

Company number: 714698

Birchfield Educational Trust Limited

Financial Statements

Year ended 30th August 2018

(Charity number: 528420)

Birchfield Educational Trust Limited
Financial Statements for the year ended 30th August 2018

Contents

	<u>Page</u>
Legal and administrative information	1
Report of the trustees and directors	2 - 6
Report of the auditors	7 - 9
Statement of Financial Activities	10
Balance Sheet	11
Cashflow Statement	12
Notes forming part of the Financial Statements	13 - 20

Birchfield Educational Trust Limited
Financial Statements for the year ended 30th August 2018

Legal and administrative information

TRUSTEES AND DIRECTORS

The directors of the limited company are trustees of the charity and also governors of the School. They have all served throughout the year except where indicated.

Tracy K Carver (Chair)
Adam Frankling
Martin A C Humphreys (resigned 3 October 2017)
Stewart Legge
Alison Pass
Paul Reynolds (resigned 27 October 2017, reappointed 1 October 2018)
Lynne Statham
Christopher Berriman (appointed 3 October 2017)
Clare Norton (appointed 3 October 2017)
John Squire (appointed 3 October 2017)
Jonathan White (appointed 3 October 2017)

The board is a self-appointing body. A third of directors retire each year and are eligible for re-election.

KEY MANAGEMENT

Head	Sarah Morris
Address and Registered Office	Birchfield School Albrighton Nr Wolverhampton WV7 3AF
Website Address	www.birchfieldschool.co.uk
Trading Name	Birchfield School
Registered Number	714698 England and Wales
Charity Number	528420
Auditors	Muras Baker Jones Limited Bath Avenue Wolverhampton WV1 4EG
Bankers	Barclays Bank PLC Wolverhampton Business Centre Queen Square

Birchfield Educational Trust Limited

Report of the trustees and directors (incorporating Strategic Report) For the year ended 30th August 2018

The Trustees and Directors submit their report together with audited financial statements of the company for the year ended 30th August 2018. The legal and administrative information set out on page 1 forms part of this report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference and administrative information

The company is limited by guarantee and is a registered charity number 528420, governed by its Memorandum and Articles of Association. The Company's registration number is 714698.

Governing Document

The Charity is governed by its Trust Deed dating from 1935 and its Memorandum of Association were last amended on 30th October 2007.

Governing Body and the Recruitment of new Governors

The School's Governing Body is its Board of Directors; a list of its members is given on page 1. Their method of appointing Governors originates from nominations from current Governors.

OBJECTIVES, AIMS AND ACTIVITIES

Charitable Objects

The Charity's object, as set out in the Memorandum of Association, is the advancement of education of children for the public benefit. In the furtherance of this object, the Directors, as the Charity Trustees, have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Strategic Aims, Public Benefit and Intended Impact

The Board's strategic aim is the attainment of the highest levels of academic achievement with an all round wide education for all pupils whatever their ability benefitting from Birchfield's broad curriculum to develop a lifelong love of learning. The School also engages with local schools in the maintained sector by hosting sporting events as well as offering our facilities for use by local community groups.

It is intended to inspire all pupils to achieve their full potential, to instil a lifelong passion for learning, to create a willingness to contribute to the community, respect for all, and to encourage pupils leading to successful outcomes at their chosen senior school.

Principal activities of the year

The principal activity of the year has been the provision of education within a wide ranging academic, cultural, artistic and sporting curriculum.

Birchfield Educational Trust Limited

Report of the trustees and directors (incorporating Strategic Report) For the year ended 30th August 2018

Objectives for the year ended 30th August 2018

The Board's main objectives were:

- The continuing enhancement and development of the School's educational provision and wide curriculum.
- To ensure the education we provide is personalised to suit individuals.
- To ensure the highest educational standards are achieved throughout the School coupled with continuous improvements in teaching and learning.
- To act in line with the Charity Commissions guidance on public benefit, advancing education and fee charging.
- To maintain and increase pupil numbers.

Strategies undertaken to achieve those objectives

The School will continue to develop the School's sports programme both through increasing the activities available to our pupils as well as increasing links to local maintained and independent schools through fixtures and tournaments.

The School will continue to encourage pupils to participate in musical, artistic, theatrical, and other cultural activities and provide a progressive framework within which pupils can develop their sense of citizenship and social responsibility.

The School continued to maximise academic performance by excellent educational provision. Key to this was recruitment of a new Head to start in September 2018.

We set our fees to reflect the high standard of all round education we provide but as to ensure the financial viability of the School. The School welcomes pupils from all backgrounds.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD

Operational performance of the School

All of the leavers at 13+ went on to their chosen senior schools including Ellesmere College, Malvern College, Repton School, Shrewsbury School, Wrekin College and Codsall High School. Year 8 were awarded an impressive 21 scholarships in sport, art and academia.

Throughout the year many pupils achieved music successes in singing, violin, saxophone, cornet and musical theatre. In the summer entries from Year 5 were submitted for the Young Writers Competition and they were all chosen for publication.

Pupils have taken part in science and maths challenges at leading public Schools.

In September the Birchfield 1st XI and the U13 Hockey team went on a sports tour in Derbyshire. The Birchfield 1st XI became the Midlands football Champions and represented the Midlands at King's College, Taunton in the IAPS National Finals. The Senior Boys were Honour Guards at the Worcester Warriors v Exeter Chiefs match. The girls were the Guards of Honour at the Wasps Netball v Surrey Storm. The School took part in the annual Shropshire Arrows Archery Festival at Idsall School. One pupil was selected to represent the Independent Schools Football

Birchfield Educational Trust Limited

Report of the trustees and directors (incorporating Strategic Report) For the year ended 30th August 2018

Association for the National U14 representative side at Oakham School in a three day tournament. The School took part in tennis tournaments. Birchfield welcomed over a hundred local cricketers for the U13 and U11 Shropshire Cricket trials. Years 3 and 4 took part in a day of Olympics at Malvern St James.

Enterprise Club was active throughout the year raising funds, in conjunction with the Friends of Birchfield, for various projects around the school.

There were many trips throughout the year including but not limited to Thinktank Museum in Birmingham, National Space Centre in Leicester, Kingswood Outdoor Educational Centre, Wild Zoological Park at Halfpenny Green, Hatton Grange, an orienteering trip to Carding Mill Valley, Warwick Castle and Dewa Museum in Chester and Whittington Barracks. There were also residential trips to North Wales and an outward bound stay at Condover Hall.

Selected pupils took part in the Shrewsbury School Art and Design/Technology competition. Two of our pupils won the competition and were invited to attend a special Winners Workshop at Shrewsbury.

The pupils were also encouraged to raise money for charity, including the Birmingham Children's Hospital, Walking for the Wounded and Sports Relief.

The Friends of Birchfield play a very important role and raise valuable resources for the School. The Board of Governors wish to record our very grateful thanks to them and wish them another very successful year.

FINANCIAL REVIEW

Results and dividend

The results for the year are detailed on page 10 of the financial statements. As a company limited by guarantee, the payment of any dividend is prohibited.

Taxation

The company is exempt from corporation tax because of its status as an Educational Trust.

Fixed assets

Details of changes in fixed assets are given in the notes to the financial statements.

Reserves Policy

Notes 10 and 11 to the financial statements shows the assets and liabilities attributable to the various funds, movements in the year and the purpose of the funds. The general fund amounts to £157,442. It is the trustees' policy to hold only sufficient free resources to fund the operating costs of the charity as they fall due.

Going Concern

In the current 2018/19 year the School has experienced lower pupil numbers resulting in a reduction in fee income. The Trustees have put together a strategy which addresses, amongst other things, the company's financial position. The School's bankers are fully supportive of the strategy and to demonstrate their support have agreed to provide banking facilities in excess of the school's budgeted requirements.

The trustees therefore believe it is appropriate to adapt the going concern basis in preparing the financial statements.

Birchfield Educational Trust Limited

Report of the trustees and directors (incorporating Strategic Report) For the year ended 30th August 2018

PLANS FOR FUTURE PERIODS

The Governors strive to develop and enhance the all round high standard of education by providing a robust and effective curriculum and educational experience.

In September 2018 the School has appointed Mrs Sarah Morris as the Schools Headmistress. Mrs Morris' appointment is seen as a very strategic factor in the drive to enhance all aspects of the educational offering at the School.

The School will continue to encourage pupils to participate in a full and rounded education with specialist subject teaching alongside sporting, musical, artistic, theatrical and other cultural activities and provide a progressive and nurturing framework within which pupils can develop their sense of citizenship and social responsibility.

RISK MANAGEMENT

The Directors being the Board of Governors continue to review and manage any major risks faced by the School together with the Head and Senior Management Team. Risks are identified, assessed and controls established throughout the year. The School has insurance cover where appropriate as well as certain sub-committees, including health and safety to implement and review policies and procedures.

PUBLIC BENEFIT STATEMENT

The School does not prescribe to a specific fund for bursaries however the School does give due consideration to financial support where appropriate and possible where parents / guardians have incurred financial difficulty. Bursaries are means tested.

In additional financial assistance was awarded to 10 children of personnel in the Armed Forces. The School is committed to supporting local community groups who use our facilities. Such groups include croquet, cricket and football. We have also opened up our facilities to local Schools.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year.

In preparing those financial statements, the directors 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;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in operation.

Birchfield Educational Trust Limited

Report of the trustees and directors (incorporating Strategic Report)

For the year ended 30th August 2018

DIRECTORS' RESPONSIBILITIES STATEMENT (Continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and Statement of Recommended Practice for Charities. 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.

Disclosure of information to auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- There is no relevant audit information of which the company's auditors are unaware; and
- We have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

Approved by the Board on 4 December 2018 and signed on their behalf by:



Tracy K Carver

Trustee and director

Independent Auditor's Report to the members of Birchfield Educational Trust Limited.

Opinion

We have audited the financial statements of Birchfield Educational Trust Limited for the period ended 30th August 2018 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30th August 2018, and of its loss for the period 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 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 directors 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.

Independent Auditor's Report to the members of Birchfield Educational Trust Limited.

.....continued

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report and the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the incorporated strategic report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report and the incorporated strategic report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6 the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the members of Birchfield Educational Trust Limited.

.....continued


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.

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 on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 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 auditor's 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 auditor's report. However, future events or conditions may cause the 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.


.....
T P Bructon BA FCA (senior statutory auditor)
For and on behalf of Muras Baker Jones Limited
Chartered Accountants and Statutory Auditors
Regent House
Bath Avenue
Wolverhampton
WV1 4EG

4 December 2018

Birchfield Educational Trust Limited
Statement of Financial Activities incorporating Income and Expenditure Account
for the year ended 30th August 2018

		Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
	Notes				
INCOME					
Income from charitable activities					
School fees		1,478,422	-	1,478,422	1,542,317
Income from other trading operations	2a	43,065	-	43,065	37,329
Donations and Legacies	2b	10,322	75,000	85,322	5,889
Total income		1,531,809	75,000	1,606,809	1,585,535
EXPENDITURE					
Costs of raising funds	3a	35,925	-	35,925	33,909
Expenditure on charitable activities	3b	1,628,014	-	1,628,014	1,580,937
Total expenditure		1,663,939	-	1,663,939	1,614,846
Net (expenditure) for the year	4	(132,130)	75,000	(57,130)	(29,311)
Transfers between funds				-	-
Net movement in funds for the year		(132,130)	75,000	(57,130)	(29,311)
Reconciliation of funds					
Total Funds brought forward		1,399,905	-	1,399,905	1,429,216
Total Funds carried forward	11	1,267,775	75,000	1,342,775	1,399,905

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 13 to 20 form part of these financial statements.

Birchfield Educational Trust Limited
Balance Sheet as at 30th August 2018

		2018		2017	
	Note	£	£	£	£
FIXED ASSETS					
Tangible Assets	6		2,222,597		2,258,026
Investments	7		1		1
CURRENT ASSETS					
Stocks		1,859		0	
Debtors	8	78,166		59,493	
Cash at Bank and in Hand		<u>1,634</u>		<u>1,421</u>	
		81,659		60,914	
CREDITORS: Amounts falling due within one year	9a	<u>(705,657)</u>		<u>(651,077)</u>	
NET CURRENT LIABILITIES			<u>(623,998)</u>		<u>(590,163)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,598,600		1,667,864
CREDITORS: Amounts falling due in more than one year	9b		<u>(255,825)</u>		<u>(267,959)</u>
TOTAL NET ASSETS	10		<u><u>1,342,775</u></u>		<u><u>1,399,905</u></u>
FUNDS					
Restricted	11		<u>75,000</u>		<u>-</u>
Unrestricted funds:					
Unrestricted General fund		157,442		289,572	
Revaluation reserve		<u>1,110,333</u>		<u>1,110,333</u>	
			<u>1,267,775</u>		<u>1,399,905</u>
TOTAL FUNDS			<u><u>1,342,775</u></u>		<u><u>1,399,905</u></u>

These financial statements were approved by the board on 4 December 2018 and signed on its behalf by:



Tracy K Carver

Trustee and director

Company registration number: 714698

The notes on pages 13 to 20 form part of these financial statements.

Birchfield Educational Trust Limited
Cash Flow Statement for the year ended 30th August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used by operating activities	12	<u>(43,809)</u>	<u>(3,990)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(10,746)</u>	<u>(3,889)</u>
Net cash used in investing activities		<u>(10,746)</u>	<u>(3,889)</u>
Cash flows from financing activities			
Repayment of borrowings		<u>(12,134)</u>	<u>(12,134)</u>
Net cash used in financing activities		<u>(12,134)</u>	<u>(12,134)</u>
Change in cash and cash equivalents in the year		(66,689)	(20,013)
Cash and cash equivalents brought forward		(398,001)	(377,988)
Cash and cash equivalents carried forward	13	<u><u>(464,690)</u></u>	<u><u>(398,001)</u></u>

Birchfield Educational Trust Limited

Notes forming part of the Financial Statements for the year ended 30th August 2018

1 Principal accounting policies

(a) Basis of preparation of financial statements

Birchfield Educational Trust Limited is an incorporated charitable company which is limited by guarantee. The school's registered address is given in the information on page 1.

The school constitutes a public benefit entity under FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the school and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Fees

Fees consist of charges for the School year ending August, less any scholarships and allowances.

Fees received in advance are disclosed in creditors and released to income in the term when used.

(c) Donations and fund accounting

Donations are credited to the Income and Expenditure Account on receipt.

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the School 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.

The aim and use of each restricted fund is set out in the notes to the financial statements.

(d) Resources expended

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities. All expenditure is shown inclusive of VAT. Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the Governors and all costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

(e) Tangible fixed assets.

Fixed assets are carried in the Balance Sheet at cost less accumulated depreciation and impairment.

Freehold property is included at deemed cost being its fair value on transition to FRS 102.

Assets costing more than £100 are capitalised.

Depreciation is provided on the original cost of fixed assets to write off each asset over its estimated useful life at the following annual rates.

Motor Vehicles	25% Straight Line
Equipment and Furniture	10% - 20% Straight Line
Computer Equipment	33% Straight Line
Temporary Classroom Block	20% Straight Line
All Weather Pitch	Straight line over 15 years
Freehold Buildings	Straight line over 50 years
Freehold Land	Not depreciated

1 Principal accounting policies (continued)

(f) Pension costs.

Contributions payable by the company to employees' pension schemes and Teachers' Superannuation Scheme are charged to the Income and Expenditure Account in the period to which they relate.

The Teachers' Superannuation scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore the School accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of Financial Activities incorporating income and expenditure account represents contributions payable to the scheme in respect of the accounting period.

(g) Stocks.

Stocks are valued at the lower of cost and net realisable value.

(h) Operating leases

Rentals payable under operating leases are charged to the Income and Expenditure Account in the period to which they relate.

(i) Leases and Hire Purchase Contracts

Assets held under hire purchase contracts and the related obligations are initially included in the balance sheet at cost. Depreciation is calculated to write off the capitalised cost over their estimated useful lives. Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable so that the charge for each accounting period is a constant percentage of the remaining balance of the capital sum outstanding.

(j) Critical accounting estimates and areas of judgement

Estimates and judgements 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.

(k) Going concern

In recent years the school has suffered increasing overhead costs which have not been covered by increases in fee income. This has resulted in a number of years of net deficit on the Income and Expenditure Account with consequential pressure on cashflow and the trust's bank borrowings. In the current 2017/18 year the company has experienced lower pupil numbers and this is expected to continue into the 2018/19 financial year. This will result in a reduction in fee income in those years and is forecast to result in further deficiencies. In the Report of the Trustees and Directors (incorporating Strategic Report) the directors describe the steps being taken in their Three Year Plan to attract new pupils, increase fee income, reduce expenditure, return the school to an operating surplus and thus reduce cash flow pressure.

The bank has provided increased overdraft facilities until at least 31st December 2019.

The directors are satisfied, in the light of the actions described above and in the Report of the Trustees and Directors, that it is appropriate for them to adopt the going concern basis in preparing the financial statements.

Birchfield Educational Trust Limited
Notes forming part of the Financial Statements for the year ended 30th August 2018

2a Activities for generating funds	2018	2017
	£	£
Hire of school facilities	39,204	34,447
Catering income	3,861	2,882
	<u>43,065</u>	<u>37,329</u>

2b Voluntary Income	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2018	2018	2018	2017
	£	£	£	£
Donations from Friends of Birchfield	9,662	-	9,662	5,329
Other donations	660	75,000	75,660	560
	<u>10,322</u>	<u>75,000</u>	<u>85,322</u>	<u>5,889</u>

3 Total resources expended by expenditure type

	Staff Costs	Other	Depreciation	Total	2017 Total
	£	£	£	£	£
3a Costs of generating funds	<u>7,737</u>	<u>28,188</u>	<u>-</u>	<u>35,925</u>	<u>33,909</u>
3b Analysis of expenditure on charitable activities					
Teaching Costs	883,238	125,402	10,550	1,019,190	1,030,449
Welfare	127,373	18,793	214	146,380	150,642
Premises	40,694	109,434	35,190	185,318	161,835
Administration of school	97,476	152,281	221	249,978	211,475
Governance Costs	4,753	22,395	-	27,148	26,536
	<u>1,153,534</u>	<u>428,305</u>	<u>46,175</u>	<u>1,628,014</u>	<u>1,580,937</u>
	<u>1,161,271</u>	<u>456,493</u>	<u>46,175</u>	<u>1,663,939</u>	<u>1,614,846</u>

3c Interest payable	2018	2017
	£	£
On bank overdraft	14,622	9,920
On bank loan repayable after more than 5 years	9,124	12,381
	<u>23,746</u>	<u>22,301</u>

4 Net expenditure/income for the year

This is stated after charging:	2018	2017
	£	£
Depreciation of owned tangible fixed assets	46,175	21,930
Operating lease rentals - equipment	22,578	29,316
Auditors' remuneration - statutory audit	5,376	4,320
- other services	31,692	27,540

Birchfield Educational Trust Limited

Notes forming part of the Financial Statements for the year ended 30th August 2018

5 Staff costs

	2018	2017
	£	£
Wages and salaries	987,236	1,018,475
Social security costs	82,626	84,691
Pension costs	91,409	97,940
	<u>1,161,271</u>	<u>1,201,106</u>

The average number of employees in the year, calculated on a full time equivalent basis was 46 (2017 49).

The average number of employees based on a head count was 50 (2017 - 53).

The total remuneration and benefits received by key management personnel (Head and Bursar) for the year was £89,211 (2017 - £98,695). The former headmaster also received a termination payment of 26,000

No employee received remuneration of more than £60,000.

No trustee received any emoluments during the year ended 30th August 2018 (2017 - £Nil)

No trustee received any reimbursement for out-of-pocket expenses during the year ended 30th August 2018 (2017 - £Nil).

6 Tangible fixed assets

	Freehold Property £	Motor Vehicles £	Equipment and Furniture £	Total £
Cost				
At 30th August 2017	2,200,000	4,800	796,862	3,001,662
Additions	-	-	10,746	10,746
At 30th August 2018	<u>2,200,000</u>	<u>4,800</u>	<u>807,608</u>	<u>3,012,408</u>
Depreciation				
At 30th August 2017	-	4,800	738,836	743,636
Charge for the year	30,800	-	15,375	46,175
At 30th August 2018	<u>-</u>	<u>4,800</u>	<u>754,211</u>	<u>789,811</u>
Net Book Value				
At 30th August 2018	<u>2,169,200</u>	<u>-</u>	<u>53,397</u>	<u>2,222,597</u>
At 30th August 2017	<u>2,200,000</u>	<u>-</u>	<u>58,026</u>	<u>2,258,026</u>

Freehold property was valued at £2.2 million on 2 July 2018 by an independent valuer. The directors' believe that this valuation represents a fair value at the date of transition to FRS102 (1 September 2015) and have therefore included freehold property at a deemed cost of £2.2 million. The historical cost value of £1,089,667, at 1 September 2015, was uplifted by £1,110,333 and this amount is shown in the revaluation reserve.

Had the freehold property been measured at historical cost the amounts would be:

	2018	2017
	£	£
Cost	1,522,718	1,522,718
Accumulated depreciation	<u>523,051</u>	<u>493,051</u>
Carrying value	<u>999,667</u>	<u>1,029,667</u>

Birchfield Educational Trust Limited

Notes forming part of the Financial Statements for the year ended 30th August 2018

7 Investments

Griffin Promotions Limited is a separate limited company, a wholly owed subsidiary, formed by the Trust to operate the School shop. The company is registered in England and Wales, Number 6687660. The company ceased trading during the year ended 31 August 2016.

The company has capital and reserves of £38 at 30th August 2018 (2017 £38).

The Trust holds the total share capital of one £1 ordinary share.

The balance due to the Trust at 30th August 2018 was £33 (2017 - £33)

Consolidated accounts have not been prepared since the trustees believe consolidation would not materially affect the financial statements, and do not wish to incur the costs involved.

8 Debtors

	2018	2017
	£	£
Fees outstanding	46,139	36,256
Amount due from Griffin Promotions Limited	33	33
Prepayments and accrued income	31,994	23,204
	<u>78,166</u>	<u>59,493</u>

9a Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loan and overdraft	478,458	411,556
Fees received in advance	95,846	146,856
Trade creditors	46,883	38,430
Other taxation & social security costs	19,564	21,668
Other creditors	15,706	16,341
Accruals and deferred income	49,200	16,226
	<u>705,657</u>	<u>651,077</u>

Accruals and deferred income include £20,243 deferred income in respect of a 2018/19 school trip.

9b Creditors: amounts falling due in more than one year

	2018	2017
	£	£
Bank Loan	<u>255,825</u>	<u>267,959</u>

The bank loan and overdraft are secured by a debenture on the banks standard form. £207,289 is repayable after more than 5 years.

Birchfield Educational Trust Limited

Notes forming part of the Financial Statements for the year ended 30th August 2018

10 Analysis of net assets

	Fixed assets £	Net current assets (liabilities) £	Long-term liabilities £	Fund balances at 30th August 2018 £
Unrestricted fund	2,222,598	(698,998)	(255,825)	1,267,775
Restricted fund		75,000	-	75,000
	<u>2,222,598</u>	<u>(623,998)</u>	<u>(255,825)</u>	<u>1,342,775</u>

11 Funds

Movements in funds in the year

	Balance at 31st August 2017 £	Income £	Expenditure £	Transfer between funds £	Balance at 30th August 2018 £
Restricted fund					
Squire Sponsorship fund	-	75,000	-	-	75,000
Unrestricted fund					
General fund	289,572	1,531,809	(1,663,939)	-	157,442
Revaluation reserve	1,110,333				1,110,333
Total funds	<u>1,399,905</u>	<u>1,606,809</u>	<u>(1,663,939)</u>	<u>-</u>	<u>1,342,775</u>

Freehold property was revalued at fair value on transition to SORP FRS (102) as detailed in note 6. The uplift in value of £1,110,333 was credited to the revaluation reserve.

During the year the School received a donation of £75,000 from Henry Squire & Son Ltd to be used in the following ways. £25,000 for sports equipment, £25,000 for other equipment and £25,000 for further projects.

12 Reconciliation of net movement in funds to net cash from operating activities

	2018 £	2017 £
Net income for the year (as per Statement of financial activities)	(57,130)	(29,311)
Adjustment for;		
Depreciation	46,175	21,930
Decrease/(increase) in stocks	(1,859)	1,569
(Increase)/decrease in debtors	(18,673)	(4,553)
(Decrease)/increase in creditors	(12,322)	6,375
Net cash provided by operating activities	<u>(43,809)</u>	<u>(3,990)</u>

13 Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	1,634	1,421
Overdraft	(466,324)	(399,422)
	<u>(464,690)</u>	<u>(398,001)</u>

14 Members

The company is limited by guarantee. Each member has undertaken to contribute a sum not exceeding one pound in the event of a winding-up. At 30th August 2018 there were 9 members.

15 Pension schemes

Teachers' Pension Scheme

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 £86,959 (2017 - £95,941) and at the period end £10,768 (2017 - £12,133) 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 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 at 31st March 2012 and the valuation report, which was published in June 2014, confirmed that the employer contribution rate for the TPS of 16.4% from 1st September 2015. 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 outcome of the next actuarial valuation, which is currently underway based on 31st March 2016 data, with any resulting changes to the employer rate expected to take effect from 1st April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

Workplace Pension Scheme

The School also operates a defined contribution scheme in respect of its non-teaching staff.

The pension charge for the year includes contributions to the NEST scheme of £4,450 (2017 £1,781) of which £3,828 (2017 £484) is included in Other Creditors.

16 Related Party Transactions

The School received a donation of £75,000 during the year from Henry Squire & Son Limited (a company associated with Mr John Squire, a Trustee).

17 Capital Commitments

At 30th August 2018 there were no capital commitments (2017 - £Nil).

Birchfield Educational Trust Limited

Notes forming part of the Financial Statements for the year ended 30th August 2018

18 Operating lease commitments

At 30th August 2018 the total of the company's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
Amounts payable		
Within one year	18,218	26,538
Between one and five years	<u>47,202</u>	<u>8,820</u>
Total	<u><u>65,420</u></u>	<u><u>35,358</u></u>

19 Contingent liabilities

There were no material contingent liabilities at 30th August 2018.

20 Members' Funds

The company is limited by guarantee and does not have a share capital.

The members of the company are the directors named on page 1.

The liability of each member is limited to £1 in the event of winding up the company.

21 Comparative figures

Comparative figures are in respect of the period from 1 September 2016 to 30 August 2017 or as at 30 August 2017 as appropriate.