

CHILD LIGHT LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

CHILD LIGHT LIMITED
(A company limited by guarantee)

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CHILD LIGHT LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2020**

Trustees

Mr R C Macaulay
Mrs S Macaulay (resigned 3 March 2020)
Mr D E C Alderson
Mr T Amies, Chair
Mrs B Loe (resigned 17 September 2019)
Mr D Leckie
Mrs C M Meakin
Dr R McDonald (appointed 3 December 2019)

Company registered number

02928829

Charity registered number

1039099

Registered office

17-19 Brookside
Cambridge
CB2 1JE

Company secretary

Mr J W Fletcher

Chair of the Trustees

Mr T Amies

Independent auditors

Griffin Stone Moscrop & Co
Chartered Accountants
21 - 27 Lamb's Conduit Street
London
WC1N 3GS

Bankers

Lloyds Bank
5 The Square
Petersfield
Hampshire
GU32 3HL

CHILD LIGHT LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2020

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 August 2019 to 31 July 2020. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Structure, governance and management

Constitution

Child Light Limited is a registered charity and was established in 1994. It is a private company limited by guarantee with the company number 02928829.

The company is constituted under a Memorandum of Association and is a registered charity number 1039099.

Recruitment, Appointment and Induction of Trustees

Invitations are extended from time to time to suitable qualified and experienced men and women to become Trustees, following consultation with the existing body of Trustees. Newly appointed Trustees are provided with the induction materials, including a copy of the Memorandum and Articles of Association. They will have an induction with fellow Trustees and the Chief Executive and will be expected to spend time familiarising themselves with the workings of the charity.

Internal Controls and Risk Management

The systems of internal control and risk management are designed to provide reasonable, but not absolute assurance against misstatement and loss. They include:

- regular strategic reviews, an annual budget approved by the Trustees and quarterly management accounts comparing performance against budget;
- regular reports submitted by the Chief Executive;
- regular consideration by the Trustees of the financial position; and
- Identification and management of risks.

CHILD LIGHT LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Structure, governance and management (continued)

Organisational structure and decision-making policies

Day to day management of the operations of the charity, particularly its principal activity Heritage School, is overseen by Mr Jason Fletcher (Headmaster and Chief Executive).

Within Heritage School there is a management team consisting of the Headmaster and Co-Founder, the Director of Studies and Co-Founder, the Assistant Director of Studies, the Head of Infants, the Head of Juniors, the Head of Seniors, the Bursar, the Head of Academics and the Office and Facilities Manager. This team meets fortnightly to consider operational matters and whole-school policy decisions. Additional senior managers include the SENCo and the Assistant Head of Seniors (Pastoral).

Beneath this senior management team, teachers meet in their departments regularly as required. Head of subject areas hold meetings as required. Staff meetings involving Infant School and Junior School class teachers are held fortnightly as is a staff meeting for Senior School teachers. INSET training occurs four times per year for all staff. All of these meetings provide opportunities for discussion of educational philosophy, methodology, and feedback regarding relevant operational matters or policy decisions.

Day-to-day financial oversight is exercised jointly by the Headmaster and the Bursar in relation to the budget approved by Trustees. Budgetary responsibility for specific departments is devolved to heads of subject areas, the Head of Infants or the Head of Juniors. Budgetary responsibility for our enrichment programme is managed by our Enrichment Coordinator.

Bursaries are awarded by a bursary committee, which will always include at least one Trustee. Within overall levels approved by Trustees, the Bursary committee awards bursaries following a means-tested application process. The Headmaster is not a member of the bursary committee.

Trustees have responsibility over all operational and policy decisions taken by the management of the school (and the charity as a whole). Specifically, they routinely consider:

- the financial position of the school, including setting the level of fees, agreeing the extent of bursaries to be awarded in each year, agreeing an annual budget, monitoring progress against budget, and authorising exceptional expenditure;
- staffing needs, performance and recruitment;
- advertising and recruitment of pupils;
- matters affecting the ethos of the school;
- property issues and lease agreements;
- regulatory compliance, including safeguarding; and
- any significant new developments.

Related party relationships

Mr & Mrs Macaulay, who are trustees, have a daughter and son in law (the Headmaster) who are employees of the school. Four other trustees (Mr Amies, Mrs Meakin, Mr Leckie and Mr McDonald) have between them ten (2019 - six) children who attend the school.

Mr Amies has a wife who works for the school.

The salaries paid to the headmaster and his and Mr Amies' wife are on terms no more favourable than those of any other employee and there is no benefit or discount on fees as a result of being related to a trustee.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Objectives and activities

Policies and objectives

The objects of the charity as stated in its Memorandum and Articles of Association and Trust Deed are:

- the advancement of education whether secular or religious;
- the advancement of the tenets of the Christian Faith; and
- the advancement of any educational, religious or other charitable object.

Strategies for achieving objectives

The charity pursues the above stated objects by providing advice, advocacy or information, by undertaking research, by acting as an umbrella or resourcing body and by directly delivering services.

Child Light Limited is particularly concerned to advance the approach to education articulated by Charlotte Mason and the PNEU (Parents National Education Union).

The primary strategy used this year to implement the charity's objectives was the operation of Heritage School, whose activities are described below.

Main activities undertaken to further the Company's purposes for the public benefit

The activities undertaken in the past by Child Light have always included more than the direct provision of educational services. Child Light has advanced education more broadly through the provision of advice, advocacy or information including publications, undertaking research and acting as an umbrella body. During 2019-20 Child Light has offered advice to other educators interested in operating along similar lines.

Child Light also continued to serve the wider community by hiring our facilities at a reasonable cost to other educational providers. We also undertake various service projects as a school.

In addition, our accessible fee structure is intended to make the work of Child Light as beneficial to as wide a segment of the population as possible.

Achievements and performance

During 2019-20 Heritage School was the principal activity of Child Light Limited.

We commenced 2019-20 with 197 pupils. Our Year 11 Leavers in July 2020 achieved another set of outstanding results, with 47% of all results being awarded A* (or 9-8) and 85% of all results being awarded either A*, A or B (or 9-6). 2 pupils were awarded 10 9s (A*s). 69% of all grades were above what standardised tests predicted to be 'most likely', demonstrating Heritage School's ability to add value and help pupils exceed expectations. They received offers at their preferred destination for post-16 education and training, with the majority going to Hills Road or Comberton Sixth Form.

In February of 2020, we were inspected by the ISI. Preparations for this inspection had been a significant focus during the autumn term, including a visit by two consultant inspectors, one in November and the other in January. The report can be found on our website. Inspectors judged that the quality of educational provision was 'excellent' with respect to personal development and 'good' with respect to academic and other achievements. Inspectors identified action points with respect to 'regulatory compliance'. This led to a thorough internal review of staffing resources by Senior Managers and Trustees and culminated in the decision to appoint a part-time Compliance Officer, who began working in June.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Achievements and performance (continued)

During 2019-20 the Coronavirus Pandemic had a dramatic impact upon operations. This spread of the virus led, in late March 2020, to the first national lockdown and the closure of schools to all but the children of critical workers and vulnerable children. In keeping with Government guidance we immediately implemented safety protocols to continue educating those pupils in person while reducing the risk of transmission. Provision for children of critical workers and vulnerable children - up to about 10% of pupils - continued throughout the rest of the academic year.

For the rest of our pupils, full or partial closure continued through the entire Summer Term. The staff team responded rapidly and energetically in late March so that we could transition immediately to learning online using tools such as Google Classroom and Zoom. Parent feedback about the nature of our provision was very positive throughout.

Online learning continued until the summer half-term for all pupils. After half-term the Government permitted Reception, Year 1 and Year 6 pupils to return to in-person learning. After careful scrutiny of Government guidance and a comprehensive assessment of transmission risk and mitigation strategies, we did this at the earliest opportunity. After two weeks, the Government permitted schools who felt they could do so safely to invite all primary age pupils to return to in-person learning. We were pleased to have all primary age pupils return to in-person learning for the last three weeks of the Summer Term. There were no cases of COVID-19 amongst staff or pupils attending in person and no known transmission taking place at school. We did not need to require any classes (or 'bubbles') to isolate.

Senior pupils continued with Learning at Home through the remainder of the academic year. In late March the Government announced the cancellation of public examinations in favour of teacher recommended grades. We took the decision to run our own internal examinations for our Year 11 pupils in May, using remote invigilation. This gave a positive focus to our Year 11 pupils who were deflated by the cancellation of exams and enabled them to demonstrate their academic ability at the end of their courses. These internal assessments provided us with valuable evidence to feed into our rigorously managed process for recommending grades to exam boards.

In addition to the successful adaptation to the demands imposed by the pandemic, the most significant achievement in 2019-20, and one with long-term implications for the charity, was the purchase of our main school site from our landlords. The sale completed in the third week of August 2020, just after the end of this financial year. During 2019-20 we worked to meet the landlords' demanding £6,000,000 price. We had been working during 2018-19 to raise funds, leading to an offer in May 2019 of just under £5,000,000. This was eventually rejected and we agreed a period of exclusivity until 29 February 2020 to raise our offer to £6,000,000. This was achieved due to the support we received from HSBC and friendly investors. It took a long time to complete the purchase due to pressures associated with the pandemic, but as this financial year closed, all the pieces were in place for completion.

The pandemic had a slightly adverse impact upon pupil numbers for the 2020-21 academic year, and we started with 191 pupils. At the time of writing this report, pupil numbers for the 2021-2022 academic year are expected to be greater than in the 2020-21 academic year.

In the financial year 2019-20 we have pursued a range of activities within our control to advance Christian education along Charlotte Mason/PNEU lines. These activities have had the successful continued growth of Heritage School as their main purpose.

There are factors outside of our control that affect our ability to successfully achieve our objectives, particularly pupil recruitment and staff recruitment. The impact of these uncertainties is mitigated through effective marketing of the school generally and effective advertising for teaching vacancies, together with delivering a strong service that leads to positive personal recommendations on the part of those involved with Heritage School.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Financial review

2019-20 was a good year for Child Light financially. We were able to meet all operational costs from fee income and reserves, and to carry forward cash reserves into 2020-21, as these accounts show.

Fundraising activities were undertaken during 2019-20 by the Heritage Community Association (HCA), which was formed in the summer of 2011. It raised £3,221 during 2019-20 to support the work of the school. The school also solicited and received £313,269 in donations in support of our efforts to purchase our main school site.

Reserves policy

At the end of the 2019-20 year, £867,149 total funds were held, of which £507,576 were restricted. Of these restricted funds, £486,740 were solely for securing premises for Heritage School, ideally purchasing our main school site. The purchase of this site was completed shortly after the year end, on 17 August 2020. Unrestricted funds at the end of 2019-20 were £359,573. The trustees seek to build reserves equal to 25% of the current year's Total expenditure.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Pay policy for senior staff

Pay and remuneration of the charity's key management personnel are determined with reference to the government's statutory guidance on pay and conditions for teachers in England and Wales (see <https://www.gov.uk/government/publications/school-teachers-pay-and-conditions>). This framework is used to determine the Headmaster's pay and the value of additional responsibilities undertaken by teaching staff. Pay for school administrators is determined in relation to industry standards. The performance of key management personnel is evaluated by Trustees regularly in the course of their normal duties. Pay is not linked to performance criteria. Trustees set pay levels for all staff, including key management personnel, when they approve the annual budget.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Plans for future periods

In 2020-21 the operation of Heritage School will be the focus of the activities of Child Light Limited. Our main developmental priorities are:

- manage the impact of the coronavirus pandemic effectively so parents continue to feel that their choice of Heritage School is a good one;
- improve our regulatory compliance management with support from our new Compliance Officer;
- support our newly appointed SENDCo who started in September 2020;
- support our new Marketing Officer who started in September 2020;
- create additional time for research related activities by particular staff and to undertake some formal meetings with academics and other educators who can contribute to the deepening and refining of our educational vision;
- consider ways in which Charlotte Mason educational principles might be applied most effectively to our Senior School;
- improve staff training generally;
- implement a new Relationships and Sex Education Policy by Easter 2021;
- strengthen recruitment to nearer 100% capacity, with a particular focus upon Lower Prep (Reception) entry and Year 7 entry; and
- effective financial management as we seek to further strengthen our reserves, while dealing with the significant increase to Employers' Teachers' Pension Contribution.

Members' liability

The Members of the Company guarantee to contribute an amount not exceeding £1 to the assets of the Company in the event of winding up.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHILD LIGHT LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Griffin Stone Moscrop & Co, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 2 March 2021 and signed on their behalf by:



.....
Mr T Amies

CHILD LIGHT LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILD LIGHT LIMITED

Opinion

We have audited the financial statements of Child Light Limited (the 'charitable company') for the year ended 31 July 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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.

CHILD LIGHT LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILD LIGHT LIMITED (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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.

CHILD LIGHT LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILD LIGHT LIMITED (CONTINUED)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CHILD LIGHT LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILD LIGHT LIMITED (CONTINUED)

Use of our report

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



Christopher Brecht (Senior statutory auditor)

for and on behalf of

Griffin Stone Moscrop & Co

Chartered Accountants
Statutory Auditors

21 - 27 Lamb's Conduit Street

London

WC1N 3GS

Date: 24 March 2021

CHILD LIGHT LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	4,782	332,611	337,393	188,636
Charitable activities	5	1,893,958	-	1,893,958	1,898,739
Investments	4	68	-	68	17
Other income	6	73,884	-	73,884	1,453
Total income		1,972,692	332,611	2,305,303	2,088,845
Expenditure on:					
Raising funds	7	813	1,826	2,639	5,684
Charitable activities	8	1,962,860	-	1,962,860	1,865,206
Other expenditure	9	-	-	-	1,575
Total expenditure		1,963,673	1,826	1,965,499	1,872,465
Net movement in funds		9,019	330,785	339,804	216,380
Reconciliation of funds:					
Total funds brought forward		350,554	176,791	527,345	310,965
Net movement in funds		9,019	330,785	339,804	216,380
Total funds carried forward		359,573	507,576	867,149	527,345

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

The notes on pages 15 to 30 form part of these financial statements.

CHILD LIGHT LIMITED
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REGISTERED NUMBER: 02928829

BALANCE SHEET
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	690,215	727,576
		<u>690,215</u>	<u>727,576</u>
Current assets			
Stocks	15	13,005	14,087
Debtors	16	561,255	159,282
Cash at bank and in hand		317,209	314,512
		<u>891,469</u>	<u>487,881</u>
Creditors: amounts falling due within one year	17	(714,535)	(95,229)
Net current assets		<u>176,934</u>	<u>392,652</u>
Total assets less current liabilities		<u>867,149</u>	<u>1,120,228</u>
Creditors: amounts falling due after more than one year	18	-	(592,883)
Net assets excluding pension asset		<u>867,149</u>	<u>527,345</u>
Total net assets		<u><u>867,149</u></u>	<u><u>527,345</u></u>
Charity funds			
Restricted funds	20	507,576	176,791
Unrestricted funds	20	359,573	350,554
Total funds		<u><u>867,149</u></u>	<u><u>527,345</u></u>

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

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

The financial statements were approved and authorised for issue by the Trustees on 02 March 2021 and signed on their behalf by:



Mr T Amies

The notes on pages 15 to 30 form part of these financial statements.

CHILD LIGHT LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

1. General information

Child Light Limited is a company limited by guarantee, incorporated in England & Wales, whose main activity is that of operating a school. The registered office and situation of the school is 17-19 Brookside, Cambridge CB2 1JE. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Child Light Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The trustees consider there are no material uncertainties about the company's ability to continue as a going concern.

2.3 Fund accounting

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

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

2.4 Income

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)

2.5 Expenditure

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

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with the administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £200 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

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

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Short-term leasehold property	- straight line over the remaining length of the lease
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% straight line
Computer equipment	- 25% straight line

2.7 Operating leases

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

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**NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.10 Debtors

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

2.11 Cash at bank and in hand

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

2.12 Liabilities and provisions

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

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

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

2.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The company operates a defined benefits pension scheme. The scheme is a state plan where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the company's share of the underlying assets and liabilities of the plan. Therefore, as required by Section 28 of FRS 102, the company accounts for this scheme as if it was 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.14 Financial instruments

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

3. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	4,782	332,611	337,393	188,636
	<u>4,782</u>	<u>332,611</u>	<u>337,393</u>	
Total 2019	9,236	179,400	188,636	
	<u>9,236</u>	<u>179,400</u>	<u>188,636</u>	

4. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	68	68	17
	<u>68</u>	<u>68</u>	
Total 2019	17	17	
	<u>17</u>	<u>17</u>	

5. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Heritage School income	1,893,958	1,893,958	1,898,739
	<u>1,893,958</u>	<u>1,893,958</u>	
Total 2019	1,898,739	1,898,739	
	<u>1,898,739</u>	<u>1,898,739</u>	

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6. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Royalties received	321	321	345
Other income	-	-	1,108
Coronavirus Job Retention Scheme income	70,486	70,486	-
Other interest received	3,077	3,077	-
	<u>73,884</u>	<u>73,884</u>	<u>1,453</u>
Total 2019	<u>1,453</u>	<u>1,453</u>	

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Heritage Community Association (HCA) costs	813	1,826	2,639	5,684
Total 2019	<u>813</u>	<u>4,871</u>	<u>5,684</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure on charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Heritage School	1,962,860	1,962,860	1,865,206
	<u>1,962,860</u>	<u>1,962,860</u>	
Total 2019	1,865,206	1,865,206	
	<u>1,865,206</u>	<u>1,865,206</u>	

9. Other expenditure

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bad debts	-	-	1,575
	<u>-</u>	<u>-</u>	
Total 2019	1,575	1,575	
	<u>1,575</u>	<u>1,575</u>	

10. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Direct costs	1,253,866	708,994	1,962,860	1,865,206
	<u>1,253,866</u>	<u>708,994</u>	<u>1,962,860</u>	
Total 2019	1,206,495	658,711	1,865,206	
	<u>1,206,495</u>	<u>658,711</u>	<u>1,865,206</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2020 £	Total funds 2020 £	Total funds 2019 £
Heritage School direct costs	89,046	89,046	128,171
Staff costs	1,138,279	1,138,279	1,050,825
Depreciation	26,541	26,541	27,499
	<u>1,253,866</u>	<u>1,253,866</u>	<u>1,206,495</u>

Analysis of support costs

	Activities 2020 £	Total funds 2020 £	Total funds 2019 £
Recruitment and training	5,865	5,865	6,365
Property	325,204	325,204	263,658
Administration	89,689	89,689	97,901
Marketing	13,003	13,003	17,361
Staff costs	248,086	248,086	246,422
Audit	7,815	7,815	6,672
Compliance and inspections	6,389	6,389	5,381
Professional fees	714	714	14,951
Loss on disposal	12,229	12,229	-
	<u>708,994</u>	<u>708,994</u>	<u>658,711</u>
Total 2019	<u>658,711</u>	<u>658,711</u>	

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 July 2020, no Trustee expenses have been incurred (2019 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £4,700 (2019 - £4,000), and an accounts preparation fee of £3,115 (2019 - £2,672).

13. Staff costs

	2020 £	2019 £
Wages and salaries	1,095,522	1,067,123
Social security costs	85,226	83,793
Contribution to defined contribution pension schemes	205,617	146,331
	<u>1,386,365</u>	<u>1,297,247</u>

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

	2020 No.	2019 No.
Teaching staff	47	38
Administrative staff	10	14
	<u>57</u>	<u>52</u>

No employee received remuneration amounting to more than £60,000 in either year.

The remuneration received by key management personnel was £107,186 (2019 - £108,312). In addition they received employer pension contributions to their pension schemes of £20,001 (2019 - £15,627). The key management personnel for the purpose of this disclosure are the Headmaster, Bursar and the Director of Curriculum.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Freehold property £	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 August 2019	715,270	191,676	25,949	32,071	15,554	980,520
Additions	518	-	-	300	591	1,409
Disposals	-	(191,676)	-	-	-	(191,676)
At 31 July 2020	<u>715,788</u>	<u>-</u>	<u>25,949</u>	<u>32,371</u>	<u>16,145</u>	<u>790,253</u>
Depreciation						
At 1 August 2019	21,458	173,300	23,351	21,053	13,782	252,944
Charge for the year	14,316	6,147	649	4,358	1,071	26,541
On disposals	-	(179,447)	-	-	-	(179,447)
At 31 July 2020	<u>35,774</u>	<u>-</u>	<u>24,000</u>	<u>25,411</u>	<u>14,853</u>	<u>100,038</u>
Net book value						
At 31 July 2020	<u>680,014</u>	<u>-</u>	<u>1,949</u>	<u>6,960</u>	<u>1,292</u>	<u>690,215</u>
At 31 July 2019	<u>693,812</u>	<u>18,376</u>	<u>2,598</u>	<u>11,018</u>	<u>1,772</u>	<u>727,576</u>

15. Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>13,005</u>	<u>14,087</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	-	75,000
	<u>-</u>	<u>75,000</u>
Due within one year		
Trade debtors	24,423	37,997
Other debtors	78,619	339
Prepayments and accrued income	455,475	45,946
Tax recoverable	2,738	-
	<u>561,255</u>	<u>159,282</u>

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loan	592,912	22,822
Trade creditors	38,327	12,084
Other taxation and social security	21,983	131
Pension fund loan payable	24,926	183
Other creditors	10,317	27,078
Accruals and deferred income	26,070	32,931
	<u>714,535</u>	<u>95,229</u>

The bank loan in Notes 17 and 18 was subject to an annual interest rate charge of 3.25% over the prevailing bank base rate, and was secured by a first fixed legal charge over the charity's freehold property, Panton Hall. The property had a net book value of £680,014 (2019 - £693,812) at the balance sheet date.

Shortly after the year end, in August 2020, the bank loan was settled. For further details, see 'Acquisition of main site (Brookside)' section within Note 27 - Post balance sheet events.

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

	2020 £	2019 £
Bank loan	-	592,883
	<u>-</u>	<u>592,883</u>

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Included within the above are amounts falling due as follows:

	2020 £	2019 £
Between one and two years		
Bank loans	-	23,815
	<u> </u>	<u> </u>
Between two and five years		
Bank loans	-	77,255
	<u> </u>	<u> </u>
Over five years		
Bank loans	-	491,813
	<u> </u>	<u> </u>

19. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>317,209</u>	<u>314,512</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

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

Statement of funds - current year

	Balance at 1 August 2019 £	Income £	Expenditure £	Balance at 31 July 2020 £
Unrestricted funds				
General fund	350,554	1,972,692	(1,963,673)	359,573
Restricted funds				
Restricted funds - other	3,277	18,330	(1,826)	19,781
Amazing Grace School, Uganda	43	1,012	-	1,055
Building fund	173,471	313,269	-	486,740
	176,791	332,611	(1,826)	507,576
Total of funds	527,345	2,305,303	(1,965,499)	867,149

Restricted funds - other

Such resources represent small donations given for specific purposes relating to the running of the school.

Panton Hall

This fund represents grants and donations received specifically to support the purchase, refurbishment and maintenance of a new premises in Cambridge.

The purchase of the premises was completed during the year ended 31 July 2018 and the restricted conditions under which the monies were received met. Accordingly, the trustees deemed it reasonable to transfer the remaining fund balance of £62,320 to the general fund, the fund against which the related depreciation is charged.

Amazing Grace School, Uganda

Amazing Grace School is a school in Uganda of a roughly similar age as Heritage School. A number of the pupils are orphans, and there are boarders and day pupils. The relationship between Amazing Grace and Heritage Schools extends into the classroom as pupils write letters to one another and send art work and other items to each other. Typically, Heritage School donates the proceeds from the Christmas Concert collection and a portion of all HCA raised funds to Amazing Grace each year.

Building fund

The Building fund was launched in April 2019 to raise funds towards securing premises for Heritage School in the future. The charity completed the freehold acquisition of its main site shortly after the year ended 31 July 2020, on 17 August 2020.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2018 £	Income £	Expenditure £	Balance at 31 July 2019 £
Unrestricted funds				
General fund	308,703	1,909,445	(1,867,594)	350,554
Restricted funds				
Restricted funds - other	2,262	3,764	(2,749)	3,277
Amazing Grace School, Uganda	-	2,165	(2,122)	43
Building fund	-	173,471	-	173,471
	<u>2,262</u>	<u>179,400</u>	<u>(4,871)</u>	<u>176,791</u>
Total of funds	<u>310,965</u>	<u>2,088,845</u>	<u>(1,872,465)</u>	<u>527,345</u>

21. Summary of funds

Summary of funds - current year

	Balance at 1 August 2019 £	Income £	Expenditure £	Balance at 31 July 2020 £
General funds	350,554	1,972,692	(1,963,673)	359,573
Restricted funds	176,791	332,611	(1,826)	507,576
	<u>527,345</u>	<u>2,305,303</u>	<u>(1,965,499)</u>	<u>867,149</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 August 2018 £	Income £	Expenditure £	Balance at 31 July 2019 £
General funds	308,703	1,909,445	(1,867,594)	350,554
Restricted funds	2,262	179,400	(4,871)	176,791
	<u>310,965</u>	<u>2,088,845</u>	<u>(1,872,465)</u>	<u>527,345</u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	690,215	-	690,215
Current assets	383,893	507,576	891,469
Creditors due within one year	(714,535)	-	(714,535)
Total	<u>359,573</u>	<u>507,576</u>	<u>867,149</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	727,576	-	727,576
Debtors due after more than one year	75,000	-	75,000
Current assets	236,090	176,791	412,881
Creditors due within one year	(95,229)	-	(95,229)
Creditors due in more than one year	(592,883)	-	(592,883)
Total	<u>350,554</u>	<u>176,791</u>	<u>527,345</u>

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23. Related party transactions

Related party transactions not disclosed elsewhere in the financial statements are as follows:

- Mr & Mrs Macaulay, Trustees, have a daughter and son in law (the Headmaster) who were employees of the school during the year;
- Mrs Meakin, a Trustee, has two (2019 - two) children who attended the school during the year;
- Mr Leckie, a Trustee, has four (2019 - two) children who attended the school during the year;
- Dr McDonald, a Trustee, has three (2019 - n/a) children who attended the school during the year;
- Mr Amies, a Trustee, has one (2019 - two) children who attended the school during the year; and
- Mr Amies' wife worked for the school during the year.

The salaries paid to the Headmaster and his and the Trustees' wife are on terms no more favourable than those of any other employee and there is no benefit or discount on fees as a result of being related to a Trustee.

During the year, the charity received unrestricted donations totalling £300 (2019 - £Nil) from one of its trustees and restricted donations totalling £1,081 (2019 - £46,000) from one (2019 - three) of its Trustees.

24. Pension commitments

The charity operates a defined benefit scheme (DBS) in respect of its teaching staff and a defined contribution scheme (DCS) in respect of other staff. The assets of each scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the company to these two funds.

The DBS is administered by Teachers' Pensions. The number of staff in this scheme at the year end was 36 (2019 - 35). The total employer contributions paid to this fund during the current year were £192,016 (2019 - £132,244). As at the balance sheet date, £24,926 (2019 - £Nil) was payable by the charity.

25. Operating lease commitments

At 31 July 2020 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	10,959	250,000
Later than 1 year and not later than 5 years	-	500,000
	<u>10,959</u>	<u>750,000</u>

At 31 July 2020 the charity had a total commitment of £500,000 in relation to the leasehold of its main site. On 17 August the lease was terminated as the charity acquired the freehold of this site. The commitment disclosed for 2020 reflects the charity's obligation to the date on which the lease was terminated.

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Post balance sheet events

COVID-19

Since early 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

The charity has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 July 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the charity for future periods.

Acquisition of main site (Brookside)

Historically, the charity has leased its main site, 17-19 Brookside, Cambridge, CB2 1JE. On 17 August 2020, it acquired the freehold for a total consideration of £6,000,000.

Prior to this acquisition, the charity had a liability arising from the purchase of another property. Although this liability was due to be settled after more than one year, the loan was settled on 17 August 2020. As at the year ended 31 July 2020 this loan has been shown as falling due within a year (see notes 17 & 18).

A new loan was arranged with the charity borrowing £4,640,000 to be repaid over 30 years. This loan is subject to 3.98% interest per annum for the first 5 years and thereafter to an annual interest rate charge of 3.93% over the prevailing bank base rate. This loan is secured by a first fixed and floating legal charge over the charity's freehold properties, 17-19 Brookside (Cambridge, CB2 1JE) and Panton Hall (Cambridge, CB2 1HP) and assets.

In addition the charity has taken out four other loans:

- Two loans have been taken out on similar terms, one for £450,000 and one for £50,000 which are to be repaid after 7 years. These loans are subject to 3.00% interest per annum. On the settlement of these loans, an independent valuation of 17-19 Brookside (Cambridge, CB2 1JE) will be carried out, and the charity will pay the lenders 23.00% and 2.60% (respectively) of any increase in the market value of the property over £4,835,000 less any 'capital expenditure on improvements'. The repayments are subject to a maximum amount equal to the original loan plus 7.00% compounded interest per annum.

- A loan for £900,000 is to be repaid after 15 years. This loan is subject to 3.00% interest per annum for the first year of the term, rising by 0.5% for each subsequent year topping out at 6% in year 7 and for the remainder of the term.

- A loan for £100,000 is to be repaid after 10 years. This loan is subject to 3.00% interest per annum for the first year of the term, rising by 0.5% for each subsequent year topping out at 6% in year 7 and for the remainder of the term.

The four loans have a second fixed charge over the charity's freehold properties and rank equally, with any payments proportionate to the loans advanced.