

CHILD LIGHT LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

CHILD LIGHT LIMITED
(A company limited by guarantee)

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CHILD LIGHT LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2023**

Trustees

Mr D E C Alderson
Mr T Amies, Chair
Mr D Leckie (resigned 5 December 2022)
Revd C M Meakin
Revd Dr R McDonald
Mrs F Hough (appointed 17 March 2023)
Mrs T Anifalaje (appointed 13 March 2023)

Company registered number

02928829

Charity registered number

1039099

Registered office

17-19 Brookside
Cambridge
CB2 1JE

Company secretary

Mr J W Fletcher

Chair of the Trustees

Mr T Amies

Independent auditors

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

Bankers

Lloyds Bank
5 The Square
Petersfield
Hampshire
GU32 3HL

CHILD LIGHT LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2023

The Trustees present their annual report together with the audited financial statements of the Company for the 1 August 2022 to 31 July 2023. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Structure, governance and management

a. 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.

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

b. 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 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

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

Within Heritage School there is a Senior Leadership Team consisting of the Headmaster, the Deputy Head, the Bursar, the Head of Infants, the Head of Juniors, the Head of Seniors, and the Head of Academics Seniors. This team meets fortnightly to consider operational matters and whole-school policy decisions.

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

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 Head of Enrichment.

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;
- regulatory compliance, including safeguarding and health & safety;
- advertising and recruitment of pupils;
- matters affecting the ethos of the school;
- property issues and lease agreements; and
- any significant new developments.

d. 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Structure, governance and management (continued)

e. Related party relationships

Mr Macaulay, a trustee, (the Headmaster) who are employees of the school. Four of the trustees (Revd C M Meakin, Mr T Amies, Mrs T Anifalaje and Revd Dr. R McDonald) have between them seven (2022 - same) children who attend the school.

The company secretary, who is also the headmaster, and his wife are employees of the school. The salaries and any benefits to which they are entitled are on terms no more favourable than those of any other employee.

f. Financial risk management

The Trustees have assessed the major risks to which the Company is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Objectives and activities

a. Policies and objectives

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

- 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.

b. Strategies for achieving objectives

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

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

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

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

The activities undertaken in the past by Child Light have always included more than the direct provision of educational services. Child Light has advanced education more broadly through the provision of advice, advocacy or information including publications, undertaking research and acting as an umbrella body. During 2022-23 Child Light offered advice to other educators interested in operating along similar lines, and it oversaw the publication of a book for use in schools entitled Let's Explore the British Isles by Caroline Walker.

Child Light also continued to serve the wider community by hiring our facilities at a reasonable cost to other educational providers.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Strategic report

Achievements and performance

a. Main achievements of the Company

During 2022-23 Heritage School was the principal activity of Child Light Limited.

We commenced 2022-23 with 190 pupils. It was the seventh academic year in which we had a single class in each year group from Reception to Year 11.

Our Leavers in July 2023 received offers at their preferred destination for post-16 education and training, with Hills Road Sixth Form as the most common. They achieved excellent results relative to pre-pandemic standards, with 55% of all results being awarded 9-8, 70% of all results being awarded either 9-7, and 84% of all results being awarded 9-6. 'Added value' analysis shows that over six years for which we have data, Heritage pupils have achieved, on average, 1.3 grades higher per subject than standardised assessments considered 'most likely'. This demonstrates Heritage School's unique ability to help pupils exceed expectations.

2022-23 was the first academic year since 2018-19 that was not directly affected by the Coronavirus Pandemic. During 2022-23, we appointed a new Deputy Head, to commence in September 2023. We also made the following teacher appointments during 2022-23 for a September 2022 start: Year 3 Class Teacher, Year 5 Class Teacher.

Recruitment of pupils was strong during 2022-23, particularly for places in our Lower Prep (Reception) class and in our Year 7 class.

In the financial year 2022-23 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. This also included publishing activity, particularly Let's Explore The British Isles, by Caroline Walker, a text for use in upper primary school classrooms. In addition we welcomed numerous visitors to Heritage School who wished to see Charlotte Mason based education in practice.

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

a. Review

We were able to meet all operational costs from fee income during 2022-2023, and to carry forward cash reserves into 2023-24, as these accounts show.

Fundraising activities were undertaken during 2022-23 by the Heritage Community Association (HCA), which was formed in the summer of 2011. It raised £6,604 during 2022-23 to support the work of the school.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

b. Reserves policy

At the end of the 2022-23 year, £1,177,855 total funds were held, of which £5,518 were restricted. The trustees seek to build unrestricted reserves equal to 25% of the current year's total expenditure.

c. Going concern

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

d. Pay policy for senior staff

Pay and remuneration of the charity's key management personnel are determined in the light of independent school sector norms and 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>). These norms are used to guide the Headmaster's pay, the Deputy Head'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.

e. Plans for future periods

In 2023-24 the operation of Heritage School will be the predominant focus of the activities of Child Light Limited. Our main developmental priorities are to:

- integrate a new Deputy Head to strengthen management capacity in the school
- continue strengthening management systems generally
- take initial steps toward 'sharing' the work of Heritage School with interested visitors, with a particular focus on establishing an 'Open Day' as a way of welcoming visitors to see and learn more about Charlotte Mason distinctives
- strengthen recruitment to nearer 100% capacity, with a particular focus upon Lower Prep (Reception) entry
- expand our class sizes to 20 in the Senior School
- develop a strategy to provide wrap-around care up to approximately 5:30pm every day of the week for pupils in Reception (Lower Prep) to Year 6, to support working parents more effectively
- appoint new Trustees
- continue to improve our regulatory compliance management with support from our Compliance Officer
- effective financial management in the light of anticipated increases to the employer contribution for the Teachers' Pension Scheme and seek to further strengthen our reserves
- support the Finance Officer to be able to undertake more responsibilities for financial management, including payroll
- Increase our stewardship of our owned property with greater maintenance investment toward compliance and longevity.

Members' liability

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

CHILD LIGHT LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Statement of Trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Disclosure of information to auditors

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

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

Auditors

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

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



.....
Mr T Amies

Date: 4 March 2024

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

Opinion

We have audited the financial statements of Child Light Limited (the 'charitable company') for the year ended 31 July 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of activities and reviewing accounting estimates for bias.

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

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

Use of our report

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

Chris Brecht

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: 15/3/2024

CHILD LIGHT LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	4	46,551	10,574	57,125	15,981
Charitable activities	5	2,383,298	-	2,383,298	2,171,863
Other income	6	1,249	-	1,249	2,739
Total income		2,431,098	10,574	2,441,672	2,190,583
Expenditure on:					
Raising funds	7	1,371	5,669	7,040	350
Charitable activities		2,276,762	27,236	2,303,998	2,092,659
Total expenditure		2,278,133	32,905	2,311,038	2,093,009
Net income/(expenditure)		152,965	(22,331)	130,634	97,574
Transfers between funds	19	5,568	(5,568)	-	-
Net movement in funds		158,533	(27,899)	130,634	97,574
Reconciliation of funds:					
Total funds brought forward		1,013,804	33,417	1,047,221	949,647
Net movement in funds		158,533	(27,899)	130,634	97,574
Total funds carried forward		1,172,337	5,518	1,177,855	1,047,221

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

The notes on pages 15 to 31 form part of these financial statements.

CHILD LIGHT LIMITED
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REGISTERED NUMBER: 02928829

BALANCE SHEET
AS AT 31 JULY 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	6,676,254	6,746,740
		<u>6,676,254</u>	<u>6,746,740</u>
Current assets			
Stocks	14	12,222	11,988
Debtors	15	71,826	54,484
Cash at bank and in hand		405,248	259,889
		<u>489,296</u>	<u>326,361</u>
Creditors: amounts falling due within one year	16	(188,837)	(135,060)
Net current assets		<u>300,459</u>	<u>191,301</u>
Total assets less current liabilities		<u>6,976,713</u>	<u>6,938,041</u>
Creditors: amounts falling due after more than one year	17	(5,798,858)	(5,890,820)
Net assets excluding pension asset		<u>1,177,855</u>	<u>1,047,221</u>
Total net assets		<u><u>1,177,855</u></u>	<u><u>1,047,221</u></u>
Charity funds			
Restricted funds	19	5,518	33,417
Unrestricted funds	19	1,172,337	1,013,804
Total funds		<u><u>1,177,855</u></u>	<u><u>1,047,221</u></u>

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

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



.....
Mr T Amies

Date: 4 March 2024

The notes on pages 15 to 31 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	224,985	139,557
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,256)	(2,964)
Net cash used in investing activities	(3,256)	(2,964)
Cash flows from financing activities		
Repayments of borrowing	(76,370)	(85,148)
Net cash used in financing activities	(76,370)	(85,148)
Change in cash and cash equivalents in the year	145,359	51,445
Cash and cash equivalents at the beginning of the year	259,889	208,444
Cash and cash equivalents at the end of the year	405,248	259,889

The notes on pages 15 to 31 form part of these financial statements

CHILD LIGHT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

2.2 Going concern

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

2.3 Fund accounting

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

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

2.4 Income

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

Income tax recoverable in relation to 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.5 Expenditure

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

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

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

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

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

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

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% straight line
Computer equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.7 Stocks

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

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 Liabilities and provisions

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

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

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

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2. Accounting policies (continued)

2.11 Pensions

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

The company also operates a defined benefits pension scheme in respect of its teaching staff. The scheme is a state plan where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the company's share of the underlying assets and liabilities of the plan. Therefore, as required by Section 28 of FRS 102, the company accounts for this scheme as if it was a defined contribution scheme. Contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

2.12 Financial instruments

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

3. Critical accounting estimates and areas of judgment

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates, but these are unlikely to be material.

4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	46,551	10,574	57,125	15,981
Total 2022	5,312	10,669	15,981	

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5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Heritage School income	2,383,298	2,383,298	2,171,863
	<u>2,171,863</u>	<u>2,171,863</u>	
Total 2022	<u>2,171,863</u>	<u>2,171,863</u>	

6. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Royalties received	1,249	1,249	394
Coronavirus Job Retention Scheme and similar income	-	-	2,145
Other income	-	-	200
	<u>1,249</u>	<u>1,249</u>	<u>2,739</u>
Total 2022	<u>2,739</u>	<u>2,739</u>	

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7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Heritage Community Association (HCA) costs	1,371	5,669	7,040	350
Total 2022	350	-	350	

8. Analysis of grants

	Grants to Institutions 2023 £	Total funds 2023 £	Total funds 2022 £
Amazing Grace School, Uganda	887	887	604
Total 2022	604	604	

9. Analysis of expenditure by charitable activities

	Activities undertaken directly 2023 £	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Heritage School direct costs	1,523,717	887	779,394	2,303,998	2,092,659
Total 2022	1,392,699	604	699,356	2,092,659	

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NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by charitable activities (continued)

Analysis of direct costs

	Activities 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	1,294,674	1,294,674	1,219,913
Heritage School direct costs	73,120	73,120	75,699
Depreciation	131,012	131,012	97,087
Application of bursaries	24,911	24,911	-
	<u>1,523,717</u>	<u>1,523,717</u>	<u>1,392,699</u>

Analysis of support costs

	Activities 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	289,962	289,962	280,971
Recruitment and training	11,660	11,660	8,744
Property	121,234	121,234	74,455
Administration	95,192	95,192	82,297
Marketing	14,832	14,832	8,953
Audit	9,657	9,657	7,845
Professional fees	565	565	1,638
Finance costs	231,605	231,605	230,122
Compliance and inspections	4,065	4,065	4,331
Loss on disposal	622	622	-
	<u>779,394</u>	<u>779,394</u>	<u>699,356</u>
Total 2022	<u>699,356</u>	<u>699,356</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 July 2023, no Trustee expenses have been incurred (2022 - £NIL).

11. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £5,795 (2022 - £4,705), and an accounts preparation fee of £3,862 (2022 - £3,140).

12. Staff costs

	2023 £	2022 £
Wages and salaries	1,245,757	1,178,737
Social security costs	104,871	95,603
Contribution to defined contribution pension schemes	234,008	226,544
	1,584,636	1,500,884

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

	2023 No.	2022 No.
Teaching staff	46	44
Administrative staff	12	14
	58	58

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

The remuneration received by key management personnel was £129,545 (2022 - £137,137). In addition they received employer pension contributions to their pension schemes of £22,774 (2022 - £26,087). The key management personnel for the purpose of this disclosure are the Headmaster, Deputy Headmistress and the Bursar.

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13. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 August 2022	6,913,207	25,949	40,229	18,413	6,997,798
Additions	-	-	3,256	-	3,256
Disposals	-	-	(419)	(549)	(968)
At 31 July 2023	6,913,207	25,949	43,066	17,864	7,000,086
Depreciation					
At 1 August 2022	174,048	24,852	35,622	16,536	251,058
Charge for the year	69,137	274	2,749	960	73,120
On disposals	-	-	(209)	(137)	(346)
At 31 July 2023	243,185	25,126	38,162	17,359	323,832
Net book value					
At 31 July 2023	6,670,022	823	4,904	505	6,676,254
At 31 July 2022	6,739,159	1,097	4,607	1,877	6,746,740

The total net book value of the charity's freehold property has been pledged as security for liabilities. For further details, see Note 17.

14. Stocks

	2023 £	2022 £
Finished goods and goods for resale	12,222	11,988

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15. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	27,963	7,849
Other debtors	2,712	1,783
Prepayments	33,651	44,852
Tax recoverable	7,500	-
	71,826	54,484

16. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Bank loan	91,962	88,602
Other loans	1,313	1,276
Trade creditors	33,203	21,294
Other creditors	7,165	5,892
Accruals and deferred income	55,194	17,996
	188,837	135,060

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

	2023 £	2022 £
Bank loans	4,298,858	4,390,820
Other loans	1,500,000	1,500,000
	<u>5,798,858</u>	<u>5,890,820</u>

Included within the above are amounts falling due as follows:

	2023 £	2022 £
Between one and two years		
Bank loans	96,145	91,962
Between two and five years		
Bank loans	302,641	298,411
Over five years		
Bank loans	3,900,072	4,000,447
Other loans	1,500,000	1,500,000

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2023 £	2022 £
Payable or repayable by instalments	3,900,072	4,000,447
Payable or repayable other than by instalments	1,500,000	1,500,000
	<u>5,400,072</u>	<u>5,500,447</u>

During the year ended 31 July 2021 a new bank loan was arranged with the charity borrowing £4,640,000 to be repaid over 30 years. This loan is subject to 3.98% interest per annum for the first 5 years and thereafter to an annual interest rate charge of 3.93% over the prevailing bank base rate. This loan is secured by a first fixed and floating legal charge over the charity's freehold properties, 17-19 Brookside (Cambridge, CB2 1JE), Panton Hall (Cambridge, CB2 1HP) and all other assets.

In addition the charity took out four other loans during the year ended 31 July 2021:

- Two loans were taken out on similar terms, one for £450,000 and one for £50,000 which are to be repaid after 7 years. These loans are subject to 3% interest per annum. On the settlement of these loans, an independent valuation of 17-19 Brookside (Cambridge, CB2 1JE) will be carried out, and the charity will pay the lenders 23% and 2.60% (respectively) of any increase in the market value of the property over £4,835,000 less any 'capital expenditure on improvements'. The repayments are subject to a maximum amount equal to the original loan plus 7% compounded interest per annum.

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17. Creditors: Amounts falling due after more than one year (continued)

- A loan for £900,000 is to be repaid after 15 years. This loan was subject to 3% interest per annum for the first year of the term, rising by 0.5% for each subsequent year until it reaches 6% in year 7. The interest rate will remain at 6% for the remainder of the term.

- A loan for £100,000 is to be repaid after 10 years. This loan was subject to 3% interest per annum for the first year of the term, rising by 0.5% for each subsequent year until it reaches 6% in year 7. The interest rate will remain at 6% for the remainder of the term.

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

18. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets measured at fair value through income and expenditure	405,248	259,889

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

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19. Statement of funds

Statement of funds - current year

	Balance at 1 August 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2023 £
Unrestricted funds					
General fund	1,013,804	2,431,098	(2,278,133)	5,568	1,172,337
Restricted funds					
Restricted funds - other	4,776	5,763	(7,107)	(2,902)	530
Amazing Grace School, Uganda	887	488	(887)	-	488
Bursary fund	22,588	2,323	(24,911)	-	-
Commemoration fund	2,500	2,000	-	-	4,500
Fixed asset fund	2,666	-	-	(2,666)	-
	33,417	10,574	(32,905)	(5,568)	5,518
Total of funds	1,047,221	2,441,672	(2,311,038)	-	1,177,855

Restricted funds - other

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

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.

Bursary fund

Bursaries are awarded to pupils who, it is believed, will gain most from a Heritage education and will contribute fully to the life of the school. Bursaries are awarded on a sliding scale up to a maximum of 75%, with emphasis on ensuring a broad distribution, so that as many families can benefit as possible.

Commemoration fund

The Commemoration fund was established in the year ended 31 July 2022 and is to be used for any activities that celebrate the people, history, or key events in the school's life. The aim of this fund is for such activities not to place a burden on the operational funding of the school.

Fixed asset fund

The fixed asset fund represents monies which were given towards the purchase of a piano for Panton Hall.

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19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2021 £	Income £	Expenditure £	Balance at 31 July 2022 £
Unrestricted funds				
General fund	924,316	2,179,914	(2,090,426)	1,013,804
Restricted funds				
Restricted funds - other	24,639	7,196	(1,805)	30,030
Amazing Grace School, Uganda	692	973	(778)	887
Commemoration fund	-	2,500	-	2,500
	25,331	10,669	(2,583)	33,417
Total of funds	949,647	2,190,583	(2,093,009)	1,047,221

20. Summary of funds

Summary of funds - current year

	Balance at 1 August 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2023 £
General funds	1,013,804	2,431,098	(2,278,133)	5,568	1,172,337
Restricted funds	33,417	10,574	(32,905)	(5,568)	5,518
	1,047,221	2,441,672	(2,311,038)	-	1,177,855

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20. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 August 2021 £	Income £	Expenditure £	Balance at 31 July 2022 £
General funds	924,316	2,179,914	(2,090,426)	1,013,804
Restricted funds	25,331	10,669	(2,583)	33,417
	<u>949,647</u>	<u>2,190,583</u>	<u>(2,093,009)</u>	<u>1,047,221</u>

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	6,676,254	-	6,676,254
Current assets	483,778	5,518	489,296
Creditors due within one year	(188,837)	-	(188,837)
Creditors due in more than one year	(5,798,858)	-	(5,798,858)
Total	<u>1,172,337</u>	<u>5,518</u>	<u>1,177,855</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	6,746,740	-	6,746,740
Current assets	292,944	33,417	326,361
Creditors due within one year	(135,060)	-	(135,060)
Creditors due in more than one year	(5,890,820)	-	(5,890,820)
Total	<u>1,013,804</u>	<u>33,417</u>	<u>1,047,221</u>

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22. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	130,634	97,574
Adjustments for:		
Depreciation charges	73,120	75,699
Loss on the disposal of fixed assets	622	-
Decrease/(increase) in stocks	(234)	192
Increase in debtors	(17,342)	(27,797)
Increase/(decrease) in creditors	38,185	(6,111)
Net cash provided by operating activities	224,985	139,557

23. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	405,248	259,889
Total cash and cash equivalents	405,248	259,889

24. Analysis of changes in net debt

	At 1 August 2022 £	Cash flows £	At 31 July 2023 £
Cash at bank and in hand	259,889	145,359	405,248
Debt due within 1 year	(89,878)	(3,397)	(93,275)
Debt due after 1 year	(5,890,820)	91,962	(5,798,858)
	(5,720,809)	233,924	(5,486,885)

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25. Related party transactions

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

- Revd C M Meakin, a Trustee, has two (2022 - two) children who attended the school during the year;
- Revd Dr. R McDonald, a Trustee, has three (2022 - three) children who attended the school during the year;
- Mr Amies, a Trustee, has one (2022 - one) child who attended the school during the year; and
- Mrs T Anifalaje, a Trustee, has one (2022 - same) child who attended the school during the year.

The company secretary, who is also the headmaster, and his wife are employees of the school. The salaries and any benefits to which they are entitled are on terms no more favourable than those of any other employee.

During the year, the charity received no unrestricted donations (2022 - same) and restricted donations totalling £4,300 (2022 - £2,000) from three (2022- one) of its Trustees.

26. Pension commitments

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

The DBS is administered by Teachers' Pensions. The number of staff in this scheme at the year end was 35 (2022 – 33). The total employer contributions paid to this fund during the current year were £213,262 (2022 -£209,105).

The total employer contributions paid to the DCS fund during the current year were £20,746 (2022 - £17,439).

As at the balance sheet date, no contributions were (2022 - £Nil was) payable by the charity.