

Company Number: 00810136
Charity Number: 529216

MOORLANDS SCHOOL LIMITED

**ANNUAL REPORT
FOR THE YEAR ENDED
31 AUGUST 2019**



MOORLANDS SCHOOL LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2019

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MOORLANDS SCHOOL LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2019 REFERENCE AND ADMINISTRATIVE DETAILS

Name	Moorlands School Limited
Trustees	Mr A Wintersgill Mr C L M Best Mr S B Burnhill Mrs A Cook (appointed 21 st June 2019) Mr R S Drake Rt Revd C P Edmondson Mrs P M Essler Dr G H Haslam Mr R C Hemsley Ms P Kaur Prof M Manogue Mr F J McAleer Mr M Pearman (appointed 1 st June 2018) Mr I M Small (died 29 th October 2018) Revd Dr R L Walton Revd P Whittaker Mrs G Wilson
Company number	00810136
Charity number	529216
Registered office	Foxhill Drive Weetwood Lane Leeds LS16 5PF
Key management Personnel	Miss J Atkinson Head Mrs V L Bates, Bursar Mrs S Wheelhouse, Deputy Head Miss W Cooper, Head of Early Years
Bankers	HSBC Bank plc The Peak 333 Vauxhall Bridge Road Victoria London SW1H 0NJ
Solicitor	Pothecary Witham Weld 70 St George's Square London SW1V 3RD

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Auditor RSM UK Audit LLP
5th Floor, Central Square
29 Wellington Street
Leeds
LS1 4DL

School Committee

The Trustees of Moorlands School Limited appoint a School Committee to whom they delegate responsibility for the day to day governance of the school. The School Committee comprises:

Mr A Wintersgill	Chairman	G
Mr C L M Best		F
Mr S B Burnhill		A, E, F
Mrs A Cook	(appointed 21 st June 2019)	M
Mr R S Drake		A, C
Rt Revd C P Edmondson		E
Mrs P M Essler		A, E, H
Dr G H Haslam	Vice Chairman	A, M, Pr, H, C
Mr R C Hemsley		F
Ms P Kaur		M
Prof M Manogue		E
Mr F J McAleer		F, M
Mr M Pearman		E
Mr I M Small	(died 29 th October 2018)	E, M
Revd Dr R L Walton		E
Revd P Whittaker		M, Pr, A, C
Mrs G Wilson		M, E

Key to committees:

A	Audit Governance & Risk Committee
E	Education Committee
F	Finance & General Purpose Committee
G	Governors' Action Committee
H	Health & Safety Committee
M	Moorlands School Committee
Pr	Prep Schools Education Committee
C	Appeals & Complaints Committee

MOORLANDS SCHOOL LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their report and the financial statements of Moorlands School Limited (the charitable company) for the year ended 31 August 2019.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association of the charitable company, 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).

REFERENCE AND ADMINISTRATIVE DETAILS

Moorlands School Limited runs Moorlands School (the school) which was founded in 1898. The charitable company's reference and administrative details are presented on pages 2 and 3 of this annual report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charitable company is governed by its Memorandum and Articles of Association last updated on 30 November 2012. The Articles of Association were amended by a Special Resolution passed on 31 August 2017.

Governing body and organisational structure

The School is administered by its governing body. The Methodist Independent Schools Trust (registered charity no. 1142794) (MIST) is the sole member of the charitable company. Moorlands School Limited is the registered proprietor. The Governors of the School are also the Governors of Woodhouse Grove School, which is a school that is operated within MIST and with which the School has a close connection. The day to day governance is delegated to a group of individuals who form the School Committee. The Governors are legally responsible for the overall management and control of the school, and meet at least three times a year. The running of the School is scrutinised by the School Committee in between these meetings. The work of implementing most of their policies is carried out by the members of the working committees, the membership of which is shown on page 3.

The day to day operation of the School is delegated to the Headteacher, supported by her Senior Management Team.

The remuneration of key management personnel is set by the Governors, with the policy objective of providing appropriate incentives to encourage enhanced performance and rewarding them fairly and responsibly for their individual contributions to the School's success.

MOORLANDS SCHOOL LIMITED

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

A number of criteria are used in setting pay including:

- nature of the role and responsibilities
- affordability
- competitor salaries in the area
- the sector average salary for comparable positions

This is kept under annual review.

Recruitment and training of governors

Governors are appointed by Methodist Independent Schools Trust. Appointments are for a period of three years which is renewable. The induction of new Governors is the responsibility of the Chair and the Clerk; an information pack of relevant documents is provided. The School is a member of the Association of Governing Bodies for Independent Schools which organises Governor training events. All Governors undertake safeguarding training.

One new Governors was appointed during the year their details are shown on page 3.

Group structure and relationships

The School operates in close conjunction with the Methodist Independent Schools Trust (MIST), which is its sole member. Consolidated accounts are prepared by MIST for all the schools and the other funds under its control. The School also works in association with a number of other independent schools in England and Wales with a Methodist foundation on particular projects.

The School, through the Headteacher, is in membership of the Independent Association of Prep Schools (IAPS).

Auditor

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to the auditor

So far as the trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware. Additionally, the trustees have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the charitable company's auditor is aware of that information.

MOORLANDS SCHOOL LIMITED

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

OBJECTIVES AND ACTIVITIES

Charitable objects

The Methodist Church is engaged in education as part of its Christian mission in the world. Its schools will look to extend the Methodist ethos and character and contribute to diversity in education.

Aims and intended impact

The aims of the school are set out in its mission statement. These are:

- To be a caring Christian family community committed to the development of the full potential of each individual having regard for their personal attributes in addition to their academic aspirations. The School makes available bursaries to give access to the education it provides for children of families who cannot afford its fees.
- To maintain high educational standards in all its academic, cultural and sporting activities, stimulating excitement in learning and requiring discipline in study, whatever the ability of the child.
- To work with and in the community it serves. The School co-operates with a wide range of organisations in endeavouring to widen access to the educational services as well as the sporting and cultural facilities provided by the school. Pupils are encouraged to be aware of their responsibilities to the local community, to the environment and of their role as global citizens.
- To worship as Christians in the Methodist tradition; to uphold Christian values in practice as well as in theory and to make religious education a strong feature of the curriculum, whilst welcoming members of other faiths (and none) in a spirit of openness and tolerance.
- To encourage pupils in a critical examination of the standards and values current in society and to discover and develop a personal faith to guide them throughout their lives.

Objectives and strategies for the year

This year, the principle objectives have been:

- Identify and pursue ways to improve retention rates, particularly from Foxes into Reception and moving into upper KS2
- Use of CPOMs to be effective and consistent across the school in recording safeguarding and behavioural concerns
- Instigate a rolling programme of low cost, 'in-house' maintenance for updating of current school buildings and bringing unused resources, such as the climbing wall, back into use
- Undertake a further review of the admissions process and set progressive targets for 'signing-up' of prospective families
- Strengthen quality of education in areas identified by SMT and Heads of Departments - currently assessment, Physical, Social, Citizenship, Health and Economic Education (PSCHEE), marking and feedback, reading and comprehension skills and Able, Gifted and Talented (AG&T), which was identified in the last inspection

MOORLANDS SCHOOL LIMITED

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

- Finalise the findings of the Development Working Party discussions into clear short, medium and long term targets for Moorlands, which will inform the practicalities of the development plan

Strategies to improve the retention of pupils into upper KS2 have had a positive impact, including a focus on building parental confidence and awareness of the academic achievements and personal development of pupils as they progress through KS2, strategies included:

- school events which showcase KS2 e.g choir performances, Open Afternoons,
- The buddy system, Y5+6 pupils 'buddied' with Foxes and Reception pupils, parents of younger pupils get to know some of the older pupils and the skills and qualities that they have developed,
- Putting work and reports into the school newsletter for all the community to see,
- Encouraging EYFS and KS1 parents to visit other areas of the school e.g. on open afternoons,
- Ensuring that achievements, for example in entrance examinations, are communicated to all parents,
- Consistency in Year 6 all achieving their first choice of senior school over the past three years.

There has also been an improvement in pupil numbers progressing from Foxes into Reception. Steps that have been made to improve this have been:

- Asking parents on admission to the Nursery whether they are intending their child to stay at Moorlands until Year 6,
- Conversations being opened earlier in the year with Foxes parents regarding their intentions for Reception,
- Foxes parents are being involved more fully in the life of the school and KS1 and KS2 promoted positively,
- Acknowledgement that the School will always have a number of parents who come to Moorlands purely for Nursery. To counteract this, the capacity of the Nursery has been increased so that the School has a larger pool of pupils to draw on with the intention that, longer term, the need to recruit pupils into Moorlands at reception age will be minimised

CPOMS was introduced in September 2018 its use became consistent from January 2019. Staff have found it quick and easy to use when recording incidents and when SMT are dealing with parental concerns, information and a clear track of events is readily available. The focus for this year will be making best use of the data produced by CPOMS to monitor pupils and inform governors.

Changes have been made in the use of rooms in the Moorlands building, to ensure the best use of space;

- At Easter, the Reception classroom was moved upstairs to the KS1 floor with the result that the downstairs space is now totally committed to the Nursery. This gives the capacity to increase the size of Nursery, whilst drawing Reception into the main body of the school and

MOORLANDS SCHOOL LIMITED

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

strengthening links between EYFS and the rest of the school. A new washroom was installed on the first floor to provide facilities for Reception and KS1.

- Over the 2019 summer holiday, the 'old' Science room has been revamped ready for use in the start of the new school year. This has allowed the Art/DT teaching to be moved back into the main building from its outside classroom.
- The unused room on the 4th floor at the top of the turret has been used to house an 'Artist in Residence', a former art teacher, Fiona Gwynne, who is now an exhibiting artist, is also going to provide an AG&T opportunity for Y5/6 pupils to join a painting skills club each week

In order to review our admissions process, Moorlands took up an opportunity promoted by IAPS to take part in a 'Parent Journey Project' being run by Insight6 - a company which specialises in customer experience. Three enquiries were set up, a visit and show around, website enquiry and phone call enquiry. Comprehensive feedback was received from this which gave several suggestions, which have been acted upon. Sam Cadman and Vani Midgley, from the Woodhouse Grove School Marketing Department have also visited Moorlands to discuss improving admissions and also to update the taking of new publicity photographs to be used in marketing and on the school website during the next academic year.

In terms of quality of education, the following areas were focused on during the 2018-19 academic year:

- Reading and in particular the teaching of comprehension skills through the use of VIPERS (vocabulary, infer, predict, explain, retrieve, sequence/summarise). A workshop was also held to introduce this to parents and to encourage them to use this range of questions when reading to their child at home
- A review of the topics taught in EYFS was undertaken and a move towards 'in the moment' planning started with the view that this will be embedded in the new school years
- A new PSCHEE scheme of work was introduced and a dedicated hour given to the subject in the timetable. Moorlands also took part in the Inspire Peace Project, this had a very positive impact and some of the school's projects and photos were used in material which was distributed to schools nationally.

MOORLANDS SCHOOL LIMITED

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

Bursary and grant making policy

Access to the education we offer should not be restricted to those who can afford our fees. Our bursary awards are important in helping to ensure that children from families who otherwise would not be able to afford the fees can access the education we offer. Bursary awards are available to all who meet the general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk. In assessing means, we take into account nationally accepted criteria. Bursaries are awarded on a sliding scale in proportion to need, in exceptional circumstances full remission of fees can be awarded. The level of awards given in the year is set out in note 3 to the Accounts.

Volunteers

Parents help at the school, particularly by fundraising for specific projects, and this year the school has benefited from donations totalling £8,738 from the Moorlands School Association. The donations have been used to purchase of an outdoor adventure playground, keyboard and ice-creams on sports days,

Public benefit

The trustees have given careful consideration to the Charity Commission's guidance on public benefit and confirm that they have given due regard to this guidance. The School provides public benefit by:

- Providing education to 109 school age children during the year, an estimated saving to the public purse of c£686,700 (*calculated on the basis of the national average of £6,300 per head*)
- Providing means tested bursaries to those who would otherwise be unable to benefit from an independent education
- Broader use of facilities for educational and community purposes

MOORLANDS SCHOOL LIMITED

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

The School's facilities are well utilised by the local community. Eight swimming schools operate from the Moorlands' pool enabling children within the local community the opportunity to learn to swim, in addition, organisations offering children coaching in tennis, rugby and karate operate from the school site. The gym is also used for rehearsals by The White Rosettes, a female barbershop chorus who have won national and European championships.

Every September the school opens its doors for the national Heritage Open Days, with the support of Leeds Civic Trust, enabling the community to visit the building and explore its history. This was well attended with over 45 visitors within a two hour opening time.

ACHIEVEMENTS AND PERFORMANCE

This year, Moorlands School awarded a total of £91,377 in the form of Scholarships and Bursaries equivalent to 7% of annual fees, of which £70,280 was means tested; 16 students benefited from this form of assistance.

The entire Year 6 cohort of 13 pupils was successful in gaining their first school of choice. Once again, pupils were very successful in entrance examinations with the following scholarships and awards being offered, but not necessarily taken up:

- Woodhouse Grove School - Headmasters Awards, Academic Scholarship, Music Scholarship
- Ashville College Ashville - Academic Scholarship and Sport Exhibition
- Harrogate Ladies College - Academic Scholarships
- Grammar School at Leeds - Music Scholarship and Foundation Scholar

This year, three of the pupils have taken up places at local state schools.

MOORLANDS SCHOOL LIMITED

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

FINANCIAL REVIEW

The School's principal source of income is fee income. Income from its trading subsidiary amounted to £131,934 (2018: £128,047), with associated costs of £3,480 (2018: £9,031). All of the School's expenditure was spent in advancement of its charitable objectives.

The School was pleased to generate a surplus and see a corresponding reduction in the negative net assets position.

A handful of parents have again opted to pay fees in advance, which assists the school cash flow.

Year-end reserves, whilst still negative have improved due to the surplus, and the forecast trading performance over the next 5 years suggests the school will see further reductions in the level of negative reserves.

MOORLANDS SCHOOL LIMITED

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

Reserves policy

The reserves policy of the group has been reviewed by Methodist Independent Schools Trust and that of the charity by its governors during the year. Free reserves are regarded as those unrestricted funds that have not been designated for any specific purpose. The value of land and buildings are excluded except to the extent that they have been used as collateral for loans, and are shown as designated property funds.

The School had negative reserves at the year-end of £50,680 (£89,630 at 2018).

Methodist Independent Schools Trust and the Governors have carefully considered the level of reserves appropriate to be held at Group and School level, necessary for contingencies and movements in working capital. Having regard to the likelihood of financial risks and mitigating factors including its group structure, it considers the target level of free reserves required to be the equivalent of six week's costs, approximately £100,000. In advising schools of the level required to be held locally, the Trust has also considered its ability to borrow against the security of property assets and the level of reserves held centrally. After taking these into account, schools are advised to operate within a range of 0% - 10%.

The Governors have noted this advice, however at the year end the School did not have any free reserves.

Principal risks and uncertainties

The Governing Body is responsible for the management of the risks faced by the School, and a formal review of the Charity's risk management processes is undertaken on an annual basis.

The Governors have assessed the major risks to which the School is exposed and are satisfied that systems are in place to mitigate the School's exposure to the major risks. Such risks are reviewed on a regular basis in order to mitigate any impact that they may have on the School in the future.

The governors consider that the major risks to which the School is currently exposed include:

- Safeguarding and compliance regulations
- Impact of Charity Law and application by the Charity Commission
- Loss of key members of staff
- Fee income levels inadequate as a result of a decrease in pupil roll
- Change in political climate re Independent Schools
- Major disaster /Impact of reputational risk

MOORLANDS SCHOOL LIMITED

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

The key controls include:

- Close monitoring of major risks
- Continued use of Bursaries to mitigate political comment
- Careful selection of new Governors
- Formal agenda and minutes to support decisions of the Moorlands Committee and Governing Body activities
- Financial budgeting and management accounting
- Clear organisational structure and lines of reporting
- Formal written policies
- Safeguarding and vetting procedures as required by law for the protection of vulnerable children and adults
- Risk assessments for individual activities and departments

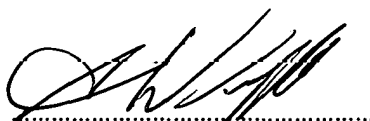
Going concern

The School continues to be financially supported by Methodist Independent Schools Trust and an extension to the loan capital repayment holiday has been approved until December 2020.

PLANS FOR FUTURE PERIODS

- Continue to build pupil numbers, particularly EYFS given the additional space now available,
- Focus on assessment of pupils and reporting to parents, with the introduction of an online system, Classroom Monitor, to track pupil progress and the appointment of a member of SMT with responsibility for leading this,
- Ensure that Moorlands is thoroughly prepared in order to be successful in its upcoming compliance inspection, the last inspection was January 2016,
- Refresh marketing literature and continue to build the reputation and awareness of Moorlands in the local area,
- Work to achieve national awards, which support the development of the school and recognise the quality of education. This year it will be the Schools Eco Award, Peaceful School Award and the AfPE quality mark for Games/P.E.

This report was approved by the trustees on 29th November 2019 and is signed on their behalf by:



Mr A Wintersgill
Chairman of Governors

29th November 2019

MOORLANDS SCHOOL LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Moorlands School Limited for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and its group and of the group's income and expenditure for that period. In preparing these financial statements, the trustees are required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF MOORLANDS SCHOOL LIMITED

Opinion

We have audited the financial statements of Moorlands School Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2019 which comprise Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated 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 "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 group's and the parent charitable company's affairs as at 31 August 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 152 of the Charities Act 2011 and report in accordance with those Acts.

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 and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 parent charitable 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF MOORLANDS SCHOOL LIMITED

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF MOORLANDS SCHOOL LIMITED

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP
VICTORIA CRAVEN (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL

Date 12 December 2019

MOORLANDS SCHOOL LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(including an income and expenditure account)

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted funds £	Total 2019 £	Total 2018 £
INCOME AND ENDOWMENTS				
FROM:				
Donations and legacies		-	-	-
Charitable activities:				
School fees	3	1,282,849	1,282,849	1,164,303
Other educational income	4	10,417	10,417	7,971
Other trading activities:				
Trading	5	131,934	131,934	128,047
Investments:				
Bank and other interest		1,866	1,866	963
Other		2,178	2,178	6,645
TOTAL		<u>1,429,244</u>	<u>1,429,244</u>	<u>1,307,929</u>
EXPENDITURE ON:				
Raising funds	6	(3,480)	(3,480)	(9,031)
Charitable activities	6	<u>(1,386,814)</u>	<u>(1,386,814)</u>	<u>(1,273,741)</u>
TOTAL		<u>(1,390,294)</u>	<u>(1,390,294)</u>	<u>(1,282,772)</u>
NET INCOME		<u>38,950</u>	<u>38,950</u>	<u>25,157</u>
NET MOVEMENT IN FUNDS		<u>38,950</u>	<u>38,950</u>	<u>25,157</u>
RECONCILIATION OF FUNDS:				
Total funds brought forward		(89,630)	(89,630)	(114,787)
TOTAL FUNDS CARRIED FORWARD	17	<u>(50,680)</u>	<u>(50,680)</u>	<u>(89,630)</u>

MOORLANDS SCHOOL LIMITED

Company Number: 00810136

**CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 AUGUST 2019**

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
FIXED ASSETS:					
Tangible assets	10	922,988	963,955	922,988	963,955
Investments	11	-	-	1,000	1,000
		<u>922,988</u>	<u>963,955</u>	<u>923,988</u>	<u>964,955</u>
CURRENT ASSETS:					
Debtors	12	70,621	44,451	158,319	140,347
Cash at bank and in hand		<u>327,936</u>	<u>253,672</u>	<u>229,793</u>	<u>146,752</u>
		398,557	298,123	388,112	287,099
LIABILITIES:					
Creditors: Amounts falling due within one year	13	(289,055)	(261,123)	(279,610)	(251,099)
NET CURRENT ASSETS		<u>109,502</u>	<u>37,000</u>	<u>108,502</u>	<u>36,000</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,032,490</u>	<u>1,000,955</u>	<u>1,032,490</u>	<u>1,000,955</u>
Creditors: Amounts falling due after more than one year	14	(1,083,170)	(1,090,585)	(1,083,170)	(1,090,585)
NET LIABILITIES		<u>(50,680)</u>	<u>(89,630)</u>	<u>(50,680)</u>	<u>(89,630)</u>
THE FUNDS OF THE CHARITY:					
Unrestricted funds		<u>(50,680)</u>	<u>(89,630)</u>	<u>(50,680)</u>	<u>(89,630)</u>
TOTAL CHARITY FUNDS		<u>(50,680)</u>	<u>(89,630)</u>	<u>(50,680)</u>	<u>(89,630)</u>

The Charity surplus for the year was £38,950 (2018 £24,919 surplus)

The financial statements were approved by the board of trustees and authorised for issue on 29th November 2019 and are signed on its behalf by:



 Mr A Wintersgill
Chair of Governors

MOORLANDS SCHOOL LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	2019 £	2018 £
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income / (deficit) from the reporting period (as per statement of financial activities)	38,950	25,157
Adjustments for:		
Depreciation charges	60,183	59,151
Dividends, interest and rents from investments	(1,866)	(963)
Interest payable	32,681	22,289
Decrease in debtors	(26,170)	11,883
Increase in creditors	42,786	37,671
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>146,564</u>	<u>155,188</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends, interest and rents from investments	1,866	963
Purchase of property, plant and equipment	(19,216)	(8,329)
NET CASH USED IN OPERATING ACTIVITIES	<u>(17,350)</u>	<u>(7,366)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
New fees in advance money	(14,854)	19,767
Finance Lease	(7,415)	(12,014)
Interest payable	(32,681)	(22,289)
NET CASH USED IN FINANCING ACTIVITIES	<u>(54,950)</u>	<u>(14,536)</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	74,264	133,286
Cash and cash equivalents at the beginning of the reporting period	253,672	120,386
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	<u>327,936</u>	<u>253,672</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	<u>327,936</u>	<u>253,672</u>

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Company information

Moorlands School Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Moorlands School, Foxhill Drive, Weetwood Lane, Leeds LS16 5PF.

The company's principal activity is disclosed in the report of the trustees.

Accounting convention

The financial statements have been prepared in accordance with the accounting policies set out below, under the historical cost convention (except as modified for the annual revaluation of fixed asset investments) and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association of the charitable company, 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). The charitable company meets the definition of a public benefit entity under FRS 102.

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

The principal accounting policies are set out below.

Going concern

The Methodist Independent School's Trust (MIST) is ultimately responsible for the control and management of Moorlands School Limited. MIST controls the school's property for the purposes of its wider educational activities, and as such uses the school's property for its loans and may sell property without the need to consult the school first. MIST has indicated its continuing support which is necessary for the future of the charitable company and the school.

MIST has pledged its support to the charitable company whilst the school implements plans to improve its net worth. On the basis of the support provided by MIST, the trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Therefore, at the date of approval of these financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the trustees continue to adopt the going concern basis in preparation of the financial statements.

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Reduced disclosures for subsidiaries

As a qualifying entity within the meaning of FRS 102, the charitable company has chosen to take advantage in its individual financial statements of the following disclosure exemptions:
Section 7 - Presentation of a statement of cash flows, related notes and disclosures

Group accounts

These financial statements consolidate the results of the charitable company and its wholly owned subsidiary on a line by line basis. A separate statement of financial activities has not been presented for the parent charitable company on the basis of the exemption provided under section 408 of the Companies Act 2006.

Income

School fees and other educational income receivable are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances and other remissions allowed by the school. Other educational income consists of extras, optional subjects and ancillaries charged to pupils.

Scholarship and bursary awards from restricted and designated funds are included as expenditure in the period for which they are given. Scholarships, bursaries and allowances from the general fund towards school fees are treated as a reduction in the fees.

All other types of income are accounted for on an accruals basis and recognised in the statement of financial activities when earned by the charitable company.

Donations and legacies are accounted for as and when the charitable company has entitlement, the amount involved can be reliably quantified and a transfer of economic benefit to the charitable company is probable.

Expenditure

Expenditure is recognised as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure is accounted for on an accruals basis, inclusive of irrecoverable VAT. Costs of raising funds are those costs incurred in attracting voluntary income, together with those costs incurred in trading activities that raise funds. Charitable activities comprise expenditure associated with teaching and school activities and include both direct and support costs.

Governance costs are those incurred in the governance of the charitable company and its assets and are mainly associated with constitutional and statutory requirements.

Lease rentals payable in respect of assets held under operating leases are charged to the statement of financial activities as they fall due.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Employee benefits - Pensions

Retirement benefits to employees of the charitable company are provided by the Teachers' Pension Scheme (TPS) in respect of teaching staff and The Pensions Trust Growth Plan (TPTGP) in respect of all other staff.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charitable company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting.

The TPTGP is a multi-employer plan which is a money purchase scheme with guaranteed benefits. The charitable company contributes at various rates on an employee by employee basis. It is not possible for the charitable company to obtain sufficient information to enable it to account for the TPTGP as a defined benefit scheme.

The TPS and the TPTGP are therefore treated as defined contribution schemes for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Employee benefits - Other

Short term employment benefits including holiday pay are recognised as an expense in the period in which the services are received from the employee involved. Termination benefits are accounted for on an accrual basis as and when employment ceases.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Depreciation is recognised so as to write off the cost of assets, other than land, less their residual values over their useful lives on the following basis:

New buildings	2% on cost
Building improvements	10% on cost
Fixtures and equipment	10% to 20% on cost

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 credited or charged to the statement of financial activities.

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Investments

The charitable company's investments are included in the balance sheet at cost.

Fund accounting

The general fund comprises the accumulated surpluses of unrestricted income over expenditure, which are available for use in furtherance of the general objectives of the charitable company.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the trustees. The use of designated funds remains at the discretion of the trustees.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the financial statements. Amounts unspent at the year end are carried forward in the balance sheet.

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.

Financial instruments

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

Financial instruments are recognised when the charitable company 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other receivables 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charitable company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, and loans from group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Finance Leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the Company substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payment payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to surplus or deficit so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

Operating Leases

All other leases are operating leases and the annual rentals are charged to surplus or deficit on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expenses and are recognised, on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

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

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

Critical areas of judgement

In addition to the trustees' assessment of the going concern status of the charitable company, the following other specific judgements, estimates and assumptions were critical to the preparation of these financial statements:

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. Useful economic lives and residual values are reviewed annually and reassessed where necessary to better reflect the actual usage of the assets involved.

Provision of fee debtors

The trustees consider whether fee debtors are recoverable. Where there is an indication that recoverability is unlikely, the amounts involved are recognised as a provision for bad debts. This assessment requires an estimation of future likely cash flows in order to calculate the appropriate amount of any provision.

Pension contributions

The charitable company has an obligation to make employer contributions to the pension schemes of which its employees are members. The cost of providing pension benefits and the present value of the obligations of the charitable company as an employer depends upon a number of factors, including life expectancy, salary increases, asset valuations and discount rates.

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

3 School fees

	2019 £	2018 £
Gross school fees chargeable	1,407,081	1,313,514
Less: Scholarships awarded to pupils		-
Bursaries awarded to pupils	(91,377)	(105,191)
Staff, sibling and other discounts and allowances	(32,855)	(44,020)
	<u>1,282,849</u>	<u>1,164,303</u>

4 Other educational income

	2019 £	2018 £
Fees charged for optional subjects and pupils' extras	10,417	7,971
	<u>10,417</u>	<u>7,971</u>

5 Income from subsidiary trading activities

The charitable company owns all of the issued share capital, being 1,000 ordinary shares of £1 each, in Moorlands School Enterprises Limited, a company incorporated in England and Wales under company number 03726256. The subsidiary is engaged in activities relating to and in support of the school, and it donates its taxable profits to the charitable company under Gift Aid each year. The subsidiary's results and financial position are summarised below using information extracted from its audited financial statements.

	2019 £	2018 £
Turnover	131,934	128,047
Operating costs	(3,480)	(9,031)
Profit for the year	<u>128,454</u>	<u>119,016</u>
Total assets	139,900	131,040
Total liabilities	(139,900)	(130,040)
Total funds	<u>-</u>	<u>1,000</u>

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

6	Analysis of expenditure				2019 Total £	2018 Total £
	Staff costs £	Depreciation £	Other £			
Raising funds:						
Fundraising costs	-	-	3,480	3,480		9,031
Charitable activities:						
Teaching costs	703,373	26,941	80,776	811,090		764,190
Welfare costs	43,261	-	39,774	83,035		75,101
Premises costs	62,169	33,242	228,271	323,682		269,864
Support costs	70,570	-	30,133	100,703		106,205
Governance costs	-	-	16,935	16,935		12,756
Charitable publicity costs	-	-	18,688	18,688		23,336
Finance costs	-	-	32,681	32,681		22,289
	<u>879,373</u>	<u>60,183</u>	<u>450,738</u>	<u>1,390,294</u>		<u>1,282,772</u>

7	Governance costs	2019 £	2018 £
Auditor's remuneration		5,043	5,040
Other costs		<u>11,892</u>	<u>7,716</u>
		<u>16,935</u>	<u>12,756</u>

Other governance costs are inclusive of the share of the annual assessment by the Methodist Independent Schools Trust, which is expended on governance matters.

8	Net income	2019 £	2018 £
Net income for the year is stated after charging/(crediting):			
Amounts payable under operating leases		7,122	9,982
Depreciation on tangible fixed assets		60,183	59,151
Interest payable on loans		32,681	22,289
Auditor's remuneration:			
Audit of the financial statements		5,043	5,040
Other services		<u>3,300</u>	<u>3,920</u>

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff costs

	2019 £	2018 £
The aggregate staff costs during the year comprised:		
Wages and salaries	751,714	723,996
Social security costs	57,729	55,519
Defined benefit pension costs	69,930	70,665
	<u>879,373</u>	<u>850,180</u>

	2019 No.	2018 No.
The average number of employees during the year comprised:		
Teaching staff	20	20
Other staff	9	9
	<u>29</u>	<u>29</u>

	2019 No.	2018 No.
The average number of employees during the year on the full time equivalent basis comprised:		
Teaching staff	20	20
Other staff	9	9
	<u>29</u>	<u>29</u>

	2019 No.	2018 No.
The number of employees whose emoluments exceeded £60,000 during the year were as follows:		
£60,001 - £70,000	<u>1</u>	<u>1</u>

In respect of employees whose emoluments exceeded £60,000 during the year, total pension contributions payable during the year amounted to £10,628 (2018: £10,271).

The key management personnel of the charitable company are the governors and the senior management team of the school. The governors received no remuneration for their services in the current or previous year and were also not reimbursed for any expenses incurred during the current or previous year. The aggregate remuneration of the other key management personnel, including employer's national insurance contributions, was £165,388 (2018: £184,778).

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

10 Tangible assets	Land and buildings £	Fixtures and equipment £	Total £
Charity and Group			
Cost:			
As at 1 September 2018	1,391,808	254,726	1,646,534
Additions	-	19,216	19,216
Disposals	-	-	-
As at 31 August 2019	<u>1,391,808</u>	<u>273,942</u>	<u>1,665,750</u>
Depreciation:			
As at 1 September 2018	555,821	126,758	682,579
Charged for the year	33,242	26,941	60,183
Disposals	-	-	-
As at 31 August 2019	<u>589,063</u>	<u>153,699</u>	<u>742,762</u>
Net book value:			
As at 31 August 2019	<u>802,745</u>	<u>120,243</u>	<u>922,988</u>
As at 31 August 2018	<u>835,987</u>	<u>127,968</u>	<u>963,955</u>

Some of the group's tangible fixed assets have been funded by finance lease and hire purchase contracts. During the year, depreciation of £5,216 (2018: £5,216) was charged in respect of those assets, and at the balance sheet date, the net book value of those assets amounted to £15,650 (2018: £20,866).

The charitable company's land and buildings comprise the freehold premises of the school.

The charitable company's property assets have been pledged as security to MIST, in support of the loan funded by MIST to the charitable company.

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

11 Investments

The charitable company owns all of the issued share capital, being 1,000 ordinary shares of £1 each, in Moorlands School Enterprises Limited, a company incorporated in England and Wales under company number 03726256. This investment is carried in the balance sheet of the charity at its current market value, of £1,000 and has a historical cost of £1,000.

12 Debtors

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Amounts falling due within one year:				
Fee debtors	13,205	3,892	13,205	3,892
Amounts owed by group undertakings	-	-	128,454	119,016
Other debtors	42,236	28,728	1,480	5,608
Prepayments and accrued income	15,180	11,831	15,180	11,831
	<u>70,621</u>	<u>44,451</u>	<u>158,319</u>	<u>140,347</u>

13 Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Deposits (note 15)	44,625	37,750	44,625	37,750
Prepaid fees (note 15)	75,251	87,019	75,251	87,019
Composition fees (note 15)	63,322	28,658	63,322	28,658
Trade creditors	54,396	56,904	54,396	54,924
Taxation and social security costs	25,401	25,063	25,401	25,063
Hire Purchase	7,415	7,415	7,415	7,415
Other creditors	7,325	5,924	-	-
Group creditor	-	-	1,000	1,000
Accruals	11,320	12,390	8,200	9,270
	<u>289,055</u>	<u>261,123</u>	<u>279,610</u>	<u>251,099</u>

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

14 Creditors: Amounts falling due after more than one year

	Due within 1 to 2 years	Due within 2 to 5 years	Due after 5 years	2019 Total	2018 Total
	£	£	£	£	£
Group and charity					
Hire Purchase	-	-	-	-	7,415
Loans (note 16)	40,000	60,000	983,170	1,083,170	1,083,170
	<u>40,000</u>	<u>60,000</u>	<u>983,170</u>	<u>1,083,170</u>	<u>1,090,585</u>

Obligations under the hire purchase contracts are secured by the related assets and bear finance charges at a rate of 2.42% per annum.

15 Deferred income

Prepaid fees and deposits

Parents pay for fees in advance and provide deposits to secure places for pupils. Movements during the year were as follows:

	2019 £
Balance brought forward at 1 September 2018	124,769
Amounts received during the year	119,876
Amounts recognised as income during the year	(124,769)
Amounts repaid to parents during the year	-
Balance carried forward at 31 August 2019	<u>119,876</u>

Composition fees

Parents may enter into a contract to pay to the school for tuition fees in advance. The money may be returned subject to specific conditions. Movements during the year were as follows:

	2019 £
Balance brought forward at 1 September 2018	28,658
Amounts received during the year	78,027
Amounts recognised as income during the year	(43,363)
Balance carried forward at 31 August 2019	<u>63,322</u>

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2019

16 Loans

The charitable company has been provided with loan funding from the Methodist Independent Schools Trust (MIST). The loan accrues interest at a rate of 2.25% above the base rate of the group's bankers. A three year capital repayment holiday has been agreed with MIST in respect of the loan that started on 1 January 2015. A further 3 year extension of the capital repayment holiday has been agreed with MIST running until 31st December 2020.

17 The funds of the group and the charity

	Balance at 1 September 2018	Income	Expenditure	Other	Balance at 31 August 2019
Group and charity	£	£	£	£	£
Unrestricted funds:					
Revaluation reserves	395,228	-	-	-	395,228
General fund	(484,858)	1,429,244	(1,390,294)	-	(445,908)
	<u>(89,630)</u>	<u>1,429,244</u>	<u>(1,390,294)</u>	<u>-</u>	<u>(50,680)</u>
Total funds of the group and charity	<u>(89,630)</u>	<u>1,429,244</u>	<u>(1,390,294)</u>	<u>-</u>	<u>(50,680)</u>

Analysis of net assets between funds

	Fixed assets	Net current assets / (liabilities)	Long term liabilities	Total
Group and charity	£	£	£	£
Unrestricted funds excl. pension liability	922,988	109,502	(1,083,170)	(50,680)
	<u>922,988</u>	<u>109,502</u>	<u>(1,083,170)</u>	<u>(50,680)</u>

18 Financial instruments

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Carrying amount of financial assets:				
Equity instruments measured at fair value	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Debt instruments measured at amortised cost	<u>55,441</u>	<u>32,620</u>	<u>143,139</u>	<u>128,516</u>
Carrying amount of financial liabilities:				
Measured at amortised cost	<u>(1,164,626)</u>	<u>(1,174,218)</u>	<u>(1,154,181)</u>	<u>(1,163,194)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2019

19 Operating lease commitments

Group and charity - Lessee

The charitable company has entered into operating leases in respect of certain items of school equipment. At the balance sheet date, the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019	2018
	£	£
Within one year	5,515	7,060
Between one and two years	5,515	5,515
Between two and five years	6,894	12,409
	<u>17,924</u>	<u>24,984</u>

The operating leases represent leases of two properties to third parties. On entering into these leases, the Group paid lease deposits totalling £NIL (2018: £2,934). The leases are negotiated over terms of 5 years, with rentals fixed during the term.

20 Pensions

Retirement benefits to employees of the charitable company are provided by the Teachers' Pension Scheme (TPS) in respect of teaching staff and The Pensions Trust Growth Plan (TPTGP) in respect of all other staff.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. 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.

The Government Actuary, 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 contributions. Actuarial scheme 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 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

21 Pensions (Continued)

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

The TPTGP is a multi-employer plan which is a money purchase scheme with guaranteed benefits. The charitable company contributes at various rates on an employee by employee basis. It is not possible for the charitable company to obtain sufficient information to enable it to account for the TPTGP as a defined benefit scheme.

The TPTGP is classified as a "last man standing arrangement". Therefore, the charitable company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme. If the charitable company were to withdraw from the scheme it would have a liability, which at 30th September 2018 would have been £6,533 (2017: £7,274). There is however no plan to leave the scheme so this contingent liability has not been provided for in the financial statements.

A full actuarial valuation for the TPTGP was carried out at 30 September 2018. This valuation showed a deficit of £113 million.

To eliminate this funding shortfall, some participating employers have been asked to pay additional contributions.

Contributions to pension schemes were made for all of the charitable company's employees at the standard rates applicable to the schemes involved. Contributions to the TPS amounted to £63,660 (2018: £65,731) during the year and contributions to the TPTGP amounted to £6,270 (2018: £4,934) during the year. At the balance sheet date, normal monthly pension contributions were outstanding and included in creditors of £8,145 (2018: £8,378) relating to the TPS and £1,412 (2018: £1,013) relating to the TPTGP.

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

22 Control

The charitable company's immediate and ultimate parent undertaking and controlling party is the Methodist Independent Schools Trust (MIST), a charitable company incorporated and registered in England and Wales. The company number for MIST is 07649422 and the charity number is 1142794.

The charitable company operates under power delegated to it by MIST in accordance with the Methodist Independent Educational Trust Deed. The principal purpose and activity of MIST and all the members of its group is the advancement of education in accordance with the principles of the Methodist Church.

The smallest and largest group in which the results of the charitable company are consolidated is that headed by MIST. Copies of the group financial statements may be obtained from the charitable company's registered office address.

23 Related party transactions

Total interest payable on the loans from MIST for the year amounted to £32,495 (2018: £29,535) and the total amount of loans outstanding at the balance sheet date was £1,083,170 (2018: £1,083,170).

During the year, MIST continued to provide a range of services to the charitable company, which are recharged on a termly basis. These charges cover management, banking and insurance and carbon reduction charge. The total amount recharged in the year was £77,815 (2018: £50,817). At the year end the amount due to MIST was £10,244 (£Nil 2018).

During the year, the charitable company received £128,454 (2018: £119,016) from its trading subsidiary as a Gift Aid donation. The charitable company did not recharge any payroll costs to its trading subsidiary. At the year end, £128,454 (2018: £119,016) was owed to the charitable company from its trading subsidiary.

During the year MIST via Woodhouse Grove School recharged £20,280 (2018: £4,110) in relation to marketing costs, payroll, accounting, HR, IT and local management. At the year end the amount due to Woodhouse Grove School was £1,658.

Woodhouse Grove School Enterprises Limited recharged MSE £Nil (2018: £1,980) in relation to accountancy services provided.

No Trustee claimed expenses during the year.

Included within Donations in the charity is gift aid amounting to £128,454 (2018: £119,016) received from Moorlands School Enterprises Limited. This amount is included in Debtors at the year end. The total Debtor due from Moorlands School Enterprises Limited at the year-end amounted to £128,454 (2018: £119,016). Included in Creditors amounts falling due within one year is an amount of £1,000 (2018: £1,000) owing to Moorlands School Enterprises Limited.

There were no other related party transactions.

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

24 Comparative consolidated statement of financial activities

The consolidated statement of financial activities (including an income and expenditure account) for the ended 31 August 2018 is reproduced below:

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
INCOME AND ENDOWMENTS					
FROM:					
Donations and legacies					
Charitable activities:					
School fees	3	1,164,303	-	1,164,303	1,118,441
Other educational income	4	7,971	-	7,971	11,387
Other trading activities:					
Trading	5	128,047	-	128,047	121,222
Investments:					
Bank and other interest		963	-	963	414
Other		6,645	-	6,645	3,370
TOTAL		<u>1,307,929</u>	<u>-</u>	<u>1,307,929</u>	<u>1,254,834</u>
EXPENDITURE ON:					
Raising funds	6	(9,031)	-	(9,031)	(4,899)
Charitable activities	6	<u>(1,273,741)</u>	<u>-</u>	<u>(1,273,741)</u>	<u>(1,285,797)</u>
TOTAL		<u>(1,282,772)</u>	<u>-</u>	<u>(1,282,772)</u>	<u>(1,290,696)</u>
NET INCOME		<u>25,157</u>	<u>-</u>	<u>25,157</u>	<u>(35,862)</u>
Other recognised gains/losses:					
Gain on revaluation of fixed assets		-	-	-	-
NET MOVEMENT IN FUNDS		<u>25,157</u>	<u>-</u>	<u>25,157</u>	<u>(35,862)</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		(114,787)	-	(114,787)	(78,925)
TOTAL FUNDS CARRIED FORWARD	17	<u>(89,630)</u>	<u>-</u>	<u>(89,630)</u>	<u>(114,787)</u>

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 AUGUST 2019

25 Comparative funds

	Balance at 1 Sept 2017	Income	Expenditure	Other	Balance at 31 Aug 2018
	£	£	£	£	£
Unrestricted funds					
Revaluation Reserve	395,228	-	-	T	395,228
General Fund	(510,015)	1,307,929	(1,282,772)	T	(484,858)
Unrestricted funds excluding pension liability	(114,787)	1,307,929	(1,282,772)	-	(89,630)
Pension Reserve	-	-	-	A	-
Unrestricted funds including pension liability	(114,787)	1,307,929	(1,282,772)	-	(89,630)
Charity total	(114,787)	1,307,929	(1,282,772)	-	(89,630)
Trading Subsidiary	-	-	-	T	-
Group total	(114,787)	1,307,929	(1,282,772)	-	(89,630)

Other movements comprise:

A Actuarial gain/(loss) T Transfer U Unrealised gain/(loss)

Comparative Allocation of Net Assets

	Fixed Assets	Net Current Assets/ (Liabilities)	Long Term Liabilities	Total
	£	£	£	£
Charity:				
Restricted funds	-	-	-	-
Unrestricted funds excl. pension liability	963,955	37,000	(1,090,585)	(89,630)
Pension reserve	-	-	-	-
Charity Total	963,955	37,000	(1,090,585)	(89,630)
Trading subsidiary	1,000	(1,000)	-	-
Group Total	964,955	36,000	(1,090,585)	(89,630)