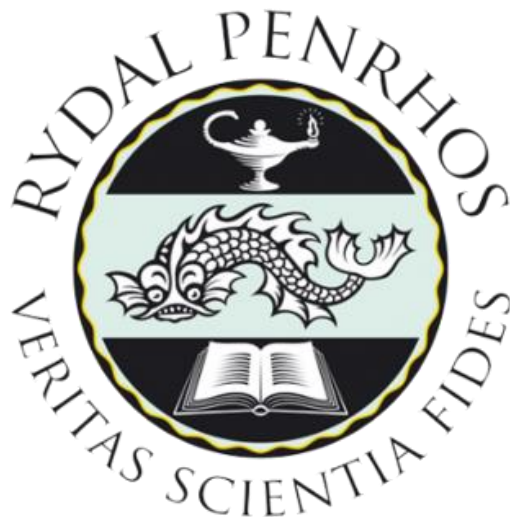


RYDAL PENRHOS LIMITED AND SUBSIDIARIES
REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 AUGUST 2020



COMPANY REGISTRATION NUMBER: 3294434
CHARITY NUMBER: 1063489

RYDAL PENRHOS LIMITED AND SUBSIDIARIES
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

CONTENTS	Page
Company information	1
Trustees' report	2 – 7
Independent auditor's report	8 – 10
Consolidated statement of financial activities	11
Consolidated and company balance sheets	12
Consolidated cash flow statement	13
Notes to the accounts	14 – 30

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

COMPANY INFORMATION

FOR THE YEAR ENDED 31 AUGUST 2020

Incorporation	19 December 1996
Company registration number	3294434
Charity number	1063489
Trustees	<div>Mr J Barnes</div> <div>Mr JP Burgess - <i>F</i></div> <div>Dr D Fazey - <i>E P</i></div> <div>Mr M Gilman (Appointed 7 May 2020)</div> <div>Mr D Humphreys</div> <div>Mrs D McKinnel</div> <div>Mr B Park (Appointed 7 May 2020)</div> <div>Mr J C Salisbury (Appointed 17 December 2019)</div> <div>Mrs BAM Watson <i>E P T</i></div> <div>The Revd Dr S Wigley</div> <div>Mr JMA Wilford - <i>A</i></div> <div>Mr IM Williams - <i>F</i></div> <div>Dr N Bickerton - <i>E P A</i> (Resigned 7 May 2020)</div> <div>Mr J Payne – <i>A</i> (Resigned 31 August 2020)</div> <div>Mrs Lucy Davies (Resigned 19 September 2019)</div> <div>Mr N Grenfell-Marten - <i>F</i> (Resigned 20 April 2020)</div> <div>Dr H M Abdelsalam (Resigned 25 August 2020)</div>

Key of Committee Membership

- *Finance & Estates - F*
- *Educational - E*
- *Personnel - P*
- *Audit & Risk - A*
- *Trusts – T*

The Trustees of the Rosa Hovey Scholarship Trust consist of a committee of the Head and three Trustees.
The Rydal Penrhos Scholarship and Development Fund is under the direct control of the Trustees.

Head/Principal	JE Waszek
Company Secretary	H Filbee
Key Management Personnel	<div>JE Waszek - Principal</div> <div>SA Harding - Head of Senior School</div> <div>L Davies - Head of Prep School</div> <div>A Thomas – Assistant Head</div> <div>R Williams – Assistant Head</div> <div>P Sutton – Deputy Head</div> <div>H Filbee – Head of Finance</div> <div>N Sissons – Chaplain</div> <div>A Hind – Head of Pastoral Care</div>
Registered Office	Old House, Pwllcrochan Avenue Colwyn Bay, Wales, LL29 7BT
Bankers	National Westminster Bank plc. Union Street, Chester, CH1 1UA

RYDAL PENRHOS LIMITED AND SUBSIDIARIES
COMPANY INFORMATION AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

Solicitors	Pothecary Witham Weld 70 St Georges Square, London, SW1V 3RD
Auditors	McLintocks (NW) Limited 2 Hilliards Court, Chester, CH4 9PX

The Trustees (who are also the directors for the purposes of company law) submit their report and the accounts for the year ended 31 August 2020.

Structure, governance and management
Constitution

The company is limited by guarantee and has no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year of ceasing to be a member, for debts and liabilities of the company contracted before he or she ceased to be a member, such amount as may be required not exceeding £10.

The governance and objects of the School are as laid down in the Articles of Association and Memorandum of Association which incorporates the provisions of the Methodist Secondary Education Trust Deed 1903, as subsequently amended.

Trustee body

A list of Trustees of the charity who served during the year and since the year end at 31 August 2020 is shown on the company information page.

Trustees are appointed for a term of five years and may stand for re-election. Conference nominated Trustees are appointed for three years. The Trustee body meets a minimum of four times a year and delegates responsibility to sub-committees as necessary.

The Board seeks to have a broad range of business, professional and educational skills; Trustees receive induction training and are encouraged to participate in regular training in their areas of particular interest.

Organisational Management

The Trustees determine the general policy and strategy of the School; the implementation of strategy and the management of the School is delegated to the Head and the Bursar, supported by Senior Leadership Team who together form the key management personnel.

Remuneration amounts are set by the Board and reviewed annually including reference to comparisons with other independent schools. The policy objective is ensuring appropriate incentives to encourage enhanced performance and, in a fair and responsible manner, rewarding for individual contributions to the School's success. The Board appoints the Principal, the Head of Finance and the Chaplain.

Related Entities

Details of related entities are incorporated within the related party transactions note to the accounts.

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Ethos, aims and objectives

Rydal Penrhos seeks to benefit the public through the pursuit of its stated aims 'to advance education and learning'. The Trustees have given due consideration to the Charity Commission's general guidance on public benefit. The School welcomes pupils from all backgrounds; to admit a prospective pupil the School must be satisfied that the School will be able to educate and develop that pupil to the optimum of his or her potential and in line with the general standards achieved by their peers. The Methodist foundation of the School is important to its identity and the way it promotes pupils' attitudes and responsibilities to each other and society at large.

Key objectives for the year were:

- To improve the financial operation of the School by focussing the impact of expenditure on pupil outcomes. Also by simplifying the School fee structure and seeking to restrain fee increase through improvements in efficiency.
- To enhance the quality of teaching and learning. This to be achieved by a strong focus on in service training and performance management for teaching and support staff.
- To further improve academic performance. The results in the School are already of a high standard compared with the National Average, however, we feel that we should always strive to be better than the previous year and therefore set targets for the Heads of Faculty. Our Value Added as reported by Centre for Evaluation and Monitoring, CEM, is very high, particularly in GCSE and we often achieve scores commensurate with being in the top 5% of Schools in the country. It is at 'A' Level where we would like to improve further as it is often at this level where the achievements of GCSE are hard to follow. Excellent teaching is one of the keys to improving pupil numbers.
- To improve the School's relationship with all stakeholders, especially pupils/ parents. Staff and alumni. This to be achieved by appropriate two-way communication including regular questionnaires and functions such as parental dinners.
- To expedite the development of the School's estate. This to be achieved through the sale of redundant assets for reinvestment.
- To improve significantly the professionalism and performance of all support functions including finance, HR and communications/marketing.

STRATEGIC REPORT

Review of Operational Performance of the School

Academic

Rydal Penrhos School pupils continued to thrive, underpinned by a strong supportive community spirit. Pupils achieved excellent results, from the youngest Pre-Prep children to 18-year-old 'A' level. The wide range of co-curricular activities, much valued by pupils and parents, saw outstanding personal attainment at local, regional and national levels.

GCSEs:

All GCSE Mathematics candidates from Year 10 scored results graded 7, 8 and 9 (equivalent to the former A* and A grades), and this a year ahead of their peers.

Our (I)GCSE candidates in Year 11 achieved a 98.4% pass rate (at grades 4 - 9, A* - C), with a mean number of passes per candidate of 9.1. Amongst the 4 subjects still graded under the former A* to G system, A* was by far the most frequently-scored grade; with regard to the 17 subjects with the new numerical grades, the combined total of grades 9, 8 and 7 (equivalent to the former A* and A) represented nearly half of the total grades awarded in these subjects.

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Academic (continued)

GCSEs (continued):

The Value Added scores for these results is even more noteworthy, as almost all subjects had positive value added and some subjects added as much as 2 grades per subject on prediction.

'A' Levels:

The 'A' Level pass rate was 100% of which 74.2% of these grades were at A*, A and B, and 89.9% from A* to C inclusive. This was however a very good cohort and we must be aware that all year groups differ and we must therefore try to maintain these high standard.

Extra-Curricular Activities

The School recognises the importance of a balanced curriculum and opportunities to develop interests and skills beyond the classroom; music, drama and sport play an important part of School life and participation is encouraged at all levels and ages, so developing wider interests and team spirit and resilience. Sport continues to play a valuable part in School life and the School's enviable location enables pupils to enjoy sailing, golf and outdoor activities such as the Duke of Edinburgh's Award scheme as well as traditional team sports. Areas such as the Speech and Drama programme and Music tutoring improve confidence and self-esteem.

There has been an increased emphasis this year on improving the Academic offering on the extra-curricular programme, this has included such things as Model United Nations, Young Enterprises, Debating Society, the Scientific Society and combining the ever-increasing digital age with activities including the Coding Club. The prep School's curriculum continued to develop, embracing new ideas and ways of teaching particularly in the areas of Science, and the facilities continue to enable pupils to develop new skills and to become more aware of the environment around them. A diverse range of activities are available to all age groups and focus on everything from Outdoor Education, Sport, Music, Drama, Crafts.

Community Service

The School continues to play an important part in the local community; pupils provide support to local events and raise funds for many good causes.

Local schools benefit from using the School's astroturf pitch and other sports facilities free of charge as well as participating in sports tournaments hosted by Rydal Penrhos.

The School's place in the local community has been more prevalent than ever over the last 12 months during the coronavirus pandemic. Many outreach systems were launched by the School to assist in an uncertain time. The School opened its boarding accommodation for keyworkers who were unable to go home during the pandemic. The Design Technology department also produced thousands of PPE masks for care homes across the region, with some pupils even doing the same from home.

The School remained open for pupils of keyworker children and during the first lockdown period, those in the community were also able to access the essential service. Pupils and staff have also taken part in a large number of fundraising activities for worthy causes both regionally and nationally in school hours and during their own time.

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Scholarships and bursaries

The Trustees view the School's bursary awards as important in helping to ensure that children from families who would not otherwise afford the fees can access education offered by the School. The School aims to develop exceptional talent, to widen participation and demonstrate public benefit and this is supported by the provision of scholarships and bursaries for senior pupils.

Bursaries are available to those who meet the entry requirements on the basis of parental means or relief of hardship. In assessing means the School takes a number of factors into consideration including income, investments, savings and circumstances. Details of bursaries, allowances and scholarships can be found in note 2.

Financial review and future plans

It had been planned that both income and expenditure would fall during 2019 – 2020 as the transition from a boarding/day school to a day school accelerated.

A fall in income of circa £1.5million due to Project Bold was accompanied by a fall in expenditure of circa £1.4 million.

However, the impact of Covid-19 was significant and had an estimated net negative impact of circa £900k.

The 2018 – 19 year had been bolstered by property sales of £1m and so the net deterioration in income of circa £3.2 million was only partly offset by expenditure reductions of £1.4 million.

The rationalisation of resources, especially the disposal of redundant buildings and further staffing reductions related to the cessation of boarding will continue through 2020 – 2021 and we anticipate the school returning to an operating cash surplus during late 2022 as all the structural changes are complete.

Investment powers and policy

The investment powers are governed by the Memorandum & Articles of Association that permits the funds of the School and its subsidiary charities to be invested in any investment or security as the charity may think fit. Investments are held under the management of the TMCP and Investec, which provides investment advice.

Reserves

Total reserves of the group at 31 August 2020 were £1.793m (2019: £3.341m), with unrestricted funds of £1.386m (2019: £2.932m) which includes designated funds of £0.625m (2019: £0.709m). At 31 August 2020 the group had restricted funds of £0.407m (2019: £0.409m) and a permanent endowment of £5 (2019: £5). Further details of the restricted and designated funds are given in note 18.

The Trustees regard 'free' reserves as being the reserves of the School after deducting fixed assets not covered by specific bank financing and investments held to generate income for the various Trust funds. On the basis described there is a deficit of free reserves of £1.978m (2019: £1.2m). Similar to many other independent schools, the School has invested heavily in fixed assets which have resulted in this deficit.

The need for day-to-day working capital is met by careful management of short-term liquid resources.

The policy is to reduce the level of free reserves deficit from annual operating surpluses, subject to the prior demands of further capital expenditure to equip the School with the up-to-date facilities needed to maintain the standard of educational services currently provided.

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Fixed assets

Post year end, in December 2020 the Trustees obtained an independent valuation of the property portfolio. The value of 30 properties exceeded £27m and a number of properties have since been sold.

The treatment of fixed assets is described in note 1 to the accounts.

Staff

The School employs suitably qualified staff and encourages further training through regular in service training and external courses.

The Trustees wish to thank the staff for their dedication and commitment in helping the School achieve its charitable objectives.

Risk management and principal risks and uncertainties

The Governing Body is responsible for the management of the risks faced by the School, and a formal review of the risk management processes is undertaken regularly.

The main risks that the Trustees have identified and the plans to manage those risks are:

- **Reputation** – the School's success is built on its reputation for the education and wellbeing of our pupils.

This risk is managed through safeguarding policies, providing a broad and attractive curriculum, staff recruitment policies, pastoral support for both pupils and staff and management of health and safety matters.

- **Financial viability** – our ability to operate is reliant on the prompt receipt of fee income based on stable pupil numbers and effective management of costs.

This risk is managed by marketing activity to maintain and expand pupil numbers, maximising pupil retention, maintaining a reputation for academic excellence and active cash flow management.

The Trustees are satisfied that the major risks identified have been adequately mitigated as far as possible.

It is the Board's policy that key controls should include:

- Formal agendas for all Board and Committee meetings
- Detailed terms of reference for all Committees
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of children

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Rydal Penrhos Limited for the purposes of company law) are responsible for preparing the Trustees' Report (including the group director's and 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 which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 (FRS 102);
- Make judgements and accounting 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group'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 charitable group's auditors are aware of that information.

Auditors

McLintocks (NW) Limited were appointed as auditor to the group and parent charitable company in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

This report, incorporating the group strategic report, was approved by the Trustees, in their capacity as company directors, on 25th May 2021 and signed on their behalf by:



.....
Julian Barnes
Chairman

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RYDAL PENRHOS LIMITED
FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the financial statements of Rydal Penrhos Limited (the 'charitable parent company') and its subsidiaries ('the group') for the year ended 31 August 2020 which comprise the group statement of financial activities, the group balance sheet, the charitable company balance sheet, the group statement of cash flows and the related 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 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 group's and of the parent charitable company's affairs as at 31 August 2020 and of the group's and parent charitable company's net movement in funds, including the 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 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 other information comprises the information included in the annual report set, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 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 RYDAL PENRHOS LIMITED
FOR THE YEAR ENDED 31 AUGUST 2020

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 (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included in 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company 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.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 group's and the parent 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 group or the parent 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
RYDAL PENRHOS LIMITED (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

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 the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Caputo FCA (Senior Statutory Auditor)
For and on behalf of McLintocks (NW) Limited

25th May 2021

Chartered Accountants
Statutory Auditor

2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9PX

Notes:

1. The maintenance and integrity of Rydal Penrhos Limited's website is the responsibility of the Trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME & EXPENDITURE ACCOUNT)**

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Permanent endowment £	2020 Total £	2019 Total £
INCOME FROM:						
Charitable activities:						
School fees	2	4,489,060	-	-	4,489,060	6,974,003
Trading and other activities:						
Lettings income	3	24,632	-	-	24,632	148,711
Other income	3	614,897	-	-	614,897	1,077,839
Investments						
Investment income	4	15,736	408	-	16,144	9,446
Total income		<u>5,144,325</u>	<u>408</u>	<u>-</u>	<u>5,144,733</u>	<u>8,209,999</u>
EXPENDITURE ON:						
Raising funds:						
Finance costs		23,787	-	-	23,787	10,176
Charitable activities:						
Teaching costs		3,662,382	-	-	3,662,382	3,703,607
Welfare costs		843,852	-	-	843,852	1,280,042
Premises costs		1,272,336	-	-	1,272,336	1,799,406
Support and governance costs		880,359	2,500	-	882,859	1,272,311
Total expenditure	7	<u>6,682,716</u>	<u>2,500</u>	<u>-</u>	<u>6,685,216</u>	<u>8,065,542</u>
Net (expenditure) before investment gains		(1,538,391)	(2,092)	-	(1,540,483)	144,457
Net gains/(losses) on investments	9	(7,329)	118	-	(7,211)	(46,126)
Net movement in funds		(1,545,720)	(1,974)	-	(1,547,694)	98,331
Reconciliation of funds:						
Total funds brought forward		<u>2,932,366</u>	<u>408,817</u>	<u>5</u>	<u>3,341,188</u>	<u>3,242,857</u>
Total funds carried forward		<u>1,386,646</u>	<u>406,843</u>	<u>5</u>	<u>1,793,494</u>	<u>3,341,188</u>

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

All income and expenditure is derived from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 14 to 30 form part of these financial statements.

RYDAL PENRHOS LIMITED AND SUBSIDIARIES
Company Number: 3294434

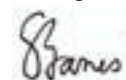
BALANCE SHEETS

AS AT 31 AUGUST 2020

	Notes	Consolidated		Company	
		2020 £	2019 £	2020 £	2019 £
Fixed assets					
Tangible assets	8	3,357,543	3,430,246	3,355,543	3,426,828
Investments	9	174,647	212,976	6,859	6,783
Investment in subsidiary	9	-	-	2	2
		<u>3,532,190</u>	<u>3,643,222</u>	<u>3,362,404</u>	<u>3,433,613</u>
Current assets					
Stocks	11	65,109	88,501	65,109	88,501
Debtors	12	119,607	749,833	119,212	824,882
Cash at bank and in hand		585,291	710,477	568,071	693,288
		<u>770,007</u>	<u>1,548,811</u>	<u>752,392</u>	<u>1,606,671</u>
Creditors: amounts falling due within one year	13	(2,163,505)	(1,709,611)	(2,531,326)	(2,093,751)
Net current liabilities		<u>(1,393,498)</u>	<u>(160,800)</u>	<u>(1,778,934)</u>	<u>(487,080)</u>
Total assets less current liabilities		2,138,692	3,482,422	1,583,470	2,946,533
Creditors: amounts falling due after more than one year	14	(345,198)	(141,234)	(345,198)	(141,234)
Total net assets		<u><u>1,793,494</u></u>	<u><u>3,341,188</u></u>	<u><u>1,238,272</u></u>	<u><u>2,805,299</u></u>
Capital					
Permanent endowment	18	5	5	-	-
Income					
Restricted funds	18	406,843	408,817	7,522	7,522
Unrestricted funds:					
General reserve	18	761,998	2,223,502	723,884	2,245,442
Designated funds	18	624,648	708,864	506,866	552,335
Total funds		<u><u>1,793,494</u></u>	<u><u>3,341,188</u></u>	<u><u>1,238,272</u></u>	<u><u>2,805,299</u></u>

As permitted by s408 Companies Act 2006, the charitable company has not presented its own statement of financial activities and related notes. The charitable company's deficit for the year was £1,567,027 (2019: surplus £705,215).

These financial statements were approved by the Trustees and authorised for issue on 25th May 2021 and are signed on their behalf by:



Julian Barnes
Chairman

The notes on pages 14 to 30 form part of these financial statements.

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

	2020		2019
	£	£	£
Reconciliation of net expenditure to net cash flow from operating activities:			
Net income/(expenditure) before investment gains/(losses)	(1,540,483)		144,457
Depreciation charges	219,835		268,909
Interest paid	23,787		10,176
Investment income	(16,146)		(9,446)
(Increase)/decrease in debtors	630,226		(466,765)
Increase/(decrease) in creditors	562,153		(984,152)
(Increase)/decrease in stock	23,392		(7,736)
Profit on sale of property	-		390,000
	<u> </u>		<u> </u>
Net cash provided from operations		(97,236)	(654,557)
Net cash flow from investing activities:			
Investment income	16,146		9,446
Purchase of tangible fixed assets	(152,534)		(79,206)
Proceeds from sale of investments	31,118		631,014
Net proceeds from sale of tangible assets	5,400		99,256
	<u> </u>		<u> </u>
Cash provided from/(used in) investing activities		(99,870)	660,510
Cash flows from financing activities:			
Bank loan repayments	(23,419)		(42,302)
Interest paid	(23,787)		(10,176)
	<u> </u>		<u> </u>
Net cash (used in) financing		(47,206)	(52,478)
	<u> </u>		<u> </u>
Increase in cash and cash equivalents		(244,312)	(46,525)
	<u> </u>		<u> </u>
Cash and cash equivalents at beginning of the period		710,477	757,002
	<u> </u>		<u> </u>
Cash and cash equivalents at the end of the period		466,165	710,477
	<u> </u>		<u> </u>
ANALYSIS OF CASH AND CASH EQUIVALENTS	2020		2019
	£		£
Cash in hand and at bank	585,291		710,477
Bank overdraft	(119,126)		-
	<u> </u>		<u> </u>
	466,165		710,477
	<u> </u>		<u> </u>

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

Charity information

Rydal Penrhos is a charitable company limited by guarantee incorporated in England and Wales and registered with the Charity Commission. Rydal Penrhos Limited was incorporated on 19 December 1996 (company number: 3294434) and registered as a charity on 17 July 1997 (charity number: 1063489). The registered office is Old House, Pwllcrochan Avenue, Colwyn Bay, Wales, LL29 7BT.

The group consists of Rydal Penrhos Limited and all of its subsidiaries.

The Charitable Company's financial statements have been prepared in compliance with the Charities SORP (FRS 102) issued 1 January 2015 (update bulletin 2, effective 1 January 2019).

Legal Status

The members of the company are the Trustees. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 (FRS 102) (as amended for accounting periods commencing 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102. 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, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The charitable company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The School has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Basis of consolidation

The consolidated financial statements incorporate those of Rydal Penrhos Limited and all of its subsidiaries (i.e entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefit) on a line by line basis.

All financial statements are made up to 31 August 2020.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1. ACCOUNTING POLICIES (continued)

Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, despite the COVID-19 global pandemic, current year loss incurred and the net liability position. As a result management and the Trustees are realigning their strategy to meet the demands of the ever changing environment. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The judgement that the catering equipment provided to the School through a contract with Holroyde Howes effectively a loan and contingent liability (as set out in note 23) rather than a finance lease is considered a significant judgement.

In the view of the Trustees, no other assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

School fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period to which they relate, after deducting allowances, scholarships and other remissions granted by the School, but including contributions received from restricted funds.

Fees received for education to be provided in future years are carried forward as deferred income.

Investment income

Income from investments is accounted for on a receivable basis and includes all relevant tax credits.

Donations, legacies, grants and other voluntary income

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Voluntary income for the School's general purposes is accounted for as unrestricted income to general funds. Where the donor or an appeal has imposed trust law restrictions, income is credited to the relevant restricted fund.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

Expenditure

Expenditure is accrued as soon as a liability from a past event is considered probable. Irrecoverable VAT is included with the item of expense to which it relates. Costs of charitable activities include expenditure associated with the running of the School and include both direct and support costs.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include finance, personnel, payroll and governance. Governance costs comprise the costs of complying with constitutional and statutory requirements including strategic planning for its future development, external audit, any legal advice for the School's Trustees, the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Fixed assets

There are no accurate records available of the historic costs of the group's land and buildings and other assets. As a result the Trustees have had all land and building revalued post year end.

Costs incurred since 1999 on both the Phase I and Phase II development of the School's land and buildings have been capitalised and are being written off in the Statement of Financial Activities over a forty year period from the date the assets became operational. In addition, the costs of developing two properties so that they may be used for boarding accommodation have been capitalised and are also being written off in the Statement of Financial Activities over a forty year period from the date the assets became operational. This includes the cost of buildings constructed on freehold sites in the name of the Trustees for Methodist Church Purposes and these are being depreciated over a forty year period. Trustees of the Methodist Secondary Education Trust Deed of 1903 are custodian Trustees at the direction of Rydal Penrhos Limited, as beneficial owners (who are the managing Trustees).

The land and buildings referred to as Hovey House and Blackburn's Piece have been capitalised in the consolidated balance sheet and the property (excluding land) is being depreciated over a fifty year period.

Expenditure on plant and equipment costing more than £1,000 is capitalised and written off in the Statement of Financial Activities at 20% straight line per annum. Expenditure on solar panels has also been included within plant and equipment but is being written off at 5% straight line per annum. Expenditure on motor vehicles costing more than £1,000 is capitalised in the accounts and is being written off in the Statement of Financial Activities at 20% straight line per annum. All other expenditure is written off in the year in which it is incurred.

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 the statement of financial activities for the year.

Fixed asset investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

Investments in subsidiaries are valued at cost less provision for impairment.

Stock

Stock represents goods for resale and is valued at the lower of cost and net realisable value.

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

Debtors

Trade and other debtors are recognised at the settlement amount due for the provision of services delivered. Prepayments are recognised at the amount prepaid or the amount it has paid in advance.

Cash and cash equivalents

Cash and cash equivalents include cash and deposits with a short term maturity of three months or less from the date of opening the deposit account.

Creditors and provisions

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured reliably, amounts are recognised at their settlement amount.

Fund accounting

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

Designated funds are unrestricted funds of the charity that have been set aside by the Trustees for specific purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Endowment funds are retained on trust for the benefit of the charity as a capital fund.

Operating leases

Rents payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the period of the lease.

Pension costs

For eligible employees, the School contributes to the Teachers' Pension Scheme (TPS), a superannuation scheme which provides benefits based on final pensionable pay. The TPS is a multi-employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme. In accordance with FRS 102, the TPS is therefore treated as a defined contribution scheme and the contributions are recognised in the Statement of Financial Activities as they are paid each year.

Support staff may join the Aviva defined contribution group personal pension plan to which employees currently contribute 5% of their total pensionable salaries whilst the School makes a contribution of 3.2%. The contributions are recognised in the Statement of Financial Activities when incurred.

Contributions are also paid to the Methodist Ministers' Pension Scheme in respect of one employee. This is a defined benefit pension scheme, however the scheme position is highly immaterial to the financial statements and has been treated as a defined contributions scheme.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes.

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

2. SCHOOL FEES	2020 £	2019 £
Gross fees and charges	5,327,101	8,484,667
Less: Bursaries, allowances and scholarships	(838,041)	(1,510,664)
Group Total	4,489,060	6,974,003
3. TRADING AND OTHER INCOME	2020 £	2019 £
Rents and lettings	24,632	148,711
Proceeds from the sale of property	228,850	1,077,839
Coronavirus job retention scheme	319,457	-
Other income	66,590	-
	639,529	1,226,550
4. INVESTMENT INCOME	2020 £	2019 £
Income from investments	16,144	9,446
5. NET MOVEMENT IN FUNDS	2020 £	2019 £
This is stated after charging:		
Auditor's remuneration (including value added tax)	18,821	17,975
Depreciation	219,835	268,909
6. STAFF COSTS	2020 £	2019 £
Wages and salaries	3,417,938	3,941,253
Social security costs	310,355	373,372
Pension contributions	714,762	374,743
Termination payments	211,704	159,049
	4,654,759	4,848,417
Aggregate employee benefits of key management personnel	608,682	566,577

Key management personnel are considered to be the senior leadership team as set out on the company information page.

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

6. STAFF COSTS (continued)

	2020 Number	2019 Number
The average number of employees during the year was made up as follows:		
Teaching	52	54
Non-teaching	112	113
	<u>164</u>	<u>167</u>

The number of employees whose emoluments exceeded £60,000 per annum were:

£60,001 - £70,000	1	1
£70,001 - £80,000	-	1
£80,001 - £90,000	2	1
£90,001 - £100,000	-	1
	<u>1</u>	<u>3</u>

7. ANALYSIS OF EXPENDITURE

	Staff costs £	Other £	Depreciation £	2020 Total £	2019 Total £
Costs of raising funds					
Bank interest and fees	-	23,787	-	23,787	10,176
Costs of charitable activities					
Teaching costs	3,439,789	222,593	-	3,662,382	3,703,607
Welfare costs	320,811	523,041	-	843,852	1,280,042
Premises costs	240,633	811,868	219,835	1,272,336	1,799,406
Support and governance costs	653,526	229,333	-	882,859	1,272,311
	<u>4,654,759</u>	<u>1,810,622</u>	<u>219,835</u>	<u>6,685,216</u>	<u>8,065,542</u>

Comparative period

	Staff costs £	Other £	Depreciation £	2019 Total £
Costs of raising funds				
Bank interest and fees	-	10,176	-	10,176
Costs of charitable activities				
Teaching costs	3,576,208	127,399	-	3,703,607
Welfare costs	416,912	863,130	-	1,280,042
Premises costs	228,578	1,301,919	268,909	1,799,406
Support and governance costs	626,719	645,592	-	1,272,311
	<u>4,848,417</u>	<u>2,948,216</u>	<u>268,909</u>	<u>8,065,542</u>

	2020 Total £	2019 Total £
Governance included in support costs		
Trustees' expenses	234	3,924
Audit and accountancy fees	18,821	27,772
	<u>19,055</u>	<u>31,696</u>

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

8. TANGIBLE FIXED ASSETS

Group	Land and Buildings £	Fixtures and Equipment £	Motor Vehicles £	Total £
Cost				
At 1 September 2019	5,549,112	1,006,845	102,835	6,658,792
Additions	-	106,378	46,156	152,534
Disposals	-	(5,400)	(47,275)	(52,675)
At 31 August 2020	5,549,112	1,107,823	101,716	6,758,651
Depreciation				
At 1 September 2019	2,331,677	801,083	95,786	3,228,546
Charge for year	146,178	62,424	11,235	219,837
Disposals	-	-	(47,275)	(47,275)
At 31 August 2020	2,477,855	863,507	59,746	3,401,108
Net book value				
At 31 August 2020	3,071,257	244,316	41,970	3,357,543
At 31 August 2019	3,217,435	205,762	7,049	3,430,246
Company				
Cost				
At 1 September 2019	5,547,111	1,006,845	71,550	6,625,506
Additions	-	106,378	46,156	152,534
Disposals	-	(5,400)	(15,990)	(21,390)
At 31 August 2020	5,547,111	1,107,823	101,716	6,756,650
Depreciation				
At 1 September 2019	2,331,676	801,083	65,919	3,198,678
Charge for year	146,178	62,424	9,817	218,419
Disposals	-	-	(15,990)	(15,990)
At 31 August 2020	2,477,854	863,507	59,746	3,401,107
Net book value				
At 31 August 2020	3,069,257	244,316	41,970	3,355,543
At 31 August 2019	3,215,435	205,762	5,631	3,426,828

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020 £	2019 £
Plant and equipment	63,428	-
Motor vehicles	35,632	-

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

9. INVESTMENTS	Unrestricted £	Restricted £	Total £
Group – listed investments			
At 1 September 2019	201,980	10,996	212,976
Disposals	(31,118)	-	(31,118)
Revaluation gains/(loss)	(7,329)	118	(7,211)
	<u>163,533</u>	<u>11,114</u>	<u>174,647</u>
At 31 August 2020	<u>163,533</u>	<u>11,114</u>	<u>174,647</u>

The historic cost of the group listed investments held is £161,468 (2019: £171,455).

Subsidiary undertakings

The following subsidiaries have been consolidated in these accounts:

Charities and funds

Gillian Campbell Trust (1085795)

Charity number: 1085795

Rydal Penrhos (525752)

Charity number: 525752

Rosa Hovey Scholarship Trust

Charity number: N/A Trust

Trading company

Rydal Penrhos (Sport & Leisure) Limited

Company number: 03590034

The registered office for each of the above subsidiaries is: Old House, Pwllcrochan Avenue, Colwyn Bay, Wales, LL29 7BT

Company

At 31 August 2020 and 31 August 2019

**Subsidiary
undertaking**
£
2

The whole of the issued ordinary share capital of Rydal Penrhos (Sports & Leisure) Limited, a company registered in England and Wales, is held by nominee's on behalf of the School.

A summary of the balance sheet and profit and loss account from the audited financial statements is set out below:

	2020 £	2019 £
Profit and loss account		
Turnover	3,536	7,000
Expenditure	(5,231)	(4,826)
	<u>(1,695)</u>	<u>2,174</u>
Net profit/loss before tax and any donation under Gift Aid	<u>(1,695)</u>	<u>2,174</u>
Balance sheet		
Fixed assets	-	1,416
Current assets	225	3,286
	<u>225</u>	<u>4,702</u>
Current liabilities	-	(2,782)
Net Assets	<u>225</u>	<u>1,920</u>
Share capital	2	2
Profit and loss account	223	1,918
	<u>225</u>	<u>1,920</u>

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

9. INVESTMENTS (continued)

Company – listed investments:

	£
Market value	
At 1 September 2019	6,785
Revaluation gains/(loss)	76
	<u>6,861</u>
At 31 August 2020	<u><u>6,861</u></u>

The historic cost of the investments at 31 August 2020 was £4,129 (2019: £4,129).

10. INVESTMENT PROPERTY

	2020	Group 2019	2020	Company 2019
	£	£	£	£
Market value				
At 1 September 2019	-	390,000	-	-
Transfer from tangible fixed assets	-	-	-	-
Revaluation gains	-	-	-	-
Disposals	-	(390,000)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2020	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

11. STOCKS

	2020	Group 2019	2020	Company 2019
	£	£	£	£
Clothing stock	65,109	88,501	65,109	88,501
	<u>65,109</u>	<u>88,501</u>	<u>65,109</u>	<u>88,501</u>
	<u><u>65,109</u></u>	<u><u>88,501</u></u>	<u><u>65,109</u></u>	<u><u>88,501</u></u>

12. DEBTORS

	2020	Group 2019	2020	Company 2019
	£	£	£	£
Fees receivable	63,627	86,556	63,627	86,556
Prepayments and accrued income	55,585	640,522	55,585	640,522
Amounts owed from group undertakings	-	-	-	78,837
Other debtors	395	22,755	-	18,967
	<u>119,607</u>	<u>749,833</u>	<u>119,212</u>	<u>824,882</u>
	<u><u>119,607</u></u>	<u><u>749,833</u></u>	<u><u>119,212</u></u>	<u><u>824,882</u></u>

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

13. CREDITORS: due within one year

	2020	Group	2020	Company
	£	2019	£	2019
		£		£
Bank loans (note 15)	15,360	46,080	15,360	46,080
Bank overdraft	119,126	-	119,126	-
Trade creditors	321,699	451,757	321,648	451,755
Fees in advance	361,909	583,080	361,909	583,080
Other taxes and social security costs	573,947	90,262	574,172	89,480
Accruals and deferred income	257,896	119,488	257,896	113,241
Amounts owed to group undertakings	-	-	367,647	391,171
Other creditors	488,331	418,944	488,331	418,944
Finance lease	25,237	-	25,237	-
	<u>2,163,505</u>	<u>1,709,611</u>	<u>2,531,326</u>	<u>2,093,751</u>

14. CREDITORS: due after more than one year

	2020	Group	2020	Company
	£	2019	£	2019
		£		£
Bank loans (note 15)	148,535	141,234	148,535	141,234
Other creditors	127,032	-	127,032	-
Finance lease	69,631	-	69,631	-
	<u>345,198</u>	<u>141,234</u>	<u>345,198</u>	<u>141,234</u>

15. MATURITY OF DEBT

	2020	Group	2020	Company
	£	2019	£	2019
		£		£
Within one year	15,360	46,080	15,360	46,080
One to two years	46,080	46,080	46,080	46,080
Two to five years	102,455	95,154	102,455	95,154
Over five years	-	-	-	-
	<u>163,895</u>	<u>187,314</u>	<u>163,895</u>	<u>187,314</u>

RYDAL PENRHOS LIMITED AND SUBSIDIARIES**NOTES TO THE ACCOUNTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2020****16. FINANCIAL INSTRUMENTS**

Group	2020 £	2019 £
Financial assets measured at amortised cost	64,022	109,311
Financial assets measured at fair value	174,647	212,976
Financial liabilities measured at amortised cost	(1,666,998)	(1,148,277)
Net financial assets measured at amortised cost	(1,428,329)	(825,990)

Financial assets measured at amortised cost comprise fee debtors and other debtors.

Financial asset measured at fair value comprise listed investments and investment property.

Financial liabilities measured at amortised cost include bank loans and overdrafts, trade creditors, other taxes and social security costs and other creditors.

17. PENSION COMMITMENTS**Defined Benefit scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £628,829 (2019: £508,480) and at the year-end £311,679 (2019: £39,626) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Contributions from members and the employer are credited to the Exchequer and retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Governments Actuary Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

Other pensions

The employer's contributions paid into the group personal pension plan operated for support staff amounted to £88,816 (2019: £93,686). £9,573 was paid to the Methodist Ministers' Pension Scheme in the year.

The amount outstanding for pension contributions at the year end were £3,664 (2019: £9,827).

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

The net assets are held for the various funds as follows:

	Unrestricted funds £	Restricted funds £	Permanent endowment £	2020 Total £
Group				
Tangible fixed assets	3,357,543	-	-	3,357,543
Investments	163,533	11,114	-	174,647
Net current assets/(liabilities)	(1,789,232)	395,729	5	(1,393,498)
Creditors due after more than one year	(345,198)	-	-	(345,198)
	<u>1,386,646</u>	<u>406,843</u>	<u>5</u>	<u>1,793,494</u>
Company				
Tangible fixed assets	3,355,543	-	-	3,355,543
Investments	6,863	-	-	6,863
Net current assets/ (liabilities)	(1,754,323)	7,522	-	(1,778,936)
Creditors due after more than one year	(345,198)	-	-	(345,198)
	<u>1,262,885</u>	<u>7,522</u>	<u>-</u>	<u>1,238,272</u>
Comparative period				
Group				
Tangible fixed assets	3,430,246	-	-	3,430,246
Investments	201,980	10,996	-	212,976
Net current assets/(liabilities)	(558,626)	397,821	5	(160,800)
Creditors due after more than one year	(141,234)	-	-	(141,234)
	<u>2,932,366</u>	<u>408,817</u>	<u>5</u>	<u>3,341,188</u>
Company				
Tangible fixed assets	3,426,828	-	-	3,426,828
Investments	6,787	-	-	6,787
Net current assets/ (liabilities)	(494,604)	7,522	-	(487,082)
Creditors due after more than one year	(141,234)	-	-	(141,234)
	<u>2,797,777</u>	<u>7,522</u>	<u>-</u>	<u>2,805,299</u>

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

18a. ENDOWED FUNDS

	At 1 September 2019 £	Income £	Expenditure £	Gains/(losses) £	Transfer £	At 31 August 2020 £
Group						
Permanent capital endowment	£5	-	-	-	-	£5
	=====	=====	=====	=====	=====	=====

	At 1 September 2018 £	Income £	Expenditure £	Gains/(losses) £	Transfer £	At 31 August 2019 £
Group						
Permanent capital endowment	£5	-	-	-	-	£5
	=====	=====	=====	=====	=====	=====

This permanent capital endowment lies within Rydal Penrhos (charity 525752) held for the general purposes of Rydal Penrhos and must be retained within the group.

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

18b. RESTRICTED FUNDS

	At 1 September 2019	Income	Expenditure	Gains/ (losses)	At 31 August 2020
Group	£	£	£	£	£
Comenius Multilateral School Partnership Grant (Company)	7,522	-	-	-	7,522
Rosa Hovey Scholarship Fund	16,741	408	(50)	118	17,217
Gillian Campbell	384,554	-	(2,450)	-	382,104
	<u>408,817</u>	<u>408</u>	<u>(2,500)</u>	<u>118</u>	<u>406,843</u>
Comparative period	At 1 September 2018	Income	Expenditure	Gains/ (losses)	At 31 August 2019
Group	£	£	£	£	£
Comenius Multilateral School Partnership Grant (Company)	7,522	-	-	-	7,522
Rosa Hovey Scholarship Fund	16,356	435	(50)	-	16,741
Gillian Campbell	452,075	3,300	(29,982)	(40,839)	384,554
	<u>475,953</u>	<u>3,735</u>	<u>(30,032)</u>	<u>(40,839)</u>	<u>408,817</u>

The Comenius Multilateral School Partnership Grant was given to the School by the EU to carry out 12 visits to partner schools.

The Rosa Hovey Scholarship Trust is used to pay grants to pupils who are leaving the School and wish to continue their education at universities and higher education colleges.

The Gillian Campbell Trust is used to provide assistance with fees and support costs for girls who would otherwise be unable to be or remain students at Rydal Penrhos. Support may also be provided to girls who, on leaving the School, wish to continue studying in a manner approved of by the Trusts's Trustees, but who would, in the opinion of the Trustees, be unable to do so without the help of The Gillian Campbell Trust.

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

18c. UNRESTRICTED FUNDS

	At 1 September 2019	Income	Expenditure	Gains/ (losses)	Transfers	At 31 August 2020
Group	£	£	£	£	£	£
General reserve	<u>2,223,502</u>	<u>5,129,010</u>	<u>(6,613,738)</u>	<u>(7,403)</u>	<u>30,627</u>	<u>761,998</u>
Designated funds						
Scholarship and Development (company)	552,335	15,315	(60,858)	74	-	506,866
Donald Hughes and Percy Heywood Fund	<u>156,529</u>	<u>-</u>	<u>(8,120)</u>	<u>-</u>	<u>(30,627)</u>	<u>117,782</u>
Total designated funds	<u>708,864</u>	<u>15,315</u>	<u>(68,978)</u>	<u>74</u>	<u>(30,627)</u>	<u>624,648</u>
Total unrestricted funds	<u>2,932,366</u>	<u>5,144,325</u>	<u>(6,682,716)</u>	<u>(7,329)</u>	<u>-</u>	<u>1,386,646</u>
	At 1 September 2018	Income	Expenditure	Gains/ (losses)	Transfers	At 31 August 2019
Group	£	£	£	£	£	£
General reserve	<u>1,741,161</u>	<u>8,804,093</u>	<u>(8,322,385)</u>	<u>633</u>	<u>-</u>	<u>2,223,502</u>
Designated funds						
Scholarship and Development (company)	718,875	3,317	(163,937)	(5,920)	-	552,335
Donald Hughes and Percy Heywood Fund	<u>306,863</u>	<u>-</u>	<u>(150,334)</u>	<u>-</u>	<u>-</u>	<u>156,529</u>
Total designated funds	<u>1,025,738</u>	<u>3,317</u>	<u>(314,271)</u>	<u>(5,920)</u>	<u>-</u>	<u>708,864</u>
Total unrestricted funds	<u>2,766,899</u>	<u>8,807,410</u>	<u>(8,636,656)</u>	<u>(5,287)</u>	<u>-</u>	<u>2,932,366</u>

The Scholarship and Development Fund is used for grants towards the payment of fees.

Donald Hughes and Percy Heywood Fund is to provide for the needs of students at the School in the provision of grants towards fees and in the provision of sporting and other facilities by the School as considered appropriate by the Trustees.

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

19. BANKING FACILITIES

Bank loans

On 26 August 2007, the School entered into an agreement to borrow up to £600,000 in the form of a loan to finance the construction of a sixth form recreation area within the existing dining hall, and the refurbishment of the Preparatory School. At the balance sheet date the amount owing was £163,895 (2019: £187,314). These facilities are secured by legal mortgages over the land and buildings in which legal ownership vests in the Trustees of the Methodist Secondary Education Trust Deed of 1903 as custodian Trustees at the direction of Rydal Penrhos Limited, as beneficial owners (who are the managing Trustees). A letter of comfort has also been jointly given by the company and the Trustees of the Methodist Secondary Education Trust.

On 24 March 2001, the company together with Rydal Penrhos (Sports & Leisure) Limited entered into an unlimited multilateral guarantee, with the company's bankers.

20. FINANCIAL COMMITMENTS

At 31st August 2020 there were no capital commitments (2019: £nil).

21. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2020 the company had total commitments under non-cancellable operating leases as set out below:-

	Assets other than land & buildings	
	2020	2019
	£	£
Operating leases which expire:		
Within 1 year	74,686	7,344
Within 2 – 5 years	130,148	12,314
	<u>204,834</u>	<u>19,658</u>

22. RELATED PARTY TRANSACTIONS

Transactions and balances between the School and the various subsidiaries are eliminated on consolidation.

A minibus was leased by Rydal Penrhos (Sports & Leisure) Limited to Rydal Penrhos Limited for a period of five years until January 2020 at an annual charge of £3,535 (2019: £7,000). In addition this year there was a management charge to Rydal Penrhos (Sport and Leisure) Limited of £3,380 (2019: £Nil).

The balance due to Rydal Penrhos (Sports & Leisure) Limited at 31 August 2020 was £Nil (2019: £3,286)

Trustees are volunteers and are not remunerated, however, Trustees' expenses totalling £234 (2019: £3,924) for travel and accommodation have been reimbursed.

Lucy Davies resigned as a Trustee on 19 September 2019 as she took up full time employment with the School as Head of Prep effective 1 September 2019.

RYDAL PENRHOS LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

23. CONTINGENT LIABILITY

The School's catering provider invested £500,000 in equipment in 2019 for use over the contract period. The agreement contains a clause requiring the School to repay the unamortised amount of this investment if the agreement is terminated over the contract period. At the year end the contingent obligation would have been £375,000 plus VAT.

24. COMPARATIVE CONSOLIDATED SOFA

	Unrestricted Funds £	Restricted Funds £	Permanent endowment £	2019 Total £
INCOME FROM:				
Charitable activities:				
School fees	6,974,003	-	-	6,974,003
Trading and other activities:				
Lettings income	148,711	-	-	148,711
Other income	1,077,839	-	-	1,077,839
Investments				
Investment income	5,441	3,735	-	9,176
Bank and other interest	270	-	-	270
Voluntary income:				
Grants and donations	-	-	-	-
Total income	<u>8,206,264</u>	<u>3,735</u>	<u>-</u>	<u>8,209,999</u>
EXPENDITURE ON:				
Raising funds:				
Finance costs	10,176	-	-	10,176
Charitable activities:				
Teaching costs	3,673,575	30,032	-	3,703,607
Welfare costs	1,280,042	-	-	1,280,042
Premises costs	1,799,406	-	-	1,799,406
Support and governance costs	1,272,311	-	-	1,272,311
Total expenditure	<u>8,035,510</u>	<u>30,032</u>	<u>-</u>	<u>8,065,542</u>
Net (expenditure) before investment gains	<u>170,754</u>	<u>(26,297)</u>	<u>-</u>	<u>144,457</u>
Net gains on investments	(5,287)	(40,839)	-	(46,126)
Net movement in funds before transfers	<u>165,467</u>	<u>(67,136)</u>	<u>-</u>	<u>98,331</u>
Transfers between funds	-	-	-	-
Net movement in funds	<u>165,467</u>	<u>(67,136)</u>	<u>-</u>	<u>98,331</u>
Reconciliation of funds:				
Total funds brought forward	<u>2,766,899</u>	<u>475,953</u>	<u>5</u>	<u>3,242,857</u>
Total funds carried forward	<u><u>2,932,366</u></u>	<u><u>408,817</u></u>	<u><u>5</u></u>	<u><u>3,341,188</u></u>