

Registered Charity Number: 298522

CHARITY
COMMISSION
COPY

**REPORT OF THE GOVERNORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019
FOR
HAYFRAN TRUST
A COMPANY LIMITED BY GUARANTEE**

HAYFRAN TRUST
A COMPANY LIMITED BY GUARANTEE

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for the year ended 31 August 2019

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HAYFRAN TRUST
A COMPANY LIMITED BY GUARANTEE

COMPANY INFORMATION
for the year ended 31 August 2019

GOVERNORS:	P J Humphries-Cuff - Chair M R J Piper Mrs N Botterill (resigned 10/07/20) C Bromfield R W Hook B H Miller Mrs J E A Stevens R J A White (resigned 30/06/19) J E J Sidders (appointed 15/03/19) R S Oliver (appointed 07/12/19) - Treasurer
HEADTEACHER:	D W T Sibson
BURSAR:	Mrs R Brodie
REGISTERED OFFICE:	Haybrook House Marlborough Road Pewsey SN9 5NT
REGISTERED NUMBER:	2164880 (England and Wales)
REGISTERED CHARITY NUMBER:	298522
AUDITORS:	Fawcetts LLP Chartered Accountants and Statutory Auditors Windover House St Ann Street Salisbury SP1 2DR
SOLICITORS:	Thrings 6 Drakes Meadow Penny Lane Swindon SN3 3LL
BANKERS:	HSBC Bank plc 8 London Street Basingstoke RG21 7NU

**HAYFRAN TRUST
A COMPANY LIMITED BY GUARANTEE**

**REPORT OF THE GOVERNORS
for the year ended 31 August 2019**

The Governors present their annual report, together with their Strategic Report, and the audited financial statements of the company for the year ended 31 August 2019 and confirm they comply with the Charities Act 2011, the governing document and the Charities SORP 2015 (FRS 102).

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of the provision of facilities for the education of boys and girls through St Francis School, Pewsey.

GOVERNING DOCUMENT

The School is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

STRUCTURE, GOVERNANCE AND MANAGEMENT

ORGANISATION

The Governors, who are also the Charity Trustees and the Directors of the Company, determine the general policy of the School. The management of the School is delegated to the Headmaster and Bursar.

POLICY

The School's policy is to encourage each pupil to reach their potential whilst allowing pupils to benefit from our wide extra curricular programme. This aims to develop other interests and prepare them for the senior school of their and their parents' choice.

GOVERNORS

The Governors of the Company who served during the year ended 31 August 2019 are as shown on page 1. The Governors are the members of the Company.

The Board of Governors is a self appointed body.

GOVERNORS' INDUCTION AND TRAINING

New Governors are provided with the St Francis governors' induction pack which includes copies of the Memorandum and Articles of Association, latest annual report and financial statements, current annual budget, School development plan, minutes of the last three Governors' meetings, Guidance for Trustees and Governors published by the Charity Commission and the Independent Schools Council and copies of the School prospectus and publications. New Governors are given a conducted inspection of the School's facilities and meet individually with the Chairman of Governors. All Governors are encouraged to attend appropriate external training seminars and conferences.

REVIEW OF ACTIVITIES, DEVELOPMENTS AND ACHIEVEMENTS 2018-2019

The school, which currently educates children between the ages of 0 and 13 years, aspires to provide a happy, safe and stimulating environment in which each child can develop their own individual abilities to their fullest extent. There were 286 children (including 96 in the Nursery) on roll at the end of the academic year in July 2019.

As a matter of policy, the school provides financial assistance to broaden access to as wide a customer base as possible. During 2018-2019 a total of £100,075 was awarded in scholarships and community bursaries to 29 pupils or 15.3% of the main school population.

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HAYFRAN TRUST
A COMPANY LIMITED BY GUARANTEE

REPORT OF THE GOVERNORS
for the year ended 31 August 2019

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REVIEW OF ACTIVITIES, DEVELOPMENTS AND ACHIEVEMENTS 2018 – 2019 continued

The school is very much part of the community. We make our classrooms and sports facilities available to local groups, and hire them to various adult sporting groups and art groups, as well as to children's sports clubs and county squads. A number of local community groups enjoy our facilities at a reduced charge, or at no charge. Once again the Charlie Lamb Climbing Wall and one of the school's trained instructors were offered to primary schools. The school also organised and provided a venue for pupils from the cluster of local state schools to attend a workshop and performance by the acclaimed 'Apollo 5' a cappella group.

As well as its usual on-going fundraising for a range of charities through pupil involvement (including the Trussell Trust Devises Food Bank; the Royal British Legion; World Wildlife Fund; Wiltshire Air Ambulance; Save the Children), the school provides local and international support by sponsoring the Marlborough Literature Festival and the Marlborough College Music Concert series, as well as supporting St Michael's Girls' School in Busembati, Uganda by funding the Librarian and through a Pupils' Christmas Shop. The school's Christmas Fair raised a considerable donation for the Juvenile Diabetes Research Foundation. This year the school community raised over £1,100 for Julia's House children's hospice in Devises and over £3,000 in support of Bobby's Fund, through a sponsored walk organised by a pupil in memory of her younger brother who died as a result of a brain tumour.

A refurbishment of the stairwells and all of the corridors, landings and doorways in Haybrook House (the building which houses the Pre-Prep) was revealed at the start of the academic year, making these areas lighter, brighter and more welcoming. One of the major highlights of the year was the opening of our brand new adventure playground facility, 'The St Francis Fortress'. Using funding raised by the parents' association (the Friends of St Francis), an extensive play area in the trees was created. The Friends of St Francis continued to organise exciting and enjoyable events over the course of the year for the school community.

On an academic front, the year was once again a great success. Pupils in Year 8 were offered seven senior school scholarships (one academic, one drama, one art, one music, and three sport). All Year 8 pupils passed their 13+ Common Entrance or Scholarship to their chosen senior schools (five different schools). Further academic achievement came in the form of a 100% success rate in this year's competitive entrance exams at 11+ to Dauntsey's, with the award of a music award to boot. Year 7 pupils were successful in their senior school pre-assessments and were accepted onto the 'A Lists' of five chosen schools for September 2020 entry. Five Year 6 pupils accepted internal continuation scholarships for entry into Years 7 & 8 at St Francis School, and another three were successful in their Year 6 13+ pre-assessments. Other academic successes included recognition to two previous scholarship candidates who were awarded scholarships at Eton College and Marlborough College for their achievements by the end of their first year at senior school.

A focus on developing the core skills required by pupils to be prepared for their future lives at senior school, in further education and in the workplace in business or industry was developed through greater opportunities for pupil-centred learning and pupil self-review and ownership of their learning. The school's revised Learning Ethos was shared with parents, and towards the end of the Summer Term, all pupils were presented with a re-launch of the CLICK skills (Collaboration, Leadership, Independence, Challenge, and Kindness) through the introduction of CLICK Creatures to personify the characteristics of each skill area. During the academic year, a number of CLICK events were held to focus on CLICK skills including special days for Remembrance 100 (the hundredth anniversary of the end of the First World War) and for World Book Day; a week of activities in CLICK Week 2019 in the Summer Term also reinforced the importance of the core CLICK skills. This pupil-centred learning ethos, based on the Pre-Senior Baccalaureate, is designed to prepare pupils for a world where senior schools, universities, apprenticeship businesses and future employers are just as interested in an individual's skills and qualities, rather than solely in the grade levels of their public examinations.

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HAYFRAN TRUST
A COMPANY LIMITED BY GUARANTEE

REPORT OF THE GOVERNORS
for the year ended 31 August 2019

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REVIEW OF ACTIVITIES, DEVELOPMENTS AND ACHIEVEMENTS 2018 – 2019 continued

A more formal programme of Forest School was introduced, with a greater age range of pupils from Year 1 to Year 7 joining pupils in Reception and Nursery with opportunities to enjoy and benefit from outdoor learning in the school's woodland, as part of the timetabled curriculum. There was also a more proactive focus on mentoring and coaching of the pupils, especially in the upper part of the school, to develop core skills and qualities and to set ever-higher aspirations within supportive and realistic boundaries.

Results in nationally moderated exams saw all pupils in Years 5, 6 and 7 entered for English Speaking Board exams with 60% achieving a Distinction (an increase from 40% in the previous year); 72 pupils were entered for LAMDA exams (100% pass rate with 98% awarded Distinction or Merit); and 65 entrants passed their individual music exams (46% awarded Distinction or Merit). One pupil was chosen as an ESB Young Speaker of the Year 2019 for her age group.

The highlights of the drama calendar were ambitious productions of 'Aladdin Trouble' (Years 5 and 6) and 'High School Musical' (Years 7 & 8). All pupils in the school were given the opportunity to perform in one of the seven main productions over the course of the year, including Year 3's Easter production of 'The Tale of the Three Trees' and Year 4's Harvest production of 'Hooray for the Little Red Hen'. In addition, there were also three LAMDA Showcase events for pupils in Years 4 and above. Nine pupils were placed in the top three at the Mid Somerset Drama Festival in March 2019, two of whom were outright winners.

In addition to all of the individual music lessons, there were plenty of opportunities for pupils to be involved further in music through two externally-adjudicated competitions: the Last Choir Standing Competition and the Individual Music Festival. The school was also involved in community events such as the Senior Choir performing in the Devizes Eisteddfod, on Spire FM and also at a special Armistice Centenary Service at the local parish church. Music recitals, the Carol Service and the Summer Concert provided opportunities for individuals, ensembles and the orchestra to showcase their musical talents.

Artists from the school dominated every class which was entered in the Devizes Eisteddfod Art Competition: St Francis pupils won every category entered with awards of distinction and outstanding. Visits to galleries, in-school masterclasses and workshops with artists provided additional inspiration. Pupils also collaborated with Pewsey Vale School on an instillation to mark the reopening of the refurbished Vale Leisure Centre in Pewsey.

The school provided over twenty residential and day trips for pupils across the age range.

In sport, the school enjoyed great success once again. Fifteen medals were won at the regional prep Schools Athletics, with one new record being set by a St Francis pupil; four pupils (one in three events) were selected to represent Wessex in the National Prep Schools Athletics in Birmingham. Seven school athletics records were broken on Sports Day. Having enjoyed success in inter-school cross-country, the Under 11 Girls Team were winners of the small schools competition at the National Prep Schools Cross-Country Championships. Four pupils qualified for places in the IAPS National Swimming Finals.

As well as regular and frequent team sports fixtures, pupils were also involved successfully in regional and national events in the following range of sports: aquathlon, archery, British National Modern Biathlon; British Schools National Biathlon; cross-country; fencing; judo. Four pupils won medals for Fencing (a Gold and two Bronzes in the county championships, and a Bronze in the National IAPS Championships), and the school team were placed second at the British Schools event. In the South West Regional Biathlon Championships, two teams came in first place, and an individual was a joint winner.

The school's redeveloped Nursery, Little Saints Nursery, continues to thrive. During the summer term, an additional fifth room was opened to cater for the numbers in the older, pre-Reception age group.

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HAYFRAN TRUST
A COMPANY LIMITED BY GUARANTEE

REPORT OF THE GOVERNORS
for the year ended 31 August 2019

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FUTURE PLANS

The school plans a programme of refurbishment which will see work on the Hemery Hall (both internal and external), and redecoration in other buildings on the campus. A Memorial Garden will be established in memory of a much-loved Pre-Prep teacher who died unexpectedly at the start of 2019. The ongoing development of ICT hardware will continue including the replacement of computers around the school. The school's website is to be modernised and updated.

Coronavirus

Since the year end there has been a dramatic change in the way that the school has had to operate. The premises were closed from the 21st March 2020 to comply with the Government's lockdown requirements and classes were conducted online via a remote learning programme. There was a phased reopening of the school from the 1st June 2020 to ensure that all of the Nursery and School year groups were able to return on site. Discounted fees were offered to parents for the Summer Term, a number of the teaching and non-teaching staff were furloughed and the school operated with an optimum number of personnel. The school plans to fully reopen in September. Please see the Risks and Uncertainties section for further comment.

THE FINANCIAL RESULTS

The financial statements for the year show net outgoing resources of £55,996 compared with net outgoing resources of £210,665 last year.

INVESTMENT POWERS

These are governed by the Memorandum and Articles which permit surplus funds to be invested in any lawful enterprise that is approved by the Charity Commissioners.

RESERVES POLICY

The school does not carry free funds. It is the policy of the governors to apply any operating surplus to the development and improvement of the fabric and facilities of the school.

RISK MANAGEMENT – COVID DISCLOSURE

The Board continues to keep the School's activities under review, with particular regard to any major risks that may arise from time to time and to monitor the effectiveness of the system of controls and level of insurance cover by which those risks already identified by the Governors can best be mitigated.

As stated above, there has been a significant change to the way in which the school is operating following the Coronavirus pandemic. The most significant uncertainty is the length of time that the education sector will operate in this way and the effect that will have on the future activities of the school and anticipated pupil numbers. The governors anticipate a deficit in the current period to 31 August 2020 and a likely further deficit in the subsequent period to 31 August 2021. The Governors consider that they have sufficient reserves to cover these losses without any significant loss of personnel or curtailment of activities.

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HAYFRAN TRUST
A COMPANY LIMITED BY GUARANTEE

REPORT OF THE GOVERNORS
for the year ended 31 August 2019

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STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of the company for the purposes of company law and trustees of the charity for the purposes of charity law) are responsible for preparing the Report of the Governors (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The Governors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Governors are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Governor has taken all the steps that he or she ought to have taken as a Governor in order to make himself of herself aware of any relevant information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Fawcetts LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD OF GOVERNORS:

The governors (in their capacity as directors of the company and trustees of the charity) approve the Report of the Governors and the Strategic Report for the year ended 31 August 2019.

ON BEHALF OF THE GOVERNORS:


.....
P Humphries-Cuff – Chair - Governor

Dated21/08/20.....

HAYFRAN TRUST
A COMPANY LIMITED BY GUARANTEE

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HAYFRAN TRUST**

Opinion

We have audited the financial statements of Hayfran Trust (the 'charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors 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 other information comprises the information included in the Report of the Governors, (including Strategic Report), other than the financial statements and our Report of the Auditors thereon. The Governors are responsible for the other information. 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 Report of the Governors, which includes the Report of the Directors and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors included within the Report of the Governors have been prepared in accordance with applicable legal requirements

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAYFRAN TRUST

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Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors included within the Report of the Governors.

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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities set out on page five, the Governors (who are also directors of the charitable company for the purposes of company law and trustees of the charity for the purposes of charity 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 Governors 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 Governors 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 Governors 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 a Report of the Auditors 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.

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 a Report of the Auditors 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.

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 Report of the Auditors.


Simon Ellingham FCA DChA (Senior Statutory Auditor)
for and on behalf of Fawcetts LLP
Chartered Accountants
and Statutory Auditors
Windover House
St Ann Street
Salisbury SP1 2DR

Dated:  24 August 2020

HAYFRAN TRUST
A COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)

for the year ended 31 August 2019

		2019			2018
	Notes	Unrestricted fund School £	Other £	Restricted fund £	Total £
INCOME AND ENDOWMENTS FROM:					
Income from:					
Charitable activities					
Fees receivable	2	2,473,077	-	-	2,473,077
Other income		48,623	-	-	48,623
Donations and legacies		26,297	-	-	26,297
Trading activities		-	19,879	-	19,879
Total income		<u>2,547,997</u>	<u>19,879</u>	<u>-</u>	<u>2,567,876</u>
EXPENDITURE					
Expenditure on:					
Charitable activities					
School operating costs		2,605,117	-	3,305	2,608,422
Trading expenses		-	15,450	-	15,450
Total expenditure	5	<u>2,605,117</u>	<u>15,450</u>	<u>3,305</u>	<u>2,623,872</u>
NET (EXPENDITURE)/INCOME		(57,120)	4,429	(3,305)	(55,996)
Fund balances at 1 September 2018		<u>1,648,551</u>	<u>83,238</u>	<u>85,137</u>	<u>1,816,926</u>
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2019		<u>1,591,431</u>	<u>87,667</u>	<u>81,832</u>	<u>1,760,930</u>

CONTINUING OPERATIONS

None of the charitable company's activities were acquired or discontinued during the current and previous years.

The notes form part of these financial statements

HAYFRAN TRUST
A COMPANY LIMITED BY GUARANTEE
(A COMPANY LIMITED BY GUARANTEE – COMPANY NUMBER 2164880)

BALANCE SHEET
31 August 2019

		<u>2019</u>		<u>2018</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		2,108,019		2,196,727
CURRENT ASSETS:					
Stocks	7	36,098		35,177	
Debtors	8	72,463		501,364	
Cash at bank and in hand		<u>379,353</u>		<u>458,666</u>	
		487,914		995,207	
CREDITORS: Amounts falling due within one year	9	<u>436,408</u>		<u>973,645</u>	
NET CURRENT ASSETS:			<u>51,506</u>		<u>21,562</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			2,159,525		2,218,289
CREDITORS: Amounts falling due after more than one year	10		<u>(398,595)</u>		<u>(401,363)</u>
			<u>1,760,930</u>		<u>1,816,926</u>
FUNDS:					
Unrestricted funds			1,679,098		1,731,789
Restricted fund	15		<u>81,832</u>		<u>85,137</u>
	16		<u>1,760,930</u>		<u>1,816,926</u>

These accounts were approved and authorised for issue by the Governors on 21.08.20 and were signed on their behalf by:


P Humphries-Cuff – Chair – Governor


R S Oliver – Treasurer – Governor

The notes form part of these financial statements

HAYFRAN TRUST
A COMPANY LIMITED BY GUARANTEE

CASH FLOW STATEMENT
for the Year Ended 31 August 2019

	Notes	2019 £	2018 £
Net cash provided by operating activities	1	25,211	80,418
Cash flows from investing activities:			
Purchase of tangible assets		(66,641)	(135,517)
Net cash (used in) investing activities		<u>(66,641)</u>	<u>(135,517)</u>
Cash flows from financing activities:			
Loan repayments		(37,883)	(5,253)
Net cash (used in)/provided by financing activities		<u>(37,883)</u>	<u>(5,253)</u>
Change in cash and cash equivalents in the year		(79,313)	(60,352)
Cash and cash equivalents at 1 September 2018		<u>458,666</u>	<u>519,018</u>
Cash and cash equivalents at 31 August 2019	2	<u><u>379,353</u></u>	<u><u>458,666</u></u>

The notes form part of these financial statements

HAYFRAN TRUST
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 August 2019

1. RECONCILIATION OF NET INCOME/EXPENDITURE TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net (outgoing) resources	(55,996)	(210,665)
Depreciation charges	155,349	147,642
(Increase) in stocks	(921)	(3,379)
Decrease in debtors	428,901	66,013
(Decrease)/increase in creditors	<u>(502,122)</u>	<u>80,807</u>
Net cash provided by operating activities	<u>25,211</u>	<u>80,418</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	<u>379,353</u>	<u>458,666</u>
	<u>379,353</u>	<u>458,666</u>

**HAYFRAN TRUST
A COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019**

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

General information and basis of preparation

Hayfran Trust is a company limited by guarantee incorporated and registered in England and Wales. The school constitutes a Public Benefit Entity as defined by FRS 102. 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 (FRS 102) (effective 1 January 2015) – (Charities SORP 2015 (FRS 102)), the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in Sterling (£) which is the functional currency of the charitable company.

Funds

The School's funds consist of unrestricted and restricted amounts. The School may use unrestricted amounts at its discretion. Designated funds comprise unrestricted funds that have been set aside for particular purposes. Restricted funds can only be used for a particular purpose as specified by the donor.

Incoming resources

The income and net incoming resources are attributable to the one principal activity of the charitable company.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions allowed by the school.

Donations, legacies and fund accounting

Donations and legacies received for the general purposes of the school are included as unrestricted funds. Donations and legacies for activities restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Governors.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA. The irrecoverable element of VAT is included with the item of expense to which it relates.

Tangible fixed assets

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Repair, renovation and replacement expenditure is written off as expenditure in the statement of financial activities. The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES continued

Tangible fixed assets continued

Freehold property	- 2% on cost
Property improvements	- at varying rates between 2.5 and 14.33% on cost
Plant and equipment	- at varying rates between 10% and 33.33% on cost
Motor vehicles	- 25% on cost
Nursery unit	- at varying rates between 4% and 33.33% on cost

Pension costs

The School's teaching staff have the option to be members of a pension scheme which is operated by the Teachers' Pensions Scheme. This is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the scheme on a consistent and reliable basis and therefore, as required by FRS 102, the School accounts for the scheme as if it were a defined contribution scheme. Contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable. For non-teaching staff, the School contributes to a defined contribution group personal pension plan.

Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Debtors

Debtors are measured at their recoverable amount.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Taxation

The company is a registered charity and, as such, is not liable to corporation tax.

Financial instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. FEES

	2019 £	2018 £
Fees receivable consist of:		
Gross fees	2,714,255	2,336,850
Less: Total bursaries, grants and allowances	<u>(241,178)</u>	<u>(156,496)</u>
	<u>2,473,077</u>	<u>2,180,354</u>

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3. STAFF COSTS

	2019	2018
	£	£
Wages and salaries	1,653,773	1,526,043
Social security costs	134,487	125,195
Other pension costs	<u>167,415</u>	<u>154,188</u>
	<u><u>1,955,675</u></u>	<u><u>1,805,426</u></u>

The average monthly number of employees during the year, calculated on a full time equivalent basis, was as follows:

	2019	2018
Teaching	44	39
Non teaching	<u>17</u>	<u>16</u>
	<u><u>61</u></u>	<u><u>55</u></u>

The key personnel of the school comprise the Governors, the Head and the Bursar. The total remuneration of the key management personnel was £156,584 (2018 - £159,187). None of the Governors nor persons connected with them received any remuneration, expenses or other material benefits from the School or any connected organisation (2018 - £Nil).

	2019	2018
	No.	No
The number of employees whose emoluments exceeded £60,000 was:		
£80,001 - £90,000	<u>1</u>	<u>1</u>

The number of higher paid staff to whom retirement benefits were accruing was as follows:

	2019	2018
	No.	No.
Defined benefit schemes	<u>3</u>	<u>3</u>

4. NET OUTGOING RESOURCES

Net outgoing resources are stated after charging:

	2019	2018
	£	£
Depreciation - owned assets	155,349	147,642
Operating lease rentals	15,073	13,996
Auditors' remuneration - audit	7,500	7,100
- other services	<u>500</u>	<u>500</u>

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5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Support costs £	Depreciation £	2019 Total £	2018 Total £
Charitable activities:					
School operating costs:					
Teaching costs	1,594,701	86,416	25,208	1,706,325	1,569,553
Welfare	81,285	101,462	-	182,747	177,753
Premises	79,614	153,625	117,537	350,776	359,733
Management and administration	<u>200,075</u>	<u>135,670</u>	<u>12,604</u>	<u>348,349</u>	<u>324,483</u>
	1,955,675	477,173	155,349	2,588,197	2,431,522
Governance costs	-	8,200	-	8,200	7,800
Costs of generating funds:					
Finance and other costs	<u>-</u>	<u>12,025</u>	<u>-</u>	<u>12,025</u>	<u>13,218</u>
	1,955,675	497,398	155,349	2,608,422	2,452,540
Trading costs	-	15,450	-	15,450	11,317
Total resources expended	<u>1,955,675</u>	<u>512,848</u>	<u>155,349</u>	<u>2,623,872</u>	<u>2,463,857</u>

6. TANGIBLE FIXED ASSETS

	Freehold property £	Property improvements £	Plant and equipment £	Nursery unit £	Motor vehicles £	Totals £
COST:						
At 1 September 2018	489,602	2,180,559	363,265	601,151	15,158	3,649,735
Additions	-	-	66,641	-	-	66,641
Disposals	-	-	(13,256)	-	-	(13,256)
Reclassification/transfer	<u>-</u>	<u>(80,314)</u>	<u>80,314</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2019	<u>489,602</u>	<u>2,100,245</u>	<u>496,964</u>	<u>601,151</u>	<u>15,158</u>	<u>3,703,120</u>
DEPRECIATION:						
At 1 September 2018	256,091	807,254	348,556	25,949	15,158	1,453,008
Charge for year	9,792	78,228	37,812	29,517	-	155,349
Eliminated on disposals	-	-	(13,256)	-	-	(13,256)
Reclassification/transfer	<u>-</u>	<u>(30,075)</u>	<u>30,075</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2019	<u>265,883</u>	<u>855,407</u>	<u>403,187</u>	<u>55,466</u>	<u>15,158</u>	<u>1,595,101</u>
NET BOOK VALUE:						
At 31 August 2019	<u>223,719</u>	<u>1,244,838</u>	<u>93,777</u>	<u>545,685</u>	<u>-</u>	<u>2,108,019</u>
At 31 August 2018	<u>233,511</u>	<u>1,373,305</u>	<u>14,709</u>	<u>575,202</u>	<u>-</u>	<u>2,196,727</u>

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

7. STOCKS		
	2019	2018
	£	£
School uniform	<u>36,098</u>	<u>35,177</u>
8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2019	2018
	£	£
Trade debtors	43,240	467,723
Other debtors	1,500	3,572
Prepayments and accrued income	<u>27,723</u>	<u>30,069</u>
	<u>72,463</u>	<u>501,364</u>
9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2019	2018
	£	£
Bank loans and overdrafts (see note 11)	38,955	45,419
Trade creditors	54,391	47,007
Social security and other taxes	33,288	31,489
Other creditors	32,256	32,740
Deferred income	260,984	795,579
Accrued expenses	<u>16,534</u>	<u>21,411</u>
	<u>436,408</u>	<u>973,645</u>
10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	2019	2018
	£	£
Bank loans (see note 11)	309,345	340,763
Fee deposits	<u>89,250</u>	<u>60,600</u>
	<u>398,595</u>	<u>401,363</u>
11. LOANS AND OVERDRAFTS		
	2019	2018
	£	£
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>153,524</u>	<u>159,084</u>
The bank loan is repayable by instalments over 10 years at an interest rate of 2.5% above base rate.		
12. OPERATING LEASE COMMITMENT		
The total future minimum payments due on leases expiring:	2019	2018
	£	£
Equipment		
Expiring:		
Between one and five years	<u>29,606</u>	<u>16,692</u>

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INCOME AND EXPENDITURE ACCOUNT
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13. PENSION COMMITMENTS

The teaching staff have the option to be members of a defined benefit pension scheme operated by Teachers' Pensions. The School also operates a defined contribution group personal pension scheme for all other non teaching staff.

The total pension cost for the School was £167,415 (2018 - £154,188) of which £26,587 (2018 - £16,601) relates to the defined contribution and stakeholder pension schemes. There were outstanding contributions at the balance sheet date of £18,762 (2018 - £20,252) in respect of contributions due for the month of August paid over to the pension schemes' administrators in September.

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £140,828 (2018 - £137,587).

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

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INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 August 2019

14. SECURED DEBTS

The bank loan and overdraft facility, if required, are secured by a first charge over the freehold property of the School.

15. RESTRICTED FUND

Income in the Restricted Fund represents donations received for the purchase of specific fixed assets. Expenditure charged against the fund represents depreciation on the corresponding value of fixed assets that have been funded.

16. ALLOCATION OF THE CHARITY NET ASSETS

The net assets are held for the various funds as follows:

	Fixed assets £	Net current assets £	Creditors due after more than one year £	Total £
Unrestricted funds	2,026,187	51,506	(398,595)	1,679,098
Restricted fund	<u>81,832</u>	<u>-</u>	<u>-</u>	<u>81,832</u>
	<u>2,108,019</u>	<u>51,506</u>	<u>(398,595)</u>	<u>1,760,930</u>

17. COMPANY STATUS

The Company is limited by guarantee and does not have a share capital. The liability of the Members in the event of a winding up is limited by guarantee to an amount not exceeding £10 per member. At the balance sheet date there were 9 members (2018 - 8).

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18. PRIOR YEAR COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted fund School £	Other £	Restricted fund £	Total £
INCOME AND ENDOWMENTS FROM:					
Charitable activities					
Fees receivable	2	2,180,354	-	-	2,180,354
Other income		35,616	-	-	35,616
Donations and legacies		24,052	-	-	24,052
Trading activities		-	13,170	-	13,170
Total Income		<u>2,240,022</u>	<u>13,170</u>	<u>-</u>	<u>2,253,192</u>
EXPENDITURE ON					
Charitable activities					
School operating costs		2,449,235	-	3,305	2,452,540
Trading expenses		-	11,317	-	11,317
Total expenditure	5	<u>2,449,235</u>	<u>11,317</u>	<u>3,305</u>	<u>2,463,857</u>
NET (EXPENDITURE)/INCOME		(209,213)	1,853	(3,305)	(210,665)
Fund balances at 1 September 2017		<u>1,857,764</u>	<u>81,385</u>	<u>88,442</u>	<u>2,027,591</u>
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2018		<u>1,648,551</u>	<u>83,238</u>	<u>85,137</u>	<u>1,816,926</u>