

Registered number: 00940118
Charity number: 311293

**TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE
HOUSE EDUCATIONAL TRUST LIMITED)**

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JULY 2021

Trustees	Ms S J Anthony Dr S A Patel (appointed 16 March 2021) Ms C R Costello (resigned 31 July 2021) Mr A M A Fennell Mr A J Fish Mr M M Graham Ms S Jack Mr A W S Kingham Ms J L North Ms N Ovenden (resigned 31 July 2021) Mr A M Possener Ms S C Waddington
Company registered number	00940118
Charity registered number	311293
Registered office	Town Close Educational Trust Limited 14 Ipswich Road Norwich NR2 2LR
Company secretary	Mrs B Ogg
Independent auditors	Larking Gowen LLP Statutory Auditors King Street House 15 Upper King Street Norwich Norfolk NR3 1RB
Bankers	Handelsbanken Suite B 1 Prince of Wales Road Norwich NR1 1BD
Solicitors	Leathes Prior 74 The Close Norwich Norfolk NR1 4DR
Headmaster	Mr N Bevington (resigned 31 August 2021) Mr C Wilson (appointed 1 September 2021)

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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2021**

The Trustees present their report and audited financial statements for the year ended 31 July 2021 which comply with the requirements of the Charities Acts 1993 and 2006, with other current statutory requirements and with the requirements of the charity's governing document. The Trustees have adopted the provisions of the 2019 Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

Principal activity and status

Town Close is an independent preparatory school, established in 1932 and, as Town Close House Educational Trust Limited, providing day education for girls and boys between the ages of 2 and 14. The Trust is a company limited by guarantee (company number 940118), incorporated upon trusts set out in the scheme of the Charity Commission dated 7 October 1968 (registered charity number 311293). Since 2012, the School has no longer used the word 'House' in its branding. With a change to the articles required for the reason outlined below, Trustees took the opportunity to also remove the word 'House' from the name of the Trust with effect from 8 July 2021.

Mission and objectives of the School

The Trust is governed by its Memorandum and Articles of Association. These were last amended on 20 June 2021 in order to remove the right of the Norwich Town Close Estate Charity to 'require the appointment of up to three persons as Governors'. The Charity had previously owned the site on which the School is housed but, following the purchase of the site by the Trust in 2016, this clause was no longer relevant. The articles were previously amended on 9 September 2011 in order to change the format to that specified by the Companies Act 2006 and to allow for more up-to-date working practices such as the use of electronic communications. The 2011 amendment also enabled the Trust to revise its primary objects from being "to acquire and carry on in the United Kingdom any boarding or day school or schools for the education of either sex or both sexes", specifying particularly Town Close House Preparatory School, Norwich, to "for the public benefit to advance education of young people (under the age of 21) through the provision, support, conduct and maintenance of a day and/or boarding school or schools and such other ancillary educational activities and other associated activities for the benefit of the community." In furtherance of these objects, Town Close aims, by the education of all its pupils, to develop an awareness of their full potential and encourage them to strive to attain this potential. It expects to equip them with the intellectual, emotional and physical attributes, as well as moral and spiritual values, that they need to live their lives fruitfully.

Structure, Governance and Management

The Trustees are the Governors of the School and Directors of the Company. (The single term 'Trustee(s)' is used in this annual report in describing the discharging of their various duties.)

The Trustees who served during the year ended 31 July 2021 were as follows:

SJ Anthony * (Chairman)
CR Costello (resigned 31 July 2021)
A Fennell *
AJ Fish * (Chairman of Finance & General Purposes Committee and Joint Deputy Chairman)
M Graham *
AWS Kingham
S Jack (Joint Deputy Chairman)
L North
N Ovenden (resigned 31 July 2021)
Dr S Patel (appointed 16 March 2021)
A Possener *
SC Waddington

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(*indicates membership of the Finance & General Purposes Committee during the year ended 31 July 2021.)

Trustees retire from office by rotation and are eligible for re-appointment in accordance with the Articles of Association. Appointments to vacancies arising during the year are made by the Trustees on the recommendations of the Nominations Committee. The functions of this Committee include reviewing the composition of the Governing Body and its sub-committees, overseeing succession planning and members' induction, and training and development. Trustees receive at least termly reports from the Headteacher on the work of the School, supplemented by monthly management accounts and briefing materials circulated by the Bursar (who is also Clerk to the Governors).

Governing body meetings are often preceded by information sessions from staff on aspects of the School's academic and other activities. Trustees liaise with staff by attendance at School events and activities, and individual Governors attend occasional national and/or local training and information seminars and workshops. In addition to this, one Trustee is appointed to be a Liaison Governor and comes into School regularly to meet with different members of staff. Staff may ask to attend one of these sessions or are selected in rotation by one of the Deputy Heads. The Liaison Governor reports back to Trustees annually or more regularly if required.

The Trustees, meeting formally as the Governing Body at least three times a year and, guided by the Finance and General Purposes Committee, determine the general strategy and policy of the School, review its overall management and control, and oversee regulatory compliance in accordance with the terms of its registration with the Department for Education. The day-to-day affairs of the School are run by the Headteacher, with the support of a Senior Management Team, and by the Bursar – a key member of that team.

Key Management Personnel – Pay policy for senior staff

Key management personnel are considered to be the board of directors, who are also Trustees, the Headteacher and the Bursar who, collectively, are in charge of directing and controlling, running and operating the Trust on a day-to-day basis. All directors give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 20 to the accounts.

The pay of the Headteacher and Bursar is increased annually in line with any general increase given to teaching staff as agreed by the Governing Body. Their pay is also benchmarked against other Heads and Bursars in similar schools and is reviewed to consider whether it continues to be appropriate in the light of this and of:

- (a) performance;
- (b) any changes in individual responsibilities or functions;
- (c) structural changes in the School;
- (d) relative salaries of others on the Leadership scale or those on the main scale;
- (e) any other elements agreed by the Committee to be relevant.

In the absence of any significant grounds, under any of these headings, for increasing the fixed salary, the expectation is that their salary will remain at the fixed point.

Public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken. A working group of the Governing Body has specific, on-going responsibility for oversight of this area, and the Trust continues to review its activities regularly to ensure public benefit is a consideration in all decisions. To this end, a commentary on public benefit forms part of each section of the School's Development Plan.

The provision of education to a large number of pupils remains the Trust's core charitable purpose and activity

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and its fundamental contribution to public benefit. In a practice which accords with principles set out in the Charity Commission's general guidance on public benefit, Town Close has for some years provided bursary assistance to the parents of a number of pupils who are unable to pay the full fees, and has a means-tested framework for providing such assistance. This has been applied in respect of pupils already in the School and to new admissions. Recipients of bursary awards are spread throughout the School, and from the eighteen pupils in receipt of financial support this year, fourteen received a remission of 50% or more with seven pupils receiving at least 75% fees remission and one receiving 100% remission until they left the School during the year.

More broadly, the Trust provides public benefit by opening the School's sports and other facilities to outside users, including school-age children, some usage being without charge. Despite the limitations imposed because of the pandemic, the demand for access to the swimming pool, Sports Hall and the Read Hall for the performing arts continued over the last year with scrupulous precautions being put in place to keep users safe and to ensure compliance with Government requirements including those of Test and Trace.

Access to the School library was given free of charge to the Norfolk Reading Project for use to train volunteers to go into primary schools to support children's reading. This is something that has been needed more than ever since the national lockdowns with the resulting impact this has had on children's mental health and academic attainment. The Project had previously used the Forum for their training sessions but, like many other public buildings, this was closed for an extended period due to the pandemic. Not only did Town Close provide alternative accommodation but doing so free of charge meant the Project can use its limited resources on other aspects of their work.

The School is part of a hockey consortium formed with a local sports club (Norwich Dragons Hockey Club) and what was a local maintained sector school (The Hewett School). While the Hewett School no longer exists, Town Close's substantial contribution to the development is enabling its successor school (The Hewett Academy), while not a member of the Consortium, to extend hockey provision to pupils for whom there was previously no opportunity. It also enables the partner hockey club to run free coaching sessions introducing the sport to local children. Other local schools are able to hire the pitch at a reduced hourly rate. While use of this facility was also much reduced during the year, due to the pandemic, whenever guidance allowed it was reopened and run in a safe manner to allow users to reap the benefits of resuming outdoor activities.

The Hockey Consortium also sublets land free of charge to another independent school on which a second Astroturf has been constructed. One of the conditions associated with the sub-lease was that this second pitch must be made available for community use in the evenings and at weekends.

Other activities through which Town Close has provided public benefit consistent with its aims and objectives have included: the provision of three free places to the School's summer holiday club for children from a local school in receipt of pupil premium; free use of the School swimming pool for a local maintained school for children with complex needs; the free use of the main sports field for maintained school events eg sports days; donating books to other schools, and providing free access to a dinosaur trail put on in the School grounds.

The School has also been instrumental in supporting maintained schools across Norfolk to introduce the use of Goblin electric go-karts. The cars come in kit form which children between the ages of 9 to 11 are able to build and race. The project aims to inspire children to take an interest in engineering in a fun and innovative way. The Head of DT helped source funding to support the initial cost of the kits and then provided training sessions to share learning and to give instruction in how to introduce the project in their schools. He went on to find a suitable venue for a Norfolk-based racing event and coordinated a group of sponsors. 18 schools took 25 cars to the event, along with an average of 6 pupils per car. This would not have happened without Town Close's involvement and without the School agreeing to release the Head of DT to work on this project. Over the last three years, the Head of DT has continued to work with Greenpower and, in particular, helped to secure grant funding for maintained schools to introduce the category of go-karts for secondary age pupils (F24). He attended several external events and visited other schools to generate interest in this category, as well as

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holding meetings and twilight sessions at Town Close School. He secured the use of the Lotus test track for the inaugural F24 event in Norfolk held in June 2019 which attracted participants from across the region and further afield. Another F24 heat was held at the Lotus track again in July this year, once Government guidance allowed such events to go ahead.

Having been successful in bidding for a grant of £3000 from the Royal Society to support a project linked to the environment, Town Close invited the Wherry School to work collaboratively on it. The Wherry School is a local maintained school which specialises in providing for children and young people with autism. Town Close provided funding for the Wherry School to purchase large planting trugs, seeds, compost, nitrogen dioxide diffusion tubes and other resources to carry out research. Although COVID-19 restrictions meant that pupils could not physically work together, pupils from each school shared results. In addition, Mrs Laing, the Deputy Head of the Pre Prep Department was supported by the School to sit on the judging panel that awarded Partnership Grants from the Royal Society. The grants are made to schools in order for them to run investigative STEM projects in partnership with STEM professionals from academia or industry.

While the coronavirus pandemic temporarily prevented the School from offering some of the ways in which public benefit has previously been delivered, parents of pupils not able to attend School physically received a rebate off the spring term fees in recognition of the financial effect of lockdown on many of them. In addition, parents of a further 8 pupils were given greater financial assistance because of the even worse financial impact of the pandemic on their particular financial circumstances. This further assistance was means tested in the same way as normal bursarial support would be. The School also gave free access to a library of recorded lessons and downloadable learning resources created by school staff during each lockdown. This online hub contains a wide variety of educational resources including music classes, story time, challenge sheets, mindfulness exercises and a range of age appropriate mental health tools and information. The hub is open to anyone with internet access and has already been accessed by almost 15,000 visitors.

Strategic objectives and achievements

- The School continued to assess the risk of the spread of coronavirus within the School and put in place appropriate control measures to minimise that risk. Plans for action to be taken in different scenarios potentially caused by the pandemic were put in place in order to ensure pupils continued to receive a high quality education and felt safe and secure.
- Further functionality in the School's online portal was developed, linking it to the Management Information System, for example, by integrating reply slips so they can be completed electronically on the portal.
- Trip planning software was introduced to allow efficient preparation of trips and provide multiple, secure access points for information.
- An electronic recording system for safeguarding records was introduced to improve security and access where needed and facilitate smoother and more efficient tracking of concerns.
- ISEB 11+ Common Entrance exams were used instead of KS2 SATs to measure pupils' progress in Year 6.
- Teacher deployment in art, computing, music, geography, science and English was reorganised to ensure the most effective use possible of specialist teachers, to manage workload and to maximise the efficiency of teacher deployment within the timetable.
- Further specialist support dog training was not provided for the school assistance dog because of the pandemic. This was also why raising funds for the development of a science, art, music and dining building was put on hold.

Operational performance

Entrance exams and scholarship assessments for senior schools switched almost entirely to remote assessments, which changed the nature of what pupils needed to do. An emergency holiday course for Year 8s was arranged in order to go through new practice papers prepared by the School. This preparation paid off and

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pupils in their final year worked particularly hard to achieve excellent results and deserve great credit for their efforts, particularly in such difficult circumstances. Their talent was acknowledged by gaining offers for 23 academic scholarships or other awards to a variety of senior schools. Common Entrance results were, once again, strong with 84% of results being graded A to C, a significant achievement in exams of such a challenging nature, particularly given the fact that these pupils had experienced two extended periods of hybrid learning during national lockdowns, as well as other shorter periods due to isolations. Given the wider context that GCSEs, A Levels and SATs tests were all cancelled in favour of teacher assessments, it was a remarkable achievement for pupils to have entered these exams at all.

ISEB 11+ Common Entrance exams were used, alongside other in-house testing, for Year 6 pupils to monitor attainment and progress. These showed that 88% of pupils were working at age-related expectations or above in both Maths and English.

The school encourages the widest possible participation of pupils in a broad range of co-curricular and extra-curricular activities but these were, once again, curtailed this year due to the pandemic. However, where possible, clubs continued to run and performances were filmed with 'bubbles' of children being kept separate during rehearsals and filming. While fixtures were cancelled, sports lessons continued as normally as possible and individual music lessons were held remotely when face to face tuition was not possible. Once restrictions relaxed towards the end of the academic year, the School made every effort to welcome parents to events that could be run outside including all sports days and F24 races at Bedford and at the Lotus test track. Socially distanced performances of Joseph and the Amazing Technicolour Dreamcoat were also held. While some residential trips had to be cancelled, Year 8 pupils were able to enjoy the annual trip to the Lake District run by Real Adventure.

Having won the Tes Pre Prep/Prep School of the Year Award in 2020, the School was pleased to be shortlisted for another award in 2020/21, this being the Independent Schools of the Year 'Pre Prep School of the Year' category. The judges cited the fact that the School remained open to a large number of children of keyworkers throughout the second lockdown and admired the sentiment of 'never truly being closed': "No matter the circumstances, no matter the restrictions, we remained open – open to learn, to laugh and to grow together."

All schools were shut again from 5 January 2021 except to children of key workers, vulnerable children and those in Nursery, due to the pandemic. The School had planned for this eventuality and so a full timetable of virtual lessons was delivered immediately, with an adapted timetable of live lessons and recorded resources for Year 1 and below, reflecting their different needs. Once again the School had a high number of pupils registered as children of key workers with between 215 and 222 continuing to come into School every day. This was again very demanding for academic staff, being required to teach both virtually and physically at the same time. Despite the significant challenges, the quality of this provision led to a very high number of letters and emails thanking the School. In addition, all pupils in Years 7 and 8 had to be given lateral flow tests before returning to School after the Christmas holiday, necessitating setting up and staffing a test centre. Twice-weekly testing then continued for both staff and older pupils until home testing kits were provided in March.

All pupils were able to return to School on 8 March 2021 but with additional restrictions advised by Government guidance. The School continued to provide as normal a routine as possible, while closely following the guidance and continually risk assessing the situation in order to put relevant control measures in place. Once restrictions were relaxed a little, the School ensured that as many activities as possible could take place by providing socially distanced, safe ways to run events such as sports days, assemblies and Prize Giving. Trustees were very pleased that the School once again rose to these challenges and, despite all the difficulties encountered, was able to overcome them and to continue to provide for all pupils in a variety of different ways.

After eight years as Headmaster at Town Close, in November 2020, N Bevington was appointed to the position of Head of Junior School at Dulwich College (Singapore). Trustees were very grateful for the energy and innovation Mr Bevington had brought to the School, and pleased that he was taking such a positive next step in his career. Recruitment of his successor took place during the spring lockdown, a time that was already

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incredibly challenging for all staff. In addition, the weather was so bad that short-list interviews were postponed and the School had to attract potential candidates under the most difficult and stressful circumstances. However, the success of the process showed how well the School was set up to cope. The Senior Management Team and all members of teaching and support staff were exceptional. Trustees all gave up time to help with the process in whatever way they could, even if it was on a remote basis and were delighted to appoint Mr Chris Wilson to the position, following nine years as Head at Locker's Park in Hemel Hempstead.

Financial review and reserves policy

The School's principal source of funding is from fee income.

As reported in the statement of financial activities and income and expenditure account later in this Report, the School's net income for the year, after depreciation, was £682,603 (2020: £546,630). This was another very positive outturn following a pattern of strong performance over the past ten years and more, that has facilitated a major development programme and continuous investment in improving the quality of Town Close's educational provision, and reflects very effective financial planning and management. It should be noted that the cash position as at 31st July 2021 includes payments for the entirety of the next school year from parents electing to pay in advance.

In the last year £208,317 was invested in capital items most of which was spent on IT hardware and on work to improve and increase the accessible outdoor play spaces. As many separate areas as possible were developed in order to facilitate the need to keep pupils segregated when this was required by COVID restrictions.

Work on renovating and extending the Lodge, which was purchased along with the site in 2016, was completed and will provide accommodation for the incoming Headteacher. The Trust's pattern of operating performance and the state of the balance sheet continue to leave the Trust well placed operationally and in its capacity to respond to new demands and opportunities that might arise. The School has been given planning permission for a new science, art, music and dining building and work will continue to ensure all pre-commencement conditions are discharged so that lawful implementation of the project can take place.

Given the significant impact of the coronavirus pandemic, Trustees have given consideration to how this might affect the School's finances in the short to medium term. Fee debtors continue to be low and, while pupil numbers are lower than they have been, the main reason for this has been relocations out of the area, particularly several families moving back to their homes in Europe. Despite this, enquires for places continue unabated. However, Trustees are aware that a number of parents' businesses have been, and will continue to be, adversely affected by the pandemic and the associated restrictions and will continue to require additional financial support. They are also mindful that the withdrawal of Government support through grants such as the Coronavirus Job Retention Scheme and other financial incentives will adversely affect the income of some.

Having considered the principal risks and uncertainties, however, Trustees feel that the School's strong financial position, the strong surplus and the good relationship with the School's bank mean that it remains appropriate to prepare the financial statements on a going concern basis. It is also possible that economic conditions will result in a shrinking of the wider market for independent education in the medium term but experience suggests that the impact of this will be gradual and that the School will be able to adjust to this in a timely manner should it prove to be necessary. The Trustees nevertheless remain conscious of the continuing economic uncertainty and challenges facing independent schools, and will continue to exercise great care and prudence in their budgeting for the years ahead.

The policy of the Trustees is to maintain reserves at a level that is sufficient to enable the School to continue to operate as a going concern for the foreseeable future. At the present time the reserves, amounting to £8,666,786 (2020: £7,984,183) and held in the General and Designated Funds, are fully invested in the fabric of the School. Capitalised expenditure on the School's premises and equipment has substantially been

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financed by the Trust's secured loan facilities, but with a significant contribution from resources generated by the successful operating performance outlined in this and recent Reports.

The Trust is not empowered to deliver any surplus by way of a dividend, bonus or other method to its members.

Objectives and Plans

Objectives for the next year and the medium term include:

- Focussing on pupil and staff wellbeing, including through access to counselling services, and working to ensure pupils do not feel isolated from the School community when having to work remotely.
- Continuing to assess the risk of the spread of coronavirus within the School and putting in place appropriate control measures to minimise the risk. Maintaining plans for action to be taken in different scenarios potentially caused by the pandemic, in order to ensure pupils continue to receive a high quality education and feel safe and secure.
- Surveying all stakeholders, to benchmark current performance at the start of a new Headteacher's incumbency and to inform future planning.
- Embedding the use of the electronic recording system for safeguarding records, to improve security and access, where needed, and facilitate smoother and more efficient tracking of concerns.
- Reintroducing domestic residential trips to widen our educational offering.
- Discharging all pre-commencement planning conditions attached to the new Prep building project and commencing development in order to secure the planning permission.
- Continuing to make sustainability and environmental issues a priority across all facets of school life including by working towards the Eco-Schools Green Flag Accreditation.

Investment power

The Trustees are empowered to invest funds in a manner appropriate to the financial requirements of the School, having regard to the security of any investments made and the requirements of the Charity Commissioners' order. The only investment held by the School has provided capital funding to The Central Norwich Hockey Consortium, a registered charity of which it is a member. The funding is recognised as a programme related investment and assisted with the construction of an AstroTurf hockey pitch which is available to the School and for community use (see note 9)

Asset cover for funds

The Trustees are satisfied that on a fund-by-fund basis the assets are sufficient to fulfil all the School's current obligations.

Systems review and risk management

The Trustees' Risk Management Policy and accompanying risk register are monitored by a working group comprising a number of Trustees and the School's Bursar. The work of this group is grounded in the operational aspects of the School, but it also has an important strategic role in reviewing higher level issues such as the educational, economic, legal and political context in which the School operates, and thereby helps to inform the Trustees' strategic planning and decision-making. The Risk Management Working Group reports at least annually to the Trustees. This committee in turn seeks specific advice and guidance on systems matters from the appointed auditor or from other professional advisers when required.

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**TRUSTEES' REPORT (CONTINUED)
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Statement of Trustees' responsibilities

The Trustees (who are also directors of Town Close House Educational Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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 judgments and estimates that are reasonable and prudent;
- 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 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.

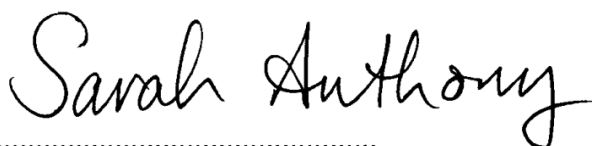
In so far as each of the Trustees is aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

Auditor

Larking Gowen have been appointed as auditor in accordance with s485 (4) of the Companies Act 2006.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
Sarah Anthony
Chair of Governors

Date: 19 November 2021

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED)

Opinion

We have audited the financial statements of Town Close Educational Trust Limited (formerly Town Close House Educational Trust Limited) (the 'charitable company') for the year ended 31 July 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 July 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 financial statements are authorised for issue.

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

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Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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. 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.

Opinion 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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have 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 including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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.

TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED)

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED) (CONTINUED)

Responsibilities of trustees

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

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

Auditors' 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 Auditors' 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:

Due to the field in which the company operates, we identified the areas most likely to have a direct material impact on the financial statements as compliance with safeguarding regulations, the Charity Commission and the Companies Act 2006. In addition, we considered the provisions of other laws and regulations which, whilst not having a direct impact on the financial statements, are fundamental to the company's ability to operate including health and safety; employment law, and compliance with various other regulations relevant to the conduct of the company's operations running a school.

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, included the following:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations, accidents in the school, potential litigation or claims and fraud;
- Enquiries with management about any known instances of health and safety breaches, safeguarding issues or GDPR breaches.
- Review of legal and professional fees to confirm matters where the company engaged lawyers during the year;
- Review of financial statement disclosures, and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Review of board minutes and any relevant correspondence with external authorities;
- Challenging assumptions and judgments made by management in their significant accounting estimates;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the rationale of any significant transactions outside the normal course of business.

TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED)

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED) (CONTINUED)

Due to 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 statements or non-compliance with regulations. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



J Grimmer FCA DChA (Senior statutory auditor)

for and on behalf of

Larking Gowen LLP

Statutory Auditors

Norwich

King Street House

15 Upper King Street

Norwich

Norfolk

NR3 1RB

5 January 2022

TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED)

(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2021**

	Note	General funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations		4,791	22,600	27,391	-
Charitable activities:					
School fees		5,396,904	-	5,396,904	5,161,949
School trips		39,675	-	39,675	31,282
Holiday activities		68,111	-	68,111	69,680
Income from other activities	4	142,398	-	142,398	305,632
		<u>5,651,879</u>	<u>22,600</u>	<u>5,674,479</u>	<u>5,568,543</u>
Total income					
Expenditure on:					
Costs of generating funds					
Fundraising and publicity		51,892	-	51,892	31,854
Charitable activities:					
School expenses		4,589,058	-	4,589,058	4,675,266
School trips		37,079	-	37,079	40,306
Repairs, renewals and grounds		197,037	-	197,037	164,734
Interest payable		29,006	-	29,006	31,470
Other support cost - governance		87,804	-	87,804	78,283
		<u>4,991,876</u>	<u>-</u>	<u>4,991,876</u>	<u>5,021,913</u>
Total expenditure					
Net income		660,003	22,600	682,603	546,630
Transfers between funds	14	2,600	(2,600)	-	-
		<u>662,603</u>	<u>20,000</u>	<u>682,603</u>	<u>546,630</u>
Net income					
Reconciliation of funds:					
Total funds brought forward		7,984,183	-	7,984,183	7,437,553
Net movement in funds		662,603	20,000	682,603	546,630
		<u>8,646,786</u>	<u>20,000</u>	<u>8,666,786</u>	<u>7,984,183</u>
Total funds carried forward					

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

The notes on pages 17 to 33 form part of these financial statements.

TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED)

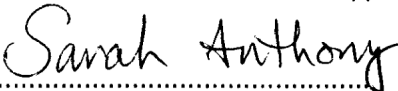
(A company limited by guarantee)
REGISTERED NUMBER: 00940118


**BALANCE SHEET
AS AT 31 JULY 2021**

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	9	125,000	150,000
Tangible assets	10	8,068,022	8,216,850
		8,193,022	8,366,850
Current assets			
Debtors	11	136,274	113,548
Cash at bank and in hand		2,250,033	1,453,465
		2,386,307	1,567,013
Creditors: amounts falling due within one year	12	(1,096,304)	(1,075,041)
Net current assets		1,290,003	491,972
Total assets less current liabilities		9,483,025	8,858,822
Creditors: amounts falling due after more than one year	13	(816,239)	(874,639)
Total net assets		8,666,786	7,984,183
Charity funds			
Restricted funds:			
Restricted funds	14	20,000	-
Unrestricted funds	14	8,646,786	7,984,183
Total funds		8,666,786	7,984,183

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


.....
Ms S J Anthony


.....
Mr A J Fish

Date: 19 November 2021

The notes on pages 17 to 33 form part of these financial statements.

TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED)

(A company limited by guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021**

	2021	<i>2020</i>
	£	£
Cash flows from operating activities		
Net cash used in operating activities	1,032,751	<i>861,456</i>
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	(186,183)	<i>(471,581)</i>
	<hr/>	<hr/>
Net cash used in investing activities	(186,183)	<i>(471,581)</i>
	<hr/>	<hr/>
Cash flows from financing activities		
Repayments of borrowing	(50,000)	<i>(50,000)</i>
	<hr/>	<hr/>
Net cash used in financing activities	(50,000)	<i>(50,000)</i>
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	796,568	<i>339,875</i>
Cash and cash equivalents at the beginning of the year	1,453,465	<i>1,113,590</i>
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	2,250,033	<i>1,453,465</i>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 17 to 33 form part of these financial statements

TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED)

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

1. General information

Town Close Educational Trust Limited is a charitable company limited by guarantee, charity number 311293 and company number 00940118. The registered office is Town Close Educational Trust Limited, 14 Ipswich Road, Norwich, NR2 2LR.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Town Close Educational Trust Limited (formerly Town Close House Educational Trust 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.

2.2 Going concern

Having considered the principal risks and uncertainties, in particular the challenges posed by the coronavirus pandemic and the resulting economic conditions, the Trustees feel that the School's strong financial position, the strong surplus and the good relationship with the School's bank mean that it remains appropriate to prepare the financial statements on a going concern basis.

Further detail is provided in the Trustees' report.

2.3 Income

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

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED)

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Intangible assets and amortisation

The School has provided capital funding to The Central Norwich Hockey Consortium (a registered charity). Funding has assisted with construction of astroturf hockey pitches and associated facilities, which are available for school and community use. The funding is recognised as a programme related investment stated at cost less amortisation. The investment is being amortised by way of an annual grant to The Central Norwich Hockey Consortium on a straight line basis over 15 years, the period during which the school expects to utilise the facilities.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on the following basis:

Programme related investment - 15 years

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold land	- Not depreciated
Freehold buildings	- 20 to 50 years
Motor vehicles	- 5 years
Furniture, fittings and equipment	- 10 years
Computer equipment	- 3 years
Assets in course of construction	- Not depreciated during the period of construction

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.10 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

2. Accounting policies (continued)

2.11 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.12 Pensions

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme ("TPS"). This is a defined benefit scheme.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School 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 prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Turnover

	2021	2020
	£	£
Gross Fees	5,839,077	5,836,289
Less: Bursaries and remissions	(349,524)	(345,033)
Less: Covid-19 rebate	(92,649)	(329,307)
	<u>5,396,904</u>	<u>5,161,949</u>

TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED)

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

4. Income from other activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Swimming pool income	15,092	-	15,092	21,247
Other hirings	6,714	-	6,714	15,864
After School care income	48,727	-	48,727	56,762
Other income	23,019	-	23,019	21,652
Fundraising	1,798	-	1,798	4,752
Music lesson	275	-	275	25,162
Coronavirus Job Retention Scheme grant	46,773	-	46,773	160,193
	<u>142,398</u>	<u>-</u>	<u>142,398</u>	<u>305,632</u>
	<u>145,439</u>	<u>160,193</u>	<u>305,632</u>	

During the year the School received exceptional government funding as part of the Coronavirus Job Retention Scheme. Funding represents some of the costs of employing certain staff unable to carry out their duties as a result of the coronavirus crisis.

5. School Expenses

	2021 £	2020 £
Teaching salaries	2,733,190	2,873,514
Domestic and grounds staff salaries	415,765	405,096
Housekeeping and provisions	309,523	347,112
Depreciation	335,011	333,296
Amortisation	25,000	25,000
Teaching materials and other school expenses	273,715	212,599
General support costs - staff costs	374,822	360,277
- other	122,038	118,372
	<u>4,589,064</u>	<u>4,675,266</u>

TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED)

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

6. Governance costs

	2021	<i>2020</i>
	£	£
Staff costs	37,070	35,632
Audit fees	9,660	8,955
Professional fees	27,514	20,544
General office expenses	13,560	13,152
	87,804	78,283

10% of general office expenses are allocated to governance. Staff costs are allocated on the basis of estimated time spent, being 9% allocated to governance.

7. Auditors' remuneration

	2021	<i>2020</i>
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	9,660	8,955

8. Staff costs

	2021	<i>2020</i>
	£	£
Wages and salaries	2,808,867	2,968,954
Social security costs	246,691	230,969
Contribution to pension schemes	505,289	474,596
	3,560,847	3,674,519

In the prior year, staff costs included a sum of £31,370 in respect of redundancy settlements, with no such amounts in the current year.

The average number of persons employed by the company during the year was as follows:

	2021	<i>2020</i>
	No.	No.
Average no. of employees	122	128

TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED)

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

8. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
	No.	No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
In the band £100,001 - £110,000	1	1

Employers' pension contributions in respect of the employee whose earnings were between £80,001 and £90,000 were £18,596 (2020: £17,772). Employers' pension contributions in respect of the employee whose earnings were between £100,001 and £110,000 were £23,723 (2020: £22,438).

The key management personnel comprise the Headmaster and the Bursar. The total employee remuneration (including employer's national insurance costs) of the key management personnel was £247,795 (2020: £242,669).

TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED)

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

9. Intangible assets

	Programme Related Investments £
Cost	
At 1 August 2020	375,000
At 31 July 2021	375,000
Amortisation	
At 1 August 2020	225,000
Charge for the year	25,000
At 31 July 2021	250,000
Net book value	
At 31 July 2021	125,000
<i>At 31 July 2020</i>	<i>150,000</i>

The School has provided capital funding to The Central Norwich Hockey Consortium (a registered charity). Funding has assisted with the construction of astroturf hockey pitches and associated facilities, which are available for school and community use. The funding is recognised as a programme related investment and stated at cost less amortisation. The investment is being amortised by way of an annual grant to The Central Norwich Hockey Consortium on a straight line basis over 15 years, the period during which the School expects to utilise the facilities.

TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED)

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

10. Tangible fixed assets

	Freehold property £	Motor vehicles £	Furniture, fittings and equipment £	Assets in the course of construction £	Total £
Cost or valuation					
At 1 August 2020	11,142,196	215,520	1,786,630	675,366	13,819,712
Additions	-	-	151,780	34,403	186,183
Transfers between classes	515,287	-	-	(515,287)	-
At 31 July 2021	<u>11,657,483</u>	<u>215,520</u>	<u>1,938,410</u>	<u>194,482</u>	<u>14,005,895</u>
Depreciation					
At 1 August 2020	3,877,612	182,339	1,542,911	-	5,602,862
Charge for the year	214,932	13,764	106,315	-	335,011
At 31 July 2021	<u>4,092,544</u>	<u>196,103</u>	<u>1,649,226</u>	<u>-</u>	<u>5,937,873</u>
Net book value					
At 31 July 2021	<u>7,564,939</u>	<u>19,417</u>	<u>289,184</u>	<u>194,482</u>	<u>8,068,022</u>
At 31 July 2020	<u>7,264,584</u>	<u>33,181</u>	<u>243,719</u>	<u>675,366</u>	<u>8,216,850</u>

11. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	33,991	25,883
Prepayments and accrued income	102,283	87,665
	<u>136,274</u>	<u>113,548</u>

TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED)

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

12. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	50,000	50,000
Fee deposits	27,494	21,600
Trade creditors	170,746	71,498
Other taxation and social security	63,326	62,916
Fees in advance	604,847	681,947
Other creditors	52,589	81,839
Accruals and deferred income	127,302	105,241
	<u>1,096,304</u>	<u>1,075,041</u>
	2021 £	2020 £
Deferred income at 1 August 2020	700,923	706,662
Resources deferred during the year	658,113	700,923
Amounts released from previous periods	(700,923)	(706,662)
	<u>658,113</u>	<u>700,923</u>

Deferred income is included within the fees in advance & accruals and deferred income categories of creditors.

TOWN CLOSE EDUCATIONAL TRUST LIMITED (FORMERLY TOWN CLOSE HOUSE EDUCATIONAL TRUST LIMITED)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

13. Creditors: Amounts falling due after more than one year

	2021	<i>2020</i>
	£	£
Bank loans	687,500	<i>737,500</i>
Fee deposits	128,739	<i>137,139</i>
	816,239	<i>874,639</i>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2021	<i>2020</i>
	£	£
Bank loans		
Amount due in less than one year	50,000	<i>50,000</i>
Amount due within one to two years	50,000	<i>50,000</i>
Amount due within two to five years	150,000	<i>150,000</i>
Amount due in more than five years	487,500	<i>537,500</i>
	737,500	<i>787,500</i>

The bank loan is secured by a legal charge over the property at 14 Ipswich Road, Norwich. The loan carries interest at a rate of 2.3% over the bank base rate and is repayable by quarterly repayments of £12,500 with a bullet repayment of £512,500 at maturity on 13 April 2026.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Statement of funds

Statement of funds - current year

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2021 £
Unrestricted funds					
Designated Funds	84,263	-	-	4,791	89,054
General funds	7,899,920	5,651,879	(4,991,876)	(2,191)	8,557,732
Total Unrestricted funds	7,984,183	5,651,879	(4,991,876)	2,600	8,646,786
Restricted funds					
Chakravarty donation	-	20,000	-	-	20,000
PTA donation	-	2,600	-	(2,600)	-
	-	22,600	-	(2,600)	20,000
Total of funds	7,984,183	5,674,479	(4,991,876)	-	8,666,786

Following a receipt of a donation of £84,263 in 2013 the Governors decided to designate these funds to specific projects in the future in the name of the Timothy Alston Foundation. There have been no movements in this fund since receipt.

The Chakravarty donation fund represents a donation, plus associated gift aid receivable, made to the Charity towards the fitting out of a new science lab.

The PTA donation was made towards the purchasing of outdoor equipment. The balance has been transferred to unrestricted funds as the monies have been spent on fixed assets, upon whose use there are no further restrictions.

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14. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 August 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 July 2020 £</i>
Unrestricted funds					
Designated Funds	84,263	-	-	-	84,263
General funds	7,353,290	5,408,350	(5,021,913)	160,193	7,899,920
Total Unrestricted funds	7,437,553	-	(5,021,913)	160,193	7,984,183
Restricted funds					
Government grants	-	160,193	-	(160,193)	-
Total of funds	7,437,553	160,193	(5,021,913)	-	7,984,183

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	8,068,022	-	8,068,022
Intangible fixed assets	125,000	-	125,000
Current assets	2,366,307	20,000	2,386,307
Creditors due within one year	(1,096,304)	-	(1,096,304)
Creditors due in more than one year	(816,239)	-	(816,239)
Total	8,646,786	20,000	8,666,786

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15. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	8,216,850	8,216,850
Intangible fixed assets	150,000	150,000
Current assets	1,567,013	1,567,013
Creditors due within one year	(1,075,041)	(1,075,041)
Creditors due in more than one year	(874,639)	(874,639)
Total	<u><u>7,984,183</u></u>	<u><u>7,984,183</u></u>

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	<u>682,603</u>	<u>546,630</u>
Adjustments for:		
Depreciation charges	335,011	333,296
Amortisation charges	25,000	25,000
Decrease/(increase) in debtors	(22,726)	39,370
Increase/(decrease) in creditors	12,863	(82,840)
Net cash provided by operating activities	<u><u>1,032,751</u></u>	<u><u>861,456</u></u>

17. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>2,250,033</u>	<u>1,453,465</u>
Total cash and cash equivalents	<u><u>2,250,033</u></u>	<u><u>1,453,465</u></u>

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18. Analysis of changes in net debt

	At 1 August 2020	Cash flows	Other non- cash changes	At 31 July 2021
	£	£	£	£
Cash at bank and in hand	1,453,465	796,568	-	2,250,033
Debt due within 1 year	(50,000)	50,000	(50,000)	(50,000)
Debt due after 1 year	(737,500)	-	50,000	(687,500)
	<u>665,965</u>	<u>846,568</u>	<u>-</u>	<u>1,512,533</u>

19. Pension commitments

The School participates in the Teachers' Pension Scheme ("the TPS") for teaching staff. The pension charge for the year includes contributions payable to the TPS of £362,273 (2020: £335,256) and at the year-end £42,427 (2020: £48,152) was accrued in respect of contributions to this scheme. There were no amounts outstanding at the end of the year (2020: £Nil) to the non-teaching staff defined contribution scheme.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The previous actuarial valuation was carried out as at 31 March 2012 and determined the contributions for the period, which were paid at a rate of 16.48%. This rate has been paid since September 2015.

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%).

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19. Pension commitments (continued)

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme.

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

20. Operating lease commitments

At 31 July 2021 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Operating leases which expire		
Not later than 1 year	10,270	15,864
Later than 1 year and not later than 5 years	38,811	41,081
Later than 5 years	115,875	123,875
	164,956	180,820

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2021 £	2020 £
Operating lease rentals	15,864	27,951

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21. Related party transactions

No trustees had expenses reimbursed by the School during the year (2020: 5 trustees, travel costs totalling £1,008). During the year, no Trustees received any remuneration or other benefits (2020 - £nil).

The Company is a founding co-member of the Central Norwich Hockey Consortium Limited, a registered charity. The School's funding is recognised as a programme related investment. The School hires the hockey pitch operated by the consortium and during the year fees totalling £5,638 (2020: £7,500) were payable. The School currently expects to use the facilities for a period of 15 years and is amortising the original investment by way of annual grant to the consortium. A grant, in the form of amortisation of the programme related investment, of £25,000 was made to the consortium in the year (2020: £25,000).