

THORPE HALL SCHOOL TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

THORPE HALL SCHOOL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	L L Andrews M I Brudenell S J Goldsworthy J Gorridge C J Graves M J Miller M Reddan D W Sills J C Turner
Charity number	298155
Company number	02187958
Principal address	Thorpe Hall School Waking Road Thorpe Bay Southend-on-Sea Essex SS1 3RD
Registered office	Thorpe Hall School Waking Road Thorpe Bay Southend-on-Sea Essex SS1 3RD
Auditor	Rickard Luckin Limited Aquila House Waterloo Lane Chelmsford Essex CM1 1BN

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THORPE HALL SCHOOL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their report and accounts for the year ended 31 August 2016.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)"

Objectives and activities

The charity's objectives, as set out in its Memorandum and Articles of Association, are the advancement of education and provision of independent coeducational day schooling for children between the ages of two and sixteen plus years. Within these objects, the Trust also has to maintain the land and buildings, which are owned by Thorpe Hall School (Essex) Ltd, and provide for bursaries and other educational purposes. The school provides means tested bursaries to a number of children.

The school's aim is to provide a first class independent education, through strong academic tuition and the development of sporting, artistic and social skills in all of its pupils. The school seeks to provide an environment where each pupil can develop and fulfill their potential and thus build self-confidence and a desire to contribute to the wider community.

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging. In the 2015-16 academic year, the school's specific aims have been:

- 1) To maintain high academic standards throughout the school and treat each pupil as an individual and important member of the school community.
- 2) To continue the development of special needs provision by identifying any weaknesses in individual pupils and putting Individual Education Plans into place as soon as possible.
- 3) To enhance the young person's enterprise scheme and encourage greater participation.
- 4) To continue to develop and enhance our Consultancy Based Curriculum and disseminate it across the whole community.
- 5) To develop our use of online learning platforms and pupil tracking systems to support teaching and learning in school and at home.
- 6) To ensure that our website contains relevant and compliant information for parents.
- 7) To continue to invest in facilities which enhance learning throughout the school.
- 8) To develop and enhance a good working relationship with other schools and organisations including the Local Authority of Southend Borough Council and to be actively involved in the local community.

The school remains committed to build a new sports facility with a view to enhancing its sports division. It also hopes to attract community users to use this new facility and will be charging low rates for its use.

The school continues to innovate and share best practice in pedagogy and meta learning. The school now aims to broaden the audience of these innovations through a greater online presence and thought leadership in the local press.

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

THORPE HALL SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2016

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Achievements and performance

The school has continued to perform very well both academically and in the areas of sport, music and drama.

The 2016 GCSE results saw yet another strong performance leaving our 5 year average of pupils attaining 5 or more A* to C grades proudly at 88%. This is over twenty points higher than the national average for maintained schools, including selective schools.

In the Key Stage 2 SATS results were in line with the best performing local authorities in the UK.

The Bursary Scheme continues to offer places either at no cost or heavily subsidised for local families who would not otherwise be able to afford the fees. Bursary grant awards equate to around 3% of turnover.

The school has continued to build upon partnerships which evolved last year with local Primary Schools, community groups and a secondary school. These schools benefit from both the enhanced facilities that Thorpe Hall School has to offer as well as the experience embedded within our leadership team.

The school's sponsorship of a local sailing club has enabled the junior section to thrive in its annual cadet week.

Financial review

The results for the year are set out in the financial statements published with this report, which continue to demonstrate that the school remains in a strong and sound financial position as a result of prudent management and control.

Unrestricted funds:

It is the governor's policy that unrestricted funds should be applied in the continuous development and benefit of Thorpe Hall School.

Restricted funds:

There are no specific or restricted funds held at present.

The Governing Body regularly monitors the reserves to ensure that sufficient funds are maintained to meet anticipated future needs whilst avoiding long term accumulation of excessive sums.

At 31st August 2016, the school had free reserves of £ 3,173,484.

The Governing Body maintains a prudent level of reserves in line with their policy to spend income received on the pupils in the school at that time, except where a specific project required funding to be built up over several years.

The charity is run as a private fee paying school, which is therefore its principal funding source. Those funds when generated will firstly be applied back into the school buildings by way of support to Thorpe Hall School (Essex) Ltd for the servicing and repayment of its mortgage from Barclays Bank PLC. Secondly, those funds have been utilised in the purchase of fixed assets for use within the school.

THORPE HALL SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Future Developments

The school intends to build on its solid foundations, both academically and financially, and will look to move forward and improve further in both areas.

In the forthcoming year, it is hoped that work will start on the new Sports Hall, which the school hope will be completed in the early part of 2018.

Structure, governance and management

The charity is a company limited by guarantee.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

L L Andrews
M I Brudenell
S J Goldsworthy
J Gorridge
C J Graves
M J Miller
M Reddan
D W Sills
J C Turner

The procedures for appointment of a trustee at the AGM are set out in the Articles of Association of the company. At other time, the trustees endeavor to identify parents of children within the school or other people within the local community at large who have the requisite skills and acumen to act as governors. If such persons agree, they are co-opted to the board and a formal resolution for their appointment is put to the members for confirmation at the next AGM.

THORPE HALL SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2016

None of the trustees have any beneficial interest in the company and those trustees with children at the school pay the same level of fees as non-trustee parents.

Parents of all pupils in the school are offered membership of Thorpe Hall School Trust. That membership terminates upon the departure of such parents last child from the school. The maximum liability or contribution that each member can be called upon to make is £1. The trust requires all parents of pupils in the main school to place an interest free deposit with the trust (the amount of such deposit being determined by the governors from time to time) and this deposit is refundable when their child (or last child) leaves the school. Members of staff may also apply to become members of the trust.

Governor recruitment is through a combination of approaches, one being the co-option of those with necessary skills, from parents of children at the school to those with an interest in the school community. Nominations for Governors will be requested by a specific date. These nominations must include the reasons why the nominee wishes to become a Governor and the attributes they can bring to the Governing Body. These nominations will be considered by the members of the school who will decide the successful candidate.

The Academy provides all new Governors with a comprehensive induction covering a comprehensive range of issues and topics. This is to ensure they gain a better understanding of the role and responsibilities of being a school Governor so they can fulfil their role with confidence.

The Governing Body is committed to providing training for Governors specific to their roles and the requirements of the Academy. The Academy purchases training from appropriate bodies.

Meetings of the board of governors take place at intervals of approximately once a school term. To constitute a quorum there must be at least four governors present, out of a maximum permitted number of governors at 15. The meetings are chaired by the chair of governors or in his/her absence by the vice-chair. The board of governors is responsible for making policy decisions in consultation with the Headteacher, Mr. A. Hampton

Implementation of those policies is the function of the Headteacher who will consult, as appropriate with the senior leadership team. Individual governors provide guidance on specific areas depending on their personal knowledge, skills and experience. In addition, one sub-committee considers all health and safety matters, a second considers all financial matters, including all ground buildings and maintenance matters and a third considers all education and personnel matters.

The day to day running of the school is delegated to the Headteacher, supported by his leadership teams. The head and members of staff as appropriate are invited to attend the governors meetings. A Hampton has been Headteacher since 1 September 2007. The senior leadership team comprises of Mr. Andrew Hampton (Headteacher), Mrs. Amanda Leslie (Deputy Head – Lower School), Mrs Jane Banks (Deputy Head – Upper School) and Mr. Richard Turner (Deputy Head – Upper School).

THORPE HALL SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2016

The governors have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Detailed consideration of risk is considered by the governors in consultation with the Headteacher, who is assisted by the senior leadership team and by the health and safety committee. Risks are identified, assessed and controls established throughout the year.

Key controls used by the governors include:

- 1) Formal agendas for all board meetings
- 2) Comprehensive strategic planning, budgeting and management accounting
- 3) Established organisational structure and lines of reporting
- 4) Formal written policies
- 5) Clear authorisation and approval levels and
- 6) Vetting procedures as required by law for the protection of the vulnerable

Through risk management processes established for the school the governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Pay policy for Key Management Personnel

The Board of Trustees abides by the requirement of all relevant national and local agreements with particular reference to:

School Teachers' Pay and Conditions Document, including due regard to relevant guidance documents and accompanying circulars

Conditions of Employment for School Teachers in England & Wales

Those on the leadership spine play a critical role in the life of the school. They inspire confidence in those around them and work with others to create a shared strategic vision which motivates pupils and staff. They take the lead in enhancing standards of teaching and learning and value enthusiasm and innovation in others. They have the confidence and ability to make management and organisational decisions and ensure equity, access and entitlement to learning.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Thorpe Hall School (Essex) Limited, a company incorporated in England, is the owner of the freehold land and buildings from which the trust operates as a private school. The Trust pays a rent for that occupation as shown in these accounts. Thorpe Hall School Trust has advanced the monies to Thorpe Hall School (Essex) Ltd to provide part of the funds to build and improve the school. The current account has been secured by way of a second charge against the freehold land and buildings of that company and interest is charged at a rate of 3% per annum above Barclays Bank Plc base rate. The first charge against the freehold land and buildings is held by Barclays Bank Plc in support of their mortgage, again to provide part of the funds to improve the school.

Employee involvement

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

THORPE HALL SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2016

Disabled persons

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Auditor

In accordance with the company's articles, a resolution proposing that Rickard Luckin Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

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

The Trustees' report was approved by the Board of Trustees.

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J Gorridge

Dated:

THORPE HALL SCHOOL TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

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

Company Law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

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

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

THORPE HALL SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THORPE HALL SCHOOL TRUST

We have audited the financial statements of Thorpe Hall School Trust for the year ended 31 August 2016 set out on pages 10 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the statement of Trustees' responsibilities set out on page 7, the Trustees, who are also the directors of Thorpe Hall School Trust for the purposes of company law are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

THORPE HALL SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THORPE HALL SCHOOL TRUST

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

Kate Bell (Senior Statutory Auditor)
for and on behalf of Rickard Luckin Limited

.....

Chartered Accountants
Statutory Auditor

Aquila House
Waterloo Lane
Chelmsford
Essex
CM1 1BN

THORPE HALL SCHOOL TRUST**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 AUGUST 2016**

	Notes	2016 £	2015 £
Income from:			
Charitable activities	3	3,451,815	3,384,774
Investments	4	26	53
Total income		<u>3,451,841</u>	<u>3,384,827</u>
Expenditure on:			
Charitable activities	5	3,381,088	3,279,574
Net income for the year/ Net movement in funds		70,753	105,253
Fund balances at 1 September 2015		3,102,731	2,997,478
Fund balances at 31 August 2016		<u><u>3,173,484</u></u>	<u><u>3,102,731</u></u>

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

All income and expenditure derive from continuing activities.

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

THORPE HALL SCHOOL TRUST**BALANCE SHEET****AS AT 31 AUGUST 2016**

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	10		592,064		670,823
Current assets					
Stocks	12	2,148		2,577	
Debtors	13	2,706,119		2,566,948	
Cash at bank and in hand		525,267		451,523	
		<u>3,233,534</u>		<u>3,021,048</u>	
Creditors: amounts falling due within one year	14	<u>(652,114)</u>		<u>(589,140)</u>	
Net current assets			2,581,420		2,431,908
Total assets less current liabilities			<u>3,173,484</u>		<u>3,102,731</u>
Income funds					
Unrestricted funds			3,173,484		3,102,731
			<u>3,173,484</u>		<u>3,102,731</u>

The accounts were approved by the Trustees on

.....
 J Gorridge
 Trustee

.....
 M Reddan
 Trustee

Company Registration No. 02187958

THORPE HALL SCHOOL TRUST**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 AUGUST 2016**

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	19		104,486		110,651
Investing activities					
Purchase of tangible fixed assets		(30,768)		(86,965)	
Interest received		26		53	
Net cash used in investing activities			(30,742)		(86,912)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			73,744		23,739
Cash and cash equivalents at beginning of year			451,523		427,784
Cash and cash equivalents at end of year			525,267		451,523

THORPE HALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Charity information

Thorpe Hall School Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Thorpe Hall School, Wakering Road, Thorpe Bay, Southend-on-Sea, Essex, SS1 3RD.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

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

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

These accounts for the year ended 31 August 2016 are the first accounts of Thorpe Hall School Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

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

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Deferred income is funds received in advance which relates to future financial years.

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

1.5 Resources expended

Liabilities are recognised as soon as there is legal or constructive obligation committing the charity to expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

THORPE HALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Summer works	4% straight line basis
Fixtures and fittings	10-20% straight line basis
Motor vehicles	10% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

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

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

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THORPE HALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.10 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

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

THORPE HALL SCHOOL TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2016****2 Critical accounting estimates and judgements**

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

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

3 Charitable activities

	2016	2015
	£	£
Sales within charitable activities	3,368,315	3,302,688
Other income	83,500	82,086
	<u>3,451,815</u>	<u>3,384,774</u>

4 Investments

	2016	2015
	£	£
Interest receivable	<u>26</u>	<u>53</u>

THORPE HALL SCHOOL TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2016****5 Charitable activities**

	2016	2015
	£	£
Staff costs	2,282,476	2,132,724
Depreciation and impairment	109,527	110,054
Purchases	149,658	153,834
Other direct costs	263,597	255,789
Establishment costs	189,003	171,343
Repairs and maintenance	53,389	67,584
Office expenses	58,728	71,004
Printing, postage and stationery	46,357	41,746
Subscriptions and donations	10,243	10,070
Equipment hire	877	804
Sundry and other costs	17,548	27,588
Cleaning	72,852	74,377
Motor expenses	5,800	6,831
Travel and subsistence	4,815	3,758
Advertising and promotion	72,277	89,036
Bad debt expense	24,561	35,830
Interest payable	2,730	3,698
	<u>3,364,438</u>	<u>3,256,070</u>
Share of support costs (see note 6)	6,510	11,294
Share of governance costs (see note 6)	10,140	12,210
	<u>3,381,088</u>	<u>3,279,574</u>
Analysis by fund		
Unrestricted funds	3,381,088	
	<u>3,381,088</u>	
For the year ended 31 August 2015		
Unrestricted funds		3,279,574
		<u>3,279,574</u>

THORPE HALL SCHOOL TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2016****6 Support costs**

	Support costs £	Governance costs £	2016 £	2015 £	Basis of allocation
Legal and professional	6,510	-	6,510	11,294	
Audit fees	-	9,060	9,060	8,160	Governance
Accountancy	-	1,080	1,080	4,050	Governance
	<u>6,510</u>	<u>10,140</u>	<u>16,650</u>	<u>23,504</u>	
Analysed between Charitable activities	<u>6,510</u>	<u>10,140</u>	<u>16,650</u>	<u>23,504</u>	

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

THORPE HALL SCHOOL TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2016****8 Employees****Number of employees**

The average monthly number employees during the year was:

	2016	2015
	Number	Number
Management	1	1
Administration	5	5
Teaching	72	69
	<u>78</u>	<u>75</u>

Employment costs

	2016	2015
	£	£
Wages and salaries	1,893,107	1,801,949
Social security costs	157,951	136,757
Other pension costs	198,039	164,285
	<u>2,249,097</u>	<u>2,102,991</u>

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

	2016	2015
	Number	Number
£80,001 - £90,000	<u>1</u>	<u>1</u>

Contributions totalling £12,683 (2015 - £10,464) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

9 Taxation

The Trust is a registered charity and is therefore exempt from taxation.

THORPE HALL SCHOOL TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2016****10 Tangible fixed assets**

	Summer works	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2015	369,134	825,297	55,670	1,250,101
Additions	30,648	120	-	30,768
At 31 August 2016	399,782	825,417	55,670	1,280,869
Depreciation and impairment				
At 1 September 2015	40,775	521,565	16,938	579,278
Depreciation charged in the year	14,911	89,049	5,567	109,527
At 31 August 2016	55,686	610,614	22,505	688,805
Carrying amount				
At 31 August 2016	344,096	214,803	33,165	592,064
At 31 August 2015	328,359	303,732	38,732	670,823

11 Financial instruments

	2016	2015
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,686,441	2,552,563
Carrying amount of financial liabilities		
Measured at amortised cost	318,971	277,273

12 Stocks

	2016	2015
	£	£
Finished goods and goods for resale	2,148	2,577

13 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	131,877	120,015
Other debtors	2,554,564	2,432,548
Prepayments and accrued income	19,678	14,385
	2,706,119	2,566,948

THORPE HALL SCHOOL TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2016****14 Creditors: amounts falling due within one year**

	Notes	2016 £	2015 £
Other taxation and social security		-	37,726
Deferred income	15	324,083	246,488
Trade creditors		58,460	5,967
Other creditors		260,511	271,306
Accruals and deferred income		9,060	27,653
		<u>652,114</u>	<u>589,140</u>

15 Deferred income

	2016 £	2015 £
Other deferred income	324,083	246,488
	<u>324,083</u>	<u>246,488</u>

Deferred income relates to payments in advance for school fees. Deferred income is included in the financial statements as follows:

	2016 £	2015 £
Current liabilities	324,083	246,488
	<u>324,083</u>	<u>246,488</u>

16 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the statement of financial activities in respect of defined contribution schemes was £198,039 (2015 - £164,285).

Contributions totalling £nil (2015 - £23,019) were payable to the scheme at the end of the period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

17 Operating lease commitments

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

	2016	2015
	£	£
Within one year	1,575	-
Between two and five years	1,804	14,034
	<u>3,379</u>	<u>14,034</u>
	<u><u>3,379</u></u>	<u><u>14,034</u></u>

Amounts recognised in the statement of financial activities as an expense during the period in respect of operating lease arrangements are £10,655 (2015 - £10,655).

THORPE HALL SCHOOL TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2016****18 Related party transactions**

There were no disclosable related party transactions during the year (2015- none).

The charity is controlled by the Trustees who are all also Directors.

19 Cash generated from operations	2016	2015
	£	£
Surplus for the year	70,753	105,253
Adjustments for:		
Investment income recognised in profit or loss	(26)	(53)
Depreciation and impairment of tangible fixed assets	109,527	110,054
Movements in working capital:		
Decrease in stocks	429	550
(Increase) in debtors	(139,171)	(141,887)
(Decrease)/increase in creditors	(14,621)	73,628
Increase/(decrease) in deferred income	77,595	(36,894)
Cash generated from operations	104,486	110,651