

Registered number: 00940118
Charity number: 311293

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

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

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TOWN CLOSE EDUCATIONAL TRUST LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2022**

| | |
|----------------------------------|--|
| Trustees | Ms S J Anthony Dr S A Patel Mr D Costello (appointed 27 April 2022) Mr A M A Fennell Mr A J Fish Mr M M Graham Ms S Jack (resigned 29 July 2022) Mr A W S Kingham (resigned 29 July 2022) Ms J L North Dr S Kaushal (appointed 4 February 2022) Mr A M Possener Ms S C Waddington (resigned 29 July 2022) |
| Company registered number | 00940118 |
| Charity registered number | 311293 |
| Registered office | Town Close Educational Trust Limited 14 Ipswich Road Norwich NR2 2LR |
| Company secretary | Mrs K D Artherton |
| 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) |

TOWN CLOSE EDUCATIONAL TRUST LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2022

The Trustees present their report and audited financial statements for the year ended 31 July 2022 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

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 2022 were as follows:

SJ Anthony * (Chairman)
K D Artherton – Secretary (appointed 21st July 2022)
D Costello (appointed 27th April 2022)
A Fennell *
AJ Fish * (Chairman of Finance & General Purposes Committee and Joint Deputy Chairman)
M Graham *
S Kaushal (appointed 4th February 2022)
AWS Kingham (resigned 29th July 2022)
S Jack (Joint Deputy Chairman) (resigned 29th July 2022)
L North
B J Ogg - Secretary (retired 21st July 2022)
Dr S Patel
A Possener *
SC Waddington (resigned 29th July 2022)
(*indicates membership of the Finance & General Purposes Committee during the year ended 31 July 2022.)

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 Head 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 Head, with the support of a Senior Management Team, and by the Bursar – a key member of that team.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

Key Management Personnel – Pay policy for senior staff

Key management personnel are considered to be the board of directors, who are also Trustees, the Head 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 21 to the accounts.

The pay of the Head 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 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken. An annual review of this is conducted and reported to the Governing Body and the Trust continues to review its activities regularly to ensure public benefit is a consideration in all decisions. To this end, public benefit is a regular agenda item for meetings of the SMT, Heads of Department have public benefit as a reporting criteria and it is regularly discussed at common room meetings.

The provision of education to a large number of pupils remains the Trust's core charitable purpose and activity 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 nineteen pupils in receipt of financial support this year, sixteen received a remission of 50% or more with eight pupils receiving at least 75% fees remission and three receiving 100% remission.

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. The limitations imposed because of the pandemic reduced throughout the year and the demand for access to the swimming pool, Sports Hall and the Read Hall for the performing arts has continued to grow over the last year almost back to pre-pandemic levels.

Access to the School library was given free of charge to The Norfolk Reading Project (TNRP) 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. TNRP had previously used the Norfolk and Norwich Millennium Library 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 TNRP can use its limited resources on other aspects of their work. This work continues to grow with TNRP being invited to all public school events to publicise the excellent work that they do.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

Public benefit (continued)

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 can hire the pitch at a reduced hourly rate.

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 five 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 e.g. sports days and donating books to other schools.

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 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 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. Also, this year Hellesdon High School and the Action Community Enterprises in Rackheath were able to secure funding with the help of the Head of DT to enable them to begin to build their involvement in F24 through the acquisition of the car building kit.

The School has a minibus fleet which is not used during school holidays, this year two local Scout groups have been making use of the School's minibuses with Cringleford Scouts taking an expedition to the Peak District and another group taking their scouts to a Jamboree in London.

The School featured in the Eastern Daily Press for its fund raising activities to support the Ukrainian appeal; raising thousands for this worthy cause.

The School's charity for this year was the Jenny Lind Children's Hospital and the School community raised £9,143 for this worthy cause. This resulted in Town Close School being named the Norfolk and Norwich Hospital's School Charity Champion in 2022.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

Strategic objectives and achievements

The strategic objectives for the year entailed transitioning the School back to pre-pandemic expectations, within government guidelines, which saw the return of wide reaching events and celebrations across School life including:

- Residential trips
- The school's ASA camping trips
- Geography fieldtrips
- Platinum Jubilee celebrations
- School Plays
- Sports' tours
- Theatre trips
- Day excursions to local and national historical sites
- School concerns
- Art exhibition
- Exhibiting at the Royal Norfolk Show

In February 2022 the School received a 'Focussed Compliance and Educational Quality' Inspection by the Independent Schools' Inspectorate, receiving the highest grading possible of '**excellent**' across both categories of educational quality, whilst also confirming compliance in all areas of the Focussed Compliance Inspection.

Sustainability was placed at the heart of school life. The School Council and reformed Eco-Committee provided the student voice, which was added to the wider thoughts of the school community, resulting in the following changes:

- Regular Eco-Committee meetings, looking at gaining green flag accreditation.
- Replacement of lighting throughout the school with LED lighting.
- Cleaning products substituted for environmentally friendly alternatives.
- Consumable paper products changed for sustainable options.
- In depth food waste analysis.

The operational structure of the safeguarding team was changed in favour of a singular DSL (designated safeguarding lead), supported by DDSLs (Deputy designated safeguarding leads) from across the school community. In addition, following observations during the pandemic, Pastoral Leads were created to enhance the work of the tutors in supporting the needs of the children.

Operational performance

Entrance exams and scholarship assessments for senior schools returned to being face to face. The pupils involved worked incredibly hard towards these, with a significant proportion of their preparation being carried out in the uncertainty of the pandemic. The results they achieved are to be commended and their resilience celebrated. Across our year 8 pupils; 9 sports scholarships, 6 academic scholarships, 6 headmasters' awards and 1 all round scholarship (The Tring Scholarship) were awarded from Norwich School, Greshams, Langley Senior School, Norwich High School for Girls, and Uppingham School.

Common Entrance results were, once again, strong with 89% 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.

Standardised NFER 11+ Common Entrance exams were used, alongside other in-house testing, for Year 6 pupils to monitor attainment and progress. These showed that 91% of pupils were working at age-related expectations or above in English, and 64% in maths, with 98% making sufficient progress.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

A bedrock of the education Town Close provides has always been the broad range of co-curricular and extra-curricular activities that is offered to the widest possible range of pupils within the School. Clubs restarted this year as did face to face music lessons, concerts and performances. Sports day and prize day were attended by pupils, parents and the wider School community and residential trips resumed.

Christopher Wilson took up the role of Head. He appreciated the chance of gaining an understanding of School life pre-pandemic and learning the qualities the School extols.

The end of the July saw the retirement of the Bursar, Mrs Benita Ogg and the recruitment of her successor, Mrs Kate Artherton.

Financial review and reserves policy

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

As reported in the statement of financial activities later in this Report, the School's net income for the year, after depreciation, was £139,136 (2021: £682,603) . This was another 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 2022 includes payments for the entirety of the next school year from parents electing to pay in advance.

In the last year £166,092 was invested in capital items. A significant proportion of this was spent on IT hardware, grounds maintenance equipment and an additional payment in respect of the professional fees relating to the refurbishment of The Lodge.

The Trust's strong operating performance and balance sheet mean it is well placed operationally. This means that there is capacity to respond to new demands and opportunities that might arise. One such opportunity lies with the new science, art, music and dining building for which the School has planning permission. Work is continuing in order to ensure all pre-commencement conditions are discharged so that lawful implementation of the project can take place.

The School remains strong and the Trustees have considered the principal risks and uncertainties, in particular the challenges posed by the current economic climate. The Trustees consider that the School's strong financial position, the strong surplus and the good relationship with the School's bank mean it remains appropriate to prepare the financial statements on a going concern basis (Note 2.2 to the Financial Statements refers).

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 majority of the School's reserves, which amount to £8,805,972 (2021: £8,666,786), are invested in the fabric of the School. Free reserves amounted to £791,728 (2021: £453,764). Capitalised expenditure on the School's premises and equipment has substantially been 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

Objectives and Plans

Objectives for the next year and the medium term include:

- Set the strategic direction of the School, through the development of the five year school plan.
- Develop a planned preventative maintenance schedule to inform future investment.
- Explore opportunities for netball courts both on and off site.
- Continuing to invest in pupil and staff wellbeing.
- Surveying all stakeholders, to benchmark current performance at the start of a new Head's incumbency and to inform future planning.
- Discharging all pre-commencement planning conditions attached to the new Prep building project and commencing development 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.

TOWN CLOSE EDUCATIONAL TRUST LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

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.

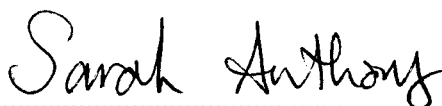
In so far as each of the Trustees is aware:

- 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:



.....
Ms S J Anthony

Date: 17/3/23

TOWN CLOSE EDUCATIONAL TRUST LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOWN CLOSE EDUCATIONAL TRUST LIMITED

Opinion

We have audited the financial statements of Town Close Educational Trust Limited (the 'charitable company') for the year ended 31 July 2022 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 2022 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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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOWN CLOSE EDUCATIONAL TRUST LIMITED (CONTINUED)

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOWN CLOSE 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.

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

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 statements or non-compliance with regulation. 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.

Larking Gowen LLP

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

Date: 3 March 2023

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2022**

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | |
| Donations | - | - | - | 27,391 |
| Charitable activities: | | | | |
| School fees | 5,457,795 | - | 5,457,795 | 5,396,904 |
| School trips | 70,726 | - | 70,726 | 39,675 |
| Holiday activities | 74,292 | - | 74,292 | 68,111 |
| Income from other activities | 4 144,145 | - | 144,145 | 142,398 |
| Total income | 5,746,958 | - | 5,746,958 | 5,674,479 |
| Expenditure on: | | | | |
| Costs of generating funds | | | | |
| Fundraising and publicity | 56,618 | - | 56,618 | 51,892 |
| Charitable activities: | | | | |
| School expenses | 5,015,930 | - | 5,015,930 | 4,589,058 |
| School trips | 105,234 | - | 105,234 | 37,079 |
| Repairs, renewals and grounds | 287,633 | - | 287,633 | 197,037 |
| Interest payable | 32,876 | - | 32,876 | 29,006 |
| Other support cost - governance | 109,481 | - | 109,481 | 87,804 |
| Total expenditure | 5,607,772 | - | 5,607,772 | 4,991,876 |
| Net income | 139,186 | - | 139,186 | 682,603 |
| Reconciliation of funds: | | | | |
| Total funds brought forward | 8,646,786 | 20,000 | 8,666,786 | 7,984,183 |
| Net movement in funds | 139,186 | - | 139,186 | 682,603 |
| Total funds carried forward | 8,785,972 | 20,000 | 8,805,972 | 8,666,786 |

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

The notes on pages 17 to 34 form part of these financial statements.

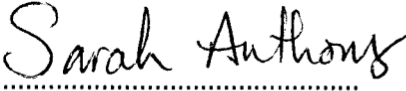
TOWN CLOSE EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 00940118


BALANCE SHEET
AS AT 31 JULY 2022

| | Note | 2022 £ | 2021 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Investments | 9 | 100,000 | 125,000 |
| Tangible assets | 10 | 7,894,244 | 8,068,022 |
| | | <u>7,994,244</u> | <u>8,193,022</u> |
| Current assets | | | |
| Debtors | 11 | 135,319 | 136,274 |
| Cash at bank and in hand | | 2,455,599 | 2,250,033 |
| | | <u>2,590,918</u> | <u>2,386,307</u> |
| Creditors: amounts falling due within one year | 12 | (1,000,651) | (1,096,304) |
| | | <u>1,590,267</u> | <u>1,290,003</u> |
| Net current assets | | <u>1,590,267</u> | <u>1,290,003</u> |
| Total assets less current liabilities | | <u>9,584,511</u> | <u>9,483,025</u> |
| Creditors: amounts falling due after more than one year | 13 | (778,539) | (816,239) |
| Total net assets | | <u><u>8,805,972</u></u> | <u><u>8,666,786</u></u> |
| Charity funds | | | |
| Restricted funds | 14 | 20,000 | 20,000 |
| Unrestricted funds | 14 | 8,785,972 | 8,646,786 |
| Total funds | | <u><u>8,805,972</u></u> | <u><u>8,666,786</u></u> |

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: 17/3/23

The notes on pages 17 to 34 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022

| | 2022 £ | 2021 £ |
|---|-------------|-------------|
| Cash flows from operating activities | | |
| Net cash used in operating activities | 421,657 | 1,032,751 |
| | <hr/> | <hr/> |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (166,091) | (186,183) |
| | <hr/> | <hr/> |
| Net cash used in investing activities | (166,091) | (186,183) |
| | <hr/> | <hr/> |
| Cash flows from financing activities | | |
| Repayments of borrowing | (50,000) | (50,000) |
| | <hr/> | <hr/> |
| Net cash used in financing activities | (50,000) | (50,000) |
| | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | 205,566 | 796,568 |
| Cash and cash equivalents at the beginning of the year | 2,250,033 | 1,453,465 |
| | <hr/> | <hr/> |
| Cash and cash equivalents at the end of the year | 2,455,599 | 2,250,033 |
| | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 17 to 34 form part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

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 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

The Trustees have considered the principal risks and uncertainties, in particular the challenges posed by the current economic climate, in particular the rising inflation and exceptional increase in utility costs. The Trustees have also given consideration to the impact that the rising cost of living might have on future pupil numbers. The Trustees consider that the School's strong financial position, the strong surplus and the good relationship with the School's bank mean 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.

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.4 Expenditure (continued)

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 Investments

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.

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

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. School fees

| | 2022 | <i>2021</i> |
|--------------------------------|------------------|------------------|
| | £ | £ |
| Gross Fees | 5,875,240 | <i>5,839,077</i> |
| Less: Bursaries and remissions | (417,445) | <i>(349,524)</i> |
| Less: Covid-19 rebate | - | <i>(92,649)</i> |
| | 5,457,795 | <i>5,396,904</i> |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

4. Income from other activities

| | Unrestricted funds 2022 £ | Total funds 2022 £ | <i>Total funds 2021 £</i> |
|--|--|---------------------------------------|---------------------------------------|
| Swimming pool income | 30,765 | 30,765 | 15,092 |
| Other hirings | 19,460 | 19,460 | 6,714 |
| After School care income | 69,497 | 69,497 | 48,727 |
| Other income | 14,755 | 14,755 | 23,019 |
| Fundraising | 9,129 | 9,129 | 1,798 |
| Music lessons | 539 | 539 | 275 |
| Coronavirus Job Retention Scheme grant | - | - | 46,773 |
| | <u>144,145</u> | <u>144,145</u> | <u>142,398</u> |
| | <u>142,398</u> | <u>142,398</u> | |

During the prior year, the School received exceptional government funding as part of the Coronavirus Job Retention Scheme. Funding represented some of the costs of employing certain staff unable to carry out their duties as a result of the coronavirus crisis. There were no such amounts received in 2022.

5. School Expenses

| | 2022 £ | <i>2021 £</i> |
|--|-------------------------|-------------------|
| Teaching staff costs | 2,852,258 | 2,733,190 |
| Domestic and grounds staff costs | 465,165 | 415,765 |
| Housekeeping and provisions | 458,079 | 309,523 |
| Depreciation | 339,868 | 335,011 |
| Amortisation | 25,000 | 25,000 |
| Teaching materials and other school expenses | 332,707 | 273,715 |
| General support costs - staff costs | 412,702 | 374,822 |
| - other | 130,151 | 122,038 |
| | <u>5,015,930</u> | <u>4,589,064</u> |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

6. Governance costs

| | 2022 | <i>2021</i> |
|-------------------------|----------------|---------------|
| | £ | £ |
| Staff costs | 40,817 | 37,070 |
| Audit fees | 13,908 | 9,660 |
| Professional fees | 40,295 | 27,514 |
| General office expenses | 14,461 | 13,560 |
| | 109,481 | <i>87,804</i> |
| | 109,481 | <i>87,804</i> |

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

| | 2022 | <i>2021</i> |
|--|---------------|--------------|
| | £ | £ |
| Fees payable to the company's auditor for the audit of the company's annual accounts | 13,908 | 9,660 |
| | 13,908 | <i>9,660</i> |

8. Staff costs

| | 2022 | <i>2021</i> |
|---------------------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,984,347 | 2,808,867 |
| Social security costs | 261,469 | 246,691 |
| Contribution to pension schemes | 525,126 | 505,289 |
| | 3,770,942 | <i>3,560,847</i> |
| | 3,770,942 | <i>3,560,847</i> |

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

| | 2022 | <i>2021</i> |
|--------------------------|-------------|-------------|
| | No. | No. |
| Average no. of employees | 124 | 122 |
| | 124 | <i>122</i> |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

8. Staff costs (continued)

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

| | 2022 | <i>2021</i> |
|---------------------------------|-------------|-------------|
| | No. | <i>No.</i> |
| In the band £60,001 - £70,000 | 2 | - |
| In the band £80,001 - £90,000 | 1 | <i>1</i> |
| In the band £90,001 - £100,000 | 1 | - |
| In the band £100,001 - £110,000 | - | <i>1</i> |

Employers' pension contributions in respect of the employees whose earnings were between £60,001 and £70,000 were £28,969 (2021: n/a). Employers' pension contributions in respect of the employee whose earnings were between £80,001 and £90,000 were £19,164 (2021: £18,596). Employers' pension contributions in respect of the employee whose earnings were between £90,001 and £100,000 were £21,484 (2021: n/a). Employers' pension contributions in respect of the employee whose earnings were between £100,001 and £110,000 in the prior year were £23,723.

The key management personnel comprise trustees, who are unpaid, together with the Headmaster and the Bursar. The total employee remuneration (including employers' national insurance costs) of the key management personnel was £249,838 (2021: £247,795).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

9. Investments

| | Programme Related Investments £ |
|------------------------|--|
| Cost | |
| At 1 August 2021 | 375,000 |
| At 31 July 2022 | 375,000 |
| Amortisation | |
| At 1 August 2021 | 250,000 |
| Charge for the year | 25,000 |
| At 31 July 2022 | 275,000 |
| Net book value | |
| At 31 July 2022 | 100,000 |
| <i>At 31 July 2021</i> | <i>125,000</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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

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 2021 | 11,657,483 | 215,520 | 1,938,410 | 194,482 | 14,005,895 |
| Additions | 39,040 | 20,700 | 61,936 | 44,415 | 166,091 |
| At 31 July 2022 | <u>11,696,523</u> | <u>236,220</u> | <u>2,000,346</u> | <u>238,897</u> | <u>14,171,986</u> |
| Depreciation | | | | | |
| At 1 August 2021 | 4,092,544 | 196,103 | 1,649,226 | - | 5,937,873 |
| Charge for the year | 225,376 | 10,397 | 104,096 | - | 339,869 |
| At 31 July 2022 | <u>4,317,920</u> | <u>206,500</u> | <u>1,753,322</u> | <u>-</u> | <u>6,277,742</u> |
| Net book value | | | | | |
| At 31 July 2022 | <u><u>7,378,603</u></u> | <u><u>29,720</u></u> | <u><u>247,024</u></u> | <u><u>238,897</u></u> | <u><u>7,894,244</u></u> |
| At 31 July 2021 | <u><u>7,564,939</u></u> | <u><u>19,417</u></u> | <u><u>289,184</u></u> | <u><u>194,482</u></u> | <u><u>8,068,022</u></u> |

Included within freehold property are land and buildings split as follows:

| | 2022 £ | 2021 £ |
|-----------|-------------------------|-------------------------|
| Land | 1,925,062 | 1,925,062 |
| Buildings | 5,453,541 | 5,639,877 |
| | <u><u>7,378,603</u></u> | <u><u>7,564,939</u></u> |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

11. Debtors

| | 2022 £ | 2021 £ |
|--------------------------------|----------------|----------------|
| Due within one year | | |
| Trade debtors | 31,999 | 33,991 |
| Prepayments and accrued income | 103,320 | 102,283 |
| | 135,319 | 136,274 |
| | 135,319 | 136,274 |

12. Creditors: Amounts falling due within one year

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Bank loans | 50,000 | 50,000 |
| Fee deposits | 21,997 | 27,494 |
| Trade creditors | 106,703 | 170,746 |
| Other taxation and social security | 70,241 | 63,326 |
| Fees in advance | 532,926 | 604,847 |
| Other creditors | 47,448 | 52,589 |
| Accruals and deferred income | 171,336 | 127,302 |
| | 1,000,651 | 1,096,304 |
| | 1,000,651 | 1,096,304 |
| | 2022 £ | 2021 £ |
| Deferred income at 1 August 2021 | 658,113 | 700,923 |
| Resources deferred during the year | 585,209 | 658,113 |
| Amounts released from previous periods | (658,113) | (700,923) |
| | 585,209 | 658,113 |
| | 585,209 | 658,113 |

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

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

| | 2022 | <i>2021</i> |
|--------------|----------------|----------------|
| | £ | £ |
| Bank loans | 637,500 | <i>687,500</i> |
| Fee deposits | 141,039 | <i>128,739</i> |
| | 778,539 | <i>816,239</i> |

A breakdown of the maturity of the bank loans is as follows:

| | 2022 | <i>2021</i> |
|------------------------------|----------------|----------------|
| | £ | £ |
| Bank loans | | |
| Due in less than one year | 50,000 | <i>50,000</i> |
| Due within one to two years | 50,000 | <i>50,000</i> |
| Due within two to five years | 150,000 | <i>150,000</i> |
| Due in more than five years | 437,500 | <i>487,500</i> |
| | 687,500 | <i>737,500</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 instalments of £12,500 with a bullet repayment of £512,500 at maturity on 13 April 2026.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

14. Statement of funds

Statement of funds - current year

| | Balance at 1 August 2021 £ | Income £ | Expenditure £ | Balance at 31 July 2022 £ |
|---------------------------------|-------------------------------------|------------------|--------------------|---------------------------------|
| Unrestricted funds | | | | |
| Designated Funds | 89,054 | - | - | 89,054 |
| General funds | 8,557,732 | 5,750,985 | (5,611,799) | 8,696,918 |
| Total Unrestricted funds | 8,646,786 | 5,750,985 | (5,611,799) | 8,785,972 |
| Restricted funds | | | | |
| Chakravarty donation | 20,000 | - | - | 20,000 |
| Total of funds | 8,666,786 | 5,750,985 | (5,611,799) | 8,805,972 |

Following a receipt of £84,263 in 2013 the Governors decided to designate these funds for use in future capital projects, which will recognise the contribution of the Timothy Alston Foundation. In 2021 other donations of £4,791 were transferred into this fund by the Trustees.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

14. Statement of funds (continued)

Statement of funds - prior year

| | <i>Balance at 1 August 2020 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Balance at 31 July 2021 £</i> |
|---------------------------------|---|---------------------|--------------------------|-----------------------------------|--|
| 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 |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|-------------------------------------|--|--|---------------------------------------|
| Tangible fixed assets | 7,894,686 | - | 7,894,686 |
| Intangible fixed assets | 100,000 | - | 100,000 |
| Current assets | 2,570,476 | 20,000 | 2,590,476 |
| Creditors due within one year | (1,006,651) | - | (1,006,651) |
| Creditors due in more than one year | (772,539) | - | (772,539) |
| Total | 8,785,972 | 20,000 | 8,805,972 |

Analysis of net assets between funds - prior year

| | <i>Unrestricted funds 2021 £</i> | <i>Restricted funds 2021 £</i> | <i>Total funds 2021 £</i> |
|-------------------------------------|--|--|---------------------------------------|
| 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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16. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2022 £ | 2021 £ |
|--|-----------------|-----------|
| Net income for the year (as per Statement of Financial Activities) | 139,186 | 682,603 |
| Adjustments for: | | |
| Depreciation charges | 339,869 | 335,011 |
| Amortisation charges | 25,000 | 25,000 |
| Decrease/(increase) in debtors | 955 | (22,726) |
| Increase/(decrease) in creditors | (83,353) | 12,863 |
| Net cash provided by operating activities | 421,657 | 1,032,751 |

17. Analysis of cash and cash equivalents

| | 2022 £ | 2021 £ |
|--------------------------|------------------|-----------|
| Cash at bank and in hand | 2,455,599 | 2,250,033 |

18. Analysis of changes in net debt

| | At 1 August 2021 £ | Cash flows £ | Other non- cash changes £ | At 31 July 2022 £ |
|--------------------------|--------------------------|-----------------|------------------------------------|-------------------------|
| Cash at bank and in hand | 2,250,033 | 205,566 | - | 2,455,599 |
| Debt due within 1 year | (50,000) | 50,000 | (50,000) | (50,000) |
| Debt due after 1 year | (687,500) | - | 50,000 | (637,500) |
| | 1,512,533 | 255,566 | - | 1,768,099 |

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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 £373,626 (2021: £362,273) and at the year-end £45,132 (2021: £42,427) was accrued in respect of contributions to this scheme. There were no amounts outstanding at the end of the year (2021: £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 latest actuarial valuation was carried out as at 31 March 2016 and determined the current level of contributions, which are paid at a rate of 23.68% (including an administration levy of 0.8%).

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 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.

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19. Pension commitments (continued)

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 2022 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2022 | <i>2021</i> |
|--|-----------------------|-----------------------|
| | £ | £ |
| Operating leases which expire | | |
| Not later than 1 year | 10,270 | <i>10,270</i> |
| Later than 1 year and not later than 5 years | 36,541 | <i>38,811</i> |
| Later than 5 years | 107,875 | <i>115,875</i> |
| | <u>154,686</u> | <u><i>164,956</i></u> |

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

| | 2022 | <i>2021</i> |
|-------------------------|---------------|---------------|
| | £ | £ |
| Operating lease rentals | 10,270 | <i>15,864</i> |

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21. Related party transactions

One trustee had expenses reimbursed by the School during the year totalling £129 (2021: £Nil). During the year, no Trustees received any remuneration or other benefits (2021: £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 £7,700 (2021: £5,638) were payable. In addition, income of £7,207 was received from the Central Norwich Hockey Consortium in respect of one-off staff costs (2021: £Nil). 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 (2021: £25,000).

A senior member of staff rents school property as living accommodation. The rental income for the year relating to this was £3,625 (2021: £Nil).

A close family member of a trustee was employed by the school on a temporary basis during the year. Total wages payable during the year were £380 (2021: £Nil).