by the Board on 15 March 2022
and signed on their behalf by:*

K Lamont
Governor

R L Cordingley
Governor

The notes on pages 18 to 26 form part of these financial statements.

TERRINGTON HALL TRUST LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021	2020
		£	£
Net cash used in operating activities	20	297,538	154,095
Cash flow from investing activities:			
Purchase of tangible fixed assets		<u>(37,110)</u>	<u>(77,283)</u>
Net cash used in investing activities		(37,110)	(77,283)
Cash flow from financing activities:			
New loan		-	90,000
Repayments of borrowings		<u>(5,959)</u>	<u>(18,800)</u>
Net cash (used in)/provided by financing activities		<u>(5,959)</u>	<u>71,200</u>
Change in cash and cash equivalents in the year		254,469	148,012
Cash and cash equivalents at beginning of the year		<u>371,125</u>	<u>223,113</u>
Cash and cash equivalents at end of the year	21	<u><u>£625,594</u></u>	<u><u>£371,125</u></u>

The notes on pages 18 to 26 form part of these financial statements.

**TERRINGTON HALL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1 ACCOUNTING POLICIES

Legal entity

Terrington Hall Trust Limited is regulated by the Charities Commission (532362), limited by guarantee and is registered in England and Wales. The address of the registered office and principal place of business is Terrington Hall Trust Limited, Terrington, York, YO60 6PR.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS102.

Going concern

COVID-19 continued to have an impact in the year with the school offering reduced out of school activities. The charity has adapted well throughout the pandemic and continues to offer support to its pupils. The charity has managed its resources prudently and has sufficient cash reserves.

The governors have considered the cash requirements beyond 12 months from date of approval of the accounts and, having undertaken a rigorous scenario planning process, have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe that the going concern basis of accounting is appropriate in preparing the annual financial statements.

Fees and other income

Parental contributions, charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

Donations

Donations receivable for the general purpose of the School are credited to "unrestricted funds". Donations for purposes restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Trustees.

Other trading activities

All other incoming resources are included in the SOFA when the School is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

Bursaries and allowances from unrestricted funds towards school fees are treated as a reduction in those fees.

Governance costs are costs associated with constitutional and statutory requirements. They include audit fees and estimated costs linked to the strategic management of the School. Support costs are those incurred directly in support of expenditure on the objects of the School.

**TERRINGTON HALL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1 ACCOUNTING POLICIES (continued)

Tangible fixed assets

Alteration and improvement expenditure on freehold property is treated as capital if it results in additional floor area for use of the School or if it significantly enhances the property. Otherwise it is charged to revenue as maintenance of buildings.

Depreciation

Depreciation is calculated to write off the cost of fixed assets over their expected useful lives on a straight line basis. The rates used are as follows:

Freehold property	2% per annum straight line
Freehold property - Integral features	10% per annum straight line
Furniture, fittings and equipment	25% per annum straight line
Motor vehicles	25% per annum straight line

Items costing less than £3,000 are written off as an expense as acquired.

Assets are depreciated once brought into use.

Stocks

Stocks are stated at the lower of cost and net realisable value.

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.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and any short term deposit accounts with a maturity of three months or less from the date of opening.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in 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.

Where the School has received tuition fees in advance the amount is treated as deferred income until the pupil joins the School whereupon the fees for each school term are charged against the remaining balance and taken into income. Any shortfall is treated as a deduction from school fee income and any excess accrued is treated as additional school income.

Financial instruments

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

Pension schemes

The charitable company contributes to the Teachers' Pension Defined Benefit 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. The scheme is therefore accounted for as a defined contribution scheme. The charitable company also contributes to a defined contributions scheme for administration staff. In both cases contributions are charged to the income and expenditure account in the year in which they accrue.

TERRINGTON HALL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1 ACCOUNTING POLICIES (continued)

Operating leases

Rentals payable under operating leases are charged in the SOFA on a straight line basis over the lease term.

Funds structure

Funds comprise unrestricted funds which have not been designated for other purposes, and are available for use at the discretion of the Trustees in accordance with the charitable objectives. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes. Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Government grants

The government has made the Coronavirus Job Retention Scheme available to the charitable company which have been recognised as income using the accrual model.

Government grant income is recognised when the conditions for receipt have been met and there is reasonable assurance that the grant will be received. It is then recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate, except where the grant is compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs in which case it is recognised as income in the period in which it becomes receivable.

2 TAXATION

As a registered charity, Terrington Hall Trust Limited is exempt from the tax on income falling within sections 466 to 493 of the Corporation Tax Act 2010 to the extent that this is applied to its charitable objects. No tax charges have arisen in the Company.

3 OPERATING SURPLUS

The surplus for the year is stated after charging:

	2021 £	2020 £
Depreciation	63,042	62,990
Operating lease - equipment	19,258	19,258
Auditors' remuneration	5,725	5,725
Other fees paid to auditor	1,507	1,507
	<u>£ 1,688,016</u>	<u>£ 1,572,802</u>

4 INCOME FROM CHARITABLE ACTIVITIES

School fees

Gross fees	1,989,689	1,865,103
Less: Scholarships and allowances	(301,673)	(292,301)
	<u>£ 1,688,016</u>	<u>£ 1,572,802</u>

Other income

Recharges to pupils for education and sports requisites	61,234	63,562
School shop sales	1,455	18,188
Government grants	134,464	42,819
Other income	2,502	740
	<u>£ 199,655</u>	<u>£ 125,309</u>

All income from charitable activities relates to unrestricted funds.

5 OTHER TRADING ACTIVITIES

Fundraising activities	1,402	11,340
Hire of accommodation	-	2,075
	<u>£ 1,402</u>	<u>£ 13,415</u>

TERRINGTON HALL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5 OTHER TRADING ACTIVITIES (continued)

£1,402 of other trading activities relates to restricted funds (2020: £11,340).

Hire of accommodation relates to the renting out of the school's accommodation during school holidays and by renting out two properties.

6 ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £	Other costs £	Depreciation £	Total 2021 £	Total 2020 £
Cost of generating funds					
Marketing and advertising	-	37,067	-	37,067	11,166
Fundraising costs	-	1,035	-	1,035	4,467
Bank interest	-	2,955	-	2,955	1,872
Bad debts provided for	-	4,380	-	4,380	6,000
	-	45,437	-	45,437	23,505

£1,035 (2020: £4,467) of expenditure on generating funds relates to restricted funds.

Charitable activities

Teaching costs	970,552	148,572	2,841	1,121,965	1,186,418
Welfare	102,330	67,786	7,571	177,687	222,771
Premises	56,589	191,458	52,525	300,572	200,260
Support costs	109,764	70,346	105	180,215	176,795
Governance costs	-	7,232	-	7,232	7,232
	1,239,235	485,394	63,042	1,787,671	1,793,476

Total expenditure	£ 1,239,235	£ 530,831	£ 63,042	£ 1,833,108	£ 1,816,981
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£9,135 (2020: £11,228) of the expenditure on charitable activities relates to restricted funds.

Governance costs include:

Auditors' remuneration:
for audit services
for other services

	2021 £	2020 £
	5,725	5,725
	1,507	1,507
	£ 7,232	£ 7,232

7 STAFF COSTS

Wages and salaries	957,545	978,124
Social security costs	84,198	90,622
Other pension costs	167,125	173,629
Other costs	30,367	25,136
	£ 1,239,235	£ 1,267,511

The average monthly head count was 42 staff (2020: 39) and the average monthly number of full-time equivalent employees during the year were as follows:

Teaching	27	26
Welfare	6	5
Support	3	3
	36	34

TERRINGTON HALL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7 STAFF COSTS (continued)

No employees received benefits between £60,000 - £69,999 during the year (2020: one). One employee received benefits between £70,000 - £79,999 during the year (2020: none).

No governors nor any persons connected with them received any remuneration or other benefits from the school for their services to the charity nor were reimbursed for travel expenses during this or the preceding year.

The key management personnel of the charity, comprise the Trustees, the Head Teacher, Deputy Heads - Pastoral and Academic and Bursar. The total employee benefits of the key management personnel of the charity were £275,946 (2020: £254,705).

8 TANGIBLE FIXED ASSETS

	Freehold property £	Furniture, fixtures and equipment £	Motor vehicles £	Total £
Cost:				
At 1 September 2020	1,625,880	317,447	12,500	1,955,827
Additions	29,002	200	-	29,202
At 31 August 2021	<u>1,654,882</u>	<u>317,647</u>	<u>12,500</u>	<u>1,985,029</u>
Depreciation:				
At 1 September 2020	672,636	291,561	12,500	976,697
Charge for the year	52,525	10,517	-	63,042
At 31 August 2021	<u>725,161</u>	<u>302,078</u>	<u>12,500</u>	<u>1,039,739</u>
Net book values:				
31 August 2021	<u>£ 929,721</u>	<u>£ 15,569</u>	<u>£ -</u>	<u>£ 945,290</u>
31 August 2020	<u>£ 953,244</u>	<u>£ 25,886</u>	<u>£ -</u>	<u>£ 979,130</u>

The Governors consider the market value of the freehold property to be considerably in excess of its book value. Due to the costs involved in obtaining a professional valuation it has not been practicable to quantify the excess.

All of the tangible fixed assets relate to unrestricted funds.

	2021 £	2020 £
9 STOCKS		
Closing stock	<u>£ 23,908</u>	<u>£ 25,570</u>

Stock of £753 relates to restricted funds in 2021 (£1,067 in 2020)

10 DEBTORS

Trade debtors	31,509	26,048
Other debtors	2,751	20,857
Prepayments and accrued income	41,750	37,731
	<u>£ 76,010</u>	<u>£ 84,636</u>

Debtors of £2,751 relates to restricted funds in 2021 (£2,751 in 2020)

**TERRINGTON HALL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11 CREDITORS: amounts falling due within one year

	2021	2020
	£	£
Fees received in advance	470,573	305,066
Trade creditors	44,540	38,469
Other creditors	17,503	21,273
Taxation and social security	19,727	43,995
Pension	19,260	20,186
Bank loan and overdraft	12,082	95,959
Accruals	32,965	16,331
	<u>£ 616,650</u>	<u>£ 541,279</u>

12 CREDITORS: amounts falling due after one year

Bank loan	77,918	-
Other creditors	27,000	27,000
	<u>£ 104,918</u>	<u>£ 27,000</u>

Amounts due after more than one year:

Repayable between 1-2 years	14,498	-
Repayable between 2 - 5 years	43,495	-
Repayable in 5 years and more	19,925	-
	<u>£ 77,918</u>	<u>£ -</u>

All creditors relate to unrestricted funds.

The bank loan facilities are secured by a first legal charge dated 15 May 2014 over freehold property known as Terrington Hall School, Terrington, York, YO60 6PR, and a debenture (including charged land) dated 15 May 2014. The loan facilities represent 9.5% (2020: 10%) of the net book value of the freehold property.

The interest rates on the loans are 3.46% or 3% over base.

13 DEFERRED INCOME

	2021	2020
	£	£
Fees received in advance		
Balance at 1 September	305,066	339,241
Released to statement of financial activities	(305,066)	(339,241)
	-	-
Deferred in the period	470,573	305,066
Balance at 31 August	<u>£ 470,573</u>	<u>£ 305,066</u>

TERRINGTON HALL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14 UNRESTRICTED FUNDS

	Balance at 1 Sept. 2020 £	Income £	Expended £	Transfers £	Balance at 31 Aug. 2021 £
Designated funds					
Capital fund	115,363	-	-	-	115,363
Undesignated funds					
General	577,169	1,888,758	(1,822,938)	-	642,989
	<u>£ 692,532</u>	<u>£ 1,888,758</u>	<u>£ (1,822,938)</u>	<u>£ -</u>	<u>£ 758,352</u>
	Balance at 1 Sept. 2019 £	Income £	Expended £	Transfers £	Balance at 31 Aug. 2020 £
Designated funds					
Capital fund	115,363	-	-	-	115,363
Undesignated funds					
General	669,388	1,700,456	(1,801,286)	8,611	577,169
	<u>£ 784,751</u>	<u>£ 1,700,456</u>	<u>£ (1,801,286)</u>	<u>£ 8,611</u>	<u>£ 692,532</u>

The unrestricted school funds are held to finance the freehold property and to cover normal fluctuations in working capital, split as designated between freehold property and general reserves.

The capital fund represents the capital cost of the original land and buildings.

15 RESTRICTED FUNDS

	Balance at 1 Sept. 2020 £	Income £	Expended £	Transfers £	Balance at 31 Aug. 2021 £
Terrington Hall Parents' Social and Fundraising Group fund	8,488	1,402	(1,035)	-	8,855
Bursary fund	191,162	-	(9,135)	-	182,027
	<u>£ 199,650</u>	<u>£ 1,402</u>	<u>£ (10,170)</u>	<u>£ -</u>	<u>£ 190,882</u>
	Balance at 1 Sept. 2019 £	Income £	Expended £	Transfers £	Balance at 31 Aug. 2020 £
Terrington Hall Parents' Social and Fundraising Group fund	12,616	11,340	(6,857)	(8,611)	8,488
Bursary fund	-	200,000	(8,838)	-	191,162
	<u>£ 12,616</u>	<u>£ 211,340</u>	<u>£ (15,695)</u>	<u>£ (8,611)</u>	<u>£ 199,650</u>

Terrington Hall Parents' Social and Fundraising Group fund

The Terrington Hall Parents' Social and Fundraising Group fund represents donations and fundraising to purchase specific items.

Bursary Fund

This fund relates to grants received for Bursaries for specific purposes.

TERRINGTON HALL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current (liabilities)/ assets £	Long term liabilities £	2021 Total £
Unrestricted funds	945,290	(82,020)	(104,918)	758,352
Restricted funds	-	190,882	-	190,882
	<u>£ 945,290</u>	<u>£ 108,862</u>	<u>£ (104,918)</u>	<u>£ 949,234</u>

	Tangible fixed assets £	Net current (liabilities)/ assets £	Long term liabilities £	2020 Total £
Unrestricted funds	979,130	(259,598)	(27,000)	692,532
Restricted funds	-	199,650	-	199,650
	<u>£ 979,130</u>	<u>£ (59,948)</u>	<u>£ (27,000)</u>	<u>£ 892,182</u>

17 OPERATING LEASE COMMITMENTS

As at 31 August 2021 the charitable company had future minimum lease payments under non-cancellable operating as follows:

	2021 £	2020 £
Within one year	6,092	19,932
Between one and five years	8,438	22,323
	<u>£ 14,530</u>	<u>£ 42,255</u>

18 RELATED PARTIES

There were no related party transactions during the year which were not offered on the same terms as the general public.

19 PENSION SCHEMES

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £150,805 (2020: £157,698) and at the year-end £16,742 (2020 - £18,038) was accrued in respect of contributions to this scheme.

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

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

TERRINGTON HALL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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19 PENSION SCHEMES (continued)

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

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

The School also runs a scheme for its non-teaching staff, which is a defined contribution scheme. The pension charge for the year includes contributions payable to the scheme of £16,320 (2020: £15,931). At the year-end £2,517 (2020: £2,148) was accrued in respect of contributions to this scheme.

**20 RECONCILIATION OF NET INCOME TO NET CASH FLOW
FROM OPERATING ACTIVITIES**

	2021	2020
	£	£
Net income for the reporting period	57,052	94,815
Depreciation of tangible fixed assets	63,042	62,990
Decrease in stocks	1,662	2,077
Decrease/(Increase) in debtors	8,626	(23,314)
Increase in creditors	167,156	17,527
Net cash used in operating activities	£ 297,538	£ 154,095

21 ANALYSIS OF CASH AND CASH EQUIVALENTS

Cash at bank and in hand	625,594	371,125
Total cash and cash equivalents	£ 625,594	£ 371,125