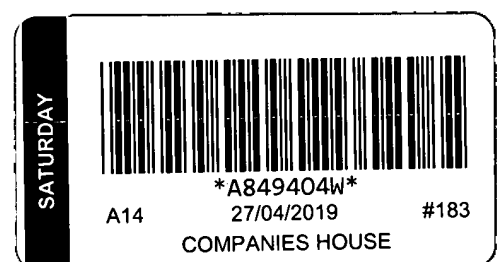


Registered number: 02928829
Charity number: 1039099



CHILD LIGHT LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018



CHILD LIGHT LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 6
Independent auditors' report	7 - 10
Statement of financial activities	11
Balance sheet	12
Notes to the financial statements	13 - 25

CHILD LIGHT LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2018**

Trustees

Mr R C Macaulay
Mrs S Macaulay
Mr D E C Alderson
Mr I M Dunn (resigned 26 June 2018)
Mrs R E A Stone (resigned 18 September 2018)
Mr M J Stone (resigned 18 September 2018)
Mr T Amies
Mrs B Loe
Mr Douglas Leckie (appointed 4 December 2018)
Mrs Catherine M Meakin (appointed 4 December 2018)

Company registered number

02928829

Charity registered number

1039099

Registered office

17-19 Brookside
Cambridge
CB2 1JE

Company secretary

Mr J W Fletcher

Chair of the Trustees

Mr R C Macaulay

Independent auditors

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

Bankers

Lloyds Bank
5 The Square
Petersfield
Hampshire
GU32 3HL

CHILD LIGHT LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2018

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Child Light Limited (the company) for the year ended 31 July 2018.

The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" effective from 1 January 2015.

Since the company qualifies as small under section 382, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

Constitution

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

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

Recruitment, Appointment and Induction of Trustees

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

Internal Controls and Risk Management

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

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

Organisational structure and decision making

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

Within Heritage School there is a management team consisting of the Headmaster, the Director of Studies, the Head of Infants, the Head of Juniors, the Head of Seniors, the Bursar, the Compliance Support Officer and the Office and Facilities Manager. This team meets fortnightly to consider operational matters and whole-school policy decisions.

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

CHILD LIGHT LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2018

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

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

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

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

Related party relationships

Mr & Mrs Macaulay, who are trustees, have a daughter and son in law (the Headmaster) who are employees of the school. In addition they have one (2017 - same) grandchild who attends the school. Two other trustees (Mr Alderson and Mr Amies) have between them four (2017 - same) children who attend the school.

Mr Alderson and Mr Amies each have a wife who works for the school.

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

Objectives and Activities

Policies and objectives

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

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

Strategies for achieving objectives

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

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

The strategy used in 2017-18 to implement the charity's objectives was the operation of Heritage School, whose activities in 2017-18 are described below.

CHILD LIGHT LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2018

Public Benefit

The activities undertaken in the past by Child Light have always included more than the direct provision of educational services. Child Light has advanced education more broadly through the provision of advice, advocacy or information including publications, undertaking research and acting as an umbrella body. During 2017-18 Child Light has offered advice to other educators interested in operating along similar lines.

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

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

Achievements and performance

During 2017-18 the work of Heritage School, the principal activity of Child Light, took further steps forward. We finished the academic year with 195 pupils enrolled.

1 September 2017 was the start of a new five year lease for 17-19 Brookside, our main school site. In January of 2018 we completed the purchase of Panton Hall, a chapel near our school site. This provides a location for assemblies on Mondays and Thursdays, as well as for drama performances and music lessons.

We commenced a new initiative on Monday and Friday afternoons at Panton Hall. This is a childcare option for parents of Lower Prep (Reception) pupils, to assist working parents for whom our more gradual start presents insurmountable practical obstacles. We continue to finish at 1pm on Wednesdays for Lower Prep and Upper Prep (Year 1), believing that a more gentle start helps them settle much better into school life.

2017-18 was the third academic year in which we had a single class in each year group from Reception to Year 11. Our Leavers in July 2018 received offers at their preferred destination for post-16 education and training, with the majority going to Hills Road or Comberton Sixth Form. Our June 2018 Leavers achieved another set of outstanding exam results, with 48% of all results being awarded A* (or 9-8) and 87% of all results being awarded either A*, A or B (or 9-6). 3 pupils were awarded A* (or 9) in 10 subjects. 65% of all grades were above what standardised tests predicted to be 'most likely', demonstrating Heritage School's ability to add value and help pupils exceed expectations.

Recruitment of pupils was strong during 2017-18, meaning we started in September of 2018 with 202 pupils out of a maximum capacity of 206.

We launched a new parent portal to our website, to improve communication between the school and the parent community.

Various initiatives were undertaken to further strengthen the day-to-day management of the school, including joining the ISBA, and improved staff induction and annual review procedures.

In March of 2018 we had a follow-up inspection by the Independent Schools Inspectorate. All inspection reports are available on our website.

We also took steps toward developing greater internal capacity to conduct research into Christian education along Charlotte Mason lines. Numerous fruitful discussions were held internally and we aim to continue strengthening this aspect of our work.

In the financial year 2017-18 we have pursued a range of activities within our control to advance Christian education along Charlotte Mason/PNEU lines. These activities have had the successful continued growth of Heritage School as their main purpose.

CHILD LIGHT LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2018

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

Financial review and fundraising activities

2017-18 was a good year for Child Light financially. We were able to meet all operational costs from fee income and reserves, and to carry forward cash reserves into 2018-19, as these accounts show.

Fundraising activities were undertaken during 2017-18 by the Heritage Community Association (HCA), which was formed in the summer of 2011. It raised approximately £2,159 during 2017-18 to support the work of the school and a further £2,620 for Amazing Grace School in Uganda. Some donations were received directly by the school, but no fundraising activities outside of the work of the HCA were undertaken.

Reserves policy

Fee income in the year is used to finance the charitable activities. Trustees are seeking to rebuild reserves toward 20% of operating costs and are encouraged by the progress in this direction reflected in the accounts.

Pay policy for senior staff

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

Plans for future periods

In 2018-19 the operation of Heritage School will be the focus of the activities of Child Light Limited. Our main developmental priorities are:

- create time for research related activities by particular staff, with a view to beginning to strengthen our understanding of Charlotte Mason education and our ability to share those insights with others who may be interested;
- strengthen pastoral care and SEN provision by appointing an Assistant Head of Seniors;
- develop a stronger pastoral care system including new pupil profile documents and starting twice annual Child Welfare Meetings, where relevant staff will meet to discuss all pupils in each year group and consider how better to serve them;
- appoint a Compliance Support Officer to help monitor our adherence to all relevant regulations;
- strengthen recruitment to nearer 100% capacity, with a particular focus upon Lower Prep (Reception) entry and Year 7 entry;
- appoint a new Chair of Trustees; and
- effective financial management as we seek further strengthen our reserves.

Members' liability

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

CHILD LIGHT LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2018

Trustees' responsibilities statement

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

Auditors

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

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees, on 18 April 2019 and signed on their behalf by:



.....
Mr T Amies

CHILD LIGHT LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILD LIGHT LIMITED

Opinion

We have audited the financial statements of Child Light Limited (the 'charitable company') for the year ended 31 July 2018 set out on pages 11 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

CHILD LIGHT LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILD LIGHT LIMITED

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

CHILD LIGHT LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILD LIGHT LIMITED

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

CHILD LIGHT LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILD LIGHT LIMITED

Use of our report

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



Christopher Brecht (Senior statutory auditor)

for and on behalf of

Griffin Stone Moscrop & Co

Chartered Accountants
Statutory Auditors

21 - 27 Lamb's Conduit Street
London

WC1N 3GS

Date: 25 April 2019.

CHILD LIGHT LIMITED
(A company limited by guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	2	5,844	7,896	13,740	77,658
Charitable activities	4	1,787,363	-	1,787,363	1,564,545
Investments	3	1	-	1	2
Other income	5	14,902	-	14,902	405
Total income		1,808,110	7,896	1,816,006	1,642,610
Expenditure on:					
Raising funds	6	2,905	4,176	7,081	13,324
Charitable activities	7,11	1,700,142	1,255	1,701,397	1,512,903
Other expenditure	8	4,733	-	4,733	14,270
Total expenditure	12	1,707,780	5,431	1,713,211	1,540,497
Net income before transfers		100,330	2,465	102,795	102,113
Transfers between Funds	21	62,818	(62,818)	-	-
Net income / (expenditure) before other recognised gains and losses		163,148	(60,353)	102,795	102,113
Net movement in funds		163,148	(60,353)	102,795	102,113
Reconciliation of funds:					
Total funds brought forward		145,555	62,615	208,170	106,057
Total funds carried forward		308,703	2,262	310,965	208,170

The notes on pages 13 to 25 form part of these financial statements.

CHILD LIGHT LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 02928829

BALANCE SHEET
AS AT 31 JULY 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	16		740,952		10,809
Current assets					
Stocks	17	15,956		14,638	
Debtors: amounts falling due after more than one year	18	75,000		75,000	
Debtors: amounts falling due within one year	18	76,233		52,539	
Cash at bank and in hand		132,918		142,509	
		<u>300,107</u>		<u>284,686</u>	
Creditors: amounts falling due within one year	19	<u>(113,738)</u>		<u>(87,325)</u>	
Net current assets			<u>186,369</u>		<u>197,361</u>
Total assets less current liabilities			<u>927,321</u>		<u>208,170</u>
Creditors: amounts falling due after more than one year	20		<u>(616,356)</u>		<u>-</u>
Net assets			<u><u>310,965</u></u>		<u><u>208,170</u></u>
Charity Funds					
Restricted funds	21		2,262		62,615
Unrestricted funds	21		308,703		145,555
Total funds			<u><u>310,965</u></u>		<u><u>208,170</u></u>

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

The financial statements were approved and authorised for issue by the Trustees on *18 April 2019* and signed on their behalf, by:


.....
Mr T Amies

The notes on pages 13 to 25 form part of these financial statements.

CHILD LIGHT LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

1.2 Company status

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

1.3 Fund accounting

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

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

1.4 Income

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

CHILD LIGHT LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

1. Accounting policies (continued)

1.5 Expenditure

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

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

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

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

1.6 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 Stocks

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

CHILD LIGHT LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

1. Accounting policies (continued)

1.9 Interest receivable

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

1.10 Debtors

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

1.11 Cash at bank and in hand

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

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Pensions

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

The company operates a defined benefits pension scheme. The scheme is a 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, as required by Section 28 of FRS 102, the company 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.

2. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	5,844	7,896	13,740	77,658
Total 2017	8,656	69,002	77,658	

CHILD LIGHT LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

3. Income from investments

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	1	-	1	2
	<u>1</u>	<u>-</u>	<u>1</u>	<u>2</u>
Total 2017	<u>2</u>	<u>-</u>	<u>2</u>	

4. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Heritage School income	1,787,363	-	1,787,363	1,564,545
	<u>1,787,363</u>	<u>-</u>	<u>1,787,363</u>	<u>1,564,545</u>
Total 2017	<u>1,564,545</u>	<u>-</u>	<u>1,564,545</u>	

5. Other incoming resources

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Royalties received	354	-	354	405
Contributions from landlord	14,360	-	14,360	-
Other	188	-	188	-
	<u>14,902</u>	<u>-</u>	<u>14,902</u>	<u>405</u>
Total 2017	<u>405</u>	<u>-</u>	<u>405</u>	

CHILD LIGHT LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

6. Costs of generating funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Heritage Community Association (HCA) costs	2,905	4,176	7,081	13,324
	<u>2,905</u>	<u>4,176</u>	<u>7,081</u>	<u>13,324</u>
Total 2017	2,623	10,701	13,324	
	<u>2,623</u>	<u>10,701</u>	<u>13,324</u>	

7. Analysis of expenditure on charitable activities (excluding governance costs)

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Heritage School	1,688,100	1,225	1,689,325	1,494,937
	<u>1,688,100</u>	<u>1,225</u>	<u>1,689,325</u>	<u>1,494,937</u>
Total 2017	1,493,705	1,232	1,494,937	
	<u>1,493,705</u>	<u>1,232</u>	<u>1,494,937</u>	

8. Other expenditure

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bad debts	4,733	4,733	14,270
	<u>4,733</u>	<u>4,733</u>	<u>14,270</u>
Total 2017	14,270	14,270	
	<u>14,270</u>	<u>14,270</u>	

CHILD LIGHT LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

9. Direct costs

	Activities £	Total 2018 £	Total 2017 £
Heritage School direct costs	118,364	118,364	103,584
Wages and salaries	771,930	771,930	691,932
National insurance	79,119	79,119	64,207
Pension cost	137,537	137,537	113,713
Depreciation	18,276	18,276	18,888
	<u>1,125,226</u>	<u>1,125,226</u>	<u>992,324</u>
Total 2017	<u>992,324</u>	<u>992,324</u>	

10. Support costs

	Activities £	Total 2018 £	Total 2017 £
Recruitment and training	7,369	7,369	8,219
Property	253,015	253,015	241,636
Administration	70,179	70,179	49,493
Marketing	10,165	10,165	10,025
Wages and salaries	223,371	223,371	193,240
	<u>564,099</u>	<u>564,099</u>	<u>502,613</u>
Total 2017	<u>502,613</u>	<u>502,613</u>	

11. Governance costs

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Audit	6,899	-	6,899	7,005
Compliance and inspections	5,143	-	5,143	5,386
Professional fees	-	30	30	5,575
	<u>12,042</u>	<u>30</u>	<u>12,072</u>	<u>17,966</u>

In 2017 all governance costs were unrestricted.

CHILD LIGHT LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

12. Analysis of resources expended by expenditure type

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	-	-	7,081	7,081	13,324
Costs of raising funds	-	-	7,081	7,081	13,324
Heritage School	1,211,957	18,276	459,092	1,689,325	1,494,938
Expenditure on governance	-	-	12,072	12,072	17,966
Other expenditure	-	-	4,733	4,733	14,270
	<u>1,211,957</u>	<u>18,276</u>	<u>482,978</u>	<u>1,713,211</u>	<u>1,540,498</u>
Total 2017	<u>1,063,092</u>	<u>18,888</u>	<u>458,518</u>	<u>1,540,498</u>	

13. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	18,276	18,888
Auditors' remuneration	6,899	7,005
	<u>25,175</u>	<u>25,893</u>

During the past two years no Trustees received any remuneration.

During the past two years no Trustees received any benefits in kind.

During the past two years no Trustees received any reimbursement of expenses.

14. Auditors' remuneration

The Auditors' remuneration amounts to an Audit fee of £4,139 (2017 - £4,205), and an Accounts preparation fee of £2,760 (2017 - £2,800).

CHILD LIGHT LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

15. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	995,301	885,172
Social security costs	79,119	64,207
Pension cost	137,537	113,713
	<u>1,211,957</u>	<u>1,063,092</u>

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

	2018 No.	2017 No.
Teaching staff	38	33
Administrative staff	9	8
	<u>47</u>	<u>41</u>

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

The remuneration received by key management personnel was £102,232 (2017 - £91,593). In addition they received employer pension contributions to their pension schemes of £14,866 (2017 - £13,324). The key management personnel for the purpose of this disclosure are the Headmaster, Bursar and the Director of Curriculum.

CHILD LIGHT LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

16. Tangible fixed assets

	Freehold property £	Short-term leasehold property £	Motor vehicles £	Fixtures, fittings and computer equipment £	Total £
Cost					
At 1 August 2017	-	168,900	25,949	30,762	225,611
Additions	715,270	29,757	-	3,392	748,419
Disposals	-	(7,633)	-	-	(7,633)
At 31 July 2018	715,270	191,024	25,949	34,154	966,397
Depreciation					
At 1 August 2017	-	168,900	21,330	24,572	214,802
Charge for the year	7,153	5,951	1,155	4,017	18,276
On disposals	-	(7,633)	-	-	(7,633)
At 31 July 2018	7,153	167,218	22,485	28,589	225,445
Net book value					
At 31 July 2018	708,117	23,806	3,464	5,565	740,952
At 31 July 2017	-	-	4,619	6,190	10,809

17. Stocks

	2018 £	2017 £
Finished goods and goods for resale	15,956	14,638

18. Debtors

	2018 £	2017 £
Due after more than one year		
Other debtors	75,000	75,000
Due within one year		
Trade debtors	38,994	24,754
Other debtors	254	344
Prepayments and accrued income	36,985	27,441
	76,233	52,539

CHILD LIGHT LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

19. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loan	20,815	-
Trade creditors	20,948	15,820
Other taxation and social security	17	15,814
Other creditors	55,522	48,409
Accruals	16,436	7,282
	<u>113,738</u>	<u>87,325</u>

The bank loan in Notes 19 and 20 is subject to interest and is secured by a first fixed legal charge over the charity's freehold property, Panton Hall. The property had a net book value of £708,117 at the balance sheet date.

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

	2018 £	2017 £
Bank loans	<u>616,356</u>	<u>-</u>

Included within the above are amounts falling due as follows:

	2018 £	2017 £
Between one and two years		
Bank loan	<u>21,528</u>	<u>-</u>
Between two and five years		
Bank loan	<u>70,419</u>	<u>-</u>
Over five years		
Bank loan	<u>524,409</u>	<u>-</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2018 £	2017 £
Repayable by instalments	<u>524,409</u>	<u>-</u>

CHILD LIGHT LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

21. Statement of funds

Statement of funds - current year

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2018 £
Unrestricted funds					
General fund	145,555	1,808,110	(1,707,780)	62,818	308,703
Restricted funds					
Restricted funds - other	1,015	4,987	(3,242)	(498)	2,262
Panton Hall	61,600	750	(30)	(62,320)	-
Amazing Grace School, Uganda	-	2,159	(2,159)	-	-
	<u>62,615</u>	<u>7,896</u>	<u>(5,431)</u>	<u>(62,818)</u>	<u>2,262</u>
Total of funds	<u>208,170</u>	<u>1,816,006</u>	<u>(1,713,211)</u>	<u>-</u>	<u>310,965</u>

Restricted funds - other

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

During the year, £498 was received in respect of a new climbing wall. By 31 July 2018 the wall was purchased and the restricted conditions under which the monies were received met. Accordingly, the trustees deem it reasonable to transfer the amount received, in respect of the wall, to the General fund, the fund against which the related depreciation will be charged

Panton Hall

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

The purchase of the premises was completed during the year and the restricted conditions under which the monies were received met. Accordingly, the trustees deem it reasonable to transfer the remaining fund balance of £62,320 to the General fund, the fund against which the related depreciation will be charged.

Amazing Grace School, Uganda

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

CHILD LIGHT LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2017 £
General fund	98,362	1,573,608	(1,526,415)	-	145,555
Restricted funds					
Restricted funds - other	7,696	5,252	(11,933)	-	1,015
Panton Hall	-	63,750	(2,150)	-	61,600
	<u>7,696</u>	<u>69,002</u>	<u>(14,083)</u>	<u>-</u>	<u>62,615</u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	740,952	-	740,952
Debtors due after more than one year	75,000	-	75,000
Current assets	222,845	2,262	225,107
Creditors due within one year	(113,738)	-	(113,738)
Creditors due in more than one year	(616,356)	-	(616,356)
	<u>308,703</u>	<u>2,262</u>	<u>310,965</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	10,808	-	10,808
Debtors due after more than 1 year	75,000	-	75,000
Current assets	146,406	63,281	209,687
Creditors due within one year	(86,659)	(666)	(87,325)
	<u>145,555</u>	<u>62,615</u>	<u>208,170</u>

CHILD LIGHT LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

23. Related party transactions

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

- Mr & Mrs Macaulay, Trustees, have a daughter and son in law (the Headmaster) who are employees of the school. In addition they have one (2017 - same) grandchild who attends the school;
- Mr Amies, a Trustee, has three (2017 - same) children who attend the school;
- Mr Alderson, a Trustee, has one (2017 - same) child who attends the school; and
- Mr Alderson and Mr Amies each have a wife who works for the school.

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

During the year, the school received unrestricted donations totalling £3,000 (2017 - same) and restricted donations totalling £30 (2017 - £nil) from one (2017 - same) of its Trustees.

24. Pension commitments

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

The DCS is administered by Teachers' Pensions. The number of staff in this scheme at the year end was 34 (2017 - 29). The total employer contributions paid to this fund during the current year were £124,806 (2017 - £103,455). As at the balance sheet date, £Nil (2017 - same) was payable by the school.

25. Operating lease commitments

At 31 July 2018 the total of the company's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	195,000	190,000
Between 1 and 5 years	615,000	810,000
Total	<u>810,000</u>	<u>1,000,000</u>