

Charity Registration No. 529111

Company Registration No. 0926012 (England and Wales)

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

(LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Council	Mr Richard Taylor	
	Navraj Naru	
	Mrs R James	
	Mrs H Forshaw	
	Mr A Kendrick	
	Mrs B Peacock	
	Mr K Beaty	
	Mrs S Woodroffe	
	Mrs J Doherty	
	Mr S Dalingwater	(Appointed 28 January 2019)
	Mr M Jones	(Appointed 28 January 2019)
	Mr A Carter	(Resigned 5 July 2019)
Headmistress	Mrs C Dodds	
Deputy Head	Mrs S Stratford	
Bursar	Mrs T Roth ACA	
Charity number	529111	
Company number	0926012	
Principal address	Clarence Road Horsforth Leeds LS18 4LB	
Registered office	Clarence Road Horsforth Leeds LS18 4LB	
Auditor	Hentons Northgate 118 North Street Leeds West Yorkshire LS2 7PN	
Bankers	Yorkshire Bank Leeds City Branch 94-96 Briggate Leeds LS1 6NP	

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

CONTENTS

	Page
Trustees report	1 - 6
Independent auditor's report	7 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 25

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2019

The Council present their report and financial statements for the year ended 31 August 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the School's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The School Council's main objectives continued to be the provision of education and care of the highest possible standard, to maintain pupil numbers, to invest in facilities, to identify possible opportunities to extend our provision and to continue to provide financial support to pupils in need of fee assistance whenever possible and compatible with the responsibility to run the school prudently.

In setting our objectives and planning our activities, the Council has given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

Our ethos, strategy and policies

Our school motto, 'Giving a flying start to the citizens of tomorrow', emphasises our dedication to providing the knowledge, skills, experiences and opportunities that prepare children for the future. Small class sizes and an excellent staff to pupil ratio allow The Froebelian School to treat each child as an individual. The partnership with parents is close and supportive and every child's progress is carefully monitored and reported to parents regularly.

In addition to providing an outstanding academic education in the crucial early years, The Froebelian School encourages the development of expressive talents and a love for and appreciation of music and the performing arts with plenty of opportunities for public performance. The sporting and extra-curricular programme is also very strong.

The Froebelian School seeks to benefit the public through the pursuit of its stated aims. The school fees are set at a level to ensure the financial viability of the School and at a level that is consistent with our aim of providing education and care of the highest possible standard at affordable fee levels.

The Froebelian School provides significant public benefit in a host of ways, including:

- Through a saving on public expenditure.
- The School provides significant benefit to the local economy, principally as an employer and as a consumer of goods and services.
- Whenever possible, the School tries to use local suppliers to benefit the local economy.
- The School raised £4,287 for charities in the year to 31 August 2019, including £3,500 that was raised for our chosen charities.

Our School welcomes pupils from all backgrounds. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment procedures.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The School Council (governors) meets regularly and is responsible for setting strategic priorities and objectives and overseeing delivery of these. In addition, council reviews operational performance and has constituted a number of sub-committees (e.g. Finance, Marketing, Health & Safety, Bursary & Hardship, Education) and working groups (as required) to provide support, guidance and oversight in certain key aspects of operations. Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment. In the latest Independent Schools Inspectorate report, the pastoral care at the school was described as "Excellent". The School regularly reviews its policies on child protection, safeguarding and health and safety. All staff regularly undertake safeguarding and child protection training.

Access Policy

We are confident that our fees are reasonable and represent excellent value for money. It is a long-standing policy that fee levels are set to ensure that they are affordable to as wide a cross section of the local population as possible. Comparison with the published fee levels of other, similar schools will show that The Froebelian School fees are, typically 20% less. However, it is important to us that access to the education we offer is not restricted only to those who can afford our fees.

Bursaries & Hardship Assistance

The Council places great importance on the School's bursary policy. We established a Bursary Fund in the year 2000 and generally have added to it every year. The School Council has agreed that a prudent proportion of fee income could also be used to fund bursaries or hardship cases. The School embraces the principle that fee income will, whenever possible, contribute support to bursaries and hardship.

Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy.

In the year 2018/19, we were able to offer support to a limited number of pupils, subject to places being available. Bursaries are reviewed annually, and hardship assistance is reviewed termly. The level of support will vary according to family income, but those with low incomes may qualify for up to 100% remission of the normal fees. During this year we gave fee support of up to 70% to 5 pupils. The total awarded amounted to £20,202 which is 1.6% of the School's income (less any restricted funds which were not available to bursary provision). In addition, we provided hardship support to two pupils to the value of £1,298. Details of our bursary policy and how to apply are on our website.

Other forms of non means-tested assistance, sibling and staff discounts, were also awarded during the academic year. In total, these awards were granted to 9 pupils and amounted to £13,634.

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Aims

The Froebelian School is governed by its Memorandum and Articles of Association dated 28 February 1969.

We aim to provide education and care of the highest possible standard to boys and girls from birth to the age of 11. The School also has the following stated aims:

- To provide a caring, supportive and structured learning environment.
- To deliver quality education which develops the whole child; enabling them to maximise their potential.
- To offer a wide range of opportunities for learning including a diverse range of extra-curricular activities.
- To foster good relationships throughout our Froebelian family and beyond.
- To ensure a smooth transition for children towards the next phase of their learning journey.

In addition, we also foster links with the local community and raise funds for local, national and international charities.

Review of activities and achievements

The School's principal activity continues to be the provision of a co-educational day school and nursery for children up to 11 years. In addition, the School provides care both before and after school and, for two weeks in the summer break, a holiday club. When necessary, services are registered with Ofsted (the appropriate government agency).

First Steps Nursery at Froebelian opened for business at the end of August 2015 and was graded as 'Outstanding' by Ofsted in its first inspection in September 2016. The nursery is open 51 weeks of the year. It has traded according to expectations.

A detailed review of the School's achievements is provided each year by the Head at Speech Day and many of them are reported in the Froebelian Digest, published termly and circulated to all current parents, prospective parents, many former pupils and other interested parties.

The School was inspected in the Summer Term 2017 by the Independent Schools Inspectorate. Overall, the School was rated as 'Excellent' (the highest possible grade) across both inspection outcomes (pupils' academic achievement and pupils' personal development) and the full report can be viewed on the School's website, www.froebelian.com.

As in previous years, leavers progressed to a variety of highly regarded secondary schools with many receiving offers of scholarships.

Volunteers

The School is actively supported by The Froebelian Parent Teacher Association (FPTA) a separate registered charity and the School Council would like to take this opportunity to thank FPTA for their continued and valuable support. Further information about FPTA can be accessed via the School website www.froebelian.co.uk. The School also receives assistance from a number of other parents and supporters with activities such as reading, school projects and trips. Again, we are very grateful for such help.

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial review

Pupil numbers and fees

The average number of pupils at Froebelian throughout the School year was 189. All classes were at near capacity for the year.

In continuing recognition of the prevailing financial difficulties in the country, the fees for 2018/19 were subject to a modest increase. The termly fees before the deduction of any means assisted bursaries and hardship assistance were:

Lower Kindergarten: £1,740

All other forms: £2,595

Financial results for the year

With prudent financial management, the School was able to achieve a surplus of income over expenditure for the year. All income of the School is applied for educational purposes in pursuance of our stated aims and objectives.

The main expenditure of the School is that of staff salaries. Our staff are key to the ongoing success of the School and therefore we continue to invest in the highest standard of teaching staff and are also committed to ensuring their continued professional development. Staff salaries accounted for 71% of expenditure in 2018/19.

Reserves

The council regularly reviews the adequacy of reserves to ensure that the long-term future of the School is secure. The School believes it is prudent to maintain a strong level of reserves.

Unrestricted reserves are those available for the day to day running requirements of the School. The restricted reserves refer to specific fund raising carried out by the School for the purpose of making donations to other charitable bodies and donated monies for specific costs.

Investments policy

The investment powers of the School are governed by the Memorandum and Articles of Association which permit monies to be invested as considered appropriate and after taking the necessary professional advice. Investment income is raised primarily from placing monies on deposit with banks and building societies.

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

Future plans

The Council intends to continue its current strategy of maintaining the School's position in a competitive market by investing to provide high quality education for all pupils.

In addition, the Council regularly reviews its strategy in order to continue to place Froebelian at the forefront of excellent education provision and care.

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management

The School was founded in 1913 and was incorporated as a company limited by guarantee in 1969. The School is a registered charity numbered 529111. Its registered company number is 0926012.

Governing document

The company is governed by its Memorandum and Articles of Association dated 28 February 1969.

Governing body

Governors, who also serve as directors of the company with charitable status and are the charity trustees, are elected at a meeting of the Board of Governors on the basis of nominations received from the Board concerning eligibility, personal competence, specialist skills and local availability. The Board ensures that there is an appropriate balance of gender and specialist skills represented in the membership.

All Trustees give up their time freely and no remuneration or expenses for their services were paid in the year. No governor or person connected with a governor received any benefit from means tested bursaries or hardship assistance awarded to our pupils.

Trustee/ governor induction and training

The Head and the Chair of the School Council brief new members of the Council about the workings of the School. This induction includes an introduction to the aims of the School, Charity Commission information on Trustee responsibilities and copies of previous Council Minutes and of trustee annual reports and accounts. Through membership of the Incorporated Association of Preparatory Schools (IAPS), the Association of Governing Bodies of Independent Schools (AGBIS), the Independent Schools Bursars' Association (ISBA) and of the Independent Schools Council (ISC), appropriate training is provided for all senior staff and members of the Council (governors).

Organisation management

The School Council meets at least once each term and therefore at least three times each year to determine the general policy of the School (company with charitable status) and to review its management, performance and control, for which they are legally responsible. In addition, the School Council Holds an Annual General Meeting (AGM) to receive and approve the audited accounts. The day to day management of the School is delegated to the Head (who is chief executive), assisted by the Senior Leadership Team and the Bursar.

Risk management

The School Council keeps the School's activities under review, particularly with regard to any major risks that may arise, as well as the systems and procedures established to manage them. Each year at the AGM the Council reviews risk management to monitor the effectiveness of internal controls and other measures, including insurance cover, which might mitigate risks already identified. The School also retains the services of specialist health and safety consultants and human resources consultants.

Trustees

The Council (Trustees), who also constitute the directors of the company for the purposes of the Companies Act, and who served during the year are listed on the legal and administrative pages.

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

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Statement of Trustees responsibilities

Statement Of Responsibilities Of The Members Of The Council

Company law requires the members of the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period.

In preparing those financial statements, the members of the Council are required to

select suitable accounting policies and then apply them consistently.

make judgements and estimates that are reasonable and prudent.

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The members of the Council must, in determining how amounts are presented within items in the statement of financial activities and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

The members of the Council have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Henton & Co LLP, were appointed in the year and will be proposed for re-appointment in accordance with Section 385 of the Companies Act 2006.

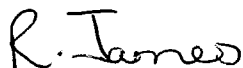
This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Council at its meeting on 28 January 2011.

Auditor

The auditors, Hentons, are deemed to be reappointed under section 487 (2) of the Companies Act 2006.

The Trustees report was approved by the Council.



Mrs R James

Chair of Council

Dated: 23 March 2020

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE COUNCIL OF THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

Opinion

We have audited the financial statements of The Froebelian School (Horsforth) Limited (the 'School') for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the School in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the School's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL OF THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Council

As explained more fully in the statement of Trustees responsibilities, the Council, who are also the directors of the School for the purpose 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 Council 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 Council are responsible for assessing the School'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 Council either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL OF THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Hentons & Co LLP

Peter Hart (Senior Statutory Auditor)
for and on behalf of Hentons

16 April 2020
.....

Chartered Accountants
Statutory Auditor

Northgate
118 North Street
Leeds
West Yorkshire
LS2 7PN

Hentons is eligible for appointment as auditor of the School by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
<u>Income from:</u>					
Donations	3	-	4,287	4,287	2,890
Charitable activities	4	2,231,709	-	2,231,709	2,074,533
Other income	5	14,116	-	14,116	34,103
Investments	6	2,229	-	2,229	1,404
Total income		2,248,054	4,287	2,252,341	2,112,930
<u>Expenditure on:</u>					
Charitable activities	7	2,081,637	29,255	2,110,892	2,006,743
Net incoming/(outgoing) resources before transfers		166,417	(24,968)	141,449	106,187
Gross transfers between funds		(34,551)	34,551	-	-
Net income for the year/ Net movement in funds		131,866	9,583	141,449	106,187
Fund balances at 1 September 2018		2,109,803	110,698	2,220,501	2,114,314
Fund balances at 31 August 2019		2,241,669	120,281	2,361,950	2,220,501

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

All income and expenditure derive from continuing activities.

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

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	11		1,838,119		1,777,260
Current assets					
Debtors	12	78,714		68,775	
Cash at bank and in hand		752,178		573,197	
		<u>830,892</u>		<u>641,972</u>	
Creditors: amounts falling due within one year	13	<u>(307,061)</u>		<u>(198,731)</u>	
Net current assets			523,831		443,241
Total assets less current liabilities			<u>2,361,950</u>		<u>2,220,501</u>
Income funds					
Restricted funds	15		120,281		110,698
Unrestricted funds			2,241,669		2,109,803
			<u>2,361,950</u>		<u>2,220,501</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Council on 23 March 2020

R. James

Mrs R James
Chair of Council

Company Registration No. 0926012

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	19		298,307		91,415
Investing activities					
Purchase of tangible fixed assets		(124,590)		(73,438)	
Loss on disposal of tangible fixed assets		3,035		-	
Interest received		2,229		1,404	
Net cash used in investing activities			(119,326)		(72,034)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			178,981		19,381
Cash and cash equivalents at beginning of year			573,197		553,816
Cash and cash equivalents at end of year			<u>752,178</u>		<u>573,197</u>

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Charity information

The Froebelian School (Horsforth) Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Clarence Road, Horsforth, Leeds, LS18 4LB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the School's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The School is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Council have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. Thus, the Council continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

Restricted funds are those donated for use in a particular area or are for specific purposes, the use of which is restricted to that area or purpose.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the School.

1.4 Incoming resources

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

Cash donations are recognised on receipt. Other donations are recognised once the School has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation. Donations receivable for the general purposes of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on the Council, except that any amounts required to be retained as capital in accordance with the donor's wishes are accounted for instead as Endowments - permanent or expendable according to the nature of the restriction.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for fees for the school year ending 31 August 2019.

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

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

1.5 Resources expended

Direct expenditure is summarised under functional headings on a direct cost basis. For overhead costs, it is apportioned according to management estimates. The irrecoverable element of VAT is included with the item of expense to which it relates.

1.6 Tangible fixed assets

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

Depreciation has been provided on tangible assets to write off the cost over their useful lives adopting the following rates and bases:

Land and buildings	1% straight line
Fixtures, fittings & equipment	20% reducing balance
IT equipment	33.33% straight line

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

1.7 Impairment of fixed assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price. Financial assets classified as receivable within one year are not amortised.

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

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

1.11 Leases

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

1.12 True and Fair View

By the nature of its principal activities, the Company is a non-profit making organisation and because of this, a Profit and Loss Account is not included in these accounts, being replaced by a Statement of Financial Activities.

1.13 Donations

Donations receivable for the general purposes of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on the Council, except that any amounts required to be retained as capital in accordance with the donor's wishes are accounted for instead as Endowments - permanent or expendable according to the nature of the restriction.

1.14 Share capital

The company has no share capital. The liability of the members is Limited by Guarantee, each member having undertaken to contribute such amount not exceeding one pound as may be required in the event of the company being wound up whilst he or she is a member, or within one year thereafter.

2 Critical accounting estimates and judgements

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

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

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

3 Donations

	Restricted funds	Total
	2019 £	2018 £
Donations - fundraising	4,287	2,890

In 2018 £2,890 of donations were restricted.

4 Charitable activities

	Total 2019 £	Total 2018 £
Fees receivable	2,231,709	2,074,533

In 2018 £nil of fee income received was restricted.

5 Other income

	Unrestricted funds	Total
	2019 £	2018 £
Other income	5,001	25,533
Rental income	9,115	8,570
	14,116	34,103

In 2018 £nil of other income was restricted.

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Investments

	Unrestricted funds	Total
	2019 £	2018 £
Interest receivable	2,229	1,404

In 2018 £nil of investment income was restricted.

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Charitable activities

	Staff costs	Depreciation	Other costs	Total 2019	Total 2018
	2019 £	2019 £	2019 £	£	£
Teaching costs	1,304,422	41,207	178,766	1,524,395	1,446,618
Welfare costs	60,851	-	82,657	143,508	151,779
Premises	61,395	19,489	138,616	219,500	210,914
Management & administration	133,144	-	56,106	189,250	160,856
Charitable donations	-	-	29,255	29,255	31,576
	<u>1,559,812</u>	<u>60,696</u>	<u>485,400</u>	<u>2,105,908</u>	<u>2,001,743</u>
Fees payable to auditor - audit	-	-	4,984	4,984	5,000
	<u>1,559,812</u>	<u>60,696</u>	<u>490,384</u>	<u>2,110,892</u>	<u>2,006,743</u>
Analysis by fund					
Unrestricted funds	1,559,812	60,696	461,129	2,081,637	1,975,253
Restricted funds	-	-	29,255	29,255	31,490
	<u>1,559,812</u>	<u>60,696</u>	<u>490,384</u>	<u>2,110,892</u>	<u>2,006,743</u>
For the year ended 31 August 2018					
Unrestricted funds	1,490,591	39,538	445,124		1,975,253
Restricted funds	-	-	31,490		31,490
	<u>1,490,591</u>	<u>39,538</u>	<u>476,614</u>		<u>2,006,743</u>
	2019 £	2018 £			
Teaching costs include:					
School activities and projects	136,122	115,614			
School books & equipment	22,537	28,115			
Welfare costs include:					
Food and kitchen expenses	82,657	86,281			
Premises costs include:					
Repairs and renewals	65,068	43,574			
Cleaning	6,118	10,699			
Governance costs include:					
Auditors remuneration	4,989	5,000			

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Council

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

Members of the Council received no remuneration.

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Teaching - Full Time	10	10
Teaching - Part Time	3	3
Assistants - Full Time	8	11
Assistants - Part Time	7	4
Domestic - Full Time	2	1
Domestic - Part Time	7	7
Administration - Full Time	2	-
Administration - Part Time	3	6
Nursery - Full Time	9	3
Nursery - Part Time	12	21
	<u>63</u>	<u>66</u>

Employment costs	Key management personnel		Total	
	2019 £	2018 £	2019 £	2018 £
Wages and salaries	200,049	188,503	1,303,555	1,211,277
Social security costs	22,738	20,880	107,656	101,359
Other pension costs	23,450	21,383	113,184	108,583
	<u>246,237</u>	<u>230,766</u>	<u>1,524,395</u>	<u>1,421,219</u>

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

	2019 Number	2018 Number
Teaching	<u>1</u>	<u>1</u>

10 Taxation

The company is a Registered Charity providing educational needs and as such is exempt from taxation.

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

11 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 September 2018	1,942,925	437,223	2,380,148
Additions	37,182	87,408	124,590
Disposals	-	(15,664)	(15,664)
At 31 August 2019	1,980,107	508,967	2,489,074
Depreciation and impairment			
At 1 September 2018	268,313	334,575	602,888
Depreciation charged in the year	19,489	41,207	60,696
Eliminated in respect of disposals	-	(12,629)	(12,629)
At 31 August 2019	287,802	363,153	650,955
Carrying amount			
At 31 August 2019	1,692,305	145,814	1,838,119
At 31 August 2018	1,674,612	102,648	1,777,260

12 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	28,914	34,779
Other debtors	9,939	8,435
Prepayments and accrued income	39,861	25,561
	78,714	68,775

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Other taxation and social security		23,893	20,713
Deferred income	14	168,531	127,388
Trade creditors		42,812	27,767
Other creditors		18,610	17,263
Accruals		53,215	5,600
		<u>307,061</u>	<u>198,731</u>

Fees received in advance represents deposits on account of new entrants starting in the following scholastic year and payments received in advance of the start of the next term from parents of existing pupils in the school, or in advance of the next month from parents of children in the Nursery.

14 Deferred income

	2019 £	2018 £
Other deferred income	<u>168,531</u>	<u>127,388</u>

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 September 2017 £	Movement in funds			Balance at 1 September 2018 £	Movement in funds			Balance at 31 August 2019 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £	
Fundraising account	-	2,890	(2,890)	-	-	4,287	(7,756)	-	(3,469)
Restricted donations	1,676	-	-	-	1,676	-	-	-	1,676
Bursary and hardship	84,799	-	(28,600)	52,823	109,022	-	(21,499)	34,551	122,074
	<u>86,475</u>	<u>2,890</u>	<u>(31,490)</u>	<u>52,823</u>	<u>110,698</u>	<u>4,287</u>	<u>(29,255)</u>	<u>34,551</u>	<u>120,281</u>

The fundraising account refers to fundraising carried out by the School specifically for the purpose of making donations to other charitable bodies.

Restricted donations - Parents refers to specific donations by parents to provide prizes for the Verity Cup and an Environmental challenge.

The School, in recognition of its charitable status, established a bursary fund to provide support for current and future pupils who experience difficulties in meeting their financial commitment to the School.

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Analysis of net assets between funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 August 2019 are represented by:				
Tangible assets	1,838,119	-	1,838,119	1,777,260
Current assets/(liabilities)	401,757	122,074	523,831	443,241
	<u>2,239,876</u>	<u>122,074</u>	<u>2,361,950</u>	<u>2,220,501</u>

17 Related party transactions

There were no disclosable related party transactions during the year (2018 - none).

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension costs

The School makes pension contributions under the Teacher's Pension Scheme (TPS) and The Pensions Trust Growth Plan. The assets of both schemes are held separately from those of the company in independently administered funds. The amounts recognised in the Statement of Financial Activities as an expense for both schemes was £113,184 (2018: £108,583). Included in creditors at the year-end was a balance of £18,578 (2018: £17,263) in respect of unpaid contributions.

THE PENSION TRUST GROWTH PLAN

The Charitable Company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is classified as a 'last man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Total deficit contributions: From 1 April 2016 to 30 September 2025: £12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)

School's deficit contributions: From 1 September 2017 to 31 August 2025: £1,249 per annum (payable monthly and increasing by 3% each on 1st April)

TEACHERS' PENSION SCHEME (TPS)

Introduction

The Teachers' Pension Scheme (TPS) is a statutory contributory, 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.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and Public Service Pensions Act 2013 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pension Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

THE FROEBELIAN SCHOOL (HORSFORTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension costs

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employers Cost Cap) Directions 2014.

The valuation report was published by the Department on 5 March 2019. The key results of the valuation are:

-employer contribution rates were set at 23.68% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of the Scheme administration;

-total scheme liabilities for service to the effective date of £218.1 billion, and notional assets of £196.1 billion, giving a notional past service deficit of £22 billion;

-an employer cost cap of 10.3% of pensionable pay.

The new employer contribution rate for the TPA was implemented in September 2019.

A full copy of the valuation report and the supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

19 Cash generated from operations	2019 £	2018 £
Surplus for the year	141,449	106,187
Adjustments for:		
Investment income recognised in statement of financial activities	(2,229)	(1,404)
Depreciation and impairment of tangible fixed assets	60,696	39,538
Movements in working capital:		
(Increase)/decrease in debtors	(9,939)	5,102
Increase/(decrease) in creditors	67,187	(37,614)
Increase/(decrease) in deferred income	41,143	(20,394)
Cash generated from operations	298,307	91,415