

Company Number: 00810136

Charity Number: 529216

MOORLANDS SCHOOL LIMITED

**ANNUAL REPORT
FOR THE YEAR ENDED
31 AUGUST 2021**

MOORLANDS SCHOOL LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021

CONTENTS

	Page
Reference and administrative details	2 - 3
Report of the trustees	4 - 10
Statement of trustees' responsibilities	11
Auditor's report	12 - 15
Financial statements:	
Consolidated statement of financial activities	16
Consolidated and charity balance sheets	17
Consolidated statements of cash flows	18
Notes to the financial statements	29 - 36

MOORLANDS SCHOOL LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021 REFERENCE AND ADMINISTRATIVE DETAILS

Name	Moorlands School Limited
Trustees	Mr A Wintersgill Mr C Allen (appointed 7 th December 2020) Mr C L M Best Mr S Bickerton (appointed 7 th December 2020, resigned 31 st March 2021) Mr S B Burnhill Mrs A Cook Mr R S Drake Rt Revd C P Edmondson Mrs P M Essler Mr R C Hemsley Ms P Kaur Prof M Manogue Mr F J McAleer (resigned 31 st August 2021) Mr S Morris (appointed 7 th December 2020) Mr M Pearman 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 Mr A Marshall, Assessment & Enrichment Co-ordinator
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

MOORLANDS SCHOOL LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021 REFERENCE AND ADMINISTRATIVE DETAILS

Auditor RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

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 Allen		A
Mr C L M Best		F
Mr S B Burnhill		E, F
Mrs A Cook		A, M
Mr R S Drake	Vice Chairman	A, C, G
Rt Revd C P Edmondson		A, E
Mrs P M Essler		A, E, H, C, G
Mr R C Hemsley		F, G
Ms P Kaur		M
Prof M Manogue		E
Mr S Morris		E
Mr M Pearman		E, G
Revd P Whittaker	Chairman of Moorlands Committee	M, Pr, A, C, G
Mrs G Wilson		M, E, C

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 2021

The trustees present their report and the financial statements of Moorlands School Limited (the charitable company) for the year ended 31 August 2021.

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 2019).

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 2021

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.

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 2021

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 were:

- Maintain and build on pupil numbers, with a target class size of 18.5 pupils in Reception to Year 6 by 2023 (currently 17.3) and FTE in EYFS at 30+.
- Continue to build on recent progress to ensure that there is an effective assessment, tracking and reporting system in place across the school, which clearly informs teaching and learning including clear identification of AG&T pupils, particularly in terms of preparation for scholarship at Year 6.
- Curricular focus on acquisition of reading skills across the school and range and quality of texts read and teaching of RSE as a compulsory subject.
- Use social media in a planned, purposeful and effective way to engage current parents and attract prospective families.
- Continue to upskill staff IT skills and embed use of IT across the curriculum, particularly use of the i-pads to support Classroom Monitor.
- Promotion of positive mental health and well-being for staff and pupils, particularly during the continuing challenges of COVID-19.

**REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

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 £3,538 from the Moorlands School Association. The donations have been used to purchase a Touchscreen for one of the classrooms and ice-creams for pupils at the end of the EYFS, KS1 and KS2 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 121 school age children during the year, an estimated saving to the public purse of c£762,300 (*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

Up until the national lockdown, the School's facilities were well utilised by the local community. A number of 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.

MOORLANDS SCHOOL LIMITED

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENTS AND PERFORMANCE

This year, Moorlands School awarded a total of £80,006 in the form of means tested Bursaries equivalent to 5.6% of annual fees; 16 students benefited from this form of assistance.

Of the 17 Year 6 pupils, 16 took selective entrance examinations for seven different senior schools (Woodhouse Grove, GSaL, Ashville, Giggleswick, Harrogate Ladies College, Bradford Grammar School, Gateways School). All were successful in gaining their first choice of school with 10 of the children achieving 16 scholarships/awards between them - including academic, sport, music, choral, Headmasters Award and all-round - this was a record year for Moorlands, although not all of the awards have been taken up:

Independent school Places accepted were:

- Woodhouse Grove - 10 pupils, one pupil deferred entry for two years
- Grammar School at Leeds - 3 pupils
- Ashville College - 1 pupil
- Giggleswick School - 1 pupil

Two of the pupils took up places at state schools:

- Prince Henry's School in Otley
- St Aidan's School in Harrogate

We were very proud of the performance of the Year 6 pupils, given the challenges of the previous academic year and the different formats that the entrance assessments took, due to COVID, including having interviews over Zoom, completing exam papers in key worker bubbles or at home and filming video evidence for scholarships.

FINANCIAL REVIEW

The School's principal source of income is fee income. Income from its trading subsidiary amounted to £29,399 (2020: £89,258), with associated costs of £5,145 (2020: £5,254). All of the School's expenditure was spent in advancement of its charitable objectives.

The School is reporting a small surplus for the year, which has improved the school's year end reserves.

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 £46,248 (£50,597 at 2020).

MOORLANDS SCHOOL LIMITED

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 AUGUST 2021

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 £160,000. 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:

- The impact of COVID-19
- 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

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

MOORLANDS SCHOOL LIMITED

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 AUGUST 2021

Going concern

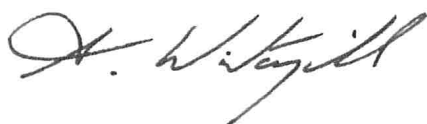
The School continues to be financially supported by the Methodist Independent Schools Trust (MIST). MIST is ultimately responsible for the control and management of Moorlands School. Notwithstanding the net liabilities of £46,248, the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees have considered the ongoing impact of COVID-19 on the School with forecasts revised to reflect the impact and the future risks arising from the pandemic. The Trustees' review of the financial position, funds levels and future plans and taking into account agreed repayment terms for the loan and financial support from MIST, give them confidence that the group and charitable company remains a going concern for the foreseeable future.

Therefore, at the date of approval of these financial statements, the trustees have a reasonable expectation that the group and 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.

PLANS FOR FUTURE PERIODS

- Prioritise growth of numbers in EYFS, specifically Nursery for this academic year and Reception for September 2022
- Continue to build on staff IT skills gained during remote learning and integrate iSAMs into parent communication as well as utilising it fully for school management
- Build on work done over past academic year in ensuring that there is an effective assessment, tracking and reporting system in place for EYFS-Y6, in particular for recording/tracking teacher assessments using Classroom Monitor
- Focus on AG&T provision with KS1 and KS2
- Embed new Lifeskills programme (Bushcraft/first aid/cookery/eco-awareness) as part of the KS2 curriculum and review Humanities subjects across the school

This report was approved by the trustees on 26th November 2021 and is signed on their behalf by:



Mr A Wintersgill
Chairman of Governors

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 Ltd (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including 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 2021 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 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

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, 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 require 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 11, 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.

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

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

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

The most significant laws and regulations that have an indirect impact on the financial statements are The Education (Independent School Standards) Regulations 2014, Keeping Children Safe in Education under section 175 of the Education Act 2002, and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates applied throughout the 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

Nicholas Sladden (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date 12 January 2022

MOORLANDS SCHOOL LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(including an income and expenditure account)

FOR THE YEAR ENDED 31 AUGUST 2021

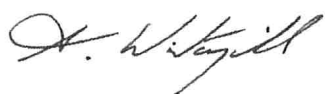
	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
INCOME AND ENDOWMENTS					
FROM:					
Donations and legacies		-	3,538	3,538	4,057
Charitable activities:					
School fees	3	1,422,038	-	1,422,038	1,286,531
Other educational income	4	13,242	-	13,242	9,325
Other trading activities:					
Trading	5	29,399	-	29,399	89,258
Investments:					
Bank and other interest		449	-	449	1,434
Other		17,444	-	17,444	35,332
TOTAL		<u>1,482,572</u>	<u>3,538</u>	<u>1,486,110</u>	<u>1,425,937</u>
EXPENDITURE ON:					
Raising funds	6	(5,145)	(3,538)	(8,683)	(9,721)
Charitable activities	6	<u>(1,473,078)</u>	<u>-</u>	<u>(1,473,078)</u>	<u>(1,416,133)</u>
TOTAL		<u>(1,478,223)</u>	<u>(3,538)</u>	<u>(1,481,761)</u>	<u>(1,425,854)</u>
NET INCOME		<u>4,349</u>	<u>-</u>	<u>4,349</u>	<u>83</u>
NET MOVEMENT IN FUNDS		<u>4,349</u>	<u>-</u>	<u>4,349</u>	<u>83</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		(50,597)	-	(50,597)	(50,680)
TOTAL FUNDS CARRIED FORWARD	17	<u>(46,248)</u>	<u>-</u>	<u>(46,248)</u>	<u>(50,597)</u>

**CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 AUGUST 2021**

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
FIXED ASSETS:					
Tangible assets	10	809,024	866,108	809,024	866,108
Investments	11	-	-	1,000	1,000
		<u>809,024</u>	<u>866,108</u>	<u>810,024</u>	<u>867,108</u>
CURRENT ASSETS:					
Debtors	12	11,553	35,273	35,807	42,885
Cash at bank and in hand		<u>411,355</u>	<u>372,223</u>	<u>377,900</u>	<u>354,847</u>
		<u>422,908</u>	<u>407,496</u>	<u>413,707</u>	<u>397,732</u>
LIABILITIES:					
Creditors: Amounts falling due within one year	13	(195,010)	(301,031)	(186,809)	(292,267)
NET CURRENT ASSETS		<u>227,898</u>	<u>106,465</u>	<u>226,898</u>	<u>105,465</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,036,922</u>	<u>972,573</u>	<u>1,036,922</u>	<u>972,573</u>
Creditors: Amounts falling due after more than one year	14	(1,083,170)	(1,023,170)	(1,083,170)	(1,023,170)
NET LIABILITIES		<u>(46,248)</u>	<u>(50,597)</u>	<u>(46,248)</u>	<u>(50,597)</u>
THE FUNDS OF THE CHARITY:					
Unrestricted funds		(46,248)	(50,597)	(46,248)	(50,597)
TOTAL CHARITY FUNDS		<u>(46,248)</u>	<u>(50,597)</u>	<u>(46,248)</u>	<u>(50,597)</u>

The Charity surplus for the year was £4,349 (2020 £83 surplus)

The financial statements were approved by the board of trustees and authorised for issue on 26 November 2021 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 2021

	2021 £	2020 £
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income from the reporting period (as per statement of financial activities)	4,349	83
Adjustments for:		
Depreciation charges	57,085	60,549
Gain on revaluation of fixed assets	-	-
Dividends, interest and rents from investments	(449)	(1,434)
Interest payable	42,352	29,389
Decrease in debtors	23,720	35,348
Increase in creditors	(5,532)	(19,283)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>121,525</u>	<u>104,652</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends, interest and rents from investments	449	1,434
Purchase of property, plant and equipment	-	(3,669)
NET CASH USED IN OPERATING ACTIVITIES	<u>449</u>	<u>(2,235)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
New fees in advance money	(40,490)	(21,326)
Finance Lease	-	(7,415)
Interest payable	(42,352)	(29,389)
NET CASH USED IN FINANCING ACTIVITIES	<u>(82,842)</u>	<u>(58,130)</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	39,132	44,287
Cash and cash equivalents at the beginning of the reporting period	372,223	327,936
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	<u>411,355</u>	<u>372,223</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	<u>411,355</u>	<u>372,223</u>

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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 2019). 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 2021

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 2021

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 a 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 2021

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 2021

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 2021

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 2021

3 School fees

	2021 £	2020 £
Gross school fees chargeable	1,544,687	1,446,280
Less: Bursaries awarded to pupils	(80,006)	(70,821)
Staff, sibling and other discounts and allowances	(42,643)	(88,928)
	<u>1,422,038</u>	<u>1,286,531</u>

4 Other educational income

	2021 £	2020 £
Fees charged for optional subjects and pupils' extras	13,242	9,325
	<u>13,242</u>	<u>9,325</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.

	2021 £	2020 £
Turnover	29,399	89,258
Operating costs	(5,145)	(5,664)
Profit for the year	<u>24,254</u>	<u>83,594</u>
Total assets	34,455	28,925
Total liabilities	(34,455)	(28,925)
Total funds	<u>-</u>	<u>-</u>

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 AUGUST 2021

6	Analysis of expenditure				2021	2020
		Staff costs	Depreciation	Other	Total	Total
		£	£	£	£	£
	Restricted:				3,538	4,057
	Unrestricted					
	Raising funds:					
	Fundraising costs	-	-	5,145	5,145	5,664
	Charitable activities:					
	Teaching costs	799,435	23,843	48,914	872,192	849,145
	Welfare costs	42,137	-	29,535	71,672	69,920
	Premises costs	79,416	33,242	196,011	308,669	309,821
	Support costs	70,495	-	74,789	145,284	121,087
	Governance costs	-	-	19,851	19,851	19,721
	Charitable publicity costs	-	-	13,058	13,058	17,050
	Finance costs	-	-	42,352	42,352	29,389
		<u>991,483</u>	<u>57,085</u>	<u>429,655</u>	<u>1,481,761</u>	<u>1,425,825</u>
7	Governance costs				2021	2020
					£	£
	Auditor's remuneration				5,292	5,362
	Other costs				14,559	14,359
					<u>19,851</u>	<u>19,721</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				2021	2020
					£	£
	Net income for the year is stated after charging:					
	Amounts payable under operating leases				7,543	8,015
	Depreciation on tangible fixed assets				57,085	60,549
	Interest payable on loans				42,352	29,389
	Auditor's remuneration:					
	Audit of the financial statements				5,292	5,362
	Other services				3,551	2,985

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff costs

	2021	2020
	£	£
The aggregate staff costs during the year comprised:		
Wages and salaries	830,718	777,180
Social security costs	62,500	60,416
Defined benefit pension costs	98,265	102,391
	<u>991,483</u>	<u>939,987</u>

	2021	2020
	No.	No.
The average number of employees during the year comprised:		
Teaching staff	27	22
Other staff	13	9
	<u>40</u>	<u>31</u>

	2021	2020
	No.	No.
The average number of employees during the year on the full time equivalent basis comprised:		
Teaching staff	21	22
Other staff	10	7
	<u>31</u>	<u>29</u>

	2021	2020
	No.	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 £16,470 (2020: £15,692.)

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 £242,715 (2020: £233,553).

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 AUGUST 2021

10 Tangible assets	Land and buildings £	Fixtures and equipment £	Total £
Charity and Group			
Cost:			
As at 1 September 2020	1,391,808	277,611	1,669,419
Additions	-	-	-
Disposals	-	(84,595)	(84,595)
As at 31 August 2021	<u>1,391,808</u>	<u>193,016</u>	<u>1,584,824</u>
Depreciation:			
As at 1 September 2020	622,305	181,006	803,311
Charged for the year	33,242	23,842	57,084
Disposals	-	(84,595)	(84,595)
As at 31 August 2021	<u>655,547</u>	<u>120,253</u>	<u>775,800</u>
Net book value:			
As at 31 August 2021	<u>736,261</u>	<u>72,763</u>	<u>809,024</u>
As at 31 August 2020	<u>769,503</u>	<u>96,605</u>	<u>866,108</u>

Some of the group's tangible fixed assets have been funded by finance lease and hire purchase contracts. During the year, depreciation of £Nil (2020: £5,216) was charged in respect of those assets, and at the balance sheet date, the net book value of those assets amounted to £Nil (2020: £10,434).

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 2021

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 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Amounts falling due within one year:				
Fee debtors	2,460	15,749	2,460	15,749
Amounts owed by group undertakings	-	-	24,254	18,160
Other debtors	1,705	11,524	1,705	976
Prepayments and accrued income	7,388	8,000	7,388	8,000
	<u>11,553</u>	<u>35,273</u>	<u>35,807</u>	<u>42,885</u>

13 Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Deposits (note 15)	38,750	42,625	38,750	42,625
Prepaid fees (note 15)	62,691	75,248	62,691	75,248
Composition fees (note 15)	19,941	43,999	19,941	43,999
Loans (note 16)	-	60,000	-	60,000
Trade creditors	27,580	36,186	27,139	36,186
Taxation and social security costs	25,240	24,717	25,240	24,717
Hire Purchase	-	-	-	-
Other creditors	4,485	7,189	-	-
Group creditor	-	-	1,000	1,000
Accruals	16,323	11,067	12,048	8,492
	<u>195,010</u>	<u>301,031</u>	<u>186,809</u>	<u>292,267</u>

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 AUGUST 2021

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	2021 Total	2020 Total
Group and charity	£	£	£	£	£
Loans (note 16)	91,045	288,502	703,623	1,083,170	1,023,170
	<u>91,045</u>	<u>288,502</u>	<u>703,623</u>	<u>1,083,170</u>	<u>1,023,170</u>

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:

	2021 £
Balance brought forward at 1 September 2020	117,873
Amounts received during the year	58,816
Amounts recognised as income during the year	(75,248)
Amounts repaid to parents during the year	-
Balance carried forward at 31 August 2021	<u>101,441</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:

	2021 £
Balance brought forward at 1 September 2020	43,999
Amounts received during the year	-
Amounts recognised as income during the year	(24,058)
Balance carried forward at 31 August 2021	<u>19,941</u>

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 AUGUST 2021

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, until December 2022.

17 The funds of the group and the charity

	Balance at 1 September 2020 £	Income £	Expenditure £	Other £	Balance at 31 August 2021 £
Group and charity					
Restricted income funds	-	3,538	(3,538)	-	-
Unrestricted funds:					
Revaluation reserves	395,228	-	-	-	395,228
General fund	(445,825)	1,482,572	(1,478,223)	-	(441,476)
	(50,597)	1,482,572	(1,478,223)	-	(46,248)
Total funds of the group and charity	(50,597)	1,486,110	(1,481,761)	-	(46,248)

Analysis of net assets between funds

	Fixed assets £	Net current assets / (liabilities) £	Long term liabilities £	Total £
Group and charity				
Unrestricted funds	809,024	227,898	(1,083,170)	(46,248)
	809,024	227,898	(1,083,170)	(46,248)

18 Financial instruments

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Carrying amount of financial assets:				
Equity instruments measured at fair value	-	-	1,000	1,000
Debt instruments measured at amortised cost	4,165	27,273	28,419	34,885
Carrying amount of financial liabilities:				
Measured at amortised cost	(1,132,558)	(1,138,612)	(1,123,357)	(1,128,848)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021

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:

	2021	2020
	£	£
Within one year	7,543	7,483
Between one and two years	1,451	7,119
Between two and five years	-	1,838
	<u>8,994</u>	<u>16,440</u>

The operating leases represent leases of two properties to third parties. On entering into these leases, the Group paid lease deposits totalling £nil (2020: £nil). 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 School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021

20 Pensions (Continued)

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. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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 revision 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 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021

20 Pensions (Continued)

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 £90,271 (2020: £94,179) during the year and contributions to the TPTGP amounted to £7,814 (2020: £8,212) during the year. At the balance sheet date, normal monthly pension contributions were outstanding and included in creditors of £9,421 (2020: £9,955) relating to the TPS and £1,539 (2020: £1,553) relating to the TPTGP.

21 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 it 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.

22 Related party transactions

Total interest payable on the loans from MIST for the year amounted to £25,454 (2020: £29,203) and the total amount of loans outstanding at the balance sheet date was £1,083,170 (2020: £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. The total amount recharged in the year was £47,639 (2020: £57,320). At the year end the amount due to MIST was £8,469 (2020: £8,424).

During the year, the charitable company received £24,254 (2020: £81,079) from its trading subsidiary as a Gift Aid donation. The charitable company did not recharge any payroll costs to its trading subsidiary. The trading subsidiary loaned the charitable company £Nil in the year (2020: £65,434). At the year end a net of £24,254 (2020: £15,645) was owed to the charitable company from its trading subsidiary.

During the year MIST via Woodhouse Grove School recharged £31,458 (2020: £36,632) in relation to marketing costs, payroll, accounting, HR, IT and local management. At the year end the amount due to Woodhouse Grove School was £Nil (2020: £1,236). Woodhouse Grove School Enterprises Limited recharged MSE £nil (2020: £nil) in relation to accountancy services provided.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021

22 Related party transactions (Continued)

No Trustee claimed expenses during the year.

Included within Donations in the charity is gift aid amounting to £24,254 (2020: £81,079) 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 £24,254 (2020: £81,079). Included in Creditors amounts falling due within one year is an amount of £Nil (2020: £66,434) owing to Moorlands School Enterprises Limited.

There were no other related party transactions.

23 Comparative consolidated statement of financial activities

The consolidated statement of financial activities (including an income and expenditure account) for the ended 31 August 2020 is reproduced below:

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies		-	4,057	4,057	-
Charitable activities:					
School fees	3	1,286,531	-	1,286,531	1,282,849
Other educational income	4	9,325	-	9,325	10,417
Other trading activities:					
Trading	5	89,258	-	89,258	131,934
Investments:					
Bank and other interest		1,434	-	1,434	1,866
Other		35,332	-	35,332	2,178
TOTAL		<u>1,421,880</u>	<u>4,057</u>	<u>1,425,937</u>	<u>1,429,244</u>
EXPENDITURE ON:					
Raising funds	6	(5,664)	(4,057)	(9,721)	(3,480)
Charitable activities	6	(1,416,133)	-	(1,416,133)	(1,386,814)
TOTAL		<u>(1,421,797)</u>	<u>(4,057)</u>	<u>(1,425,854)</u>	<u>(1,390,294)</u>
NET INCOME		<u>83</u>	<u>-</u>	<u>83</u>	<u>38,950</u>
Other recognised gains/losses:					
Gain on revaluation of fixed assets		-	-	-	-
NET MOVEMENT IN FUNDS		<u>83</u>	<u>-</u>	<u>83</u>	<u>38,950</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		(50,680)	-	(50,680)	(89,630)
TOTAL FUNDS CARRIED FORWARD	17	<u>(50,597)</u>	<u>-</u>	<u>(50,597)</u>	<u>(50,680)</u>

MOORLANDS SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2021

24 Comparative funds

	Balance at 1 Sept 2019	Income	Expenditure	Other	Balance at 31 Aug 2020
	£	£	£	£	£
Unrestricted funds					
Revaluation Reserve	395,228	-	-	^T	395,228
General Fund	(445,908)	1,421,880	(1,421,797)	^T	(445,825)
Unrestricted funds excluding pension liability	(50,680)	1,421,880	(1,421,797)	-	(50,597)
Pension Reserve	-			^A	-
Unrestricted funds including pension liability	(50,680)	1,421,880	(1,421,797)	-	(50,597)
Charity total	(50,680)	1,421,880	(1,421,797)	-	(50,597)
Trading Subsidiary	-			^T	-
Group total	(50,680)	1,421,880	(1,421,797)	-	(50,597)

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	867,108	105,465	(1,023,170)	(50,597)
Pension reserve	-	-	-	-
Charity Total	867,108	105,465	(1,023,170)	(50,597)
Trading subsidiary			-	-
Group Total	867,108	105,465	(1,023,170)	(50,597)

