

COMPANY NUMBER: 00843499  
CHARITY NUMBER: 527252

**THE ELMS (COLWALL) LIMITED**  
(a company limited by guarantee)

**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 AUGUST 2018**



**THE ELMS (COLWALL) LIMITED**

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FOR THE YEAR ENDED 31 AUGUST 2018**

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## **THE ELMS (COLWALL) LIMITED**

### **LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **TRUSTEES**

T N Hone – Chairman  
Preb C Attwood (resigned 2 December 2017)  
P J Bailey  
L Chenevix- Trench  
T Clive  
I M Falconer  
D Holloway  
Lady S J Mcfarlane  
C Milne  
Dr V Payne  
J Sale  
G Steele Bodger  
T W Stubbs  
P Thomas  
A G Wynn LVO  
A Mackinnon (appointed 4 April 2018)

#### **COMPANY SECRETARY**

S Brandwood

#### **CLERK TO THE TRUSTEES**

S Brandwood

#### **HEAD OF SCHOOL**

A J L Thomas (up to 31 December 2017)  
C Hattam (from 1 January 2018)

#### **COMPANY NUMBER**

00843499

#### **CHARITY NUMBER**

527252

#### **REGISTERED AND PRINCIPAL OFFICE**

The Elms School  
Colwall  
Malvern  
Worcestershire  
WR13 6EF

#### **AUDITOR**

Crowe U.K. LLP  
Statutory Auditor  
Carrick House  
Lypiatt Road  
Cheltenham  
GL50 2QJ

#### **BANKERS**

Lloyds Bank plc  
8 High Town  
Hereford  
HR1 2AE

#### **SOLICITORS**

Harrison Clark Rickerbys Limited  
Ellenborough House  
Wellington Street  
Cheltenham  
GL50 1YD

Whatley Weston & Fox  
15 & 16 The Tything  
Worcester  
WR1 1HD

# **THE ELMS (COLWALL) LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2018**

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### **TRUSTEES**

T N Hone – Chairman  
Preb C Attwood (resigned 2 December 2017)  
P J Bailey  
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A MacKinnon (

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S Brandwood

### **CLERK TO THE TRUSTEES**

S Brandwood

### **HEAD OF SCHOOL**

C Hattam

### **COMPANY NUMBER**

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### **CHARITY NUMBER**

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Worcester  
WR1 1HD

## **THE ELMS (COLWALL) LIMITED**

### **ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2018**

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The members of the Governing Body of The Elms (Colwall) Limited present their Annual Report for the year ended 31 August 2018 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

#### **DIRECTORS' REPORT**

##### **CONSTITUTION AND OBJECTS**

The Elms (Colwall) Limited is a charitable company founded in 1614, charity registration number 527252, company registration number 00843499 incorporated on 30 March 1965 with the liability of its members limited to £1 by guarantee. The registered office and principal address of the company is at The Elms, Colwall, Malvern, Worcestershire, WR13 6EF.

The company is governed by its Articles of Association adopted on 18 November 2012.

##### **AIMS AND OBJECTIVES**

###### **Aims**

The object of the company, in accordance with its Articles of Association, is to seek to advance education of children up to and around the age of 13. In so doing this includes children of different levels of ability and requiring special educational needs achieved by fostering special talents from a variety of backgrounds and widening access to children whose parents cannot afford full fees.

###### **Strategic Aim and Intended Effect**

The school's strategic aim to reach its annual objective is the attainment of good academic levels whilst allowing pupils to benefit from an extra-curricular programme. This aims to draw out their abilities, to develop wider interests in life and to prepare them for a successful outcome at their chosen senior school.

###### **Objectives for the Year**

The Board's main objective continued to be to educate all the school's pupils to a high standard as in previous years, so that they will be fully able to benefit from their chosen school for the completion of their education in due course. Our strategy for achieving this is to maintain small class sizes with a high teacher-to-pupil ratio, tailoring our services as appropriate in each case to suit individual needs.

###### **Principal Activity**

The principal activity of The Elms (Colwall) Limited continues to be the provision of a day and boarding school. Additionally there is a nursery facility.

##### **GOVERNANCE AND MANAGEMENT**

###### **Governing Body**

The Directors of the company, who also act as governors of the school and trustees of the charity, are elected at the Annual General Meeting of the company. A skills matrix is used to monitor whether the Board contains a full range of desirable skills. One third of the Directors are required to retire by rotation every year and are eligible for re-election. As a policy it has been agreed that Directors should serve for a maximum of nine years after which they are ineligible for re-election for one year. Directors may be elected from current parents in the school. Mrs L Chenevix-Trench and Mr Mackinnon are parents of children who were in the school during the year.

###### **Trustees Induction and Training**

The Governors are aware that new trustees should undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other trustees. Trustees are encouraged to attend external training events where these will facilitate the undertaking of their role.

## **THE ELMS (COLWALL) LIMITED**

### **ANNUAL REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **Organisational Management**

The Directors meet as a Board at least three times a year to determine the general policy of the company and review its overall management and control, for which they are legally responsible. The Board is supported by Support and Monitoring Groups covering Education, Finance, Governance, Welfare and Health and Safety, Marketing, and Property which review practice in their respective fields, advise the Head and propose and review appropriate policies. The day to day running of the school is delegated to the Head and Bursar. They are also supported by their Senior Management Team and together this group are the key management personnel. Aspects of education, finance and welfare are subject to review by monitoring groups. Remuneration is set by the Board. The Head and Bursar attend all meetings of the Governing Body's Committees.

#### **Employment policy**

The School will endeavour to recruit the most suitable staff for any post to ensure the highest standards are maintained throughout the school, both teaching and support staff. It also pursues policies as an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Communications with staff continues throughout the year with whole school inset briefings and after school staff meetings.

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also directors of The Elms (Colwall) Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Insofar as each of the Trustees of the School at the date of approval of this report is aware, there is no relevant audit information of which the School's auditor is unaware. Each of the Trustees have each taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the School's auditor is aware of that information.

## **THE ELMS (COLWALL) LIMITED**

### **ANNUAL REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **STRATEGIC REPORT**

##### **MISSION STATEMENT**

The school's mission is to provide the necessary education to enable each pupil to develop their individual talents in whatever sphere they might lie, to foster genuine self-confidence and to matriculate successfully to their chosen schools upon leaving and be confident members of the larger society and effective contributors to it.

##### **Our Vision**

Our vision is to help each pupil to realise they are truly unique and possess gifts and talents which gives them unlimited potential. We wish to create an educational foundation whereby throughout their lives our pupils will always be ambitious for self-improvement and so develop beyond their perceived potential.

##### **Our Mission**

The school's mission is to:

- To provide excellent teaching, learning and pastoral care
- To provide a wealth of opportunities both curricular and extra-curricular
- To encourage pupils to be the best they can be so that we help them to develop their untapped potential

##### **STRATEGIES TO ACHIEVE THE PRIMARY OBJECTIVES**

A major project to provide additional classroom and boarding accommodation is currently under consideration.

The Directors are actively involved in the implementation of a development plan charting the way forward for the school for the period to 2018, which was prepared by the Head, Mr A J L Thomas. The plan encompasses all aspects of the organisation of the school and will ensure that the key objectives as reported for the current year continue to be achieved.

##### **ACHIEVEMENTS AND PERFORMANCE**

###### **Review of achievements and performance for the Year:**

The school has again had a successful year, attaining excellent academic achievement with all pupils reaching their chosen schools for completion of their education. There was success for the school in its full range of sporting activities in competitions with other schools. Cultural and rural activities form an important part of the school's curriculum. Performing arts continue to provide excellent results with frequent concerts and drama productions. Additionally, the farm and rural studies activities are proving extremely popular with the pupils and their parents.

The school has been able to achieve its mission and these results by continuing to retain its high quality of teaching staff.

The Board's commitment to maintaining the school's excellence has been reinforced by the capital expenditure programme.

## **THE ELMS (COLWALL) LIMITED**

### **ANNUAL REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **Public Benefit**

The school takes part in a wide variety of activities in order to carry out the school's aim for public benefit educating children in an environment not generally available to the state sector. The school has links with the local state primary school and has developed a relationship with a school for the severely disabled whereby pupils are provided with expertise and tuition at the school. The school lets out its facilities and also engages in charitable work with the local community.

Means tested financial assistance is available and during the year grants and other awards in the form of bursaries and allowances were made out of unrestricted funds thereby increasing access to the school and thus reducing the annual fee income by £577,243 (2017 - £611,462). 4 pupils receive fee reductions of 90% or higher.

The Directors, as the charity trustees, confirm that they have complied with their duty in section 17 of the Charities Act 2011 to have regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### **FINANCIAL REVIEW**

The results for the year which show a decrease in funds of £274,100 (2017 - £7,857) are set out in the Statement of Financial Activities on page 9.

#### **Reserves Policy**

According to the charities SORP definition, free reserves are calculated as total reserves excluding fixed assets, restricted and endowed funds. Using this definition, the Company would have free reserves of £1,390,959 (2017 - £1,390,959). These free reserves are within the parameters set by the Directors of retaining at least the estimated costs of running the charity for the forthcoming academic term and to meet immediate capital expenditure, thereby ensuring there are adequate resources in place to continue current operations.

#### **Investment Policy**

The school's surplus funds are invested at all times to obtain maximum protection and income at the same time being readily realisable to meet its commitments within acceptable levels of risk.

#### **FUTURE PLANS**

The school's development plan is subject to an annual review by the governors and the future plans for the school include:

- ensuring that the school and grounds are a safe and attractive environment for pupils, staff and visitors alike;
- provision of a happy and secure pastoral environment, suitable for both day and boarding pupils in which all pupils are offered opportunities for leadership and service to others;
- providing a stimulating learning environment in which pupils can develop their academic potential in full;
- increasing the capability of the school to offer education to children whose parents are unable to afford full fees;
- providing an enjoyable and appropriately challenging environment within which members of staff may develop their careers;
- ensuring that the school plays a significant part in the life of the local community, sharing facilities and seeking local partnerships wherever possible.

These aims underpin development plans so that the school continues to enhance its ability to provide first class education.



## THE ELMS (COLWALL) LIMITED

### ANNUAL REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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#### RISK MANAGEMENT

The Governors have given consideration to the major risks to which the school is exposed. The Governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent school sector to be the principal risks faced by the School. Health and Safety is always a significant area for risk management. The Governing Body has ultimate responsibility for managing any risks faced by the school and has developed a Risk Management Plan. Detailed consideration of risks is delegated to the Welfare and Health and Safety committee which reports formally to the Governing Body. The structure of the committee comprises four members of the Governing Body assisted by senior management.

The risk management process and the resulting report identifies risks, assesses their impact and likelihood, and where necessary, recommends controls to mitigate and monitor those risks. The controls used by the school to minimise risk include:

- detailed terms of reference together with formal agenda;
- comprehensive budgeting and management accounting;
- established organizational structures and lines of reporting;
- formal written policies including clear authorization and approval levels;
- vetting procedures as required by law for the protection of the vulnerable.

The Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks.

#### Principal Risks and Uncertainties

The Governing Body has considered the effects of the additional staff costs due to the increase in Teachers Pension contributions and the removal of the second state pension in setting fee levels whilst remaining mindful of the effects of the economic situation in recent years.

Health and safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (including when away from the school premises on trips and expeditions). The risks associated with all activities are minimized by thorough planning and risk assessment.

The Governing Body is satisfied that for all major risks identified appropriate controls have been put in place and maintained to minimize those risks adequately. It is recognized that systems can provide only reasonable but not absolute assurance that major risks have been managed.

#### AUDITOR

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the re-appointment of Crowe Clark Whitehill LLP as auditor to the School will be put to the Annual General Meeting.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006 (in accordance within the special provisions relating to small companies, subject to the small companies regime within Part 15 of the Companies Act 2006), was approved by the Trustees of The Elms (Colwall) Limited on 14 November 2018 including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



**T N Hone**  
Chairman of the Trustees

## **THE ELMS (COLWALL) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ELMS (COLWALL) LIMITED YEAR ENDED 31 AUGUST 2018**

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We have audited the financial statements of The Elms (Colwall) Limited for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 2018 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 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

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

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

We have nothing to report in this regard.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which includes the directors' report 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 directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

## **THE ELMS (COLWALL) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ELMS (COLWALL) LIMITED YEAR ENDED 31 AUGUST 2018**

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#### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept; or
- 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 exemption in preparing the trustees' report.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 3, 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.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

#### **Use of our report**

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

**Guy Biggin** (Senior Statutory Auditor)

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

Carrick House

Lypiatt Road

Cheltenham

Gloucestershire

GL50 2QJ

3 December 2018

**THE ELMS (COLWALL) LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES  
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

		Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
	Notes				
<b>INCOME FROM:</b>					
<b>Charitable activities</b>					
School fees	2	2,379,986	-	2,379,986	2,526,043
Ancillary trading income	3	267,557	-	267,557	317,599
Investment income		19,984	-	19,984	12,355
Other trading activities	3	39,811	-	39,811	3,532
Donations		-	23,310	23,310	24,205
<b>Total incoming resources</b>		<b>2,707,338</b>	<b>23,310</b>	<b>2,730,648</b>	<b>2,883,734</b>
<b>EXPENDITURE ON:</b>					
<b>Charitable activities</b>					
Education and grant making		2,990,357	13,310	3,003,667	2,914,855
Trading activities		28,782	-	28,782	-
<b>Total expenditure</b>	5	<b>3,019,139</b>	<b>13,310</b>	<b>3,032,449</b>	<b>2,914,855</b>
<b>Net (outgoing)/incoming funds from operations before investment gains and transfers</b>		<b>(311,801)</b>	<b>10,000</b>	<b>(301,801)</b>	<b>(31,121)</b>
Gains on investments		38,063	-	38,063	38,978
Transfers between funds		7,033	(7,033)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(266,705)</b>	<b>2,967</b>	<b>(263,738)</b>	<b>7,857</b>
<b>RECONCILIATION OF FUNDS:</b>					
Fund balances at 1 September 2017		4,994,596	59,601	5,054,197	5,046,340
<b>Fund balances at 31 August 2018</b>	11	<b>4,727,891</b>	<b>62,568</b>	<b>4,790,459</b>	<b>5,054,197</b>

All amounts relate to continuing operations.

The Statement of Financial Activities contains all the gains and losses recognised in the current and preceding year.

The notes on pages 12 to 21 form part of these financial statements.

**THE ELMS (COLWALL) LIMITED**

**COMPANY REGISTRATION NUMBER: 00843499**

**BALANCE SHEET**

**AS AT 31 AUGUST 2018**

	Notes	2018 £	2017 £
<b>FIXED ASSETS</b>			
Tangible assets	7	3,170,409	3,045,576
Investments	6	596,124	558,061
		<u>3,766,533</u>	<u>3,603,637</u>
<b>CURRENT ASSETS</b>			
Debtors	8	108,055	108,515
Cash at bank and in hand		<u>1,298,095</u>	<u>1,704,734</u>
		1,406,150	1,813,249
<b>CREDITORS</b> – amounts falling due within one year	9	<u>(331,138)</u>	<u>(319,889)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,075,012	1,493,360
<b>CREDITORS</b> – amounts falling due after more than one year	10	<u>(51,086)</u>	<u>(42,800)</u>
<b>TOTAL NET ASSETS</b>	11	<u>4,790,459</u>	<u>5,054,197</u>
<b>FUNDS</b>			
Unrestricted funds	13	4,727,891	4,994,596
Restricted funds	12	<u>62,568</u>	<u>59,601</u>
<b>TOTAL FUNDS</b>	11	<u>4,790,459</u>	<u>5,054,197</u>

These financial statements have been prepared in accordance with the special provisions relating to the small companies regime within Part 15 of the Companies Act 2006 relating to small companies.

Approved and authorised for issue by the Trustees on 14 November 2018 and signed on its behalf by:



**T N Hone**  
Chairman

The notes on pages 12 to 21 form part of these financial statements.

**THE ELMS (COLWALL) LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2018**

	2018	2017
	£	£
<b>Cash flows from operating activities:</b>		
Net outgoing for the year	(301,801)	(31,121)
<b>Adjustments for:</b>		
Investment income and bank Interest received	(19,984)	(12,355)
Depreciation charges	141,936	127,858
Decrease in debtors	460	1,702
Increase/(decrease) in creditors	19,535	(41,867)
<b>Net cash (used in) /provided by operating activities</b>	<b>(159,854)</b>	<b>44,217</b>
<b>Cash flows from investing activities</b>		
Payments for tangible fixed assets	(896,769)	(82,149)
Proceeds on sale of tangible fixed assets	630,000	-
Purchase of investments	-	(137,000)
Investment income and bank Interest received	19,984	12,355
<b>Net cash used in investing activities</b>	<b>(246,785)</b>	<b>(319,794)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>(406,639)</b>	<b>(275,577)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,704,734</b>	<b>1,980,911</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,298,095</b>	<b>1,704,734</b>
<b>Analysis of cash and cash equivalents</b>	<b>2018</b>	<b>2017</b>
	£	£
Cash at bank and in hand	<u>1,298,095</u>	<u>1,704,734</u>

The notes on pages 12 to 21 form part of these financial statements.

## THE ELMS (COLWALL) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1. STATEMENT OF ACCOUNTING POLICIES

##### a) Charity Information

The Elms (Colwall) Limited is a registered charity with the Charities Commission England and Wales (charity number: 527252) and was incorporated as a private company limited by guarantee (company number: 00843499) on 30 March 1965. The address of its registered office is The Elms School, Colwall, Malvern, Worcestershire, WR13 6EF.

##### b) Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention.

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 UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Elms (Colwall) Limited meets the definition of a public benefit entity under FRS 102.

##### c) Going Concern

The School has cash resources and has no requirement for external funding. The Trustees have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

##### d) Fees and Other Income

Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

All other income is included in the Statement of Financial Activities when the School has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donation income is accounted for as and when entitlement arises and the amount can be reliably quantified.

Investment income from dividends and interest are accounted for in an accruals basis.

##### e) Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure is allocated to expense headings on a direct cost basis, with staff costs being allocated according to the estimated time spent by staff working in relevant departments. The irrecoverable element of VAT is included with the item of expense to which it relates.

##### f) Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is not provided on freehold land. On other assets depreciation is provided on cost in equal annual instalments over the estimated economic lives of the assets. The rates of depreciation are as follows:

Freehold buildings	2% straight line or the expected remaining life of the building
Furniture, fixtures and equipment	10% or 20% straight line
Motor vehicles	20% straight line

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. Individual items costing less than £5,000 are written off as an expense as acquired.

## THE ELMS (COLWALL) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 STATEMENT OF ACCOUNTING POLICIES (continued)

**g) Investments**

Investments are measured at market value with any change recognised in the Statement of financial activities.

**h) Debtors**

Short term debtors are initially measured at transaction price, less any impairment.

**i) Cash**

Cash is represented by cash in hand and deposits with financial institutions.

**j) Creditors**

Short term creditors are initially measured at the transaction price.

**k) 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.

**l) Restricted Funds**

Funds donated for purposes restricted by the wishes of the donor are taken to restricted funds, where these wishes are legally binding on the Trustees.

**m) Recognition of Liabilities**

Liabilities are recognised once there is a legal or constructive obligation that commits the School to the obligation.

**n) Pension Schemes**

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme, which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme. The School also contributes to personal pension schemes for non-teaching staff and these contributions are accrued accordingly.

**o) Taxation**

The School is a registered charity, and as such is entitled to certain tax exemptions on surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

**p) Judgments in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items in the financial statements where these estimates and judgements have been made include the following:

**Useful economic lives of tangible assets**

The annual depreciation charges for the tangible assets are sensitive to changes in the estimate useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 7 for the carrying amount of the tangible assets and note 1f for the useful lives for each class of asset.

**Impairment of debtors**

The School makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 8 for the net carrying amount of the debtors and associated impairment provision.



**THE ELMS (COLWALL) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018****2 FEES RECEIVABLE**

Income represents gross School fees invoiced less discounts and allowances.

	2018 £	2017 £
Gross School fees	2,943,919	3,124,195
Less: total scholarships, bursaries, grants and allowances:	(577,243)	(611,462)
	<u>2,366,676</u>	<u>2,512,733</u>
 Add back: Bursaries and awards paid for by restricted funds	<u>13,310</u>	<u>13,310</u>
	<u>2,379,986</u>	<u>2,526,043</u>

**3 OTHER INCOME**

	2018 £	2017 £
<b>Ancillary trading income</b>		
Fee extras and school trips	224,008	291,349
Other trading income	43,549	26,250
	<u>267,557</u>	<u>317,599</u>
 <b>Non ancillary trading income</b>		
Summer ball	34,637	-
Other income	1,755	1,826
Interest on overdue fees	3,419	1,706
	<u>39,811</u>	<u>3,532</u>

**4 STAFF COSTS**

	2018 £	2017 £
Wages and salaries	1,693,899	1,676,325
Social security costs	154,169	149,054
Pension contributions	195,990	190,194
	<u>2,044,058</u>	<u>2,015,573</u>

The average number of the School's employees during the year calculated on average head count was 74 (2017 – 77).

**THE ELMS (COLWALL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**4 STAFF COSTS (continued)**

The number of employees paid in excess of £60,000 during the year were as follows:

	2018 No.	2017 No.
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1

Contributions to the Teachers' Pension Scheme were made for the benefit of two (2017 - two) higher paid employees. Payments made in the year for these member of staff into the Teachers' Pension Scheme totalled £23,271 (2017 – £22,911).

The Trustees received no remuneration in either year, and no expenses were paid on behalf of Trustees in either year.

During the year there was a redundancy or termination payments made which amounted to £6,858 (2017 – £10,000).

The remuneration of the Senior Management Team was:

	2018 £	2017 £
Senior Management Team Remuneration	<u>508,253</u>	<u>504,588</u>

**5 ANALYSIS OF TOTAL RESOURCES EXPENDED**

	Staff Costs £	Other £	Depreciation £	2018 Total £	2017 £
<b>Charitable activities:</b>					
Education	1,461,891	233,439	65,320	1,760,650	1,720,547
Welfare	311,907	172,544	-	484,451	466,691
Premises	110,658	282,518	76,616	469,792	453,227
Marketing and publicity	-	28,223	-	28,223	22,477
Support costs	159,602	87,639	-	247,241	238,603
Other trading	-	28,782	-	28,782	-
Grants, awards and prizes	-	13,310	-	13,310	13,310
<b>Total</b>	<u>2,044,058</u>	<u>846,455</u>	<u>141,936</u>	<u>3,032,449</u>	<u>2,914,855</u>

	2018 £	2017 £
<b>Governance costs (included within support costs) comprise</b>		
Auditor's remuneration – audit services	<u>7,500</u>	<u>7,250</u>

# THE ELMS (COLWALL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

<b>6 INVESTMENTS</b>	<b>2018 £</b>	<b>2017 £</b>
<i>At 1 September 2017</i>	<b>558,061</b>	269,083
Additions	-	250,000
Increase in value of investment	<b>38,063</b>	38,978
<b>At 31 August 2018</b>	<b>596,124</b>	<b>558,061</b>

The whole of investments consist of shares held in COIF Charities Investment Fund units.

## 7 TANGIBLE FIXED ASSETS

	<b>Land and buildings £</b>	<b>Fixtures and Fittings £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>				
<i>At 1 September 2017</i>	3,703,312	559,919	224,049	4,487,280
Additions	783,064	96,845	16,860	896,769
Disposals	(630,000)	-	-	(630,000)
<b>At 31 August 2018</b>	<b>3,856,376</b>	<b>656,764</b>	<b>240,909</b>	<b>4,754,049</b>
<b>Depreciation</b>				
<i>At 1 September 2017</i>	867,042	371,900	202,762	1,441,704
Charge for the year	76,616	43,627	21,693	141,936
Disposals	-	-	-	-
<b>At 31 August 2018</b>	<b>943,658</b>	<b>415,527</b>	<b>224,455</b>	<b>1,583,640</b>
<b>Net book value</b>				
<b>At 31 August 2018</b>	<b>2,912,718</b>	<b>241,237</b>	<b>16,454</b>	<b>3,170,409</b>
<i>At 31 August 2017</i>	2,836,270	188,019	21,287	3,045,576

<b>8 DEBTORS</b>	<b>2018 £</b>	<b>2017 £</b>
Net School fee debtors	46,105	51,241
Other debtors	2,957	3,250
Prepayments and accrued income	58,993	54,024
	<b>108,055</b>	<b>108,515</b>

Trade debtors are stated after impairment provisions totalling £Nil (2017 - £17,941).

**THE ELMS (COLWALL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**9 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade creditors	-	-
Taxation and social security	38,210	37,835
Accruals	37,135	63,710
Other creditors	9,055	250
Deferred income - fees received in advance of term	233,888	204,794
Deposits from parents	12,850	13,300
	<u>331,138</u>	<u>319,889</u>

**10 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018 £	2017 £
Fee deposits	<u>51,086</u>	<u>42,800</u>

	Fee deposits	
	2018 £	2017 £
Repayable as follows:		
In one year or less, or on demand	12,850	13,300
Between one and two years	23,686	14,200
Between two and five years	25,050	24,100
Greater than five years	2,350	4,500
	<u>63,936</u>	<u>56,100</u>

Fee deposits represent amounts received on confirmation of a place. Monies will be repaid on leaving the School via a credit against the fee for the last term attended.

**11 ALLOCATION OF THE NET ASSETS BETWEEN FUNDS**

	Fixed Assets £	Net Current Assets £	Long term Liabilities £	Total £
Restricted Funds (note 12)	-	62,568	-	62,568
Unrestricted Funds (note 12)	3,766,533	1,012,444	(51,086)	4,727,891
	<u>3,766,533</u>	<u>1,075,012</u>	<u>(51,086)</u>	<u>4,790,459</u>

**THE ELMS (COLWALL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**11a) PRIOR YEAR ALLOCATION OF NET ASSETS BETWEEN FUNDS**

	<b>Fixed Assets £</b>	<b>Net Current Assets £</b>	<b>Long term Liabilities £</b>	<b>Total £</b>
Restricted Funds (note 11)	-	59,601	-	<b>59,601</b>
Unrestricted Funds (note 13)	<u>3,603,637</u>	<u>1,433,759</u>	<u>(42,800)</u>	<u><b>4,994,596</b></u>
	<u><b>3,603,637</b></u>	<u><b>1,493,360</b></u>	<u><b>(42,800)</b></u>	<u><b>5,054,197</b></u>

**12 RESTRICTED FUNDS**

<b>Current year movement</b>	<i>Balance 01/09/2017 £</i>	<b>Incoming Resources £</b>	<b>Resources Expended/ Transfer £</b>	<b>Balance 31/08/2018 £</b>
Grocers donation - bursary	49,601	13,310	(13,310)	49,601
Grocers donation – IT equipment	<u>10,000</u>	<u>10,000</u>	<u>(7,033)</u>	<u>12,967</u>
	<u><b>59,601</b></u>	<u><b>23,310</b></u>	<u><b>(20,343)</b></u>	<u><b>62,568</b></u>

The Grocers Company provides annual financial support for an identified pupil throughout their stay at the school. During the year a further donation was also received from the Grocers Company towards the purchase of IT equipment.

<b>Prior year comparative</b>	<i>Balance 01/09/2016 £</i>	<b>Incoming Resources £</b>	<b>Resources Expended / Transfers £</b>	<b>Balance 31/08/2017 £</b>
Grocers donation - bursary	49,601	13,310	(13,310)	49,601
Grocers donation – IT equipment	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
	<u><b>49,601</b></u>	<u><b>23,310</b></u>	<u><b>(13,310)</b></u>	<u><b>59,601</b></u>

# THE ELMS (COLWALL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 13 UNRESTRICTED FUNDS

	<i>Balance 01/09/2017</i>	<i>Incoming Resources</i>	<i>Resources Expended</i>	<i>Transfers and gain on investments</i>	<i>Balance 31/08/2018</i>
	£	£	£	£	£
General reserve	4,994,596	2,672,699	(2,990,357)	45,096	4,722,034
Designated Fund	-	34,637	(28,782)	-	5,855
	<u>4,994,596</u>	<u>2,707,336</u>	<u>(3,019,139)</u>	<u>45,096</u>	<u>4,727,889</u>

Unrestricted funds represent accumulated income from the school's activities and other sources that are available for the general purposes of the school.

Designated funds have been set aside during the year for the refurbish of the tennis courts within the school grounds.

#### *Prior year comparative*

	<i>Balance 01/09/2016</i>	<i>Incoming Resources</i>	<i>Resources Expended</i>	<i>Transfers and gain on investments</i>	<i>Balance 31/08/2017</i>
	£	£	£	£	£
General reserve	4,996,739	2,847,114	(2,888,235)	38,978	4,994,596

### 14 PENSIONS

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £175,247 (2017 - £149,054) and at the year-end £Nil (2017 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2014. 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 following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2017. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially from September 2019.

## THE ELMS (COLWALL) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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#### 14 PENSIONS (CONTINUED)

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

Other schemes established by the School are based on the defined contributions payable to the funds and amounted to £18,614 (2017 - £16,184). Contributions totalling £Nil (2017 - £Nil) were payable to the funds at the year end and included in creditors.

#### 15 RELATED PARTIES

Two Trustees have children at the School. School fees incurred by Trustees are paid on a commercial arms' length basis.

#### 16 FINANCIAL INSTRUMENTS

	2018 £	2017 £
<b>Financial assets</b>		
Financial assets measured at fair value	<u>596,124</u>	<u>558,061</u>
Financial assets measured at amortised cost	<u>1,347,157</u>	<u>1,759,225</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>280,078</u>	<u>242,879</u>

Financial assets measured at fair value comprise of investments

Financial assets measured at amortised cost comprise of cash at bank, fee debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and fees in advance.

**THE ELMS (COLWALL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**17 STATEMENT OF FINANCIAL ACTIVITIES – Comparative figures by fund-type**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total 2017 £
<b>INCOME FROM:</b>			
<b>Charitable activities</b>			
School fees	2,526,043	-	2,526,043
Ancillary trading income	317,599	-	317,599
<b>Investment income</b>	12,355	-	12,355
<b>Other trading activities</b>	3,532	-	3,532
<b>Donations</b>	895	23,310	24,205
<b>Total incoming resources</b>	<b>2,860,424</b>	<b>23,310</b>	<b>2,883,734</b>
<b>EXPENDITURE ON:</b>			
<b>Charitable activities</b>			
Education and grant making	2,901,545	13,310	2,914,855
<b>Total expenditure</b>	<b>2,901,545</b>	<b>13,310</b>	<b>2,914,855</b>
<b>Net (outgoing)/incoming funds from operations before investment gains and transfers</b>	<b>(41,121)</b>	<b>10,000</b>	<b>(31,121)</b>
<b>Gains on investments</b>	<b>38,978</b>	<b>-</b>	<b>38,978</b>
<b>Transfers between funds</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET MOVEMENT IN FUNDS</b>	<b>(2,143)</b>	<b>10,000</b>	<b>7,857</b>