

HERON EDUCATIONAL TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

HERON EDUCATIONAL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	ACCIS Property Ltd ACCIS Investments Ltd ACCIS Educational (UK) Ltd
Charity number	1057136
Principal address	c/o Liquidline 11 Holywells Close Ipswich Suffolk IP3 0AW
Independent examiner	Rickard Luckin Limited Phoenix House, Suite 8 Christopher Martin Road Basildon Essex SS14 3EZ
Bankers	National Westminster Bank Plc 10 South Street Romford Essex RM1 1RD

HERON EDUCATIONAL TRUST

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HERON EDUCATIONAL TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's charitable trust deed dated 28 June 1996 and the Deed of Variation dated 7 March 1997, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The objectives of the trust are the advancement of the education of children and young people from ages five to eighteen in particular by assistance to their parents to enable such children to be taught otherwise than at school as defined in the Education Acts 1944 to 1993 and for any other charitable purpose for the benefit of the Brethren.

This is achieved by the provision of the use of a school building to Larchcroft Education Trust.

In reviewing the activities of the charity, the trustees have considered the Charity Commission's guidance on public benefit and, in particular, the guidance on charities for the advancement of education.

Achievements and performance

The Charity has continued to be able to educate its pupils on one site at Stoke-by-Nayland.

Financial review

The trustees consider that the financial performance of the trust for the year was satisfactory and that whilst the overall level of reserves would appear to be high, a significant proportion of the available funds are in non monetary assets. In addition, the trustees were looking to ensure they have sufficient funding for the property and loan repayments.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity was established by a charitable trust deed dated 28 June 1996 and the Deed of Variation dated 7 March 1997. New trustees are appointed by statutory power subject to confirmation by the Romford Meeting Room trustees. The trustees have reviewed the major risks faced by the charity and have established appropriate systems and procedures to manage those risks.

The trustees who served during the year and up to the date of signature of the financial statements were:

ACCIS Property Ltd

ACCIS Investments Ltd

ACCIS Educational (UK) Ltd

HERON EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Covid-19

The effects of the worldwide Covid-19 pandemic began impacting in the UK from March 2020. This has led to a significant shut-down of both social and economic activity in the UK and in many other countries around the globe.

It is impossible to determine what the impact will be on future company activities, but no adjustment is required in respect of the company's results to 31 December 2020.

The trustees' report was approved by the Board of Trustees.

.....
ACCIS Educational (UK) Ltd

Dated:

HERON EDUCATIONAL TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF HERON EDUCATIONAL TRUST

I report to the trustees on my examination of the financial statements of Heron Educational Trust (the charity) for the year ended 31 December 2020.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Kate Bell
Rickard Luckin Limited
Chartered Accountants
Phoenix House, Suite 8
Christopher Martin Road
Basildon
Essex
SS14 3EZ

Dated:

HERON EDUCATIONAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Total 2019 £
	Notes		
<u>Income from:</u>			
Donations and legacies	4	155,067	53,182
Charitable activities	3	-	12,996
Investments	5	20	75
Total income		<u>155,087</u>	<u>66,253</u>
<u>Expenditure on:</u>			
Charitable activities	6	<u>39,802</u>	<u>32,868</u>
Net income for the year/ Net movement in funds		115,285	33,385
Fund balances at 1 January 2020		973,900	940,515
Fund balances at 31 December 2020		<u><u>1,089,185</u></u>	<u><u>973,900</u></u>

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

All income and expenditure derive from continuing activities.

HERON EDUCATIONAL TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		1,363,135		1,378,655
Current assets					
Debtors	11	823		-	
Cash at bank and in hand		185,749		52,946	
		<u>186,572</u>		<u>52,946</u>	
Creditors: amounts falling due within one year	12	<u>(160,522)</u>		<u>(7,701)</u>	
Net current assets			26,050		45,245
Total assets less current liabilities			1,389,185		1,423,900
Creditors: amounts falling due after more than one year	13		(300,000)		(450,000)
Net assets			<u>1,089,185</u>		<u>973,900</u>
Income funds					
Unrestricted funds			1,089,185		973,900
			<u>1,089,185</u>		<u>973,900</u>

The financial statements were approved by the Trustees on

.....
ACCIS Property Ltd
Trustee

.....
ACCIS Investments Ltd
Trustee

.....
ACCIS Educational (UK) Ltd
Trustee

HERON EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's charitable trust deed dated 28 June 1996, the Deed of Variation dated 7 March 1997, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

HERON EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	1% straight line basis
Fixtures, fittings & equipment	20% straight line basis
Motor vehicles	25% reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

HERON EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

1.10 Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Charitable activities

	Charitable Income 2020 £	Charitable Income 2019 £
Charitable rental income	-	12,996

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Donations and legacies

	Unrestricted funds	Total
	2020 £	2019 £
Donations and gifts	36,028	49,056
Legacies receivable	15,000	-
Gift aid tax reclaimed and other general grants	104,039	4,126
	<u>155,067</u>	<u>53,182</u>

5 Investments

	Unrestricted funds	Total
	2020 £	2019 £
Interest receivable	<u>20</u>	<u>75</u>

6 Charitable activities

	2020 £	2019 £
Interest payable	21,596	15,358
Share of support costs (see note 9)	15,520	14,884
Share of governance costs (see note 9)	2,686	2,626
	<u>39,802</u>	<u>32,868</u>

7 Trustees

No trustees received any remuneration during the year.

HERON EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Total	-	-

9 Support costs

	Support costs £	Governance costs £	2020 £	2019 £
Depreciation	15,520	-	15,520	14,884
Bank charges	-	286	286	307
Accountancy fees	-	2,400	2,400	2,319
	<u>15,520</u>	<u>2,686</u>	<u>18,206</u>	<u>17,510</u>
Analysed between Charitable activities	<u>15,520</u>	<u>2,686</u>	<u>18,206</u>	<u>17,510</u>

Governance costs includes payments to the accountants of £1,680 (2019- £1,680) for accounts preparation and independent examination fees.

HERON EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2020	1,456,600	9,199	25,560	1,491,359
Disposals	-	-	(25,560)	(25,560)
At 31 December 2020	1,456,600	9,199	-	1,465,799
Depreciation and impairment				
At 1 January 2020	78,899	9,199	24,606	112,704
Depreciation charged in the year	14,566	-	-	14,566
Eliminated in respect of disposals	-	-	(24,606)	(24,606)
At 31 December 2020	93,465	9,199	-	102,664
Carrying amount				
At 31 December 2020	1,363,135	-	-	1,363,135
At 31 December 2019	1,377,701	-	954	1,378,655

11 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	823	-

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Borrowings	150,000	-
Accruals and deferred income	10,522	7,701
	160,522	7,701

13 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	14	300,000	450,000

HERON EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

14 Loans and overdrafts

	2020 £	2019 £
Bank loans	300,000	450,000
Other loans	150,000	-
	<hr/>	<hr/>
	450,000	450,000
	<hr/>	<hr/>
Payable within one year	150,000	-
Payable after one year	300,000	450,000
	<hr/>	<hr/>

The loan is secured by a first legal charge on the charity's freehold property.

15 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).