

Company registration number: 00618973  
Charitable company registration number: 310218

# Marchant-Holliday School Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

# **Marchant-Holliday School Limited**

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# **Marchant-Holliday School Limited**

## **Trustees' Report**

The Board of Governors has pleasure in submitting its Annual Report together with the audited financial statements for the charity for the year ended 31 March 2023. The financial statements have been prepared in accordance with current statutory requirements.

### **Background to Marchant-Holliday School**

Marchant-Holliday School is an independent, residential and day special school, approved by the Department for Education (DfE) for boys aged five to thirteen who present with Social, Emotional and Mental Health (SEMH) needs, including aspects of autistic spectrum disorder and other conditions. The school receives referrals from Local Authorities throughout the South West of England for both day and boarding placements.

The school sits in beautiful grounds in a rural area of South Somerset on the border with Dorset and Wiltshire. It is well located to local railway stations and is within close proximity to the major road of the A303 providing good accessibility

From its inception, the school has aimed to provide the very best standard of education and care to help pupils develop their full potential for social, emotional and intellectual growth. The original vision of Mr Marchant-Holliday was that the boys coming to the school should find a kind, caring, tolerant and supportive environment that would help them recover their self-worth and self-confidence, as well as continuing to develop essential academic and life skills.

### **Admission Criteria**

All pupils referred to the school have an Education, Health and Care Plan (EHCP). Prior to entry, a thorough assessment of the needs of each pupil is carried out. Once a placement is agreed, bespoke learning and behaviour plans are drawn-up based on the outcomes identified in the (EHCP). The school's ultimate aim is to make children feel safe and happy, and subsequently to achieve excellent academic progress, positive behaviour patterns and well developed interpersonal skills.

### **Purposes and Objectives**

Our approach at the Marchant-Holliday School, in support of the EHCP, is to provide an innovative, stimulating and engaging curriculum which will give the pupils a love of learning and the skills to thrive in later life. The pupils referred to us have often had limited access to wider learning opportunities. At Marchant-Holliday School, we place great emphasis on the wider curriculum to develop the whole child. We provide a curriculum linked and social programme of excursions, visits and experiences off site for all pupils.

At the end of their time at Marchant-Holliday School, pupils either return to mainstream education or are placed in secondary specialist provision whichever best suits their needs. We focus on the transition process and see it as a vital aspect of our provision involving parents/carers, Local Authorities and potential new schools to make the transitions as successful as possible. We believe making this process as robust and comprehensive as possible supports the pupils and leads to better outcomes for our pupils.

# **Marchant-Holliday School Limited**

## **Trustees' Report**

### **Public Benefit**

Marchant-Holliday School offers a nurturing educational environment for children with SEMH needs. Typically, these children have found coping in mainstream schools challenging and have not thrived personally or progressed academically. Marchant-Holliday School offers a high teacher: pupil ratio with defined structures and approaches which enables each individual child to thrive. All pupils arrive at Marchant-Holliday School from a Local Authority provision whereby their SEMH needs have been identified as having had an adverse effect on their progress, achievement, their peers, parents/carers and the wider community.

Our small dedicated classroom based provision is supported by specialist teams ranging from 1:1 support in addition to specific needs in terms of Speech and Language Therapy. The school offers public benefit by reducing the impact on local authority provision for children with SEMH needs and provides other opportunities to progress in ways that have proved difficult in their previous settings. This in turn enables our children to become happy, and independent and thereby contribute to society as they grow up.

Whilst the School's primary aim is to provide for our children's needs in order for them to thrive we equally acknowledge, and support the important role of their parents/carers.

The Trustees have had due regard to the Charity Commission's guidance on public benefit in deciding which activities the Charity should undertake.

### **Social Investment**

Senior members of staff have visited local schools at their request to provide advice and discuss behaviour needs/strategies to support individual pupils. In certain instances, we have also been able to provide staff training and advice on the transition process for pupils with Education, Health and Care Plans.

The School demonstrates flexibility, providing emergency respite boarding care, where appropriate to support pupils and families in need. The school provides this support with no additional costs to the relevant authority on a short-term basis.

The School has re-instated our Parent/Carer forum meetings which take place in School once each term (6 times a year). These are co-ordinated by a senior member of staff with the support from our Governors.

The school has developed strong local community links and has participated in charitable activities which support our local families. This includes holiday food vouchers for our parent/carers, in addition to donations to the local Lord's Larder and the instigation of grocery food vouchers for 26 identified families in need facilitated by the Balsam Centre in Wincanton and a local grocery retail shop.

The School supports the local hamlet, North Cheriton, with litter picks and cleaning of the local village hall. We also allow access for local resident parking during holiday periods and to support village events.

### **Achievements and Performance**

#### Review of charitable activities undertaken

The Schools stated charitable aim is the care and education of as many vulnerable children as possible within our defined capacity. At Marchant-Holliday School 'vulnerable' relates to children whose life chances may have be impacted by their SEMH needs.

# Marchant-Holliday School Limited

## Trustees' Report

The School's Vision, Values and Culture, as outlined in our Strategic Plan, are all aligned with improving this situation for the pupils referred to us.

The School continues to function as a key provider of education and care for our boys with SEMH needs throughout the South West of England. We have good relationships with the relevant Local Authorities and enjoy an excellent reputation in our field of work. Placement of pupils have remained buoyant during this period under review with numbers fluctuating between 44 and 50 pupils. In line with current trends our boarding requirement is decreasing which the Governing Body are aware of and addressing in their future strategy plans of the school. The continuing health and prosperity of the School depends on the ongoing flow of referrals from local authorities albeit the Governing Body is exploring other avenues to expand our provision.

### Key non-financial performance indicators

The Ofsted Joint Education & Care Inspection carried out during January 2020 and the Social Care Inspection in October 2021 resulted in 'Good' judgements in all areas. The Inspection Team praised the work of the school and noted that, "pupils thrive at this school". The school's rigorous self-evaluation ensures that both educational and care standards are maintained and developed further. Internal benchmarking and assessment show continued progress in both academic and social attainment across all age groups.

The Trustees believe that the school continues to deliver in terms of achievement of its charitable objectives. In the past 12 months the School has maintained numbers in an increasingly competitive marketplace. The age profile of children referred to the school reflects the increasing numbers of younger pupils thereby providing greater opportunities to influence behaviour patterns at an earlier stage.

### Developments

During the year there has been further investment in improving various aspects of the School, including residential refurbishments and the security of the site. The School has also continued to convert all lighting to energy efficient resources and this includes both internal and external lighting.

The School has re-configured staff car parking and other associated health and safety provisions.

A new high quality mini-adventure play area has been installed on the playground to complement the new adventure play equipment on the field.

An auto-dose system for the swimming pool has been installed and is in use.

On the northern parameter of the School, a 3.2 acre area of land has been purchased. This land does not currently have building permission however, not only does it enhance our security boundaries but equally offers the school opportunities to explore ecological projects in support of our Strategic Plan.

### Plans for future periods

The School is exploring opportunities to further increase its capacity for expansion and to diversify its curriculum offer. The services of architects have been instructed to explore development of our site to meet our strategic objectives. Projects under consideration are additional classrooms, bespoke intervention rooms, office space and provision for our Speech and Language provision.

# Marchant-Holliday School Limited

## Trustees' Report

### Financial Review

The financial results for the year ended 31 March 2023 are set out on pages 13 to 29 and are summarised here.

The school's total income in 2022/23 was £3,036,525 (2021/22 - £3,159,065). We have continued to closely manage our expenditure and deliver value for money. Our total expenditure in 2022/23 was £3,166,602 (2021/22 - £2,812,418).

We have ended the financial year with a deficit of income over expenditure of £(130,077) (2020/21 - £346,647).

Details of movements in fixed assets are show in note 12. Fixed assets relate to land and buildings, fixtures and fittings, motor vehicles and computer equipment.

### Policy on reserves

The Board reviews the levels of reserves annually. The school needs to maintain enough unrestricted funds to cover variations in pupil numbers during the year whilst still meeting expenditure commitments.

At 31 March 2023, total reserves stood at £6,340,541 (2022 - £6,470,618). Of this figure, net current assets are £1,902,889 (2022 - £2,023,450) and cash reserves are £1,979,120 (2022 - £1,870,558).

'Free reserves', being unrestricted funds less tangible fixed assets, are £2,901,399 (2022 - £3,023,450). The school aims to provide for a wind-down reserve of £309,000 plus six-month's operating costs of £1,636,492; free reserves are thus ahead of policy.

Of the total reserves of £6,340,051, £1,490 is restricted.

### Principal funding sources

Generally 99% of the school's income (2022 - 99%) is derived from fees charged to the Local Authorities for pupil placements.

### Investment, Policy and Objectives

The Board adopts what it considers to be a conservative investment policy. It will take professional advice before implementing any changes to its investment portfolio. The school retains a proportion of its funds (typically £1 million) in long-term, low risk income-generating investments, with the aim of generating additional income for the school. Now that financial markets are more stable, the school aims to research higher interest bearing investment accounts in the new financial year.

## **Structure, Governance and Management**

### Nature of Governing Document

The school was incorporated on 13 June 1959 as a company limited by guarantee and not having share capital (registered in England and Wales, number 00618973). The governing document is the Memorandum of Association. The school cannot pay dividends and must utilise all its funds to further its charitable objectives.

# Marchant-Holliday School Limited

## Trustees' Report

### Recruitment and Appointment of Trustees

The school currently has a Governing Board comprising of four members. The school continues to recruit governors with skills that will be of value to the governing body. Standard appointment procedures are adopted in the same way that they are applied to paid staff.

### Induction and Training of Trustees

All new Trustees follow a pre-determined induction programme which is an adapted form of that used for employees.

### Arrangements for Personnel Remuneration

The school adheres to framework documents referred to in staff contracts. In relation to teaching staff: The Teachers' Pay and Conditions document and statutory regulations affecting the employment and conduct of teaching staff. For all other employees: The National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service. An annual salary review is presented to the Governing Body for their consideration and approval.

### Organisational Structure

The Board of Governors undertake decisions on all aspects of the school's activities as presented to them by the Headteacher. They meet at least six times a year and produce minutes of their meetings.

### Relationships with related parties

Other than the Trustees, the school has not worked with any related parties during the year. None of the Trustees received remuneration or other benefits from their work with the school.

### Major Risks and Management of those Risks

The key identified risk to the continued prosperity of the school is a decline in pupil referrals occasioned by Local Authority changes of policy or other external factors. Management of this is pro-active in terms of ensuring that our provision remains of high quality (as evidenced by Ofsted), that the fee structure is appropriate and moreover that referrers continue to have confidence in our provision for our pupils. Maintenance of good working relationships with Local Authority commissioning officers and SEND Leaders is a key priority within this process. As stated above, reserve policies continue to cater for continuation of the school's business on reduced numbers for a period of 6 months or more should that need ever arise. Governors are aware of these identifiable risks and are working towards other streams of income in support of the continuity of the School.

# Marchant-Holliday School Limited

## Trustees' Report

<b>Trustees</b>	Mr S W T S Jaggard (resigned 29 September 2022) Mrs J Scholes (resigned 3 October 2022) Mrs W Tolson (resigned 17 April 2023) Mrs J S Mitchell (appointed 28 April 2022 and resigned 26 September 2022) Mrs D Chorlton (appointed 4 October 2022 and resigned 7 April 2023) Mrs N E Hopkins (appointed 6 October 2022) Mrs L M Thorne (appointed 6 October 2022 and resigned 12 April 2023) Mrs L Wood (appointed 12 December 2022 and resigned 11 April 2023) Mr S J Lusher (appointed 9 March 2023 and resigned 1 September 2023) Mr A Palmer (appointed 21 April 2023) Mrs S J Belgeonne (appointed 14 July 2023)
<b>Secretary</b>	Mrs D J Jones (resigned 14 November 2022)
<b>Principal Office</b>	North Cheriton Templecombe Somerset BA8 0AH  The charitable company is incorporated in England and Wales.
<b>Company Registration Number</b>	00618973
<b>Charitable company Registration Number</b>	310218
<b>Auditor</b>	PKF Francis Clark Ground Floor Blackbrook Gate 1 Blackbrook Business Park Taunton Somerset TA1 2PX

### Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

# Marchant-Holliday School Limited

## Trustees' Report

The annual report was approved by the trustees of the charitable company on 27/03/24 and signed on its behalf by:



Mr A Palmer  
Trustee

# Marchant-Holliday School Limited

## Trustees' Report

### Statement of trustees' responsibilities

The trustees (who are also the directors of Marchant-Holliday School Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. 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 incoming resources and application of resources, including its 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 proper accounting records that can 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **Marchant-Holliday School Limited**

## **Independent Auditor's Report to the Members of Marchant-Holliday School Limited**

### **Opinion**

We have audited the financial statements of Marchant-Holliday School Limited (the 'charitable company') for the year ended 31 March 2023, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 31 March 2023 and of 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.

### **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 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.

### **Conclusions relating to going concern**

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

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

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

## **Marchant-Holliday School Limited**

### **Independent Auditor's Report to the Members of Marchant-Holliday School Limited**

#### **Other information**

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

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

We have nothing to report in this regard.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 our 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 Trustees' Report.

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

- adequate 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.

#### **Responsibilities of trustees**

As explained more fully in the set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

# Marchant-Holliday School Limited

## Independent Auditor's Report to the Members of Marchant-Holliday School Limited

### **Auditor responsibilities for the audit of the financial statements**

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

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

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the entity and the sector in which it operates to identify the key laws and regulations affecting the entity. As part of this assessment process we discussed with management the laws and regulations applicable to the company, reviewed certification identified on the company website and other communications and considered findings from previous audits.

The key laws and regulations we identified were General Data Protection Regulations (GDPR), Ofsted Inspection, Safeguarding regulations and Employment Law.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily Companies Act 2006.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place.

We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deal with reporting any issues if they arise.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue trading and the risk of material misstatement to the financial statements.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- Reviewed legal and professional costs to identify any possible non compliance or legal costs in respect of non compliance;
- Reviewed Board minutes;
- Reviewed the most recent Ofsted Inspection report; and
- Reviewed the Safeguarding policy.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which management confirmed there had been none during or after the period.

We also evaluated the risk of fraud through management override and revenue recognition.

In response to the identified risk, as part of our audit work we:

## Marchant-Holliday School Limited

### Independent Auditor's Report to the Members of Marchant-Holliday School Limited

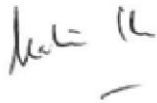
- Used data analytics to test journal entries throughout the year, for appropriateness; and
- Reviewed estimates and judgements made in the financial statements for any indication of bias and challenged assumptions used by management in making the estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statement. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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 trustees, 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 trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Martin Hobbs BSc ACA (Senior Statutory Auditor)  
For and on behalf of PKF Francis Clark, Statutory Auditor

Ground Floor  
Blackbrook Gate 1  
Blackbrook Business Park  
Taunton  
Somerset  
TA1 2PX

Date: 27 March 2024

# Marchant-Holliday School Limited

## Statement of Financial Activities

Year Ended 31 March 2023

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £	Unrestricted funds £	Restricted funds £	Total 2022 £
<b>Income and Endowments from:</b>							
Donations and legacies	3	-	60	60	-	60	60
Charitable activities	4	3,005,551	4,976	3,010,527	3,146,374	4,801	3,151,175
Investment income	5	25,763	-	25,763	1,290	-	1,290
Other income	6	175	-	175	6,540	-	6,540
<b>Total Income</b>		<b>3,031,489</b>	<b>5,036</b>	<b>3,036,525</b>	<b>3,154,204</b>	<b>4,861</b>	<b>3,159,065</b>
<b>Expenditure on:</b>							
Charitable activities	7	(3,163,056)	(3,546)	(3,166,602)	(2,807,557)	(4,861)	(2,812,418)
<b>Total Expenditure</b>		<b>(3,163,056)</b>	<b>(3,546)</b>	<b>(3,166,602)</b>	<b>(2,807,557)</b>	<b>(4,861)</b>	<b>(2,812,418)</b>
<b>Net (expenditure)/income</b>		<b>(131,567)</b>	<b>1,490</b>	<b>(130,077)</b>	<b>346,647</b>	<b>-</b>	<b>346,647</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		6,470,618	-	6,470,618	6,123,971	-	6,123,971
Total funds carried forward	20	6,339,051	1,490	6,340,541	6,470,618	-	6,470,618

All of the charitable company's income and expenditure derive from continuing operations during the above two periods.


The notes on pages 16 to 29 form an integral part of these financial statements.

# Marchant-Holliday School Limited

(Registration number: 00618973)  
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	12	3,437,652	3,447,168
Investments	13	<u>1,000,000</u>	<u>1,000,000</u>
		<u>4,437,652</u>	<u>4,447,168</u>
<b>Current assets</b>			
Stocks	14	207	5,200
Debtors	15	85,964	311,701
Cash at bank and in hand	16	<u>1,979,120</u>	<u>1,870,558</u>
		2,065,291	2,187,459
<b>Creditors: Amounts falling due within one year</b>	17	<u>(162,402)</u>	<u>(164,009)</u>
<b>Net current assets</b>		<u>1,902,889</u>	<u>2,023,450</u>
<b>Net assets</b>		<u>6,340,541</u>	<u>6,470,618</u>
<b>Funds of the charitable company:</b>			
<b>Restricted income funds</b>			
Restricted funds		1,490	-
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>6,339,051</u>	<u>6,470,618</u>
<b>Total funds</b>	20	<u>6,340,541</u>	<u>6,470,618</u>

The financial statements on pages 13 to 29 were approved by the trustees, and authorised for issue on ~~27/3/24~~ and signed on their behalf by:

  
.....  
Mr A Palmer  
Trustee

## Marchant-Holliday School Limited

### Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net (expenditure)/income		(130,077)	346,647
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		155,632	155,792
Investment income	5	<u>(25,763)</u>	<u>(1,290)</u>
		(208)	501,149
<b>Working capital adjustments</b>			
Decrease/(increase) in stocks	14	4,993	(3,546)
Decrease/(increase) in debtors	15	225,737	(222,973)
Increase in creditors	17	11,314	28,135
Decrease in deferred income		<u>(12,921)</u>	<u>(11,563)</u>
Net cash flows from operating activities		<u>228,915</u>	<u>291,202</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	12	(153,326)	(214,557)
Sale of tangible fixed assets		<u>7,210</u>	<u>-</u>
Net cash flows from investing activities		(146,116)	(214,557)
<b>Cash flows from financing activities</b>			
Investment income		<u>25,763</u>	<u>1,290</u>
Net increase in cash and cash equivalents		108,562	77,935
Cash and cash equivalents at 1 April		<u>1,870,558</u>	<u>1,792,623</u>
Cash and cash equivalents at 31 March		<u><u>1,979,120</u></u>	<u><u>1,870,558</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

# Marchant-Holliday School Limited

## Notes to the Financial Statements for the Year Ended 31 March 2023

### 1 Company information

The company is a registered charity and a company limited by guarantee without share capital incorporated in England and Wales. The guarantors are the members of the charity to the extent of £1 each.

The address of its registered office and principal place of business is:

North Cheriton  
Templecombe  
Somerset  
BA8 0AH

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. There are no material departures from FRS 102.

#### Basis of preparation

Marchant-Holliday School Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

#### Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charitable company.

# Marchant-Holliday School Limited

## Notes to the Financial Statements for the Year Ended 31 March 2023

### Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

School fee income is recognised in the period to which it relates.

Investment income is recognised in the period in which it is earned on a receivable basis.

Income received in advance is shown within deferred income and released in the period to which it relates.

### Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### Tangible fixed assets

Tangible fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Assets are capitalised where the cost exceeds £500.

### Depreciation

Depreciation is provided on tangible fixed assets, except for land, so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold property	15 - 50 years straight line
Fixtures and fittings	3 - 7 years straight line
Motor vehicles	25% reducing balance
Computer equipment	3 years straight line

# Marchant-Holliday School Limited

## Notes to the Financial Statements for the Year Ended 31 March 2023

### **Fixed asset investments**

Fixed asset investments are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

### **Stock**

Stock is valued at the lower of cost and net realisable value, being estimated selling price less costs to sell, after due regard for obsolete and slow moving stocks.

### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charitable company.

Unrestricted designated funds are resources set aside for specific purposes at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

### **Pensions and other post retirement obligations**

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The Teachers' Pension Scheme (TPS) is a defined benefit scheme and the assets are held separately from those of the charity. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognized in the period to which they relate. Further details are provided in Note 17.

### **Financial instruments**

#### ***Classification***

The charity holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Investments in income bonds; and
- Cash and bank balances.

## **Marchant-Holliday School Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### ***Recognition and measurement***

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the charity's obligations are discharged, expire or are cancelled.

Except for investments in income bonds, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Investments in income bonds are measured initially at market value, which is normally the transaction price. Subsequent to initial recognition, investments are measured at market value, with changes recognised in the Statement of Financial Activities.

## Marchant-Holliday School Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 3 Income from donations and legacies

	Restricted funds £	Total 2023 £	Total 2022 £
Donations	60	60	60
	<u>60</u>	<u>60</u>	<u>60</u>

#### 4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £
School fees	3,005,551	1,490	3,007,041
Pupil premium	-	3,486	3,486
	<u>3,005,551</u>	<u>4,976</u>	<u>3,010,527</u>

	Unrestricted funds General £	Restricted funds £	Total 2022 £
School fees	3,146,267	-	3,146,267
School meals	107	-	107
Pupil premium	-	4,801	4,801
	<u>3,146,374</u>	<u>4,801</u>	<u>3,151,175</u>

#### 5 Investment income

	Unrestricted funds General £	Total 2023 £
Interest receivable and similar income;		
Interest receivable on bank deposits	12,674	12,674
Other investment income	13,089	13,089
	<u>25,763</u>	<u>25,763</u>

## Marchant-Holliday School Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

	Unrestricted funds General £	Total 2022 £
Interest receivable and similar income;		
Interest receivable on bank deposits	323	323
Other investment income	967	967
	<u>1,290</u>	<u>1,290</u>

#### 6 Other income

	Unrestricted funds General £	Total funds £
Other income	175	175
<b>Total for 2023</b>	<u>175</u>	<u>175</u>
<b>Total for 2022</b>	<u>6,540</u>	<u>6,540</u>

# Marchant-Holliday School Limited

## Notes to the Financial Statements for the Year Ended 31 March 2023

### 7 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	2023 £	2022 £
Costs of running school	<u>2,932,007</u>	<u>234,595</u>	<u>3,166,602</u>	<u>2,812,418</u>

### 8 Analysis of support costs

#### Support costs allocated to charitable activities

	Governance costs £	Administration costs £	Total 2023 £	Total 2022 £
Costs of running school	<u>78,088</u>	<u>156,507</u>	<u>234,595</u>	<u>153,881</u>

### 9 Net income/expenditure

Net (expenditure)/income for the year includes:

	2023 £	2022 £
Depreciation of fixed assets	155,632	155,792
Auditors' remuneration	7,750	7,950
Auditors' remuneration for non-audit services	<u>1,000</u>	<u>1,050</u>

### 10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the current or previous year.

No trustees have received any reimbursed expenses from the charity during the current or previous year.

## Marchant-Holliday School Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 11 Staff costs

The aggregate payroll costs were as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,895,956	1,695,586
Social security costs	182,287	153,212
Pension costs	232,876	214,198
	<u>2,311,119</u>	<u>2,062,996</u>

The monthly average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	<b>2023</b>	<b>2022</b>
	<b>No</b>	<b>No</b>
Teaching staff	14	12
Care staff	14	16
Teaching assistants	25	22
Domestic staff	9	10
Office staff	5	3
	<u>67</u>	<u>63</u>

The number of employees whose emoluments fell within the following bands was:

	<b>2023</b>	<b>2022</b>
	<b>No</b>	<b>No</b>
£60,001 - £70,000	2	2
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

The total employee benefits of the key management personnel of the charitable company were £444,559 (2022 - £430,822).

## Marchant-Holliday School Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 12 Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>					
At 1 April 2022	4,320,073	417,988	173,225	144,520	5,055,806
Additions	122,906	22,766	3,000	4,654	153,326
Disposals	(5,124)	(3,462)	-	-	(8,586)
Transfers between classifications	50,402	(50,402)	-	-	-
At 31 March 2023	<u>4,488,257</u>	<u>386,890</u>	<u>176,225</u>	<u>149,174</u>	<u>5,200,546</u>
<b>Depreciation</b>					
At 1 April 2022	1,055,688	317,610	114,434	120,906	1,608,638
Charge for the year	101,820	23,936	14,946	14,930	155,632
Eliminated on disposals	(69)	(1,307)	-	-	(1,376)
Transfers	13,747	(13,747)	-	-	-
At 31 March 2023	<u>1,171,186</u>	<u>326,492</u>	<u>129,380</u>	<u>135,836</u>	<u>1,762,894</u>
<b>Net book value</b>					
At 31 March 2023	<u>3,317,071</u>	<u>60,398</u>	<u>46,845</u>	<u>13,338</u>	<u>3,437,652</u>
At 31 March 2022	<u>3,264,385</u>	<u>100,378</u>	<u>58,791</u>	<u>23,614</u>	<u>3,447,168</u>

#### 13 Fixed asset investments

	2023 £	2022 £
Investment in income bonds	<u>1,000,000</u>	<u>1,000,000</u>

#### 14 Stock

	2023 £	2022 £
Stocks	<u>207</u>	<u>5,200</u>

## Marchant-Holliday School Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 15 Debtors

	2023 £	2022 £
Trade debtors	32,685	249,765
Other debtors	809	10,889
Prepayments and accrued income	52,470	51,047
	<u>85,964</u>	<u>311,701</u>

#### 16 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	259	422
Cash at bank	1,978,861	1,870,136
	<u>1,979,120</u>	<u>1,870,558</u>

#### 17 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	49,526	38,748
Other taxation and social security	75,301	63,933
Other creditors	1,935	1,517
Accruals	35,640	46,890
Deferred income	-	12,921
	<u>162,402</u>	<u>164,009</u>

#### 18 Pension schemes

##### Defined contribution pension scheme

The charitable company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charitable company to the scheme and amounted to £218,354 (2022 - £201,160).

## **Marchant-Holliday School Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The college is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the college has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The college has set out above the information available on the plan and the implications for the college in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/9. DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

#### **19 Charitable company status**

The charitable company is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charitable company in the event of liquidation.

## Marchant-Holliday School Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 20 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>				
<i>General</i>				
General fund	6,470,618	3,031,489	(3,163,056)	6,339,051
<b>Restricted funds</b>				
School fund	-	60	(60)	-
Pupil premium	-	4,976	(3,486)	1,490
<b>Total restricted funds</b>	<u>-</u>	<u>5,036</u>	<u>(3,546)</u>	<u>1,490</u>
<b>Total funds</b>	<u>6,470,618</u>	<u>3,036,525</u>	<u>(3,166,602)</u>	<u>6,340,541</u>

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>				
<i>General</i>				
General fund	6,123,971	3,154,204	(2,807,557)	6,470,618
<b>Restricted</b>				
School fund	-	60	(60)	-
Pupil premium	-	4,801	(4,801)	-
<b>Total restricted funds</b>	<u>-</u>	<u>4,861</u>	<u>(4,861)</u>	<u>-</u>
<b>Total funds</b>	<u>6,123,971</u>	<u>3,159,065</u>	<u>(2,812,418)</u>	<u>6,470,618</u>

## **Marchant-Holliday School Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

The specific purposes for which the funds are to be applied are as follows:

#### **Restricted funds:**

School funds are donations made specifically for the benefit of the boys, and the funds are utilised to provide items for the benefit of the boys. During the year, an amount was spent to purchase christmas presents for all of the boys and to fund a token shop to reward the boys for good behaviour. The boys earn tokens for good behaviour and can then spend them on a Friday at the shop. Funds are typically utilised on an ad-hoc basis over the period each pupil is enrolled in the School.

Pupil premium funds are received to provide additional support for eligible pupils. The funds are used to provide additional learning resources and one-to-one education and emotional support for disadvantaged children over the period each relevant pupil is enrolled at the School. In some cases this may not be possible (notably where local authority systems delay payment of the sums due) and the balance may remain outstanding when the pupil leaves. In such circumstances, arrangements are made whenever possible to transfer the funds to the successor school in order that the young person continues to receive benefit from the allocation made.

## Marchant-Holliday School Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 21 Analysis of net assets between funds

	Unrestricted funds £	Restricted £	Total funds at 31 March 2021 £
Tangible fixed assets	3,437,652	-	3,437,652
Fixed asset investments	1,000,000	-	1,000,000
Current assets	2,063,801	1,490	2,065,291
Current liabilities	(162,402)	-	(162,402)
Total net assets	<u>6,339,051</u>	<u>1,490</u>	<u>6,340,541</u>

	Unrestricted funds £	Total funds at 31 March 2022 £
Tangible fixed assets	3,447,168	3,447,168
Fixed asset investments	1,000,000	1,000,000
Current assets	2,187,459	2,187,459
Current liabilities	(164,009)	(164,009)
Total net assets	<u>6,470,618</u>	<u>6,470,618</u>

#### 22 Related party transactions

There were no related party transactions in the year (2022 - None).

