

Company Number: 03093684

Charity Number: 1048805

LORENDEN SCHOOL

ANNUAL REPORT
FOR THE PERIOD ENDED
30 SEPTEMBER 2022

LORENDEN SCHOOL

ANNUAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2022

CONTENTS

	Page
Reference and administrative details	2 - 3
Report of the trustees	4 - 11
Statement of trustees' responsibilities	12
Auditor's report	13 - 16
Financial statements:	
Statement of financial activities	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20 – 31

LORENDEN SCHOOL

ANNUAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Name	Lorenden School
Company number	03093684
Charity number	1048805
Registered office	Lorenden Preparatory School Painter's Forstal Faversham Kent ME13 0EN
Key management Personnel	Mr R McIntosh, Head teacher Mr M Davis, Bursar and Clerk to the Governors
Bankers	Barclays Bank PLC 9 St Georges Street Canterbury Kent CT1 2JX
Solicitor	Pothecary Witham Weld 70 St George's Square London SW1V 3RD
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB

LORENDEN SCHOOL

ANNUAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2022

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

Governors

The directors and trustees of Lorenden School are also the governors.

Those who served as governors during the period and up to the date of signature of the annual report were as follows:

Mr P Harland	Chair
Mrs G Baker	Resigned 30.09.2022
Mr R Boyd-Howell	Resigned 30.09.2022
Mrs A L Fontanelli	Resigned 30.09.2022
Mrs J L Gray	Resigned 31.08.2022
M J Moore	Resigned 30.09.2022
Mr E Waterhouse	Resigned 31.08.2022
Miss M Faulkner	Resigned 31.08.2022

LORENDEN SCHOOL

REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 30 SEPTEMBER 2022

The trustees present their report and the financial statements of Lorenden School (the charitable company) for the period ended 30 September 2022.

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

Lorenden School runs Lorenden Preparatory School (the School) which was founded in 1993. 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 31 August 2017.

Governing body and organisational structure

The Methodist Independent Schools Trust (registered charity no. 1142794) (MIST) is the sole member of Lorenden School. Until 30 September 2022 when Lorenden merged with MIST.

The day to day management of the School is delegated to the Headteacher, supported by the Bursar.

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.

A pay scale for Headteachers is in place for all schools administered by Methodist Independent Schools Trust, which is benchmarked against the AGBIS salary survey on a regular basis. This provides guidance for Governors when setting the pay of the Headteacher.

LORENDEN SCHOOL

REPORT OF THE TRUSTEES (Continued) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

For other staff a number of criteria are used in setting pay including:

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

This is kept under annual review.

Recruitment and training of trustees

Trustees are appointed by the Methodist Independent Schools Trust (MIST). Appointments are for a period of three years which is renewable. The induction of new Trustees is the responsibility of the Chair and the Clerk; an information pack of relevant documents is provided. All Trustees undertake annual 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 a number of projects. At 30 September 2022 the trade and assets of Lorenden School transferred to MIST, and this report predominantly reflects the governance, management and administration of the charity until that date.

The School 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.

LORENDEN SCHOOL

REPORT OF THE TRUSTEES (Continued) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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 School educates and prepares pupils of the age three to eleven years for their move into secondary education. The School aims to ensure that pupils receive a broad education so as to allow them to maximise the opportunities presented in future life. This education is based on the belief that individuals can only enjoy their rights in a democratic community while discharging their responsibilities.

At Lorenden the children are made aware of their heritage and their responsibility for the care of their environment. They are taught to respect adults, one another and their school. Self-discipline and self-reliance are considered essential. The value of tradition is deemed to give a sense of continuity and stability. The children are taught the role that faith can play in their lives without giving emphasis to any particular faith.

Objectives and strategies for the period

Key objectives for 2021-22:

- To continue to provide a high quality education and wide ranging opportunities for all pupils.
 - Maintain a high level of pastoral care and enable the children to learn in a safe and secure environment.
 - Continue to ensure that staff morale and wellbeing is maintained at a high level.
 - Build on the relationships with other schools within The Methodist Independent Schools Trust. These and other objectives have been successfully met during the period in part as a result of the following strategies:
- Effective recruitment of staff.
 - Supporting staff training needs.
 - Identifying and supplying appropriate teaching resources.
 - Supporting and encouraging pupil's behaviour by a variety of reward schemes.
 - Maintain a robust and effective attitude towards child protection.
 - Identify areas of potential collaboration with other MIST schools.

LORENDEN SCHOOL

REPORT OF THE TRUSTEES (Continued) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Bursary and grant making policy

Access to the education we offer should not be restricted to those who can afford our fees. Prior to joining the Methodist Independent Schools Trust in 2015 the School had provided a limited number of Bursary Awards to families who otherwise would not be able to afford the fees. Due to the restricted funding available these Bursaries were limited both in value and quantity awarded.

In 2016 the School extended the scheme to provide a means tested Bursary of up to 100% of the fee cost for entry at Year 3. The first pupil to benefit from this Bursary joined the School in September 2017.

Volunteers

Parents help at the School, particularly by fundraising for specific projects via the Friends of Lorenden (Preparatory School) a separately registered charity (1098259).

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 107 Year R to Year 6 children during the year, an estimated saving to the public purse of approximately £447,260 (calculated on the basis of the 2021-22 DfE minimum funding level per primary pupils of £4,180).
- Offering assistance with fees for pupils under the age of five via the local authority Early Years Funding Scheme; this benefits pupils attending Kindergarten.
- Operating schemes that provide discounted fees for siblings of existing pupils and children of staff. These schemes enable a number of children to attend Lorenden without which they might not have the opportunity to do so.
- Assisting local schools, charitable organisations and residents with resources such as transport, sports facilities and a variety of entertainment.
- Activities undertaken by the School during the period enabled donations to be made to four separate charities.

LORENDEN SCHOOL

REPORT OF THE TRUSTEES (Continued) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

ACHIEVEMENTS AND PERFORMANCE

The School provides education for children aged 3 to 11 and is limited in its planning consent to a maximum of 120 pupils.

The School provides a well-rounded education based on a wide curriculum which includes modern languages and forest school activities. This prepares children for the schools most suited to their individual needs and to that end this has again been a most successful year.

Sport has continued to have high priority. Excellent coaching for both boys and girls has ensured that we are able to hold our own against much bigger schools. Sports and craft clubs take place at lunchtime and after school. Children also have the opportunity for swimming, dance, drama and archery. Music continues to feature strongly within the School with over half the children having individual instrumental and singing lessons.

Children are also able to benefit from individual speech and drama tuition and class based musical movement and dance tuition. A school poetry competition is run in which every child in the School is encouraged to participate.

There have been concerts, visits by theatre companies, science, art and music workshops, along with a variety of outings to museums, the theatre and historic buildings.

A wide range of prizes was awarded reflecting the School's commitment to encouraging effort and success in all areas of school life.

Our parents' association "Friends of Lorenden (Preparatory School)" (Registered charity no. 1098259) has continued to provide valuable support for the School's activities. The funds raised were used to purchase various resources for the School including books for the refurbished library.

We continue to build on the links we have established with the local secondary and primary schools and are continuing to make a concerted effort to share resources whenever possible.

Community links

During the period pupils, parents and staff raised funds for the following causes:

Children in Need
Comic Relief
Cancer Research
Red Cross in Ukraine
RSPCA

LORENDEN SCHOOL

REPORT OF THE TRUSTEES (Continued) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Produce gathered at the time of the Harvest Festival was distributed to senior citizens in the parish and Faversham Food Bank; a nativity play and tea was held for the local community.

FINANCIAL REVIEW

The School's principal source of income is fee income. All of the School's expenditure was spent in advancement of its charitable objectives.

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 period. Free reserves are regarded as those unrestricted funds that have not been designated for any specific purpose and total £nil following the transfer (2021: £525,755) at the period end. 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 property fund totalled £nil following the transfer (2021: £493,335) at the period end.

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 main risks that the Governors have identified and the plans to manage those risks are:

- Reputation – the School's success is built on its reputation for the education and wellbeing of our pupils.
- We manage this risk through safeguarding policies, staff recruitment policies, pastoral support for both pupils and staff and active identification and resolution of health and safety related issues.
- Money – our ability to continue is reliant on pupil fees and effectively managing costs.
- We manage this risk by marketing activity to maintain pupil numbers, having a reputation for academic excellence and active cash flow management.

LORENDEN SCHOOL

REPORT OF THE TRUSTEES (Continued) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

- Curriculum – academic excellence requires the most able teachers with state of the art facilities delivering the curriculum to able students.
- We manage this risk by combining competitive salaries, on-going investment in our estate and an approach to enrolment that works with supportive parents whose children have an appetite for learning.

Through the 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 mitigated.

Coronavirus Pandemic

During the period under review the Coronavirus disease (COVID-19) still had some impact on the day-to-day running of the school, but the school remained open.

Despite the issues caused by the pandemic the school has continued to successfully recruit new pupils and is able to move into the next academic year with confidence.

Going Concern

The Methodist Independent School's Trust (MIST) is ultimately responsible for the control of Lorenden School.

On 30 September 2022 the trade and assets of the charitable company were transferred to Methodist Independent Schools Trust, the charitable company's ultimate parent undertaking. The charitable company ceased to trade from that date. The directors intend to liquidate the company on the completion of a number of formalities prior to that time.

The 30 September 2022 financial statements are prepared on a non-going concern basis due to the company ceasing to trade during the period. No adjustments arose as a result of ceasing to apply the going concern basis of accounting.

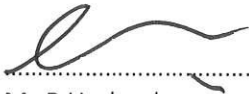
LORENDEN SCHOOL

REPORT OF THE TRUSTEES (Continued) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

PLANS FOR FUTURE PERIODS

The School's Strategic Plan, as drawn up by the Senior Management Team, after consultation with the key stakeholders, and as approved by the Governors, provides the focus for the future development of the School. In particular, the Plan embraces the aspirations of the School for curriculum developments, the growth of marketing, pupil numbers, enhanced staffing and the development of the facilities.

This report was approved by the trustees on *23 January* 2023 and is signed on their behalf by:



Mr P Harland
Chair of Governors

LORENDEN SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE PERIOD ENDED 30 SEPTEMBER 2022

The trustees (who are also the directors 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 of the income and expenditure of the charitable company 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 will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LORENDEN SCHOOL

Opinion on financial statements

We have audited the financial statements of Lorenden School (the 'charitable company') for the period ended 30 September 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 charitable company's affairs as at 30 September 2022 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Emphasis of matter – Non-going concern basis of accounting

We draw attention to Note 1 of the financial statements which describes the preparation of the financial statements on a non-going concern basis. As described in Note 1, the Charitable company ceased trading during the period with the transfer of trade and assets to its ultimate parent entity at 30 September 2022 and the trustees have concluded that it is no longer appropriate to prepare the financial statements on a going concern basis.

There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

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 OF LORENDEN SCHOOL

(Continued)

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 period 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 charitable company and its 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 12, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LORENDEN SCHOOL

(Continued)

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

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 charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect 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 OF LORENDEN SCHOOL
(Continued)**

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 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 located 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.

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

EC4A 4AB

..... 2023

LORENDEN SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (including an income and expenditure account) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

		Unrestricted funds Total	
		For the 13 month period ended 30 September 2022	Year to 31 August 2021
Notes		£	£
INCOME AND ENDOWMENTS FROM:			
Grants and Donations		4,398	5,896
Charitable activities:			
School fees	3	1,536,071	1,253,066
Other educational income	4	9,976	3,991
Other Income	5	1,730	17,109
Other trading activities:			
Lettings		50	-
TOTAL		<u>1,552,225</u>	<u>1,280,062</u>
EXPENDITURE ON:			
Charitable activities	6	(1,437,015)	(1,176,984)
Loss on sale	18	(1,134,300)	-
TOTAL		<u>(2,571,315)</u>	<u>(1,176,984)</u>
NET MOVEMENT IN FUNDS		<u>(1,019,090)</u>	<u>103,078</u>
RECONCILIATION OF FUNDS:			
Total funds brought forward		1,019,090	916,012
TOTAL FUNDS CARRIED FORWARD	16	<u><u>-</u></u>	<u><u>1,019,090</u></u>

**BALANCE SHEET
AS AT 30 SEPTEMBER 2022**

	Notes	2022	31 August 2021 £
FIXED ASSETS:			
Tangible assets	10	-	1,317,928
CURRENT ASSETS:			
Stocks		-	2,975
Debtors	11	-	6,638
Cash at bank and in hand			236,314
			<u>245,927</u>
LIABILITIES:			
Creditors: Amounts falling due within one year	12	-	(260,812)
NET CURRENT LIABILITIES		-	<u>(14,886)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		-	<u>1,303,043</u>
Creditors: Amounts falling due after more than one year	13	-	(283,952)
NET ASSETS		-	<u><u>1,019,090</u></u>
THE FUNDS OF THE CHARITY:			
Unrestricted funds:			
Property fund		-	493,335
General fund		-	525,755
TOTAL CHARITY FUNDS		-	<u><u>1,019,090</u></u>

The financial statements were approved by the board of trustees and authorised for issue on 23 January 2023 and are signed on its behalf by:



Mr P Harland
Chair of Governors

LORENDEN SCHOOL

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	For the 13 month period ended 30 September 2022	2021
	£	£
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income from the reporting period (as per statement of financial activities)	(1,019,090)	103,078
Adjustments for:		
Depreciation charges	55,757	49,446
Disposal of Fixed Assets	1,383,912	-
Interest payable	8,784	8,812
(Increase)/Decrease in stocks	2,975	-
(Increase)/Decrease in debtors	6,638	20,169
(Decrease)/Increase in creditors	(223,578)	64,731
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>215,397</u>	<u>246,235</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(121,740)	(55,285)
NET CASH USED IN OPERATING ACTIVITIES	<u>(121,740)</u>	<u>(55,285)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of borrowings	(321,187)	(85,652)
Interest payable	(8,784)	(8,812)
NET CASH USED IN FINANCING ACTIVITIES	<u>(329,971)</u>	<u>(94,464)</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	(236,314)	96,486
Cash and cash equivalents at the beginning of the reporting period	236,314	139,829
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	<u>-</u>	<u>236,315</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	<u>-</u>	<u>236,314</u>

LORENDEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1 Accounting policies

Company information

Lorenden School is a charity incorporated in England and Wales. The registered office is Lorenden Preparatory School, Painter's Forstal Road, Painter's Forstal, Faversham, Kent, ME13 0EN.

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 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.

Reporting period

The financial statements are drawn up for the 13 months period to 30 September 2022 in line with the transfer of business on 30 September 2022. Comparative figures are for the year to 31 August 2021. Therefore the previous period of account is not directly comparable.

Going concern

On 30 September 2022, the trade and assets of the charitable company were transferred to Methodist Independent Schools Trust, the charitable company's ultimate parent undertaking, at net book value for Nil consideration. The charitable company ceased to trade from that date. The director intends to liquidate the company on the completion of a number of formalities.

Therefore, the financial statements for the period to 30 September 2022 are prepared on a non-going concern basis due to the company ceasing to trade during the period. No adjustments arise as a result of ceasing to apply the going concern basis of accounting. As part of the transfer, the loan amount owed to Methodist Independent Schools Trust of £256,950 was forgiven.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1 Accounting policies (Continued)

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.

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 PERIOD ENDED 30 SEPTEMBER 2022

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 a defined contribution scheme 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 TPS and the TPTGP are therefore treated as defined contribution schemes for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the period 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 accruals 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	2% on net book value
Fixtures and equipment	5% to 33.33% on net book value

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1 Accounting policies (Continued)

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.

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1 Accounting policies (Continued)

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.

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.

LORENDEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

				For the 13 month period ended 30 September 2022	2021
3	School fees				£
	Gross school fees chargeable			1,561,776	1,326,086
	Less:	Bursaries awarded to pupils		(7,901)	-
		Scholarships		(13,192)	(24,868)
		Staff, sibling and other discounts and allowances		(4,612)	(48,152)
				<u>1,536,071</u>	<u>1,253,066</u>
				For the 13 month period ended 30 September 2022	2021
4	Other educational income				£
	Fees charged for optional subjects and pupils' extras			6,141	3,991
	Other ancillary income			3,835	-
				<u>9,976</u>	<u>3,991</u>
5	Other Income			2022	2021
				£	£
	Local Authority Contain Outbreak Management Fund grant			<u>1,730</u>	<u>-</u>
	Coronavirus Job Retention Scheme grant			<u>-</u>	<u>17,109</u>
6	Analysis of expenditure			For the 13 month period ended 30 September 2022	2021
	Staff costs	Depreciation	Other	Total	Total
	£	£	£	£	£
	Charitable activities:				
	825,199	-	79,240	904,439	762,312
	45,944	-	94,410	140,354	104,794
	77,088	20,121	92,213	189,421	158,596
	72,321	35,636	36,689	144,646	115,368
	-	-	43,645	43,645	20,258
	-	-	5,976	5,976	5,376
	-	-	8,534	8,534	10,281
	<u>1,020,552</u>	<u>55,757</u>	<u>360,706</u>	<u>1,437,015</u>	<u>1,176,984</u>
7	Governance costs			2022	2021
				£	£
	MIST fees			9,804	12,960
	Auditor's remuneration			4,316	7,178
	Other costs			29,525	120
				<u>43,645</u>	<u>20,258</u>

LORENDEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

8	Net income	For the 13 month period ended 30 September 2022	2021
		£	£
	Net income for the period is stated after charging:		
	Amounts payable under operating leases	-	640
	Depreciation on tangible fixed assets	55,757	49,446
	Interest payable on loans	8,784	8,812
	Auditor's remuneration:		
	Audit of the financial statements	<u>4,316</u>	<u>7,178</u>
		For the 13 month period ended 30 September 2022	2021
		£	£
9	Staff costs		
	The aggregate staff costs during the period comprised:		
	Wages and salaries	773,122	735,462
	Social security costs	122,066	59,221
	Pension costs	125,364	116,364
	Termination payments	-	-
		<u>1,020,552</u>	<u>911,047</u>
		For the 13 month period ended 30 September 2022	2021
		No.	No.
	The average number of employees during the period comprised:		
	Teaching staff	28	32
	Other staff	<u>12</u>	<u>9</u>
		<u>40</u>	<u>41</u>
		For the 13 month period ended 30 September 2022	2021
		No.	No.
	The average number of employees during the period on the full time equivalent basis comprised:		
	Teaching staff	17	17
	Other staff	<u>7</u>	<u>6</u>
		<u>24</u>	<u>23</u>
	<i>No of employees across the School Group in bands shown:</i>		
	£60,001 - £70,000	1	1

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 period or previous year. The aggregate remuneration of the other key management personnel, including employer's national insurance contributions, was £229,962 (2021: £211,311).

LORENDEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

10 Tangible assets	Land and buildings £	Fixtures and equipment £	Vehicles	Total £
Cost:				
As at 1 September 2021	1,135,686	826,538	48,961	2,011,185
Additions	-	121,740	-	121,740
Disposals	<u>(1,135,686)</u>	<u>(948,278)</u>	<u>(48,961)</u>	<u>(2,132,926)</u>
As at 30 September 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation:				
As at 1 September 2021	321,165	331,385	40,707	693,257
Charged for the period	20,121	33,222	2,413	55,757
Eliminated on disposals	<u>(341,286)</u>	<u>(364,607)</u>	<u>(43,120)</u>	<u>(749,014)</u>
As at 30 September 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value:				
As at 30 September 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 31 August 2021	<u>814,521</u>	<u>495,153</u>	<u>8,254</u>	<u>1,317,928</u>
11 Debtors			2022 £	2021 £
Amounts falling due within one year:				
Fee debtors			-	-
Other debtors			-	-
Prepayments & accrued income			<u>-</u>	<u>6,638</u>
			<u>-</u>	<u>6,638</u>
12 Creditors: Amounts falling due within one year			2022 £	2021 £
Trade Creditors			-	4,179
Deposits			-	5,000
Prepaid fees (note 14)			-	108,340
Loans (note 15)			-	64,235
Taxation and social security costs			-	14,704
Other creditors			-	11,830
Accruals			-	24,006
Amounts owed to group undertakings			<u>-</u>	<u>28,517</u>
			<u>-</u>	<u>260,812</u>

LORENDEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

13 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	2022 Total	2021 Total
	£	£	£	£	£
Deposits	-	-	-	-	27,000
Loans (note 15)	-	-	-	-	256,952
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>283,952</u>

14 Deferred income

Prepaid fees

Parents pay for fees in advance for pupils. Movements during the period were as follows:

	2022 £	2021 £
Balance brought forward at 1 September	108,340	74,072
Amounts received during the period	-	108,340
Amounts recognised as income during the period	(108,340)	(74,072)
Balance carried forward at 30 September	<u>-</u>	<u>108,340</u>

15 Loans

The charitable company has been provided with loan funding from the Methodist Independent Schools Trust (MIST). The loan accrued interest at a rate of 2.25% above the base rate of the group's bankers. The Loan was forgiven as part of the transfer of business on 30 September 2022 and therefore the carrying value is £nil (2021: £321,187).

16 The funds of the charity

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfer	Transfer to MIST	Balance at 30 September 2022 £
Unrestricted funds:						
Property fund	493,335	-	-	65,528	(558,863)	-
General fund	525,755	1,552,225	(1,437,015)	(65,528)	(575,437)	-
	<u>1,019,090</u>	<u>1,552,225</u>	<u>(1,437,015)</u>	-	<u>(1,134,300)</u>	<u>-</u>
	Balance at 1 September 2020 £	Income £	Expenditure £	Transfer	Transfer to MIST	Balance at 31 August 2021 £
Unrestricted funds:						
Property fund	427,807	-	-	65,528	-	493,335
General fund	488,205	1,280,062	(1,176,984)	(65,528)	-	525,755
	<u>916,012</u>	<u>1,280,062</u>	<u>(1,176,984)</u>	-	-	<u>1,019,090</u>

During the period a transfer of £65,528 (2021: £65,528) between the Property fund and General fund for depreciation on the land and buildings and repayment of the loan.

LORENDEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

17 Operating lease commitments

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:

	2022	2021
	£	£
Within one year	-	-
Between one and two years	-	-
Between two and five	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

18 Transfer to MIST

At 30 September 2022, the trade and assets of Lorenden School transferred to the Methodist Independent Schools Trust. The transfer was completed for a cash consideration of £Nil. The assets and liabilities of Lorenden School at the date of disposal were:

	£	
Fixed Assets	(1,383,914)	-
Debtors	(44,896)	-
Cash at bank and in hand	(423,944)	-
Creditors	461,505	-
Loan	256,950	-
	<u>(1,134,300)</u>	<u>-</u>
Loss on Transfer	<u>(1,134,300)</u>	<u>-</u>

19 Pensions

Retirement benefits to employees of the charitable company are provided by the Teachers' Pension Scheme (TPS) in respect of teaching staff. The school contributes to the pensions of its non-teaching support staff through an auto-enrolment arrangement. These contributions are part of a defined contributions scheme administered by the Pension Trust.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

19 Pensions (Continued)

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

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. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October

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 the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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 consultation and the cost cap mechanism review are 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.

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 £113,104 (2021: £106,037) during the period and contributions to the TPTGP amounted to £12,259 (2021: £10,327) during the period. At the balance sheet date, normal monthly pension contributions were outstanding and included in transfer of trade and assets to MIST of £12,598 (2021: £11,830 relating to TPS and £2,239 (2021: £nil) relating to the TPTGP.

LORENDEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

20 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 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.

21 Related party transactions

During the period, the charitable company borrowed an additional £nil (2021: £nil) from the Methodist Independent Schools Trust (MIST). Total interest payable on the loans from MIST for the period amounted to £8,784 (2021: £8,812) and the total amount of loans outstanding at the balance sheet date was £nil following the transfer of assets and liabilities to MIST (2021: £321,187).

During the period, MIST continued to provide a range of services to the charitable company, which are recharged on a termly basis. These charges cover management. The total amount recharged in the period was £9,804 (2021: £12,960). At the end of the period £nil was outstanding (2021: £nil).

MIST has purchased insurance to protect trustees from claims arising from negligent acts errors or omissions occurring while on charity business. The cost for the period ended 30 September 2022 was £1,380 (2021: £1,288).

Michael Moore received a gift valued at £nil in 2022 (2021: £14). None of the Trustees were reimbursed any expenses (2021: £nil).