

# The Loddon Foundation Ltd

(A company limited by guarantee)

## ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2019

Company Registration Number 02448785  
Charity Number 802188

# The Loddon Foundation Ltd

## REFERENCE AND ADMINISTRATIVE DETAILS

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DIRECTORS (TRUSTEES)	Mrs M L Cornick MBE (Founder/Chair) Mr S A Dobson Mrs C Foweraker – Resigned 25/04/2019 Mrs J Lewendon Ms J Wright – Deputy Chair Mr J Beebee Mr S Fussey Dr R W Lycett Mr M Lakin Mrs J A Wake Mrs R E Jones – Appointed 25/04/18
PRINCIPAL	Dr G Barrett
DIRECTOR OF LODDON TRAINING AND CONSULTANCY	Ms J Bromley
COMPANY SECRETARY	Mr C Wells
PRINCIPAL AND REGISTERED OFFICE	The Loddon School Wildmoor Lane Sherfield-on-Loddon Hook Hampshire RG27 0JD
COMPANY REGISTRATION NUMBER	02448785
REGISTERED CHARITY NUMBER	802188
AUDITOR	RSM UK Audit LLP Davidson House Forbury Square Reading Berkshire RG1 3EU
BANK	NatWest Bank PLC 43 - 49 London Road Southampton SO15 2AO
SOLICITORS	Penningtons Manches LLP Da Vinci House Basing View Basingstoke RG21 4EQ
INSURANCE BROKER	Townsend McCormack Ltd 35 Boundary Street London E2 7JQ

# The Loddon Foundation Ltd

## REPORT OF THE TRUSTEES

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The Trustees of The Loddon Foundation Ltd present their annual report and audited accounts for the year ended 31 March 2019 and confirm that they comply with the requirements of the Charities Act 2011, as amended by the Companies Act 2006, the Memorandum and Articles of Association and the Charities Statement of Recommended Practice (SORP) (FRS102) 2015.

### **Structure, Governance and Management**

#### **Governing Document**

The Loddon Foundation is a company limited by guarantee and governed by its Memorandum and Articles of Association dated 4 December 1989, as amended on 8 June 2013. It is registered as a Charity with the Charity Commissioners. The members have agreed to contribute a maximum of £100 each in the event of the company winding up. The number of members is unlimited. The Company Directors are also Trustees of the Charity and Governors of the school.

#### **Appointment of Trustees**

It has always been the policy that all members are both Trustees, Directors and Governors of the School. There are no other Directors, Trustees or Governors. All the Directors, Trustees and Governors henceforth referred to as Trustees, as detailed on the reference and administrative details, served throughout the year unless otherwise stated. The Board has power to appoint additional Trustees if it considers fit to do so.

New Trustees are selected based on their specialist knowledge e.g. teaching, care, financial, legal, IT, medical expertise, experience with children and adults with severe challenging behaviour and learning difficulties. Trustees are recruited through networking of current Trustees and the interactions the Charity has with the local community. One trustee has resigned from the Charity this year.

#### **Trustee Induction and Training**

Prospective Trustees are invited to visit the School, where they can meet key employees, the children and other Trustees. Prospective Trustees are provided with information about the philosophy of the Charity along with details about the accredited training that is delivered nationally and promotes the philosophy and approaches of the Charity.

The Trustees have on-going training, and receive additional information which is circulated as available from the Charity Commission. Trustees are invited to attend training delivered by Loddon Training & Consultancy – the external training division of the charity. Those who do attend find these sessions most useful.

Trustees meet each year with the whole senior team to engage in the annual Strategic Planning process.

#### **Organisation**

The Board of Trustees, which must comprise of a minimum of 3 members, administers the Charity meet at least four times a year. The Trustees fulfil the role of the Proprietorial Body for the School and are subject to registration by Ofsted.

The founder Mrs M Cornick MBE has been the Chair of Trustees for the financial year. A new Chair will be appointed at the next AGM and the Trustees appreciate the dedication, devotion and guidance Mrs M Cornick MBE has given the charity over its 31 years. Mrs M Cornick MBE will continue to support the new Chair and charity with her life times experience of the foundation.

The Board of Trustees have had in place four subcommittees to facilitate their ongoing work. These subcommittees, along with their key responsibilities are:

- Finance, HR, Estates and IT
  - Ensure that budgets are developed and monitored;
  - Approve investment proposals;
  - Monitor the facilities programs and Health and Safety;
  - Ensure that the Charity effectively manages and rewards staff; and
  - Advise on developing the IT strategy for the school.

# The Loddon Foundation Ltd

## REPORT OF THE TRUSTEES (continued)

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- Education and Care
  - Ensure that the Charity maintains its focus on the underlying philosophy of positive approaches;
  - Monitor the curricula used within the Charity to ensure that they are aligned to the philosophy and approaches of PROACT-SCIPr-UK<sup>®</sup>; and
  - Ensuring the School keeps the students within its care safe and complies with the relevant safeguarding legislation.
- LTC / Training and Outreach
  - Provide Strategic direction to the Loddon Training and Consultancy such that the Philosophies of the school, the PLLUSS<sup>®</sup> curriculum and practical application of PROACT-SCIPr-UK<sup>®</sup> is spread as widely throughout the UK as possible; and
  - Oversee the running of the Outreach programme which is supporting teachers and school who specialise in special educational needs in the UK and Zambia.
- Governance and Quality Management
  - Recruitment, training and monitoring of Trustees;
  - Review of governance documents to ensure that they are up to date;
  - Review of the schools' Quality Management System and ensure compliance with ISO 9001; and
  - Maintain the Trustees Risk Register.

The Trustees work closely with the Charity Leadership Team, via the subcommittees, to ensure that the aims and objective of the Charity, as agreed by the Trustees, are implemented through the organisation.

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The Charity Leadership Team currently comprises the Loddon School Principal, the Director of Loddon Training & Consultancy, Vice Principal (Registered Care Manager), Vice Principal (Head of Finance and Company Secretary) and the Vice Principal (Head of Human Resources).

The remaining staff are employed in the School to provide care, education, training, support or as trainers for Loddon Training & Consultancy. The Loddon Foundation is not dependent upon the service of unpaid volunteers.

The Charity Leadership Team formally report to the Trustees at the regular Trustees' meetings but also meet with smaller groups of Trustees to discuss on-going matters and to share information, as needed.

The Trustees attend events during the year in which children and parents from the School take part, and visit the School between meetings. They attend some of the training events presented by Loddon Training & Consultancy along with the annual conference.

### **Remuneration of Key Management Personnel**

The Trustees set the remuneration of the Charity Leadership team by reference to remuneration in the local employment market and those employed in Special Schools. Responsibility for remuneration elsewhere in the charity is delegated to the Charity leadership team who apply the same principles. All appointments and pay increases for those earning over £30,000 per annum are approved by the Finance and HR committee on behalf of the Trustees.

# The Loddon Foundation Ltd

## REPORT OF THE TRUSTEES (continued)

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### **Related Party Relationships**

The founder of the Charity also set up a private limited company, Liaise Loddon Ltd, in 1997 to support adults with learning difficulties. By the nature of the work, these two organisations have many interactions which are beneficial to the Charity but are managed effectively to ensure that there are no conflicts of interest in decision making.

PROACT-SCIPr-UK® is the registered trademark of Mrs M Cornick MBE. The Charity uses this trademark under licence. The Charity covers all the costs associated with the trademarking and Mrs M Cornick MBE receives no payment for the use of the trademark. The Board of Trustees have reviewed this arrangement and are confident that this continues to be in the best interests of the Charity.

### **Qualifying Third Party Indemnity Provisions**

The charitable company has made qualifying third-party indemnity provisions (directors and officers insurance) for the benefit of its Trustees during the period. These provisions remain in force at the reporting date.

# The Loddon Foundation Ltd

## REPORT OF THE TRUSTEES (continued)

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### STRATEGIC REPORT

#### Objectives and Activities

##### Our Aims

The objects of the Charity are the education, treatment and care of persons with learning disabilities. In addition, the Charity has a range of powers which include dissemination of good practice and to provide training, lectures and conferences both nationally and internationally.

The Charity achieves these through two principal activities: A School which provides education and care for 28 children and the provision of training courses for other schools, residential, day services and supporting living settings from the statutory, private or voluntary sectors who support children and/or adults, through Loddon Training & Consultancy. The Charity also provides Outreach services within the UK and internationally through the provision of training and support to include a small on-going programme in Zambia.

##### Our Approach

The Loddon Foundation Ltd continues to provide specialist education and high quality residential care for children with autism, profound and complex learning disabilities and severe challenging behaviour. The School is committed to enabling children to participate in the life of the community wherever possible and with whatever support is needed. The children all demonstrate behaviours of concern which have severely restricted their opportunities compared with children in main-stream schools and therefore need a 24-hour curriculum to provide maximum support to them and their families.

The Loddon Foundation bases its approach in 'Positive Behaviour Support' and 'non-aversive' approaches to behaviour support within the philosophy and practice of PROACT-SCIPr-UK® and the PLLUSS® curriculum both developed by the Charity and implemented within the School and disseminated through Loddon Training & Consultancy. These approaches are understood and recognised by Ofsted and local authorities (who pay fees for children to be pupils in the School).

Using PROACT-SCIPr-UK® and PLLUSS® as the philosophy and approach, the School bases its practice in personalised education and care to ensure each child's programme supports the needs of that child. The education of the child is both individualised and personalised, enabling learning programmes to occur in the natural settings rather than classrooms. For example, learning to dress and undress is learnt in the child's bedroom or swimming pool complex and activities are selected to ensure preparation for adult life with a focus on communication skills, choice, social skills and behaviour support. Transition planning plays an important part in the education of pupils when they reach 14+.

The Loddon Foundation provides to external organisations training which is accredited by BILD (British Institute of Learning Disabilities) and known as PROACT-SCIPr-UK® through Loddon Training & Consultancy. This is a specialist programme providing a 'whole approach' to enable staff to actively support individuals who demonstrate behaviours of concern and as far as is reasonably possible ensures the safety of staff.

Loddon Training & Consultancy delivers this training to organisations throughout the UK and there are in the region of 800 Instructors trained to deliver PROACT-SCIPr-UK® courses to staff within their service and implement the approach in schools, residential, day services and supporting living settings. In addition, advice and support is offered to other schools and care homes on a regular basis.

Subsidised courses and additional advice and support are provided through Outreach to parents and family carers to enable them to use both PROACT-SCIPr-UK® and PLLUSS® within their own homes. This enables children and adults to stay longer in the family home reducing the need for them to be supported in residential care.

Loddon Training & Consultancy uses off-site training facilities at Field House Barn, a training facility providing for the increasing number of courses and without reducing the use of space at the School.

# The Loddon Foundation Ltd

## REPORT OF THE TRUSTEES (continued)

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The PROACT-SCIPr-UK® acronym stands for 'Positive Range of Options to Avoid Crisis and use Therapy, Strategies for Crisis Intervention and Prevention'. Whilst PLLUSS® means 'Personalised Learning for Life Using Supportive Strategies.' These curricular approaches include ways of educating children who find the regular classroom prohibitive to learning. These programmes are delivered to ensure a culture of understanding of the philosophy of positive approaches and behaviour support to enable learning to take place for all in a person-centred way.

### Our Objectives

#### Achievements and Performance

During the year the following progress was made against the objectives set in last year's annual report:

Objectives Set Last Year	Achievements
The School will work to maintain the surplus generation in the School to support a future development programme.	The School has again generated a surplus which has supported some curriculum enrichment while the main focus has been on the building programme.
The Trustees supported by consultants will develop a strategy to develop the school over the next 10 years.	A strategy was approved in September to redevelop the school site over the next 5 years.
The School will develop with Bedfordshire University a vocational degree course for students who wish to work in care roles.	Opportunities for research with the university continue, while the School has also made local partnerships with Basingstoke Alliance SCITT to offer ITT in school and links with BCOT for their part-time vocational degree courses.
Invest in website analysis to increase the hit rate on both the LTC and School websites to promote LTC courses and promote contact with the school.	The website has been reviewed and refreshed taking in to consideration feedback provided. This work continues.
Deliver the PLLUSS® Course to a wider audience.	The PLLUSS® manual has been updated to reflect the new pre-national curriculum assessment changes and courses are advertised fully on social media and the Foundation's web sites.
Develop additional materials to support organisations with the implementation of PROACT-SCIPrUK ®	Additional materials have been developed to support organisations with the implementation of PROACT-SCIPr-UK®, adding new topics such as Trauma Informed Support and reflecting the criteria of the Restraint Reduction Network Standards. These have been well received and are widely used.

#### Development of the Charity

- A succession plan has been put in place to ensure the continuity of the Charity.
- Following a strategic review the Trustees have approved phase 1 of a rebuilding program which is fully funded by the building fund established in last years financial statements.
- A review has taken place of the charities governance processes and the current committee structure and it's proposed that the new Chair will have reporting to them two Vice Chair persons who will manage two main subcommittees. The Finance, Estates, IT, and HR committee and the Education and Care committee. A separate Governance working group will maintain oversight of the Trustee effectiveness and ensure compliance.

#### The School

The School is inspected as a Children's Home once a year and as a School every three years. The School was recognised as "outstanding" for its provision in social care and Outstanding in education during the last Ofsted inspections. There were many achievements in the School during the year which included:

- The Loddon School appears in the SEN Good School guide 2019-20, and the Principal was invited to write an editorial section on our integrated approach in light of the new Ofsted focus on curriculum.
- Red Mist Leisure, the owners of The Wellington Arms selected the school as the local charity they would be supporting this year, using a wide range of funding raising events.

# The Loddon Foundation Ltd

## REPORT OF THE TRUSTEES (continued)

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- The Principal and Founder were invited to Zambia in May 2018. They delivered a number of lectures and training sessions at the University of Zambia, The National Teacher Training College, and the Southern Regional Teacher Conference.
- The School has successfully submitted their Platinum Artsmark portfolio, a culmination of two years work, leading partnership working in a variety of visual arts, musical and dramatic events.
- Continued student participation in the regional Parahockey training with the England Olympic medalists Kate and Helen Richardson-Walsh
- Prize winners at the Linkenholt Country Show, for our recycled materials duck sculpture.
- A highly successful sports day, opened by The local Chineham Running Team, who have supported us over the past year, and medals awarded by Jennifer Allsopp the GB Paracheer Team World Champion Gold Medalist (2018 and 2019)
- The children have achieved the School's Silver award by the Royal Horticultural Society.
- The School has participated in a number of national days focusing their learning around these themes: National Apple Day, International Forests Day, Sports Relief, Red Nose Day, Outdoor Classroom Day, and Den Day.
- Extra curriculum trips have included a visit to Churt Sculpture Park, FAST museum, Planetarium, Thames River Boat cruise, Living Rainforest, and Butterfly World. Four students have completed a residential holiday in the New Forest

### **Training and Consultancy**

- The development of schemes and contracts continue to increase accessibility to training for all.
- LTC staff have attended courses and conferences appropriate to their role and to ensure that LTC remain up to date with current legislation, practice and trends.
- Focus has been on spreading the word of the Foundation through attendance at promotional events, the development of written material and documenting the Loddon Journey.
- Loddon Training & Consultancy has been included in various procurement directories to increase awareness of its offerings.
- The transition of PROACT-SCIPr-UK® from BILD Accreditation to Certification against the Restraint Reduction Network Standards has commenced.
- Consultancy work has increased with a greater focus on individuals who require additional support.
- Additional courses have been added to the repertoire promoted by LTC, to include, amongst others, Autism and Communication.

### **Outreach**

- Courses continue to be provided for families and family carers in various aspects of the Loddon Approach.
- Advice and support continues to be made available to parents and carers through specific training and consultancy.

### **International Work**

- Support for the teachers in Zambia has been longitudinal, allowing them to put their learning in to practice.

### **Public Benefit**

The Trustees confirm that they have regard to the Charity Commission's guidance on public benefit and this is shown in the reporting of the Charity's objectives and achievements. These are summarised below:

- The School provides fully residential places for up to 30 children who need education care and support and all are fully funded by local authorities, with no private placements.



# The Loddon Foundation Ltd

## REPORT OF THE TRUSTEES (continued)

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- Loddon Training & Consultancy provides training to schools, residential, day services and supporting living settings from the statutory, private or voluntary sectors. The training is important and is in great demand and benefits children and adults with a wide range of needs and difficulties.
- The Charity provides support to parents and professionals needing advice and support.
- LTC provides subsidised courses for parents and family carers.
- Staff contribute freely to national conferences and consultations.
- The School shares its facilities with other care homes e.g. the swimming pool and grounds.
- The School invites the local community to share in events and observe the work.
- The Charity provides employment and training leading to national qualifications.
- The Charity shares its advanced knowledge of autism, learning disabilities and challenging behaviour with other professionals e.g. the SHIP PBS network group.
- The Charity shares its expertise with local disability forums, and other charities.
- The Charity supports charities internationally with training.

### Financial Review

The Charity has generated an increase in its unrestricted reserves of £439,765. The surplus was generated by the school (£247,110), the investments (£126,461) and Loddon Training and consultancy (£66,194).

The surplus for the year plus funds available from our brought forward reserves of £4,040, have been transferred to a designated building fund which the Trustees have established to fund new buildings.

The principal source of income is school fees, accounting for 90% of the income. The Charity is not dependent on donations which provide less than 0.2% of the income. The school fee income has been applied to provide residential care and education for the pupils in the School.

The income generated by the charity has decreased by 3% due to a decrease in the average number of students within the year.

Staff wages and salaries account for 75% of the costs of running the foundation. The total cost of staffing has run at a similar level to last year with the same staffing levels. Wages and salaries have increased by £64k as staff had a 1.6% payrise across the board and care staff were given a £250 bonus as a thank you for coping with the low level of staffing throughout the year. The pressure to increase salaries has become more acute as the average wages in the rest of the economy rise. The Charity is aware of the continuing pressure on local authority budgets.

The recruitment of care staff continues to be the major issue confronting the Charity because of high employment in the UK especially in our local area. The Charity has decided due to Brexit to focus our recruitment on cities within the UK with lower employment. This has so far worked well in Birmingham.

During the year the Charity has spent £175,956 on capital investment. The key capital expenditures included:

- Architects and advisors fees to start Phase 1 of the new building project (£60,354)
- Necessary refurbishment of school accommodation (£39,600)
- A new school bus (£26,422)
- Computer Equipment and Software (£17,196)
- Sensory Interactive Floor Projector (£4,740)
- Improvements to flooring around Gym equipment (£5,477)
- Outdoor Classroom (£17,700)

### Reserves and Financial Health

The Trustees regularly review the finances, budgets and spend against budget as part of the effective governance of the Charity.

The Charity budgets to ensure the School is self funding but it is supported by the return on its investments and the surplus generated by LTC to replace and renew the facilities the Charity requires to pursue its charitable aims.

# The Loddon Foundation Ltd

## REPORT OF THE TRUSTEES (continued)

The level of school fees is reviewed annually by the Trustees in liaison with the Charity Leadership Team. Fee invoices are raised quarterly in advance which contributes to healthy cash balances at the beginning of each quarter. In the normal course of events therefore the Trustees do not foresee difficulties in the Charity's cash flow position.

The Trustees consider the greatest financial risk to the Charity is the local authority austerity programme which has resulted in councils delaying payments and contesting inflationary increases in fees.

The Trustees consider it prudent to have a surplus to enable the School and LTC to continue operating during a period of reduced income or increased expenditure. A reserve equivalent to at least three months average expenditure is held.

The Trustee's will continue with the building project that has been established and will once again transfer the surplus made this year after capital expenditure into the separate Building Fund reserve.

	<u>2018/2019</u>	<u>2017/2018</u>
	<u>£</u>	<u>£</u>
Total Funds	10,936,525	10,496,760
Less money :		
Invested in Fixed Assets	<u>7,211,740</u>	<u>7,210,279</u>
	3,724,785	3,286,481
Reserves:	3,713,406	3,170,938
Three months expenditure	<u>1,749,000</u>	<u>1,711,092</u>
Designated horticultural project	<u>60,755</u>	<u>-</u>
Designated building fund	<u>1,903,651</u>	<u>1,459,846</u>
Money available for other charitable capital investment/activities	<u>11,379</u>	<u>115,543</u>

The Trustees will continue to review its reserves policy in the light of the economic climate to ensure they continue to be set at a realistic level.

### Investment Policy and Performance

The Trustees, having regard to the liquidity requirement of operating the Loddon Foundation and to the reserves policy, have formally operated a policy of keeping two thirds of the funds in Deposit accounts and one third in Equities and Bonds. At the year end the Charity had cash deposits of £4,242,329 and £1,209,962 invested in the Cazenove charity multi-asset fund. Whilst currently more is held in deposits than the policy states, it has been left as cash reserves as it will be spent in the coming year on the new school buildings .

The investments in the Cazenove charity multi-asset fund has increased by £45,082. The trustees take a long-term view to investment and are pleased the initial investment of £1,000,000 made in January 2015 has increased to £1,209,962 over four years.

The investment policy is continually reviewed in conjunction with the reserves policy.

# The Loddon Foundation Ltd

## REPORT OF THE TRUSTEES (continued)

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### Plans for Future Periods

Key objectives for the coming year have been agreed between the Board of Trustees and the Charity Leadership Team.

The continued focus of the Charity is to:

- Maintain the occupancy of the school at an average of 28 pupils for the coming year to generate a surplus to support the future phases of the building development programme.
- The Trustees will continue to work with consultants and the charity leadership team, as the building strategy is applied to improve the facilities for the children over the next 5 years.
- Continue to invest in website analysis and consultancy to increase the hit rate on both the LTC and school websites to promote LTC courses and to promote contact with the School.
- Deliver the PLLUSS® curriculum to a wider audience.
- Develop additional materials to support organisations with the implementation of PROACT-SCIPr-UK®.
- To reduce care staff vacancies, the School will invest an additional £10,000 into the recruitment budget for marketing of the School to entice new recruits.
- To add to research knowledge within the education and care of young people with autism.

### Risk Management

The Trustees have a risk management strategy and a Risk register which has been developed in partnership with the Charity Leadership Team. This is reviewed annually to highlight:

- Current and future risks that the Charity may face.
- The establishment of systems and procedures to limit those risks and mitigate any losses suffered.
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

A key area that the Trustees review each year is the impact of possible conflicts of interest within the Board, especially in relation to Liaise Loddon Ltd. The Board feel that this area is well understood and managed especially now the number of current Trustees has increased.

At the operational level the Key risks facing the charity are:

- Reputational risk arising from a safeguarding incident. The School has extensive safeguarding policies which include safe recruitment at the time of appointment, extensive induction training which is regularly re-enforced and check procedures which are implemented at the first suggestion of any issue arising.
- Local authority funding from Central government is being cut back and this may eventually reduce the willingness of the local authorities to pay for the level of care provided by the School. The School holds the equivalent of three months of Charity running costs back in reserves.
- The School must ensure it can continue to meet the changing standards required by Ofsted. To do this it employs a School improvement consultant and trains its staff at induction and re-enforces annually their safeguarding obligations.
- The recruiting of a full team of care staff has been difficult during the last four years and the risk has been mitigated by hiring agency staff.

# The Loddon Foundation Ltd

## REPORT OF THE TRUSTEES (continued)

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### TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that 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.

So far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware. Additionally, the Trustees have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

The Report of the Directors and Trustees and incorporated Strategic Report was approved by

Mrs M L Cornick MBE



Director & Chair of the Board of Trustees

Date: 24/7..... 2019

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LODDON FOUNDATION LTD

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### Opinion

We have audited the financial statements of The Loddon Foundation Ltd (the 'charitable company') for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 March 2019 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 of opinion

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

### Conclusions relating to going concern

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

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

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LODDON FOUNDATION LTD

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### **Opinion on other matter 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 which includes the Directors' Report and the Strategic Report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Report or the Strategic Report, included within the Trustees' Report

We have nothing to report in respect of the following matters where 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.

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 10, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LODDON FOUNDATION LTD

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### Use of our report

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

**RSM UK Audit LLP**

KERRY GALLAGHER FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Davidson House, Forbury Square  
Reading  
Berkshire, RG1 3EU

Date: **25 July 2019**

# The Loddon Foundation Ltd

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2019

	Notes	Unrestricted funds £	Restricted general funds £	Total 2019 £	Total 2018 £
<b>INCOME FROM:</b>					
Charitable activities					
Operations of the school		6,317,077	-	<b>6,317,077</b>	6,544,063
Training and workshops		527,035	-	<b>527,035</b>	542,014
Donations		83,314	1,964	<b>85,278</b>	13,923
Investments	2	81,379	-	<b>81,379</b>	64,416
<b>Total income</b>		<b>7,008,805</b>	<b>1,964</b>	<b>7,010,769</b>	<b>7,164,416</b>
<b>EXPENDITURE ON:</b>					
Charitable activities					
Operations of the school	3	6,153,281	1,964	<b>6,155,245</b>	6,073,304
Training and workshops	3	460,841	-	<b>460,841</b>	474,120
<b>Total expenditure</b>	3	<b>6,614,122</b>	<b>1,964</b>	<b>6,616,086</b>	<b>6,547,424</b>
Net income before net gain on investments		394,683	-	<b>394,683</b>	616,992
Net gain on investments	9	45,082	-	<b>45,082</b>	9,854
<b>NET INCOME AND NET MOVEMENT IN FUNDS</b>		<b>439,765</b>	<b>-</b>	<b>439,765</b>	<b>626,846</b>
<b>FUNDS BROUGHT FORWARD AT 1 APRIL 2018</b>	15	<b>10,496,760</b>	<b>-</b>	<b>10,496,760</b>	<b>9,869,914</b>
<b>FUNDS CARRIED FORWARD AT 31 MARCH 2019</b>	15	<b>10,936,525</b>	<b>-</b>	<b>10,936,525</b>	<b>10,496,760</b>

All amounts derive from continuing activities.

All gains and losses for the year are included in the Statement of Financial Activities.



## The Loddon Foundation Ltd

## BALANCE SHEET

As at 31 March 2019

	Notes	2019 £	2019 £	2018 £	2018 £
<b>FIXED ASSETS</b>					
Tangible assets	7		5,573,732		5,617,353
Investment properties	8		428,046		428,046
Investments	9		1,209,962		1,164,880
			<u>7,211,740</u>		<u>7,210,279</u>
<b>CURRENT ASSETS</b>					
Debtors	10	1,298,084		1,783,923	
Current asset investments	11	1,096,577		1,091,852	
Cash at bank and in hand		3,145,752		2,230,165	
		<u>5,540,413</u>		<u>5,105,940</u>	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	12	<u>(1,815,628)</u>		<u>(1,819,459)</u>	
<b>NET CURRENT ASSETS</b>			<u>3,724,785</u>		<u>3,286,481</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>10,936,525</u>		<u>10,496,760</u>
<b>NET ASSETS</b>			<u>10,936,525</u>		<u>10,496,760</u>
<b>UNRESTRICTED FUNDS</b>					
General fund	15	8,972,118		9,036,914	
Designated funds	15	<u>1,964,407</u>		<u>1,459,846</u>	
			<u>10,936,525</u>		<u>10,496,760</u>
<b>RESTRICTED FUNDS</b>					
Zambia fund	15	<u>-</u>		<u>-</u>	
<b>TOTAL FUNDS</b>			<u>10,936,525</u>		<u>10,496,760</u>

The financial statements on pages 14 to 28 were approved by the Trustees/Directors and authorised for issue on

24.17.19 and are signed on their behalf by:



Mrs M L Cornick MBE  
Chair

# The Loddon Foundation Ltd

## STATEMENT OF CASHFLOWS

For the year ended 31 March 2019

	Notes	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	17	1,074,385	709,453
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of tangible fixed assets		(175,956)	(61,124)
Interest received		19,483	9,987
Proceeds on sale of tangible assets		2,400	100
Net cash used in investing activities		(154,073)	(51,037)
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR		920,312	658,416
CASH AND CASH EQUIVALENTS AT 1 APRIL		3,322,017	2,663,601
CASH AND CASH EQUIVALENTS AT 31 MARCH	18	4,242,329	3,322,017

# The Loddon Foundation Ltd

## ACCOUNTING POLICIES

For the year ended 31 March 2019

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### GENERAL INFORMATION

The Loddon Foundation Ltd is a private company limited by guarantee and incorporated in England and Wales. The address of the charitable company's registered office and principal place of business is The Loddon School, Wildmoor Lane, Sherfield-on-Loddon, Hook, Hampshire, RG27 0JD.

The objects of the Charity are the education, treatment and care of persons with learning disabilities. In addition, the Charity has a range of powers which include dissemination of good practice and to provide training, lectures and conferences both nationally and internationally.

The Charity achieves these through two principal activities: a School which provides education and care for 27 children and the provision of training courses for other schools, residential, day services and supporting living settings from the statutory, private or voluntary sectors who support children and/or adults, through Loddon Training & Consultancy. The Charity also provides Outreach services within the UK and internationally through the provision of training and support to include a small on-going programme in Zambia.

### BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and under the historical cost convention. In accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2015) issued in January 2015 and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the charitable company.

Monetary amounts in these financial statements are rounded to the nearest £1, except where otherwise indicated.

The Loddon Foundation Ltd meets the definition of a public benefit entity under FRS102.

### GOING CONCERN

No material uncertainties that may cast significant doubt about the ability of the charitable company to continue as a going concern have been identified by the Trustees, therefore, the accounts have been prepared on a going concern basis.

### INCOME

Fees receivable and other income are accounted for in the period in which the service is provided. Pupils' fees are invoiced quarterly in advance. Training and workshop invoices are issued in advance of the course being provided. Such fees and income invoiced in advance are included on the balance sheet as deferred income.

Donations received for the general purposes of the charity are credited to unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds. The Loddon Foundation Ltd does not enter into activities specifically for the purpose of raising additional funds or donations.

### EXPENDITURE

Expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate. The irrecoverable VAT is included with the item of expense to which it relates.

Governance costs comprise the costs of running the charity, including external audit, any legal advice and indemnity insurance for the Trustees, costs of Trustee meetings, and preparation of statutory accounts and attending to statutory requirements.

# The Loddon Foundation Ltd

## ACCOUNTING POLICIES (continued)

For the year ended 31 March 2019

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### TANGIBLE FIXED ASSETS

Tangible fixed assets costing more than £1,000 are capitalised and are stated at cost less depreciation and any provision for impairment. Depreciation is calculated to write off the cost of tangible fixed assets over their estimate useful lives as follows:

Freehold buildings	over 50 years
Property improvements	over 7 years
Motor vehicles	25% reducing balance basis
Fixtures, fittings and general equipment	15% straight line basis
Furniture, carpets, computers and high risk equipment	33.3% straight line basis

Assets in the course of construction are carried at cost, less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the asset to its operating condition. Depreciation commences when the assets are ready for their intended use.

### INVESTMENT PROPERTY

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

### FIXED ASSET INVESTMENTS

Listed investments are initially recognised at their transaction value and subsequently included in the balance sheet at fair value. Realised and unrealised gains and losses on disposals of investments, or on revaluation, are credited/charged to the Statement of Financial Activities.

### REALISED AND UNREALISED GAINS AND LOSSES

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening fair value (purchase date if later). Unrealised gains and losses are calculated as the difference between the fair value at the year end and opening fair value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

### CASH AND CASH EQUIVALENTS & CURRENT ASSET INVESTMENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Current asset investments represent short-term investments with original maturities of more than three months.

### OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

### PENSION SCHEME ARRANGEMENTS

#### *Defined contribution plans*

The charity makes contributions to personal pension arrangements in respect of all staff. Contributions are shown as expenditure in the year in which they are paid. The charitable company has no liability in this respect other than the amounts actually paid in any year. The charity also has a small number of employees that participate in the Teachers' Pensions Scheme a final salary scheme – details can be found in note 21.

# The Loddon Foundation Ltd

## ACCOUNTING POLICIES (continued)

For the year ended 31 March 2019

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### FUNDS

Restricted income funds are used to account for situations where the donor requires that funds must be spent on a particular purpose. All other funds are unrestricted income funds.

### FINANCIAL INSTRUMENTS

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of listed investments which are subsequently measured at fair value.

### FINANCIAL ASSETS

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

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income and expenditure for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income or expenditure.

### FINANCIAL LIABILITIES

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

### CORPORATION TAX

No provision for taxation, deferred or otherwise, has been made in the financial statements of the Charity, as The Loddon Foundation Ltd is a charity in accordance with the Charities Act 2011 and is exempt from taxation, if income and gains are applied for charitable purposes under S505 of the Income and Corporation Taxes Act 1988 and S145 of the Capital Gains Tax Act 1979.

### EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Redundancy payments are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 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.

#### *Critical accounting estimates and assumptions*

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

There are no estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

**The Loddon Foundation Ltd**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2019

**1 INCOME**

	2019 £	2018 £
Income analysed by class of business:		
Charitable activities	6,844,112	7,086,077
Donations	85,278	13,923
Interest	19,483	9,987
Rental income	61,896	54,429
	<hr/>	<hr/>
	7,010,769	7,164,416
	<hr/>	<hr/>

Income of £1,964 (2018: £nil) is restricted and £7,008,805 (2018: £7,164,416) is unrestricted income.

**2 INVESTMENT INCOME**

	2019 £	2018 £
Bank interest receivable	19,483	9,987
Rental income	61,896	54,429
	<hr/>	<hr/>
	81,379	64,416
	<hr/>	<hr/>

In both the current and prior year, all investment income was unrestricted. Investment income of £11,445 (2018: £4,904) arose from financial instruments measured at amortised cost and £8,038 (2018: £5,083) arose from financial instruments measured at fair value.

**3 EXPENDITURE**

	Basis of allocation	Operation of the School	Training and workshop costs	2019 total £	2018 total £
Staff costs	Direct	4,820,437	274,516	5,094,953	5,035,811
Direct costs	Direct	350,989	109,148	460,137	446,597
Overheads	Direct	275,584	70,677	346,261	326,350
Recruitment costs	Direct	48,836	-	48,836	47,616
Premises costs	Direct	426,239	6,301	432,540	463,499
Depreciation	Direct	216,978	199	217,177	210,238
Governance	Direct	16,182	-	16,182	17,313
		<hr/>	<hr/>	<hr/>	<hr/>
		6,155,245	460,841	6,616,086	6,547,424
		<hr/>	<hr/>	<hr/>	<hr/>

Expenditure of £1,964 (2018: £nil) is from restricted funds and £6,614,512 (2018: £6,547,424) is from unrestricted funds.

**The Loddon Foundation Ltd**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
For the year ended 31 March 2019

**4 NET MOVEMENT IN FUNDS**

Net movement in funds is stated after charging:	2019	2018
	£	£
Auditor's remuneration		
- Audit	13,200	12,960
- Other services	2,862	2,850
Depreciation	215,813	210,238
Loss/(profit) on disposal of tangible fixed assets	1,364	(100)
Operating lease rentals	19,470	21,838
	<hr/>	<hr/>

**5 STAFF COSTS**

	2019	2018
	£	£
Staff costs during the year were:		
Wages and salaries	3,962,948	4,144,018
Social security costs	350,511	373,945
Pension costs	175,980	177,851
Agency costs	467,822	198,335
	<hr/>	<hr/>
	4,957,261	4,894,149
	<hr/>	<hr/>

Redundancy payments totalling £nil were made in the year (2018: £5,500 to one individual in line with a settlement agreement which related to 12 weeks' notice with deductions for any outstanding loan balances).

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

	2019	2018
	No	No
School	160	174
Training and workshops	8	7
	<hr/>	<hr/>
	168	181
	<hr/>	<hr/>

The number of employees, included in the above, emoluments, excluding pension contributions, fell within the following ranges were:

	2019	2018
	No	No
£70,001 - £80,000	1	1
	<hr/>	<hr/>

Pension contributions of £12,598 (2018: £11,935) were made in respect of the above employee.

**The Loddon Foundation Ltd**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
For the year ended 31 March 2019

**6 TRUSTEES' REMUNERATION AND EXPENSES**

The Trustees did not receive any remuneration during the year ended 31 March 2019 (2018: £nil). Expenses relating to travel and training totalling £176 was reimbursed to two Trustees (2018: £547 to four Trustees).

**7 TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Assets in the course of construction £	Motor vehicles £	Fixtures fittings and equipment £	Total £
Cost					
At 1 April 2018	7,499,683	-	142,034	161,644	7,803,361
Additions	49,817	78,660	30,280	17,199	175,956
Disposals	(9,643)	-	(24,013)	(18,444)	(52,100)
31 March 2019	7,539,857	78,660	148,301	160,399	7,927,217
Depreciation					
At 1 April 2018	1,957,884	-	118,353	109,771	2,186,008
Charged in the year	184,622	-	9,778	21,413	215,813
Depreciation on disposal	(5,879)	-	(24,013)	(18,444)	(48,336)
31 March 2019	2,136,627	-	104,118	112,740	2,353,485
Net book value 31 March 2019	5,403,230	78,660	44,183	47,659	5,573,732
Net book value 31 March 2018	5,541,799	-	23,681	51,873	5,617,353



**The Loddon Foundation Ltd**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
For the year ended 31 March 2019

**8 INVESTMENT PROPERTY**

Fair value	£
At 1 April 2018 and 31 March 2019	<u>428,046</u>

If investment properties were stated on a historic cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2019 £	2018 £
Cost	428,046	428,046
Accumulated depreciation	(32,817)	(24,256)
	<u>395,229</u>	<u>403,790</u>
Carrying value		

The fair value of the investment property has been arrived at on the basis of a valuation carried out in January 2015 by Wadham and Isherwood, who are not connected to the company.

The Trustees have reviewed the current rental yields provided by London Clancy and deem that there is no change to investment property valuation.

**9 FIXED ASSET INVESTMENTS**

	Listed investments £
Market value at 1 April 2018	1,164,880
Gain on investment	45,082

Market value at 31 March 2019	<u>1,209,962</u>
-------------------------------	------------------

Investments at market value comprised:

	2019 £	2018 £
UK Equities and investment funds	1,209,962	1,164,880
Market value at 31 March	<u>1,209,962</u>	<u>1,164,880</u>

**10 DEBTORS**

	2019 £	2018 £
Trade debtors	1,241,777	1,730,739
Prepayments and accrued income	47,799	49,785
Other debtors	8,508	3,399
	<u>1,298,084</u>	<u>1,783,923</u>

# The Loddon Foundation Ltd

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2019

11	CURRENT ASSET INVESTMENT	2019 £	2018 £
	Unlisted investments	1,096,577	1,091,852
		<u>1,096,577</u>	<u>1,091,852</u>

Current asset investments relate to short term bonds with maturities of more than 3 months but less than 12.

12	CREDITORS: Amounts falling due within one year	2019 £	2018 £
	Trade creditors	125,807	97,906
	Other creditors	47,228	46,001
	Accruals and deferred income	1,642,593	1,675,552
		<u>1,815,628</u>	<u>1,819,459</u>

At the year end pension contributions of £19,427 (2018: £21,732) were outstanding and included in creditors.

### 13 DEFERRED INCOME

Deferred income relates to termly school fees and training course fees invoiced in advance. All fees will be released to the Statement of Financial Activities within 12 months of the Balance Sheet date.

	2019 £	2018 £
Balance brought forward	1,627,558	1,600,818
Amounts released to income	(1,627,558)	(1,600,818)
Amounts deferred in the year	1,614,279	1,627,558
	<u>1,614,279</u>	<u>1,627,558</u>
Balance carried forward	1,614,279	1,627,558

14	FINANCIAL INSTRUMENTS	2019 £	2018 £
	CARRYING AMOUNT OF FINANCIAL ASSETS		
	Debt instruments measured at amortised cost	1,250,285	1,734,138
	Instruments measured at fair value through profit or loss	1,209,962	1,164,880
	Total	<u>2,460,247</u>	<u>2,899,018</u>
	CARRYING AMOUNT OF FINANCIAL LIABILITIES		
	Measured at amortised cost	<u>201,349</u>	<u>191,900</u>

**The Loddon Foundation Ltd**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
For the year ended 31 March 2019

**15 FUNDS**

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
<b>RESTRICTED FUNDS</b>					
Zambia fund	-	1,964	(1,964)	-	-
<b>TOTAL RESTRICTED FUNDS</b>	-	1,964	(1,964)	-	-
<b>UNRESTRICTED FUNDS</b>					
General fund	9,036,914	7,053,887	(6,614,122)	(504,561)	8,972,118
Designated fund – Building development fund	1,459,846	-	-	443,805	1,903,651
Designated fund – Horticultural project fund	-	-	-	60,756	60,756
<b>TOTAL UNRESTRICTED FUNDS</b>	10,496,760	7,053,887	(6,614,122)	-	10,936,525
<b>TOTAL FUNDS</b>	10,496,760	7,055,851	(6,616,086)	-	10,936,525

  

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
<b>UNRESTRICTED FUNDS</b>					
General fund	9,869,914	7,174,270	(6,547,424)	(1,459,846)	9,036,914
Designated fund – Building development fund	-	-	-	1,459,846	1,459,846
<b>TOTAL FUNDS</b>	9,869,914	7,174,270	(6,547,424)	-	10,496,760

**Designated fund – Building Development Fund**

The school has set up a designated fund to demonstrate to third parties (local authorities) the need to generate a surplus each year in order to modernise our facilities.

**Designated fund - Horticultural project fund**

The School has received a donation from Drayton Manor which is being used for the new outdoor classroom.

**Restricted fund – Zambia fund**

The school has received specific donations for its activities in Zambia. Where funds are donated for a specific purpose they are held in restricted funds until they are spent for the purpose the donor intended.

# The Loddon Foundation Ltd

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2019

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS AT 31 MARCH 2019	Unrestricted funds £	Restricted general funds £	Total funds £
Tangible fixed assets	5,573,732	-	5,573,732
Investment properties	428,046	-	428,046
Investments	1,209,962	-	1,209,962
Cash at bank and in hand	3,145,752	-	3,145,752
Other net current assets	2,394,661	-	2,394,661
Net current liabilities	(1,815,628)	-	(1,815,628)
<b>TOTAL NET ASSETS AT 31 MARCH 2019</b>	<b>10,936,525</b>	<b>-</b>	<b>10,936,525</b>
<b>ANALYSIS OF NET ASSETS BETWEEN FUNDS AT 31 MARCH 2018</b>	<b>Unrestricted funds £</b>	<b>Restricted general funds £</b>	<b>Total funds £</b>
Tangible fixed assets	5,617,353	-	5,617,353
Investment properties	428,046	-	428,046
Investments	1,164,880	-	1,164,880
Cash at bank and in hand	2,230,165	-	2,230,165
Other net current assets	2,875,775	-	2,875,775
Net current liabilities	(1,819,459)	-	(1,819,459)
<b>TOTAL NET ASSETS AT 31 MARCH 2018</b>	<b>10,496,760</b>	<b>-</b>	<b>10,496,760</b>
<b>17 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>2019 £</b>	<b>2018 £</b>	
Operating surplus	439,765	626,846	
Depreciation	215,813	210,238	
(Gain) on investments	(45,082)	(9,854)	
Loss/(gain) on disposal of fixed assets	1,364	(100)	
Interest receivable	(19,483)	(9,987)	
Decrease/(increase) in debtors	485,839	(105,122)	
(Decrease) in creditors	(3,831)	(2,568)	
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>1,074,385</b>	<b>709,453</b>	

**The Loddon Foundation Ltd**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
For the year ended 31 March 2019

**18 ANALYSIS OF NET DEBT**

	1 April 2018 £	Cash flows £	Other non- cash changes £	31 March 2019 £
Cash in hand, at bank	2,230,165	915,587	-	3,145,752
Current asset investments	1,091,852	4,725	-	1,096,577
<b>NET FUNDS</b>	<b>3,322,017</b>	<b>920,312</b>	<b>-</b>	<b>4,242,329</b>

**19 RELATED PARTY TRANSACTIONS**

During the year, the Loddon Foundation Ltd entered into the following transactions with related parties by virtue of common directors:

The Loddon Foundation Ltd charged £63,822 (2018: £60,480) to Liaise Loddon Limited for rent and services supplied. The Loddon Foundation Ltd was charged £1,518 (2018: £1,751) by Liaise Loddon Limited for services supplied.

As at 31 March 2019 The Loddon Foundation Ltd was owed £14,287 by Liaise Loddon Limited (2018: £12,396).

All related party transactions were carried out on an arms length basis.

**20 KEY MANAGEMENT PERSONNEL**

The total remuneration of the employees, who are considered to be the key management personnel of the charity, was £325,083 (2018: £344,049) including employer's national insurance of £31,216 (2018: £32,549).

**21 PENSION AND SIMILAR OBLIGATIONS**

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Scheme Regulations 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published in June 2014.

# The Loddon Foundation Ltd

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2019

### 21 PENSION AND SIMILAR OBLIGATIONS (continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%));
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The pension costs paid to the TPS in the period amounted to £31,497 (2018: £28,063).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

The charity also makes contributions to personal pension arrangements in respect of all staff. Contributions to these schemes for the year were £144,483 (2018: £149,788).

All pension contributions and liabilities are allocated to unrestricted funding, as all staff costs relate to the general operation of the school.

### 22 OTHER FINANCIAL COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Leases which expire:		
Within one year	18,774	19,470
In two to five years	22,076	36,780
	<hr/>	<hr/>
	40,850	56,250
	<hr/>	<hr/>

### 23 CAPITAL COMMITMENTS

Amounts committed to be paid but not provided in the financial statements for the construction of new buildings amounted to £80,977 (2018: £nil).