

Lycee International de Londres

Annual Report and Financial statements

31 August 2019

Company Limited by Guarantee
Registration Number
09033139 (England and Wales)

Charity Registration Number 1160719

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Reference and administrative details of the school, its governors and advisers

Governors	Mr A Vaissié (Chair) Mrs J Banks Oughourlian Mr L Bigorgne Mr L Bouvard Mrs J Camblin Mr E Caradec Mrs E de Fontaubert Mr K Laurson Mr B Michaud Mr M Penrose
Clerk to the Governors	Ms J Hasnip
Headteacher	Mrs M Rabaté
Address	54 Forty Lane Wembley HA9 9LY
Company registration number	09033139 (England and Wales)
Charity Registration number	1160719
Chief Operating Officer	Ms J Hasnip
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC 21 Kings Mall Kings Street London W8 0QF
Solicitors	Stone King LLP 16 St John's Lane London EC1M 4BS

Governors' report 31 August 2019

The governors present their annual report and audited accounts for the year ended 31 August 2019.

The report has been prepared in accordance with Part 8 the Charities Act 2011 and constitutes a directors' report for the purpose of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 20 to 23 therein and comply with the charitable company's memorandum and articles of association, applicable laws 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 United Kingdom and Republic of Ireland (FRS 102).

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

The charitable company, which is governed by a memorandum and articles of association, was incorporated as a company on 9 May 2014 and registered as a charity on 2 March 2015.

Governors

The governors who served during the year and up to the date of signing the accounts were as follows:

	Appointed/Resigned
Mrs J Banks Oughourlian*	
Mr L Bigorgne	
Mr L Bouvard*	
Mrs J Camblin	
Mr E Caradec	
Mrs E de Fontaubert	
Mr L Henriot*	Resigned 4 July 2019
Mr K Laurson*	Appointed 14 June 2019
Mr B Michaud	
Mr M Penrose	
Mr A Vaissié	

* Member of Finance Committee

No governor or person connected with a governor received any benefit from either means tested bursaries or scholarships awarded to our pupils.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governors' responsibilities statement

With the support of the Chief Operating Officer (COO), the governors are required to prepare a trustees report and accounts for each financial year in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) that give a true and fair view of the state of affairs of the school and of its incoming resources and application of resources for the year. In preparing accounts giving a true and fair view, the governors should follow best practice and

- ◆ select suitable accounting policies and then apply them consistently
- ◆ observe the methods and principles in: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the school will continue in operation.

The governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the school. They also have responsibility for safeguarding the assets of the school and for taking reasonable steps to prevent and detect fraud and other irregularities.

Recruitment and training of governors

All governors have been allocated areas of responsibility, which, where possible, are in accordance with their skills and experience. Stone King provided governor training on 20 April 2015 and 16 June 2015 to ensure the roles and responsibilities of the governors were understood and updated and enhanced this with further training on 14 December 2017. In addition, all governors are invited to attend the safeguarding training provided to staff to help increase the understanding and awareness of safeguarding practices in a school setting. The Governors attended training in strategic planning in September 2019. They are also provided with information about additional training opportunities as information becomes available.

Key management personnel

The governors consider that they, together with the Senior Leadership Team which includes the Head of School, COO and Head of Secondary School, comprise the key management of the charity and are in charge of directing and controlling it. The Senior Leadership Team is responsible for running and operating the charity on a day to day basis.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Key management personnel (continued)

Remuneration for members of the Senior Leadership Team is set based on the competitive market rate for comparative roles requiring a similar skill set and experience in order for the individual to be successful. Salaries are reviewed annually by the governors in line with the policies of the School and the contracts of employment.

Organisational management

The details of the current governors and directors, and those who held office during the year are set out on page two.

The directors, who are the Charity Trustees for the purposes of the Charities Act 2011, oversee the operations of the Charity. Full-time paid employees undertake the day to day management of the School. The Board of Governors meets on average once every two months or twice per school term to discuss the affairs of the Charity as a whole.

Each key operational aspect of the school is managed through sub-committees whose members include various Board members and members of the School's operational management team. These sub-committees cover areas such as curriculum, finance, communications, HR, health and safety, safeguarding, buildings and governance. Wherever possible, the specialisms of the individual governors are utilised in determining the composition of the various committees.

Governors' indemnities

The charity has purchased a professional indemnity policy to protect the governors from loss arising from neglect or defaults of the governors. This was purchased as part of an insurance package.

Connected charities

Mr A Vaissié is also a trustee of the French Education Charitable Trust Limited (FECT) and of Wembley Education Charitable Trust (WECT), the landlord under a lease for the premises at 54 Forty Lane, Wembley, Middlesex, HA9 9LY between WECT and the Charity.

Mrs J Banks Oughourlian is a trustee of a charitable organisation named Friends of the Lycée. Friends of the Lycée aims to advance the education of children and young people attending the Lycée Français Charles De Gaulle or any organisation affiliated or working with the Lycée Français Charles de Gaulle, particularly those providing French or bilingual education in England.

Risk management

The governors have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

Along with all of its policies and procedures, the Charity reviews its procedures regularly to ensure significant risks are monitored and controlled.

The key controls used by the Charity include detailed budget preparation and monitoring, the implementation of a logical and consistent organisation structure with clear reporting lines, clear authorisation and approval levels and, as and when necessary, the employment of external professional advisers.

A risk management plan has been created in order to ensure the governors are aware of the significant risks, how they are controlled and the extent to which a residual risk remains.

The outbreak of the Covid-19 pandemic has clearly presented us with challenges and threats to the well-being of our school and its activities which could not have been foreseen. The governors recognise their responsibility for the management of risks faced by the Charity. Over and above these, the areas identified for particular attention within our risk management strategy are:

Loss of key team members:

The potential loss of key team members on both the academic and administrative sides of the School operations is managed by ensuring that School policies on pay, benefits and development opportunities are competitive as well as ensuring working conditions and the environment are attractive in order to retain team members. In addition, continuity planning is in place to ensure that knowledge is shared and team members are developed and promoted from within wherever possible.

Competition in the sector:

Increased competition in the sector, and the comparative school fee rate versus the competition could lead to difficulties in enrolling sufficient students to maintain the operating expenses of the school. By ensuring that the programme offered by the School is unique, of a high standard and appealing to a diverse range of people, the high demand for the School should continue to exist. Fee levels are decided based on numerous considerations, including the financial requirements of the School, anticipated admissions and the competitive market place.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

Impact of Brexit:

The potential, and still somewhat unknown, impact of Brexit in terms of a possible reduction in French, and French-speaking families relocating to London, and the impact of visas that may be required for team members and students could have an impact on costs and student enrolment levels. The School ensures that the education provided is appealing to a broad range of families and is unique in comparison to other offerings in London. The Board ensures a strategy is in place to market the School effectively and makes a conscious effort to understand the profile and requirements of the potential families that would consider enrolling. The School introduced an English International Programme from September 2018 which prepares students for the International Baccalaureate Diploma Programme (IBDP). Lycée International de Londres Winston Churchill is an IB World School offering the International Baccalaureate (IB) Diploma Programme. IB World Schools share a common philosophy - a commitment to high quality, challenging, international education - that we believe is important to our students. For further information about the IB and its programmes, visit www.ibo.org.

Health and safety:

Failing to ensure the safety of the students, staff and all members of the school community would undermine the quality of the School and jeopardise its reputation in the community. Rigorous policies and procedures and staff training are in place to ensure that health and safety and safeguarding arrangements are of the highest standards and the Board audits these standards and their implementation regularly through the use of its dedicated sub-committees.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Principal charitable objects

Through a rigorous, bilingual programme and innovative methods, we educate pupils to become responsible, creative and principled global citizens. We teach them to think critically and act ethically, to form and express their own opinions and respect those of others, to define their own life goals and to make sense of and embrace change.

Fundraising

The School does not actively fundraise as the majority of income is from fees received, although occasional donations are received. The school has received no complaints in respect of fundraising.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

Modern learning, timeless values

The primary objective of the entire Lycée International Winston Churchill teaching community is to contribute to the intellectual development and personal fulfilment of each and every pupil.

We develop the intellect and character of our pupils to enable them to take on the challenges of the world.

Capable of thinking for themselves and expressing their opinions with confidence, our pupils thrive in a bilingual and international environment, underpinned by excellence and a dynamic flow of pedagogical innovation.

Integrity, courage and respect are the core values we encourage them to develop, with the aim, ultimately, that they become true 'global citizens'.

Excellence

Each student is entitled to the best possible education according to his or her needs, with the goal of achieving excellence in both intellectual and social endeavours. We believe that learning should be a fulfilling experience, and that school should be a place fostering joy, creative thinking and openness. Our school encourages individual and collective initiatives. We want our children to think positively about themselves and to recognise and value their own talents and those of others.

Creativity

It is our firm belief that learning can take multiple forms, and therefore is enhanced by diverse approaches as well as the responsible use of technology. We encourage our teachers to think and teach creatively, to use a variety of methods, from lectures to project-based, hands-on sessions, from books to digital resources and blended learning. We expect them to develop innovative lesson plans in order to help each student discover his or her own learning style, talents and potential. We encourage them to discover and understand the digital world, and make the best use of it.

Integrity

We believe that honesty is of paramount importance in character building. We encourage students to embrace challenges and welcome hurdles in every part of their life. We ask them to own their mistakes and learn from them.

Community

We encourage teamwork and foster a sense of community and solidarity within and outside the School, from positive collaboration and healthy competition in the classroom to volunteering and community involvement both locally and globally. We look forward to support and collaboration from parents, which in turn we offer to families.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

Awareness

We welcome students, families and employees from all backgrounds and cultures. We respect and celebrate their identity, lifestyles, preferences and individual differences. We expect every member of our community, children and adults, to do the same.

Public benefit

Lycee International de Londres, as a registered charity, is committed to providing public benefit to both the local community in Wembley and to the students' community that benefits from receiving the education it has to offer.

The School aims to engage with the local community through the hiring of its facilities to local clubs or individuals at reduced rates, and by also supporting local government bodies such as Brent Council, to make the facilities available for events such as local election polling, if needed. During the year ended 31 August 2019 the school's facilities were used to host the Grand Débat for the French community in London and the Aspire Big Sing for the Brent Music Service and London Youth Choir when 300 pupils from local primary schools performed for their parents.

Through the school students participate in the Duke of Edinburgh Award Scheme. During the year to 31 March 2019 the participants donated 819 hours of voluntary service to the local community. The social value of these hours is £3,317.

The School would like to ensure that individuals of all economic backgrounds have the opportunity to benefit from the education it provides. We therefore aim to introduce, in the future, a means-tested bursary scheme to fulfil this goal. Currently the School contributes 1% of its tuition income to the Agence pour l'enseignement français à l'étranger (AEFE). The AEFE provides means-tested bursaries to French students at the School.

The French Scholarship Foundation, which is a registered charity, also offers means-tested financial support to students in the School.

As a registered charity and a company limited by guarantee, with no external shareholders, any surpluses created from the operation of the school are reinvested in the education of the students. This allows the fees charged by the school to be kept to a minimum and affordable to as many families as possible.

The trustees have due regard to the Charity Commission's guidance on public benefit.

Objectives for the year

The objectives of Lycee International de Londres remain consistent with those at the point of the School being established in September 2015, and the vision to create the School that began some years before. The School endeavours to create a nurturing and vibrant environment where students and adults thrive, sharing the joys of teaching and learning.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

Objectives for the year (continued)

Rooted in the tradition of French educational excellence, and aiming to offer the most modern pedagogical approaches, our ethos reflects our commitment to foster the development of the whole child along with collective achievement through mutual respect and dedication.

An enriching extra-curricular programme enables students to participate in activities that challenge them both intellectually and physically. Opening Minds classes allow Secondary students of all year groups to explore new areas not traditionally taught in Secondary Schools. The Service Learning Programme, part of the School's wider Global Travel Programme, offers life-enriching experiences for students to explore different cultures and environments that exist in less fortunate conditions than those they are familiar with, and enables them to give back and enrich the lives of others through their service.

Strategies to achieve the objectives for the year

In order to fulfil the potential of the School and the aims highlighted above, a highly talented and dedicated team of experienced educational professionals has been assembled. These individuals are empowered to push the boundaries of traditional education and engage students in a modern environment equipped with the latest educational technology and equipment.

The facilities and learning environment remain exceptional. Classrooms contain digital projection facilities and Apple TV's for connecting to the iPads which are provided individually to all teachers and secondary school students. High quality WiFi is available across the school buildings and digital conferencing facilities are available in a number of areas. The school canteen is fitted out to hospitality standards and is operated by a specialist caterer who won 'food caterer of the year' at the 2016 'Cateys'.

The implementation of the Global Travel Programme is managed by an experienced coordinator who has previously organised similar programmes in reputable international schools across the world. Destinations are selected based on the experience and knowledge of the trip leaders, whilst providing exceptional opportunities for the students to learn about new cultures, environments and develop their language skills. Time dedicated to planning and arranging trips is within the job description of the coordinator who is supported by the School's Leadership Team in regular planning sessions.

Principal developments in the year

In its fourth year, the number of students at the School was 882.

The students came from 572 families from all over the world. 36 new members of staff joined the School, 72% of whom are international and 44% were new to London. The staff were inducted into the culture of the School and supported in their resulting change in lifestyle.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

Principal developments in the year (continued)

The School opened an English International Programme in September 2018. This course prepares students for the International Baccalaureate Diploma Programme (IBDP). Lycee International de Londres is an IB World School offering the International Baccalaureate (IB) Diploma Programme. IB World Schools share a common philosophy - a commitment to high quality, challenging, international education - that we believe is important to our students. For further information about the IB and its programmes, visit www.ibo.org.

Scholarship and bursary policy

The introduction of a means-tested bursary scheme remains a priority for the School over the coming years. The School is committed to enabling as many individuals as possible who would benefit from the education it provides to be able to access it. The introduction of the scheme will be phased and aligned with the resources that the School has available to dedicate to it as the school establishes itself further and grows.

In addition to the above, Lycée International de Londres Winston Churchill is accredited by the French Ministère de l'Education Nationale which enables it to participate in the national French bourse scheme administered by the consulate. The School currently contributes 1% of its tuition revenues annually as part of this accreditation, this forms part of the funds distributed to the families requiring financial support to receive a French education across the world.

The French Scholarship Foundation (FSF) offers financial assistance to families with pupils at Lycée International de Londres Winston Churchill and at Collège Français bilingue de Londres (CFBL). Families from both schools, with financial needs, may submit an online application. FSF handles all applications in an impartial and confidential manner in accordance with the financial assistance policy on the FSF website.

Community access

Engaging with the local community is something the School is dedicated to doing. Relationships with local council members are strong and there has been positive work with regards to the improvements in road safety around the School. Several initiatives have been undertaken with local schools and we plan to develop these relationships further over the coming twelve months. The School also remains committed to opening up the use of its facilities to local organisations that would benefit from the spaces it has to offer and its Community Access Plan has been linked to the Brent Council website to facilitate this.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the school

The fourth year of operation for the School, like the first three, was extremely positive. Enrolment remained in line with expectations throughout the year and averaged 882 full time equivalent students. At the end of August 2019, 850 students were registered and committed to attending the School for its fifth year of operation.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Operational performance of the school (continued)

The School's website is an important source of information for prospective families and the design and content were also enhanced during the year to reflect this. The portals used to distribute information to families, staff and governors were enhanced.

The School's staff is in line with the growth in student numbers. All are passionate about education and their skills, dedication and enthusiasm support the students. The extra-curricular programme and the Opening Minds classes continue to flourish and enrich the curriculum.

The Terminale students achieved excellent results in the Baccalaureat in June. The pass rate was 100%; 84.6% with "mentions"; 33.8% had "bien" and 26.6% "tres bien". 61 of these students have gone to university in the UK, 39 of these to Russell Group universities; 32 have gone to university in France; 17 to Canada; and 14 to other countries.

The Careers department worked diligently with the second cohort of Terminale (Year 13) students to support their selection of universities and the preparation of their applications.

FINANCIAL REVIEW

Results for the year

A summary of the results for the year is shown on page 17 of this report and accounts.

The total income for the year ended 31 August 2019 amounted to £11,297,000 (2018 - £10,836,000). This includes donations of £32,000 (2018 - £60,000) the use of which is restricted to particular purposes. The majority of other income was obtained from the pre-registration, registration and school fees.

During the year ended 31 August 2019 total expenditure of £11,526,000 (2018 - £11,034,000) was incurred.

The deficit of income versus expenditure for the year was £229,000 (2018 – deficit of £198,000). Prior to depreciation being charged to the accounts the surplus income over expenditure was £246,000 (2018 - £485,000).

FINANCIAL REVIEW (continued)

Reserves policy and financial position

The aim of the School is to build up a financial reserve equating to three months of expenditure. Beyond this level, the investment of any surplus reserves will be at the discretion of the Board of Governors, but shall not include the drawing or distribution of any funds from the charity. Assets purchased or invested in shall be considered and appraised in terms of conversion back in to cash should there be a requirement at any point.

At 31 August 2019, three months of expenditure, excluding depreciation equated to £2,763,000 (2018 - £2,934,000).

At 31 August 2019 the School's free reserves (unrestricted funds not tied up in fixed assets) totalled £932,000 (2018 - £886,000).

In the absence of the three months' expenditure at this point, the Finance Committee will closely monitor the cash flow forecast of the School to ensure that positive cash flows through early tuition fee collection are sufficient to outweigh any unexpected costs.

The Finance Committee meets regularly in order to review this matter and put in place any measures, such as expenditure caps, should they be deemed necessary. In particular, at the current time, the reserves need to be sufficient to enable the charity to operate in the exceptional circumstances created by the Covid-19 pandemic.

Longer term strategic plans are in place to ensure that the financial stability of the School is maintained as number of pupils, revenue and the cost base are expected to grow significantly over the next 8-10 years.

The future reserves policy of the School is that any financial reserves generated are reinvested into the education programme, or the protection of the future financial success of the School through the investment in assets convertible into resources should they be needed at any point. No dividends or distributions are made by the School to any individuals or other organisations.

FUTURE PLANS

Student enrolment was stable in September 2019 and is expected to increase over the next five years.

Plans to add additional facilities to the School continue to progress with the priority being indoor sports space to cater for the anticipated increase in enrolment.

The School was accredited for the International Baccalaureate (IB) Diploma Programme in April 2019 and welcomed its first Year 12 class in September 2019. This is an extension of the English International Programme (EIP), which opened in September 2018 and compliments the successful French Baccalaureate Programme. These programmes further enhance the School's international status.

FUTURE PLANS (continued)

During the period from 31 August 2019 to the date that the financial statements were approved, the coronavirus (Covid-19) outbreak had spread worldwide and caused extensive disruptions to businesses as well as economic activities globally including the UK.

We have considered the effects of the 2020 outbreak of Covid-19 on the charity's operations and have concluded that although the impact is quite wide ranging it is being managed. Following the advice issued by the UK Government in March 2020 regarding employees working from home and other social distancing measures, we have enacted procedures to facilitate this and have a detailed plan that enables effective operation to continue while employees and students are not physically present in the school. The school has excellent IT systems and in previous years taught sections of the school remotely during the summer exam season. Staff and students have all been trained for this. The school has therefore been very well prepared for the remote operations required during the pandemic.

Trustees acknowledge and recognise the potential impact of the Covid-19 pandemic on the future operations of the charity, its beneficiaries, partners and stakeholders and on wider society. As well as the personal risk to health of its staff, the charity may lose planned income as the result of the cancellation of events and/or the absence of key personnel although there may be some expenditure savings also. The reduced opportunities for scheduled face-to-face interaction may well impact on plans for the medium term but it is not anticipated at the current time that the overall financial position of the charity will be adversely affected or its financial solvency threatened.

In so far as, the governors are aware at the time of approving our governors' annual report:

- ◆ There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charity's auditor is unaware, and
- ◆ The governors, having made enquiries of fellow governors, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the governors and signed on their behalf by

A Vaissié
Chair of Governors

Approved on: 30 April 2020

Independent auditor's report to the members of Lycee International de Londres

Opinion

We have audited the financial statements of Lycee International de Londres (the 'charitable company') for the year ended 31st August 2019 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 [date] and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter – Effects of COVID-19

We draw attention to the Governors' Report and the principal accounting policy in respect to the assessment of going concern, both of which describe the operational disruption the charity is facing as a result of COVID-19 and the impact this may have on the charity's finances. Our opinion is not modified in respect of this matter.

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 trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report including the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Avnish Savjani (Senior Statutory Auditor)
2020
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

27 July

Statement of financial activities Year ended 31 August 2019

	Notes	Unrestricted funds £'000	Restricted funds £'000	2019 £'000	Unrestricted funds £'000	Restricted funds £'000	2018 £'000
Income and expenditure							
Income from:							
Donations	1	—	32	32	—	60	60
Charitable activities							
. School fees and related charges	2	11,265	—	11,265	10,776	—	10,776
Total income		11,265	32	11,297	10,776	60	10,836
Expenditure on:							
Charitable activities							
. Provision of education	3	11,224	302	11,526	10,516	518	11,034
Total expenditure		11,224	302	11,526	10,516	518	11,034
Net (expenditure) income and net movement in funds	5	41	(270)	(229)	260	(458)	(198)
Reconciliation of funds:							
Balances brought forward at 1 September 2018		1,301	858	2,159	1,041	1,316	2,357
Balances carried forward at 31 August 2019		1,342	588	1,930	1,301	858	2,159

All of the school's activities derived from continuing operations during the above period.

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet 31 August 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Tangible assets	9		998		1,253
Current assets					
Debtors	10	1,563		794	
Cash at bank and in hand		5,378		5,291	
		6,941		6,085	
Liabilities					
Creditors: amounts falling due within one year	11	6,009		5,179	
Net current assets			932		906
Total net assets			1,930		2,159
The funds of the charity:					
Funds and reserves					
Restricted funds	12		588		858
Unrestricted funds			1,342		1,301
	13		1,930		2,159

Approved by the governors on 30 April 2020
and signed on their behalf by

Mr A Vaissié
Chair of Governors

Company registration number:
09033139 (England and Wales)

Statement of cash flows 31 August 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	A	<u>312</u>	<u>909</u>
Cash flows from investing activities:			
Proceeds from sale of assets		5	28
Purchase of tangible fixed assets		<u>(230)</u>	<u>(297)</u>
Net cash used in investing activities		<u>(225)</u>	<u>(269)</u>
Change in cash and cash equivalents in the year		87	640
Cash and cash equivalents at 1 September 2018	B	5,291	4,651
Cash and cash equivalents at 31 August 2019	B	<u>5,378</u>	<u>5,291</u>

Notes to the statement of cash flows for the year to 31 August 2019.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2019 £'000	2018 £'000
Net movement in funds (as per the statement of financial activities)	(229)	(198)
Adjustments for:		
Depreciation charge	475	683
Loss on sale of assets	5	4
Decrease (increase) in debtors	(769)	346
Increase in creditors	830	74
Net cash provided by operating activities	<u>312</u>	<u>909</u>

B Analysis of cash and cash equivalents

	2019 £'000	2018 £'000
Cash at bank and in hand	<u>5,378</u>	<u>5,291</u>
Total cash and cash equivalents	<u>5,378</u>	<u>5,291</u>

Principal accounting policies 31 August 2019

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 August 2019 with comparative information provided in respect to the year ended 31 August 2018.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the rate of depreciation;
- ◆ estimating accrued expenditure; and
- ◆ estimating the provision for doubtful debts.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, beneficiaries, funders, suppliers and the wider economy. Estimates used in the accounts, particularly with respect to the provision for doubtful debts (see note 10) are subject to a greater degree of uncertainty and volatility.

As set out in these accounting policies under "going concern", the trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

Principal accounting policies 31 August 2019

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

The trustees have considered the impact of the coronavirus pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, school fees and related charges.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated equipment and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the equipment is provided/the facilities are used by the charity. An equivalent amount is included in fixed assets or as expenditure.

Donated equipment and facilities are recognised based on the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

School fees and other charges are credited to the statement of financial activities on an accruals basis. Fees are stated net of bursaries, scholarships and discounts.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis and is stated inclusive of irrecoverable VAT.

Charitable expenditure comprises expenditure incurred in carrying out the school's main activity of the provision of education and comprises:

- ◆ Teaching costs - the cost of teaching and support staff salaries, including pension and national insurance costs, books and other tuition expenses, and the cost of games and activities.
- ◆ Welfare costs - all domestic costs associated with the school, including employment costs, consumables and catering costs.
- ◆ Premises costs - all domestic costs associated with the premises, grounds and estates.
- ◆ School management and administration – the costs of general administration and management of the school.
- ◆ Governance costs include costs which are directly attributable to legal procedures necessary for compliance with statutory requirements.

Tangible fixed assets

- ◆ Furniture and equipment
Expenditure on the purchase and replacement of furniture and equipment costing in excess of £500 is capitalised and depreciated over five years.
- ◆ Catering equipment
Expenditure on the purchase and replacement of catering equipment is capitalised and depreciated over ten years.
- ◆ IT equipment and software
Expenditure on the purchase and replacement of IT equipment and software costing in excess of £500 is capitalised and depreciated over three years.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Funds

The funds of the school comprise restricted funds which must be applied for specific purposes in accordance with donor's wishes and unrestricted funds which are available for use in furtherance of the school's objectives at the discretion of the governors and trustees.

Pension costs

The Charity participates in the Teachers' Pension Scheme (TPS), a defined benefit scheme. The assets of the scheme are held in a separate fund. The TPS is a multi employer scheme and the charity is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reliable basis. Therefore, as required by FRS 102, the charity accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The charity also operates a defined contribution scheme, the Peoples Pension, for non-teaching staff. Contributions in respect of the defined contribution scheme are charged to the statement of financial activities when they are payable to the scheme. The charity has no liability beyond making its contributions and paying across the deductions for the employee contributions.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

1 Income from donations

	Unrestricted funds £'000	Restricted funds £'000	2019 £'000
Donations from Holyroyd Howe			
Kitchen Equipment	—	32	32
Total funds	—	32	32

	Unrestricted funds £'000	Restricted funds £'000	2018 £'000
Donations from WECT			
Furniture, Fixtures and Equipment	—	18	18
Donations from Hermès Foundation			
Cash – Lawn Mower	—	2	2
Donations from AEFE			
Cash – CCTV System	—	15	15
Donations from Holyroyd Howe			
Kitchen Equipment	—	16	16
Donation from APLIL			
Furniture, Fixtures and Equipment	—	9	9
2018 Total funds	—	60	60

2 Income from school fees and related charges

	Unrestricted funds £'000	Restricted funds £'000	2019 £'000
Pre-registration fees	2	—	2
Registration fees	251	—	251
Cancellation income	65	—	65
School fees	10,318	—	10,318
After School activities	152	—	152
Trip income	226	—	226
Hire of facilities	50	—	50
Duke of Edinburgh awards scheme	12	—	12
Revision	50	—	50
Exams	57	—	57
Other	82	—	82
2019 Total funds	11,265	—	11,265

	Unrestricted funds £'000	Restricted funds £'000	2018 £'000
Pre-registration fees	42	—	42
Registration fees	374	—	374
Cancellation income	83	—	83
School fees	9,744	—	9,744
After School activities	192	—	192
Garderie	10	—	10
Trip income	203	—	203
Hire of facilities	11	—	11
Duke of Edinburgh awards scheme	21	—	21
Revision	36	—	36
Other	60	—	60
2018 Total funds	10,776	—	10,776

3 Expenditure on provision of education

	Unrestricted funds £'000	Restricted funds £'000	2019 £'000
Recruitment costs	8	—	8
Salaries and wages (note 6)	5,802	—	5,802
Other staff costs	224	—	224
Premises	3,237	302	3,539
School management and administration	1,940	—	1,940
Governance costs (note 4)	13	—	13
2019 Total funds	11,224	302	11,526
	Unrestricted funds £'000	Restricted funds £'000	2018 £'000
Recruitment costs	95	—	95
Salaries and wages (note 6)	5,739	—	5,739
Other staff costs	177	—	177
Premises	2,475	518	2,993
School management and administration	2,011	—	2,011
Governance costs (note 4)	19	—	19
2018 Total funds	10,516	518	11,034

4 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	2019 £'000
Legal and professional fees	2	—	2
Auditor's remuneration (including VAT)			
. Audit services	11	—	11
2019 Total funds	13	—	13
	Unrestricted funds £'000	Restricted funds £'000	2018 £'000
Legal and professional fees	6	—	6
Auditor's remuneration (including VAT)			
. Audit services	10	—	10
. Tax Advice	3	—	3
2018 Total funds	19	—	19

5 Net expenditure (income) and net movement in funds

This is stated after charging:

	2019	2018
	£'000	£'000
Staff costs (note 6)	5,802	5,739
Depreciation	475	683
Auditor's remuneration		
· Audit services – current year	11	10
Operating lease commitments	2,183	1,358

6 Staff costs and remuneration of key management personnel

a Staff costs

	2019	2018
	£'000	£'000
Wages and salaries	4,912	4,884
Social security costs	529	523
Pension costs	361	332
	5,802	5,739

	2019	2018
	£'000	£'000
Staff costs per function were as follows:		
Teaching	3,825	3,814
Premises	158	133
School management and administration	1,819	1,792
	5,802	5,739

b Staff numbers

The average number of employees during the year, analysed by function, was:

	Average	Full time	Average	Full time
	headcount	equivalent	headcount	equivalent
	2019	2019	2018	2018
Teaching Staff	73	71	76	70
Premises	5	4	5	4
School management and administration	43	39	40	36
	121	114	121	110

6 Staff costs and remuneration of key management personnel (continued)

c Higher paid staff

The number of employees who earned an annualised salary of £60,000 or more (excluding employer pension contributions but including taxable benefits) during the year was as follows:

	2019 No.	2018 No.
£60,001 - £70,000	5	9
£70,001 - £80,000	2	2
£80,001 - £90,000	2	2
£200,001 - £210,000	1	1

Pension contributions of £83,565 (2018 - £110,302) were made for the above employees during the period.

d Key management personnel

The key management personnel of the charity in charge of directing and controlling the charity comprise the trustees and the eight members of the senior leadership team. The running and operating of the charity on a day to day basis is delegated to the senior leadership team. The total remuneration (including taxable benefits, employer's pension contributions and employer's national insurance) of the key management personnel for the year was £788,556 (2018 - £721,660). The governors received no remuneration (see note 7).

7 Trustees' and governors' remuneration

No trustee or governor received any remuneration in respect of their services during the year (2018 - none). No trustee or governor received any reimbursement of expenses during the year (2018 - none). Two governors currently have children attending the school, but received no financial concession in relation to their role (2018 - three).

8 Taxation

Lycee International de Londres is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

9 Tangible fixed assets

	Furniture and equipment £'000	IT equipment and software £'000	Catering equipment £'000	Total £'000
Cost				
At 1 September 2018	1,392	1,250	387	3,029
Additions	64	134	32	230
Disposals	—	(52)	(12)	(64)
At 31 August 2019	1,456	1,332	407	3,195
Depreciation				
At 1 September 2018	737	929	110	1,776
Disposals	—	(50)	(4)	(54)
Charge for the year	281	152	42	475
At 31 August 2019	1,018	1,031	148	2,197
Net book values				
At 31 August 2019	438	301	259	998
At 1 September 2018	655	321	277	1,253

10 Debtors

	2019 £'000	2018 £'000
Fees and charges	1,166	523
Prepayments and accrued income	378	235
Sundry debtors	19	36
	1,563	794

11 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Expense creditors	425	291
Payroll creditors	83	108
Accruals	72	311
Deferred income including fees in advance	5,361	4,395
Other creditors	68	74
	6,009	5,179

Included within the above is deferred income, relating to fees received in advance, as set out below:

	2019 £'000	2018 £'000
Deferred income brought forward at 1 September 2018	4,395	4,512
Additional income deferred during the year	5,361	4,395
Brought forward funds released in the year	(4,395)	(4,512)
Deferred income carried forward at 31 August 2019	5,361	4,395

12 Restricted funds

The income funds of the school include restricted funds comprising the following unexpended balances to be applied for specific purposes:

	1 September 2018 £'000	Income £'000	Expenditure £'000	31 August 2019 £'000
Fixed assets	858	32	(302)	588

	1 September 2017 £'000	Income £'000	Expenditure £'000	31 August 2018 £'000
Fixed assets	1,316	60	(518)	858

The fund relates to fixed assets donated or cash received to acquire specific fixed assets.

13 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £'000	Restricted funds £'000	31 August 2019 £'000
Tangible fixed assets	410	588	998
Current assets	6,941	—	6,941
Current liabilities	(6,009)	—	(6,009)
Total net assets	1,342	588	1,930

	Unrestricted funds £'000	Restricted funds £'000	31 August 2018 £'000
Tangible fixed assets	395	858	1,253
Current assets	6,085	—	6,085
Current liabilities	(5,179)	—	(5,179)
Total net assets	1,301	858	2,159

14 Leasing commitments

At 31 August 2019, the school had the following future minimum commitments under non-cancellable operating leases as follows:

	31 August 2019 £'000	31 August 2018 £'000
Equipment		
Payments which fall due:		
. Within one year	7	7
. One to two years	5	7
. Two to five years	—	6
<hr/>		
	31 August 2019 £'000	31 August 2018 £'000
Land and buildings		
Payments which fall due:		
. Within one year	2,667	2,183
. One to two years	3,067	2,667
. Two to five years	12,293	11,149
. Due after five years	60,340	64,549

15 Related parties

Rent of £2,183,333 (2018 - £1,350,000) was charged under an operating lease by Wembley Education Charitable Trust (WECT), a charity which has a common trustee, Mr A Vaissié, with Lycee International de Londres. At the year end a total of £nil (2018 - £nil) was included within accruals.

WECT also made an asset donation of £nil (2018 - £17,799) in the period.

Hermès Foundation, a charity which has a common trustee, Mr B Michaud, also made a cash donation of £1,705 (€2,000) in 2018 towards the cost of a lawn mower. This Foundation did not make any donations in 2019.

16 Pension commitments

Teachers' pension scheme

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

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

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

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

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

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

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019/20 academic year.

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

The pension costs paid to TPS in the period amounted to £300,703 (2018 - £283,591).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

17 Post balance sheet events

Coronavirus pandemic

During the period from 31 August 2019 to the date that the financial statements were approved, the coronavirus (Covid-19) outbreak had spread worldwide and caused extensive disruptions to businesses as well as economic activities globally including the UK.

The Trustees have considered the effects of the 2020 outbreak of Covid-19 on the charity's operations and have concluded that although the impact is quite wide ranging it is being managed. Following the advice issued by the UK Government in March 2020 regarding employees working from home and other social distancing measures, the school has enacted procedures to facilitate this and have a detailed plan that enables effective operation to continue whilst employees and students are not physically present in the school or charity's offices. The school has excellent IT systems, staff and students are well-trained in using them and lessons have been taught remotely in previous years during the summer exam season.

Trustees acknowledge and recognise the potential impact of the Covid-19 pandemic on the future operations of the charity, its beneficiaries, partners and stakeholders and on wider society. As well as the personal risk to health of its staff, the charity may lose planned income as the result of the cancellation of events or reductions in fees and/or the absence of key personnel although there may be some expenditure savings also. The reduced opportunities for scheduled face-to-face interaction may well impact on the ability to plan effectively for the medium term but it is not anticipated at the current time that the overall financial position of the charity will be adversely affected or its financial solvency threatened.