

# AVALON SCHOOL EDUCATIONAL TRUST

England & Wales · Charity number 1088050

## Details

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**Status** Registered

**Legal form** Charitable company

**Company number** [04050603](#)

**Registered** 2001-08-15

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** Avalon School  
27 Caldby Road  
West Kirby  
Wirral  
CH48 2HE

**Phone** 01516256993

**Email** [schooloffice@avalon-school.co.uk](mailto:schooloffice@avalon-school.co.uk)

**Website** [avalon-school.co.uk](http://avalon-school.co.uk)

## Activities

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**Objects:** TO FURTHER THE EDUCATION OF CHILDREN BETWEEN THE AGES OF 2-11 AND TO MAINTAIN, MANAGE, DEVELOP AND CARRY ON A NURSERY, INFANT AND JUNIOR SCHOOL AND TO SUPPLY TO PUPILS GENERAL INSTRUCTION OF THE HIGHEST CLASS.

**Activities:** The charity exists to further the education of children between the ages of 2 and 11 years, by operating, managing and developing the facilities of Avalon School.

## Classification

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- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People

## Geography

- Wirral

## Finances

| Period end | Income     | Expenditure | Assets     | Employees |
|------------|------------|-------------|------------|-----------|
| 2024-08-31 | £1,275,239 | £1,414,805  | £2,267,431 | 35        |
| 2023-08-31 | £1,295,545 | £1,319,834  | £2,406,997 | 35        |
| 2022-08-31 | £1,126,717 | £1,129,036  | £2,431,286 | 35        |
| 2021-08-31 | £1,058,694 | £1,018,889  | £2,433,665 | 33        |
| 2020-08-31 | £1,037,860 | £1,044,443  | £2,393,860 | 37        |

## Trustees

| Name                                  | Role  | Appointed  |
|---------------------------------------|-------|------------|
| <b>Dr CATHERINE MARY THERESA KIDD</b> | Chair |            |
| Deborah Ann Hillman                   |       | 2019-05-20 |
| HEATHER JEAN PROBERT                  |       |            |
| Patricia Johnson                      |       | 2016-02-01 |
| Philip Neil Shread                    |       | 2017-03-13 |

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# Accounts

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# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2024

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The trustees present their annual report and financial statements for the year ended 31 August 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note to the financial statements and comply with the trust's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

### **Objectives and activities**

#### *Public benefit*

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the trust should undertake.

#### *Activities*

The objects for which the charity is established are to further the education of children between the ages of 2-11 and to maintain, manage, develop and carry on an early years, infant and junior school and to supply to pupils general instruction of the highest standard.

The principal activity of the charitable company throughout the year was the operation, management and development of Avalon School.

Avalon School is committed to providing a quality educational experience for all its pupils, by enabling each child to reach his or her full potential intellectually, socially and physically. The School's objectives are to provide a secure, happy and stimulating environment in which children feel confident to ask questions and learn, involving parents in this process by discussion with them on their children's work and progress and to prepare pupils for examinations for both the state and independent secondary schools.

The School promotes the academic, moral, social and physical development of its pupils through its academic curriculum, pastoral care, sporting and other activities. An educational environment is provided where each child can develop self-confidence and a desire to contribute to the wider community.

The School is committed to safeguarding and promoting the welfare of its pupils and expects all staff and volunteers to share this commitment.

Strong home and school partnerships are fostered in a variety of ways including regular communication about children's social and academic progress through parents' evenings and formal written reports. In addition to this the school provides regular updates on news and events through its website and weekly newsletters. Other functions such as parent workshops, visiting mornings and 'stay and play' sessions provide opportunities for parents and families to experience the School during a normal working day and to be fully informed about teaching and learning strategies used with their children. The School staff team work closely with the PTA, enabling further links with the parent community to support the work of the School.

The School welcomes pupils from all backgrounds. To admit a prospective pupil the School needs to be satisfied that it will be able to educate and develop the pupil to the best of his or her potential and in line with the general standards achieved by peers. Entrance interviews and taster sessions are undertaken to satisfy School, and parents, that potential pupils can cope with the pace of learning and can benefit from the education provided. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of the assessment procedures. The School is committed to being a good employer, providing a supportive and nurturing work environment that encourages and takes care of our staff team, while continually striving to develop their skills and talents.

Avalon School remains an accredited member of the Independent Schools Association.

Pupil numbers continue to be healthy, with steady class sizes within the main school.

# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

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All staff vacancies were filled satisfactorily. The School employs 39 members of staff in total. The development of a middle leadership structure has continued to further strengthen the management and leadership of the School.

Curriculum developments have included a particular focus on specific aspects of Personal, Social, Health, Citizenship and Economics Education, such as Mental Health & Wellbeing, following on from the impact of the Coronavirus Pandemic. The School has continued its curriculum development of Relationships and Sex Education, in consultation with Parents, Staff and the Board of Governors.

An Educational Quality inspection of Avalon School by the Independent Schools Inspectorate took place in November 2022. The inspection report judged the school to be excellent in all 16 categories of Educational Quality, and met all regulatory standards required for Focused Compliance.

### **Discounted Fee and Bursaries**

These take three forms:

To underline the value the School places on continuity for families, it offers discounts on the fees where parents have more than one child at the School. Last year 26 children received sibling discounts amounting to £15,859.

Assistance with fees can be made in cases where children attending the School are affected by unexpected family hardship, eg: unemployment, sudden illness, etc and where the child's education and future prospects would otherwise be at risk. Such assistance is designed to be temporary, but the trustees acknowledge that in some cases it may need to last for longer period of time.

Some bursaries are available for children joining the School, and whose parents would not otherwise be able to afford the full fees. These may be available for children meeting the School's general entrance requirements and whose parental means have been assessed and deemed suitable for bursarial assistance.

The School does not have any designated endowments for fee assistance and bursaries and it has to be mindful, in funding these awards, to ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education and those benefiting from the award.

In assessing means, several factors are taken into consideration including family income, investments and savings and family circumstances eg: number of siblings.

During the last year, a total of 18 children, were assisted by combinations of temporary assistances and bursaries to the sum of £63,304. Together with the family discounts, this represented a total of £86,712.

### **Other Public Benefits**

Avalon School has a long history of involvement within the local community.

Other public benefits provided by the School include:

- The School runs a weekly Parent Toddler group for the local community
- The School premises are available to local organisations by request
- The School premises are provided free of charge for LAMDA public speaking examinations
- Work experience opportunities are given to pupils from local state schools
- Children and staff make visits to elderly residential care homes in the local community

# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

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### Public Benefit and Community Involvement

Pupils have involvement in local services and assemblies linked with St. Bridget's Church.

Charities supported this year have included:

- Macmillan Cancer UK
- Royal British Legion Poppy Appeal
- Anti-Bullying Alliance – Odd Socks Day
- Children In Need
- Place 2 Be – Dress to Express
- Comic Relief
- Cystic Fibrosis trust
- Charles Thompson Mission

As the School is a charity, the parents of pupils have the assurance that all its income must be applied for educational purposes. As an educational charity, it enjoys tax exemption on the educational activities and on any investment income. During the year of 2023/2024, as a charity, it is entitled to a reduction on the business rates on the property occupied. The financial benefits received from these tax exemptions are all applied for educational purposes and indirectly help the School to maintain its bursary policies. However, as an educational charity, it is unable to reclaim VAT input tax on its costs, as it is exempt for VAT purposes. As well as the VAT paid, it also pays tax as an employer through the PAYE and National Insurance contributions made.

In addition to the substantial benefits the School brings to its pupils, the local community, and society in general through the education offered, the bursary programme creates a social asset without cost to the Exchequer.

All governors give of their time freely and no remuneration or expenses were paid to them in the year in respect of their services as governors. No governor or person connected with a governor received any benefit from either means tested bursaries or other benefits awarded to pupils.

In summary, the total value of all aspects of public benefit provided by the School was in excess of £86,000.

### Achievements and performance

#### *Significant activities and achievements against objectives*

Very good academic results were achieved during the school year:

Secondary School Entrance Assessments: 15 out of 16, year 6 children (94%) went on to grammar schools or selective independent secondary schools following entrance examinations.

SATS - The School does not submit SATS data for external moderation, but uses SATS papers together with INCAS and other standardised tests, as important strands in assessing pupils' attainment at the end of key stages 1 & 2. In both cases, teacher assessment reveals that children are achieving well in advance of their predicted assessment profile. In addition, the School has subscribed to the value added assessment offered by the PIPS programme and INCAS assessment.

Teaching and nursery staff attended over 45 courses in total, the majority of which were online, due to many providers continuing this working pattern. During the year all teachers were involved in a programme of in-service training activities organised at the School on a variety of educational issues, including changes to the Early Years Framework and Digital Development Projects, as well as a number of Health and Safety and Safeguarding matters.

Events and activities such as the School's 'Challenge Week', Beach and Outdoor Learning Projects, including an EYFS Sports Day, Eco Planting and a Junior Performing Arts Production of 'The Lion King Jnr,' just a sample of the many activities and achievements which enable further enrichment of the school's broad and balanced curriculum.

# **AVALON SCHOOL EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2024**

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Pupils at the School take part in a wide range of extra-curricular trips and visits. These included:

1. War Memorial at Grange Hill (Year 2)
2. Condoover Hall Activity Centre – Residential (Y6 Leavers)
3. Ashton Park (Reception)
4. Cubbins Green Beach (All Year groups)
5. School Council visits to Tam O' Shanter Urban Farm
6. KS1 classes visited the World Museum in Liverpool
7. KS1 and Y4 classes visited Chester Zoo as part of topic about the Animal Kingdom & The Rainforest
8. Y4 & Y5 visited Delamere Forest including high rope adventure trails
9. House Cup Winners visited Hickory's Smokehouse Restaurant to make pancakes
10. Y4 visit to Eureka Science Centre
11. Y6 visit to Caldry Woods
12. Pre School & Reception trip to Imagine that
13. Key stage 2 visit to Storyhouse Theatre
14. Y4& Y5 visit to Go ape in Cheshire
15. Visits were made on a regular basis to local Elderly Residential Homes: The Old Garden and Caldry Manor
16. Activity for All – Sports fixtures and events
17. Liverpool FC AXA Training Ground – football tournament for Y3/4 and Y5/6

The children performed in over 8 music or drama concerts throughout the year, including a Performing Arts concert and Junior production of 'The Lion King,' and a 'Yellow' concert to fundraise money for the Cystic Fibrosis Trust. A theatre in education workshop was also held at the School and Junior children supported the School's Parent Teacher Association events such as the Christmas Fair and Strawberry Tea by managing their own stalls following an Enterprise week project. Children from Key stage 2 classes took part in the Primary Maths UK competition, with one child reaching the national final.

Extra - curricular activities included:

- STEAM
- Netball
- Chess
- Gardening
- Construction
- ICT – Coding & Tinkercad
- Library
- Peripatetic music: Piano, Guitar, Violin, Clarinet, Flute, Singing
- Rugby
- Verbal Reasoning
- Dance
- Football
- Drama
- Choir
- Signing
- Ballet
- Multi Sports
- Acro Dance
- Ju Jitsu
- Lego

Children also took part in a range of local sporting fixtures including netball, football, and athletics.

# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

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### Financial review

The financial performance of the charitable company is reflected in the attached financial statements, which show a deficit on running the School of £88,500 (2023: £27,653 surplus), but depreciation provided on the assets of £51,066 (2023: £51,942) has meant that there is a net deficit of £139,566 (2023: £24,289). There are sufficient funds to allow the trustees to continue to pursue their objectives of continuing to develop the School for the benefit of its pupils and the community in general.

Income shows a slight decrease from £1,295,545 to £1,275,239. Expenditure shows an increase from £1,319,834 to £1,414,805.

The balance sheet has deteriorated with net current assets of £388,915 (2023: £573,523) and total net assets of £2,267,431 (2023: £2,406,997).

### Reserves policy

This is to aim to achieve and maintain a reserve of six months' working capital in case of future and unexpected downturns. If this is exceeded, then additional repayments of the mortgage are to be made. At present this implies a free reserve of the equivalent to three to six months expenditure, approximately £500,000. Current reserves are significantly below this year at £394,943 (2023: £581,323).

### Major risks

#### Risk Management

The trustees have assessed the major risks to which the School is exposed, and are satisfied that systems are in place to monitor and control these risks so as to minimise the School's exposure to them and mitigate any impact they may have in the future.

### Plans for future periods

1. To ensure the financial well-being of the charity during the period of national economic difficulty.
2. Continue to work to ensure the health and safety of all involved in the School.
3. Maintain satisfactory staffing levels and expertise.
4. Examine ways in which the buildings and grounds can be more eco-friendly.

### Structure, governance and management

Avalon School Educational Trust is a charitable company limited by guarantee, incorporated (04050603) on 10th August 2000 and registered as a charity on 15th August 2001 (1088050). The objects and powers of the charitable company are established by its Memorandum of Association and it is governed by its Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs Deborah Hillman  
Ms Heather Probert  
Mrs Patricia Johnson  
Dr Catherine Kidd  
Mr Phillip Sheard

# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

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### *Recruitment and appointment of trustees*

The company's directors are also trustees of the charity and governors of the School. New trustees are initially appointed by the Board and their appointment is then confirmed at the next annual general meeting. In addition one third of the members of the Board retire by rotation at the annual general meeting in every second year. Members retiring may offer themselves for re-election.

Trustees are generally appointed from persons with a strong connection to the School who have expertise in various fields; frequently former parents whose children have attended the School or former pupils. This ensures that trustees have empathy for the ethos and aims of the School, whilst bringing to the Board a professional and business approach.

Names of potential trustees are normally put forward to the Board by existing trustees, particularly with the aim of reinforcing the range of competencies of the trustees.

### *Induction and training of trustees*

Following the agreement of the Board, the new trustee undergoes the requisite safeguarding checks before commencing duties, and initial taking in undertaken. The appointment of trustees from a range of backgrounds ensures that breadth and depth of experience from many areas is available to enable duties to be carried out effectively and efficiently. Where possible the trustees consider that it is helpful if the experience of the Board comprises knowledge and skills in the following areas:

- Education
- Finance
- Food hygiene
- Legal
- Personnel
- Property management

Once appointed, training is supplied for trustees on an ongoing basis. Trustees regularly attend School functions.

Separate sub-committees exist to consider issues in detail and to make recommendations to the Board. These cover:

- Staff recruitment and appointment
- Finance
- Property management and Health and Safety

A visiting governor has been appointed to liaise with staff, and another governor liaises over matters concerning children with special educational needs.

Trustees normally meet six times a year to review policies and make decisions.

Policies are set by the governors, whilst responsibility for the day to day running of the School is delegated to the head teacher, who attends these meetings and submits a report to the trustees.

No external person or body is entitled to appoint a trustee.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

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### Statement of trustees' responsibilities

The trustees, who are also the directors of Avalon School Educational Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the trust 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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### Auditor

In accordance with the company's articles, a resolution proposing that Xeinadin Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2024*

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### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

Dr Catherine Kidd  
**Trustee**

10 February 2025

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# Accounts

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Charity Registration No. 1088050

Company Registration No. 04050603 (England and Wales)

**AVALON SCHOOL EDUCATIONAL TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**



# AVALON SCHOOL EDUCATIONAL TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Trustees**

Dr Catherine Kidd  
Mrs Patricia Johnson  
Mr Phillip Sheard  
Mrs Deborah Hillman  
Ms Heather Probert

**Secretary**

Ms Heather Probert

**Charity number**

1088050

**Company number**

04050603

**Registered office**

Avalon School  
Caldy Road  
Wirral  
Merseyside  
CH48 2HE

**Auditor**

Xeinadin Audit Limited  
2 Hilliards Court  
Chester Business Park  
Chester  
Cheshire  
CH4 9QP

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# AVALON SCHOOL EDUCATIONAL TRUST

## CONTENTS

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|                                   | <b>Page</b> |
|-----------------------------------|-------------|
| Trustees' report                  | 1 - 8       |
| Independent auditor's report      | 9 - 11      |
| Statement of financial activities | 12          |
| Balance sheet                     | 13          |
| Statement of cash flows           | 14          |
| Notes to the financial statements | 15 - 25     |

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# **AVALON SCHOOL EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

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The trustees present their annual report and financial statements for the year ended 31 August 2023.

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 trust'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)" (effective 1 January 2019).

#### **Objectives and activities**

The objects for which the charity is established are to further the education of children between the ages of 2-11 and to maintain, manage, develop and carry on an early years, infant and junior school and to supply to pupils general instruction of the highest standard.

The principal activity of the charitable company throughout the year was the operation, management and development of Avalon School.

Avalon School is committed to providing a quality educational experience for all its pupils, by enabling each child to reach his or her full potential intellectually, socially and physically. The School's objectives are to provide a secure, happy and stimulating environment in which children feel confident to ask questions and learn, involving parents in this process by discussion with them on their children's work and progress and to prepare pupils for examinations for both the state and independent secondary schools.

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Strong home and school partnerships are fostered in a variety of ways including regular communication about children's social and academic progress through parents' evenings and formal written reports. In addition to this the school provides regular updates on news and events through its website and weekly newsletters. Other functions such as parent workshops, visiting mornings and 'stay and play' sessions provide opportunities for parents and families to experience the School during a normal working day and to be fully informed about teaching and learning strategies used with their children. The School staff team work closely with the PTA, enabling further links with the parent community to support the work of the School.

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Pupil numbers continue to be healthy, with steady class sizes within the main school.

All staff vacancies were filled satisfactorily. The School employs 39 members of staff in total. The development of a middle leadership structure has continued to further strengthen the management and leadership of the School.

Curriculum developments have included a particular focus on specific aspects of Personal, Social, Health, Citizenship and Economics Education, such as Mental Health & Wellbeing, following on from the impact of the Coronavirus Pandemic. The School has continued its curriculum development of Relationships and Sex Education, in consultation with Parents, Staff and the Board of Governors.

An Educational Quality inspection of Avalon School by the Independent Schools Inspectorate took place in November 2022. The inspection report judged the school to be excellent in all 16 categories of Educational Quality, and met all regulatory standards required for Focused Compliance.

# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

---

The trustees have due regard for the Charity Commission's guidance on public benefit.

#### **Discounted Fee and Bursaries**

These take three forms:

To underline the value the School places on continuity for families, it offers discounts on the fees where parents have more than one child at the School. Last year 32 children received sibling discounts amounting to £19,274.

Assistance with fees can be made in cases where children attending the School are affected by unexpected family hardship, eg: unemployment, sudden illness, etc and where the child's education and future prospects would otherwise be at risk. Such assistance is designed to be temporary, but the trustees acknowledge that in some cases it may need to last for longer period of time.

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During the last year, a total of 18 children, were assisted by combinations of temporary assistances and bursaries to the sum of £56,039. Together with the family discounts, this represented a total of £86,084.

#### **Other Public Benefits**

Avalon School has a long history of involvement within the local community.

Other public benefits provided by the School include:

- The School runs a weekly Parent Toddler group for the local community
- The School premises are available free of charge to local organisations by request
- The School premises are provided free of charge for LAMDA public speaking examinations
- Work experience opportunities are given to pupils from local state schools
- Children and staff make visits to elderly residential care homes in the local community

#### **Public Benefit and Community Involvement**

Pupils have involvement in local services and assemblies linked with St. Bridget's Church.

Charities supported this year have included:

- Macmillan Cancer UK
- Young Mind – Hello Yellow
- Royal British Legion Poppy Appeal
- Anti-Bullying Alliance – Odd Socks Day
- Children In Need
- Place 2 Be – Dress to Express
- Comic Relief
- Tam O'Shanter Urban Farm
- So The Child May Learn – Nepal
- UNICEF Earthquake Relief Fund
- Jackson Animal Rescue
- Cancer Research UK
- Aid Africa
- Charles Thompson Mission

# **AVALON SCHOOL EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2023***

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As the School is a charity, the parents of pupils have the assurance that all its income must be applied for educational purposes. As an educational charity, it enjoys tax exemption on the educational activities and on any investment income. As a charity, it is entitled to a reduction on the business rates on the property occupied. The financial benefits received from these tax exemptions are all applied for educational purposes and indirectly help the School to maintain its bursary policies. However, as an educational charity, it is unable to reclaim VAT input tax on its costs, as it is exempt for VAT purposes. As well as the VAT paid, it also pays tax as an employer through the PAYE and National Insurance contributions made.

In addition to the substantial benefits the School brings to its pupils, the local community, and society in general through the education offered, the bursary programme creates a social asset without cost to the Exchequer.

All governors give of their time freely and no remuneration or expenses were paid to them in the year in respect of their services as governors. No governor or person connected with a governor received any benefit from either means tested bursaries or other benefits awarded to pupils.

In summary, the total value of all aspects of public benefit provided by the School was in excess of £86,000.

# **AVALON SCHOOL EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2023**

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### **Achievements and performance**

Very good academic results were achieved during the school year:

Secondary School Entrance Assessments: 21 out of 22, year 6 children (95%) went on to grammar schools or selective independent secondary schools following entrance examinations.

SATS - The School does not submit SATS data for external moderation, but uses SATS papers together with INCAS and other standardised tests, as important strands in assessing pupils' attainment at the end of key stages 1 & 2. In both cases, teacher assessment reveals that children are achieving well in advance of their predicted assessment profile. In addition, the School has subscribed to the value added assessment offered by the PIPS programme and INCAS assessment.

Teaching and nursery staff attended over 50 courses in total, the majority of which were online, due to many providers continuing this working pattern, following the coronavirus pandemic. During the year all teachers were involved in a programme of in-service training activities organised at the School on a variety of educational issues, including changes to the Early Years Framework and a new systematic synthetic phonics scheme to promote early reading skills, as well as a number of Health and Safety and Safeguarding matters.

Events and activities such as the School's 'Challenge Week', Beach and Outdoor Learning Projects, including an EYFS Sports Day, Eco Water Week and a Junior Performing Arts Production of 'Aladdin Jnr,' just a sample of the many activities and achievements which enable further enrichment of the school's broad and balanced curriculum.

Pupils at the School take part in a wide range of extra-curricular trips and visits. These included:

- War Memorial at Grange Hill (Year 2)
- Conover Hall Activity Centre – Residential (Y6 Leavers)
- Ashton Park Mini Beast Hunt (Reception)
- Cubbins Green Beach (All Year groups)
- School Council visits to Tam O' Shanter Urban Farm
- KS1 classes visited the World Museum in Liverpool
- KS1 and Y4 classes visited Chester Zoo as part of topic about the Animal Kingdom & The Rainforest
- Y4 & Y5 visited Delamere Forest including high rope adventure trails
- House Winners visited Riverside Bowling, New Brighton
- Y4 visit to Eureka Science Centre
- Y6 visit to Caldys Woods
- Pre School & Reception trip to Chirk Castle (National Trust)
- Key Stage 2 Trip to Liverpool Philharmonic Hall – Music across the ages concert
- Key stage 2 visit to Storyhouse Theatre
- Y4& Y5 visit to Go ape in Cheshire
- Pre School & Nursery visit to The Floral Pavilion Theatre, New Brighton
- Visits were made on a regular basis to local Elderly Residential Homes: The Old Garden and Caldys Manor
- Local Morrisons Supermarket visit for 'Farm to Fork' project

The children performed in over 8 music or drama concerts throughout the year, including a Performing Arts concert and Junior production of 'Aladdin Jnr.' A theatre in education workshop was also held at the School and Junior children supported the School's Parent Teacher Association events such as the Christmas Fair and Strawberry Tea by managing their own stalls following an Enterprise week project. Children from Key stage 2 classes took part in the Primary Maths UK competition, with one child reaching the national final.

# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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Extra - curricular activities included:

- STEAM
- Netball
- Chess
- Gardening
- Construction
- ICT – Coding & Tinkercad
- Library
- Peripatetic music: Piano, Guitar, Violin, Clarinet, Flute, Singing
- Rugby
- Verbal Reasoning
- Dance
- Football
- Drama
- Choir
- Signing
- Ballet
- Go Sports
- Acro Dance
- Ju Jitsu

Children also took part in a range of local sporting fixtures including netball, football, and athletics.

#### Financial review

The financial performance of the charitable company is reflected in the attached financial statements, which show a cash surplus on running the School of £27,653 (2022: £51,836), but depreciation provided on the assets of £51,942 (2022: £54,215) has meant that there is a net deficit of £24,289 (2022: £2,379). There are sufficient funds to allow the trustees to continue to pursue their objectives of continuing to develop the School for the benefit of its pupils and the community in general.

Income shows a increase from £1,126,657 to £1,295,545. Expenditure shows an increase from £1,129,036 to £1,319,834.

The balance sheet remains solid with net current assets of £573,523 (2022: £556,233) and total net assets of £2,406,997 (2022: £2,431,286).

#### Reserves Policy

This is to aim to achieve and maintain a reserve of six months' working capital in case of future and unexpected downturns. If this is exceeded, then additional repayments of the mortgage are to be made. At present this implies a free reserve of the equivalent to three to six months expenditure, approximately £500,000. Current reserves exceed this, sitting at £581,323 (2022: £564,033).

#### Risk Management

The trustees have assessed the major risks to which the School is exposed, and are satisfied that systems are in place to monitor and control these risks so as to minimise the School's exposure to them and mitigate any impact they may have in the future.

#### Plans for future periods

Plans for future periods:

1. To ensure the financial well-being of the charity during the period of national economic difficulty.
2. Continue to work to ensure the health and safety of all involved in the School.
3. Maintain satisfactory staffing levels and expertise.
4. Examine ways in which the buildings and grounds can be more eco-friendly.

# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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### Structure, governance and management

Avalon School Educational Trust is a charitable company limited by guarantee, incorporated (04050603) on 10th August 2000 and registered as a charity on 15th August 2001 (1088050). The objects and powers of the charitable company are established by its Memorandum of Association and it is governed by its Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr Catherine Kidd

Miss Julie Yardley

(Resigned 18 January 2023)

Mrs Patricia Johnson

Mr Phillip Sheard

Mrs Deborah Hillman

Ms Heather Probert

### Recruitment of trustees

The company's directors are also trustees of the charity and governors of the School. New trustees are initially appointed by the Board and their appointment is then confirmed at the next annual general meeting. In addition one third of the members of the Board retire by rotation at the annual general meeting in every second year. Members retiring may offer themselves for re-election.

Trustees are generally appointed from persons with a strong connection to the School who have expertise in various fields; frequently former parents whose children have attended the School or former pupils. This ensures that trustees have empathy for the ethos and aims of the School, whilst bringing to the Board a professional and business approach.

Names of potential trustees are normally put forward to the Board by existing trustees, particularly with the aim of reinforcing the range of competencies of the trustees.

### Induction and training of trustees

Following the agreement of the Board, the new trustee undergoes the requisite safeguarding checks before commencing duties, and initial taking in undertaken.

The appointment of trustees from a range of backgrounds ensures that breadth and depth of experience from many areas is available to enable duties to be carried out effectively and efficiently. Where possible the trustees consider that it is helpful if the experience of the Board comprises knowledge and skills in the following areas:

- Education
- Finance
- Food hygiene
- Legal
- Personnel
- Property management

Once appointed, training is supplied for trustees on an ongoing basis. Trustees regularly attend School functions.

Separate sub-committees exist to consider issues in detail and to make recommendations to the Board. These cover:

- Staff recruitment and appointment
- Finance
- Property management and Health and Safety

# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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A visiting governor has been appointed to liaise with staff, and another governor liaises over matters concerning children with special educational needs.

Trustees normally meet six times a year to review policies and make decisions.

Policies are set by the governors, whilst responsibility for the day to day running of the School is delegated to the head teacher, who attends these meetings and submits a report to the trustees.

No external person or body is entitled to appoint a trustee.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

### **Statement of trustees' responsibilities**

The trustees, who are also the directors of Avalon School Educational Trust for the purpose of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the trust 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditor**

In accordance with the company's articles, a resolution proposing that Xeinadin Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

# AVALON SCHOOL EDUCATIONAL TRUST

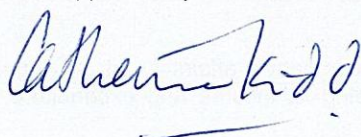
## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

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### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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



Dr Catherine Kidd  
Trustee

5 February 2024

# AVALON SCHOOL EDUCATIONAL TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF AVALON SCHOOL EDUCATIONAL TRUST

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#### Opinion

We have audited the financial statements of Avalon School Educational Trust (the 'trust') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 charitable company's affairs as at 31 August 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the trust 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

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 trust'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.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

# AVALON SCHOOL EDUCATIONAL TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF AVALON SCHOOL EDUCATIONAL TRUST

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

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the trust for the purpose 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Enquiries of management and those charged with governance were held in order to identify any laws and regulations that could be expected to have a material impact on the financial statements. Throughout the audit, the team were updated with the outcomes of these enquiries including consideration as to where and how fraud may occur in the Trust.

The audit procedures undertaken to address any potential risk in relation to irregularities (which include fraud and non-compliance with laws and regulations) included: enquiries of management and those charged with governance on how the charity complies with relevant laws, regulations and any cases of actual or potential litigations or claims; examination of appropriate legal correspondence; review of board minutes; testing of journal entries for appropriateness; and analytical procedures on account balances to identify variances against expectation which may show indications of fraud.

No instances of material non-compliance were identified, although the prospect of detecting irregularities, including fraud, is inherently difficult. This is due to; difficulty in detecting irregularities; limits imposed by the effectiveness of the entity's controls; and the nature, timing and extent of the audit procedures performed. Irregularities as a result of fraud are inherently more difficult to detect than those that resulting from error. Despite this the audit has being planned and performed in accordance with ISAs (UK), there is an unavoidable risk that material misstatements may not be detected.

# AVALON SCHOOL EDUCATIONAL TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF AVALON SCHOOL EDUCATIONAL TRUST

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A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

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



**Stephanie Baker BA(Hons) ACA (Senior Statutory Auditor)**  
for and on behalf of Xeinadin Audit Limited

5 February 2024

**Chartered Accountants**  
**Statutory Auditor**

2 Hilliards Court  
Chester Business Park  
Chester  
Cheshire  
CH4 9QP

# AVALON SCHOOL EDUCATIONAL TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

|                                                                | Notes | Unrestricted funds<br>2023<br>£ | Unrestricted funds<br>2022<br>£ |
|----------------------------------------------------------------|-------|---------------------------------|---------------------------------|
| <b>Income from:</b>                                            |       |                                 |                                 |
| Charitable activities                                          | 3     | 1,291,779                       | 1,126,553                       |
| Investments                                                    | 4     | 3,766                           | 104                             |
| <b>Total income</b>                                            |       | <u>1,295,545</u>                | <u>1,126,657</u>                |
| <b>Expenditure on:</b>                                         |       |                                 |                                 |
| Charitable activities                                          | 5     | <u>1,319,834</u>                | <u>1,129,036</u>                |
| <b>Net expenditure for the year/<br/>Net movement in funds</b> |       | (24,289)                        | (2,379)                         |
| Fund balances at 1 September 2022                              |       | <u>2,431,286</u>                | <u>2,433,665</u>                |
| <b>Fund balances at 31 August 2023</b>                         |       | <u><u>2,406,997</u></u>         | <u><u>2,431,286</u></u>         |

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

All income and expenditure derive from continuing activities.

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

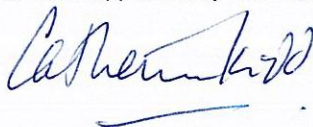
# AVALON SCHOOL EDUCATIONAL TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2023

|                                                                | Notes | 2023<br>£               | 2022<br>£               |
|----------------------------------------------------------------|-------|-------------------------|-------------------------|
| <b>Fixed assets</b>                                            |       |                         |                         |
| Tangible assets                                                | 9     | 1,925,961               | 1,974,522               |
| <b>Current assets</b>                                          |       |                         |                         |
| Stocks                                                         | 10    | 4,100                   | 4,100                   |
| Debtors                                                        | 11    | 55,832                  | 49,322                  |
| Cash at bank and in hand                                       |       | 679,654                 | 619,846                 |
|                                                                |       | <u>739,586</u>          | <u>673,268</u>          |
| <b>Creditors: amounts falling due within one year</b>          | 12    | (166,063)               | (117,035)               |
| Net current assets                                             |       | <u>573,523</u>          | <u>556,233</u>          |
| <b>Total assets less current liabilities</b>                   |       | <u>2,499,484</u>        | <u>2,530,755</u>        |
| <b>Creditors: amounts falling due after more than one year</b> | 13    | (92,487)                | (99,469)                |
| <b>Net assets</b>                                              |       | <u><u>2,406,997</u></u> | <u><u>2,431,286</u></u> |
| <b>Income funds</b>                                            |       |                         |                         |
| Unrestricted funds                                             |       | <u>2,406,997</u>        | <u>2,431,286</u>        |
|                                                                |       | <u><u>2,406,997</u></u> | <u><u>2,431,286</u></u> |

The financial statements were approved by the Trustees on 5 February 2024



Dr Catherine Kidd  
Trustee

Company registration number 04050603

# AVALON SCHOOL EDUCATIONAL TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

|                                                               | Notes | 2023<br>£ | £       | 2022<br>£ | £       |
|---------------------------------------------------------------|-------|-----------|---------|-----------|---------|
| <b>Cash flows from operating activities</b>                   |       |           |         |           |         |
| Cash generated from operations                                | 20    |           | 66,405  |           | 67,535  |
| <b>Investing activities</b>                                   |       |           |         |           |         |
| Purchase of tangible fixed assets                             |       | (3,381)   |         | (6,219)   |         |
| Investment income received                                    |       | 3,766     |         | 104       |         |
| <b>Net cash generated from/(used in) investing activities</b> |       |           | 385     |           | (6,115) |
| <b>Financing activities</b>                                   |       |           |         |           |         |
| Repayment of bank loans                                       |       | (6,982)   |         | (8,093)   |         |
| <b>Net cash used in financing activities</b>                  |       |           | (6,982) |           | (8,093) |
| <b>Net increase in cash and cash equivalents</b>              |       |           | 59,808  |           | 53,327  |
| Cash and cash equivalents at beginning of year                |       |           | 619,846 |           | 566,519 |
| <b>Cash and cash equivalents at end of year</b>               |       |           | 679,654 |           | 619,846 |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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### 1 Accounting policies

#### Charity information

Avalon School Educational Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Avalon School, Caldys Road, Wirral, Merseyside, CH48 2HE.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the trust'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 and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The trust is a Public Benefit Entity as defined by FRS 102.

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the trust.

#### 1.4 Income

Income is recognised when the School 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 trust 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.

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income in respect of Early Years Funding from Wirral Borough Council is recognised in the period to which the funding relates.

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

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.

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the School to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### Teaching Materials:

Supplies of apparatus, equipment, books, stationery and sundry materials are written off as soon as the expenditure on procuring them is incurred.

Governance costs comprise the costs of running the School, including strategic planning for its future development, external audit, any legal advice for the School's Governors, and all costs of complying with constitutional and statutory requirements, such as the cost of Governors and Committee meetings, and of preparing statutory accounts and satisfying public accountability.

##### Allocation of support costs:

Support costs are those functions that assist the work of the School but do not directly undertake charitable activities. Support costs include finance, personnel, payroll and governance. Governance costs are those incurred in connection with administrative of the charity and compliance with constitutional and statutory requirements.

These costs are subsequently apportioned to the charitable activity to which they directly support, as analysed in notes 5 & 6.

#### 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. Assets over £1,000 are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                             |                      |
|-----------------------------|----------------------|
| Freehold land and buildings | 2%-10% straight line |
| Fixtures and fittings       | 20% reducing balance |
| Computers                   | 40% reducing balance |

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.

#### 1.7 Impairment of fixed assets

At each reporting end date, the School 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 Stocks

Stocks are stated at the lower of cost and replacement value.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 1 Accounting policies

(Continued)

##### 1.10 Financial instruments

The School 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 School's balance sheet when the School 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.

##### **Derecognition of financial liabilities**

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

##### 1.11 Employee benefits

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

Termination benefits are recognised immediately as an expense when the School is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The School participates in a multi-employer defined benefits scheme, the Teachers' Pension Scheme ("the Scheme") for its teaching staff. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The School is unable to identify its share of the underlying assets and liabilities of the scheme; accordingly, the School accounts for its contributions as if it were a defined contribution scheme.

The School also contributes to defined contribution schemes for its non-teaching staff.

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 2 Critical accounting estimates and judgements

In the application of the School'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.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Determining the useful economic lives of tangible fixed assets

The School depreciates tangible assets over their estimated useful lives based on historic performance. The actual lives can vary.

### 3 Charitable activities

|                              | Fees<br>receivable<br>2023<br>£ | Other<br>income<br>2023<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|------------------------------|---------------------------------|------------------------------|--------------------|--------------------|
| Fees receivable              | 1,106,401                       | -                            | 1,106,401          | 961,127            |
| Early learning years funding | 83,924                          | -                            | 83,924             | 66,151             |
| Dinner fees                  | 99,462                          | -                            | 99,462             | 95,868             |
| Other income                 | -                               | 1,992                        | 1,992              | 3,407              |
|                              | <u>1,289,787</u>                | <u>1,992</u>                 | <u>1,291,779</u>   | <u>1,126,553</u>   |

### 4 Investments

|                     | Unrestricted<br>funds<br>2023<br>£ | Unrestricted<br>funds<br>2022<br>£ |
|---------------------|------------------------------------|------------------------------------|
| Interest receivable | <u>3,766</u>                       | <u>104</u>                         |

# **AVALON SCHOOL EDUCATIONAL TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2023**

### **5 Charitable activities**

|                                        | Teaching         | Catering      | School trips | Total            | Teaching         | Catering      | School trips | Total            |
|----------------------------------------|------------------|---------------|--------------|------------------|------------------|---------------|--------------|------------------|
|                                        | 2023             | 2023          | 2023         | 2023             | 2022             | 2022          | 2022         | 2022             |
|                                        | £                | £             | £            | £                | £                | £             | £            | £                |
| Staff costs                            | 753,688          | 34,881        | -            | 788,569          | 653,931          | 47,746        | -            | 701,677          |
| Supply teachers                        | -                | -             | -            | -                | 1,655            | -             | -            | 1,655            |
| Educational supplies                   | 17,785           | -             | -            | 17,785           | 14,337           | -             | -            | 14,337           |
| Food and drink                         | -                | 42,978        | -            | 42,978           | -                | 38,671        | -            | 38,671           |
| Educational visits                     | -                | -             | 1,148        | 1,148            | -                | -             | 3,263        | 3,263            |
|                                        | <u>771,473</u>   | <u>77,859</u> | <u>1,148</u> | <u>850,480</u>   | <u>669,923</u>   | <u>86,417</u> | <u>3,263</u> | <u>759,603</u>   |
| Share of support costs (see note 6)    | 450,581          | -             | -            | 450,581          | 354,966          | -             | -            | 354,966          |
| Share of governance costs (see note 6) | 18,773           | -             | -            | 18,773           | 14,467           | -             | -            | 14,467           |
|                                        | <u>1,240,827</u> | <u>77,859</u> | <u>1,148</u> | <u>1,319,834</u> | <u>1,039,356</u> | <u>86,417</u> | <u>3,263</u> | <u>1,129,036</u> |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 6 Support costs

|                         | Support costs  | Governance costs | 2023           | Support costs  | Governance costs | 2022           |
|-------------------------|----------------|------------------|----------------|----------------|------------------|----------------|
|                         | £              | £                | £              | £              | £                | £              |
| Staff costs             | 160,029        | -                | 160,029        | 84,612         | -                | 84,612         |
| Depreciation            | 51,942         | -                | 51,942         | 62,478         | -                | 62,478         |
| Operating lease charges | 16,586         | -                | 16,586         | 18,646         | -                | 18,646         |
| Premises costs          | 152,470        | -                | 152,470        | 130,453        | -                | 130,453        |
| Finance                 | 5,699          | -                | 5,699          | 2,704          | -                | 2,704          |
| Welfare                 | 5,336          | -                | 5,336          | 9,304          | -                | 9,304          |
| Administration          | 58,519         | -                | 58,519         | 46,769         | -                | 46,769         |
| Audit fees              | -              | 5,500            | 5,500          | -              | 4,000            | 4,000          |
| Accountancy             | -              | 5,915            | 5,915          | -              | 3,013            | 3,013          |
| Legal and professional  | -              | 7,358            | 7,358          | -              | 7,454            | 7,454          |
|                         | <u>450,581</u> | <u>18,773</u>    | <u>469,354</u> | <u>354,966</u> | <u>14,467</u>    | <u>369,433</u> |
| Analysed between        |                |                  |                |                |                  |                |
| Charitable activities   | <u>450,581</u> | <u>18,773</u>    | <u>469,354</u> | <u>354,966</u> | <u>14,467</u>    | <u>369,433</u> |

Governance costs includes payments to the auditors of £5,500 for audit fees (2022: £4,000).

### 7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the School during the year for their role as trustees.

Mrs H J Probert is employed by the School under a contract of employment - for which she is remunerated at market rate. This is unrelated to her activities as a trustee. Her total consideration for this year was £19,890 (2022: £18,664)

There were no trustees' expenses paid for the year ended 31 August 2023 nor for the year ended 31 August 2022.

### 8 Employees

The average monthly number of employees during the year was:

|                | 2023<br>Number | 2022<br>Number |
|----------------|----------------|----------------|
| Teaching       | 28             | 27             |
| Domestic       | 3              | 4              |
| Administration | 4              | 4              |
| Total          | <u>35</u>      | <u>35</u>      |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 8 Employees (Continued)

| Employment costs      | 2023<br>£      | 2022<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 816,044        | 669,554        |
| Social security costs | 59,705         | 51,862         |
| Other pension costs   | 72,849         | 64,873         |
|                       | <u>948,598</u> | <u>786,289</u> |

The number of employees whose annual remuneration was more than £60,000 is as follows:

|                               | 2023<br>Number | 2022<br>Number |
|-------------------------------|----------------|----------------|
| In the band £80,000 - £89,999 | -              | 1              |
| In the band £90,000 - £99,999 | 1              | -              |
|                               | <u>1</u>       | <u>-</u>       |

### 9 Tangible fixed assets

|                                    | Freehold land<br>and buildings<br>£ | Fixtures and<br>fittings<br>£ | Computers<br>£ | Total<br>£       |
|------------------------------------|-------------------------------------|-------------------------------|----------------|------------------|
| <b>Cost</b>                        |                                     |                               |                |                  |
| At 1 September 2022                | 2,500,158                           | 188,414                       | 58,391         | 2,746,963        |
| Additions                          | -                                   | 3,381                         | -              | 3,381            |
| At 31 August 2023                  | <u>2,500,158</u>                    | <u>191,795</u>                | <u>58,391</u>  | <u>2,750,344</u> |
| <b>Depreciation and impairment</b> |                                     |                               |                |                  |
| At 1 September 2022                | 549,517                             | 170,622                       | 52,302         | 772,441          |
| Depreciation charged in the year   | 45,621                              | 3,885                         | 2,436          | 51,942           |
| At 31 August 2023                  | <u>595,138</u>                      | <u>174,507</u>                | <u>54,738</u>  | <u>824,383</u>   |
| <b>Carrying amount</b>             |                                     |                               |                |                  |
| At 31 August 2023                  | <u>1,905,020</u>                    | <u>17,288</u>                 | <u>3,653</u>   | <u>1,925,961</u> |
| At 31 August 2022                  | <u>1,950,640</u>                    | <u>17,793</u>                 | <u>6,089</u>   | <u>1,974,522</u> |

### 10 Stocks

|                                     | 2023<br>£    | 2022<br>£    |
|-------------------------------------|--------------|--------------|
| Stationery and educational supplies | <u>4,100</u> | <u>4,100</u> |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 11 Debtors

|                                             | 2023<br>£     | 2022<br>£     |
|---------------------------------------------|---------------|---------------|
| <b>Amounts falling due within one year:</b> |               |               |
| Trade debtors                               | 38,541        | 33,130        |
| Other debtors                               | 385           | 385           |
| Prepayments and accrued income              | 16,906        | 15,807        |
|                                             | <u>55,832</u> | <u>49,322</u> |

### 12 Creditors: amounts falling due within one year

|                                    | Notes | 2023<br>£      | 2022<br>£      |
|------------------------------------|-------|----------------|----------------|
| Bank loans                         | 14    | 7,800          | 7,800          |
| Other taxation and social security |       | 14,170         | 9,952          |
| Deferred income                    | 15    | 46,701         | 53,580         |
| Trade creditors                    |       | 65,812         | 23,126         |
| Other creditors                    |       | 22,227         | 15,195         |
| Accruals                           |       | 9,353          | 7,382          |
|                                    |       | <u>166,063</u> | <u>117,035</u> |

### 13 Creditors: amounts falling due after more than one year

|            | Notes | 2023<br>£     | 2022<br>£     |
|------------|-------|---------------|---------------|
| Bank loans | 14    | <u>92,487</u> | <u>99,469</u> |

### 14 Loans and overdrafts

|                         | 2023<br>£      | 2022<br>£      |
|-------------------------|----------------|----------------|
| Bank loans              | <u>100,287</u> | <u>107,269</u> |
| Payable within one year | 7,800          | 7,800          |
| Payable after one year  | <u>92,487</u>  | <u>99,469</u>  |

Amounts included above which fall due after five years:

|                        |               |               |
|------------------------|---------------|---------------|
| Payable by instalments | <u>63,975</u> | <u>70,956</u> |
|------------------------|---------------|---------------|

The long-term loans are secured by fixed charges over the freehold property together with all buildings & fixtures, fixed plant and machinery, alongside all present and future book & other debts. A floating charge is also in place over all moveable plant machinery, implements, utensils, furniture & equipment, together with goodwill of the business and the full benefit of all licences and guarantees.

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 15 Deferred income

|                                       | 2023<br>£ | 2022<br>£ |
|---------------------------------------|-----------|-----------|
| Arising from fees received in advance | 46,701    | 53,580    |

All deferred income is in relation to fees due within one year.

Deferred income is included in the financial statements as follows:

|                                     | 2023<br>£ | 2022<br>£ |
|-------------------------------------|-----------|-----------|
| Deferred income is included within: |           |           |
| Current liabilities                 | 46,701    | 53,580    |
| Movements in the year:              |           |           |
| Deferred income at 1 September 2022 | 53,580    | 59,796    |
| Released from previous periods      | (53,580)  | (59,796)  |
| Resources deferred in the year      | 46,701    | 53,580    |
| Deferred income at 31 August 2023   | 46,701    | 53,580    |

### 16 Operating lease commitments

#### Lessee

The operating leases are for plant, machinery and office equipment, negotiated over average lease terms of 5 years and rentals are fixed for the same period.

At the reporting date the School had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | 2023<br>£ | 2022<br>£ |
|----------------------------|-----------|-----------|
| Within one year            | 12,684    | 18,394    |
| Between two and five years | 7,339     | 20,024    |
|                            | 20,023    | 38,418    |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 17 Related party transactions

#### Remuneration of key management personnel

The key management personnel of the School comprises; the Head teacher, Deputy Head teacher and the School Business Manager. Their total remuneration is as follows.

|                        | 2023<br>£ | 2022<br>£ |
|------------------------|-----------|-----------|
| Aggregate compensation | 172,432   | 156,472   |

There have been no related party transactions during the year (2022- £nil).

### 18 Pension Commitments

The School participates in a multi-employer defined benefits scheme, the Teachers' Pension Scheme ("the Scheme") for its teaching staff. The contributions to the Scheme amounted to £64,435 (2022: £57,678). Contributions outstanding at 31 August 2023 amounted to £9,994 (2022: £8,057).

The Scheme is 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 2020 and the Valuation Report, which was published in March 2020, confirmed that the employer contribution rate for the TPS is 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%.

The School is unable to identify its share of the underlying assets and liabilities of the scheme; accordingly, the School has accounted for its contributions as if it were a defined contribution scheme.

The School also contributes to defined contribution schemes for its non-teaching staff. The cost of the School's contributions for the year amounted to £8,415 (2022: £7,233).

### 19 Indemnity Insurance

The School's public liability policy includes cover for claims made against it arising from any negligent act, error or omission committed in good faith and extends to include any such acts by trustees, employees and voluntary helpers. The additional cost of such cover cannot be separated from the public liability premium of £10,311 (2022: £9,446).

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

|    |                                                                   |                             |                 |                           |
|----|-------------------------------------------------------------------|-----------------------------|-----------------|---------------------------|
| 20 | Cash generated from operations                                    | 2023<br>£                   | 2022<br>£       |                           |
|    | Deficit for the year                                              | (24,289)                    | (2,379)         |                           |
|    | Adjustments for:                                                  |                             |                 |                           |
|    | Investment income recognised in statement of financial activities | (3,766)                     | (104)           |                           |
|    | (Gain)/loss on disposal of tangible fixed assets                  | -                           | 8,263           |                           |
|    | Depreciation of tangible fixed assets                             | 51,942                      | 54,215          |                           |
|    | Movements in working capital:                                     |                             |                 |                           |
|    | (Increase)/decrease in debtors                                    | (6,510)                     | 9,580           |                           |
|    | Increase in creditors                                             | 55,907                      | 4,176           |                           |
|    | (Decrease) in deferred income                                     | (6,879)                     | (6,216)         |                           |
|    | Cash generated from operations                                    | 66,405                      | 67,535          |                           |
| 21 | Analysis of changes in net funds                                  |                             |                 |                           |
|    |                                                                   | At 1 September<br>2022<br>£ | Cash flows<br>£ | At 31 August<br>2023<br>£ |
|    | Cash at bank and in hand                                          | 619,846                     | 59,808          | 679,654                   |
|    | Loans falling due within one year                                 | (7,800)                     | -               | (7,800)                   |
|    | Loans falling due after more than one year                        | (99,469)                    | 6,982           | (92,487)                  |
|    |                                                                   | 512,577                     | 66,790          | 579,367                   |

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# Accounts

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Charity Registration No. 1088050

Company Registration No. 04050603 (England and Wales)

**AVALON SCHOOL EDUCATIONAL TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

# AVALON SCHOOL EDUCATIONAL TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Trustees**

Dr Catherine Kidd  
Miss Julie Yardley  
Mrs Patricia Johnson  
Mr Phillip Sheard  
Mrs Deborah Hillman  
Ms Heather Probert

**Secretary**

Ms Heather Probert

**Charity number**

1088050

**Company number**

04050603

**Registered office**

Avalon School  
Caldy Road  
Wirral  
Merseyside  
CH48 2HE

**Auditor**

Xeinadin Audit Limited  
2 Hilliards Court  
Chester Business Park  
Chester  
Cheshire  
CH4 9QP

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# AVALON SCHOOL EDUCATIONAL TRUST

## CONTENTS

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|                                   | <b>Page</b> |
|-----------------------------------|-------------|
| Trustees' report                  | 1 - 7       |
| Independent auditor's report      | 8 - 10      |
| Statement of financial activities | 11          |
| Balance sheet                     | 12          |
| Statement of cash flows           | 13          |
| Notes to the financial statements | 14 - 24     |

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# **AVALON SCHOOL EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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The trustees present their annual report and financial statements for the year ended 31 August 2022.

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 trust'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)" (effective 1 January 2019).

### **Objectives and activities**

The objects for which the charity is established are to further the education of children between the ages of 2-11 and to maintain, manage, develop and carry on an early years, infant and junior school and to supply to pupils general instruction of the highest standard.

The principal activity of the charitable company throughout the year was the operation, management and development of Avalon School.

Avalon School is committed to providing a quality educational experience for all its pupils, by enabling each child to reach his or her full potential intellectually, socially and physically. The School's objectives are to provide a secure, happy and stimulating environment in which children feel confident to ask questions and learn, involving parents in this process by discussion with them on their children's work and progress and to prepare pupils for examinations for both the state and independent secondary schools.

The School promotes the academic, moral, social and physical development of its pupils through its academic curriculum, pastoral care, sporting and other activities. An educational environment is provided where each child can develop self-confidence and a desire to contribute to the wider community.

The School is committed to safeguarding and promoting the welfare of its pupils and expects all staff and volunteers to share this commitment.

Strong home and school partnerships are fostered in a variety of ways including regular communication about children's social and academic progress through parents' evenings and formal written reports. In addition to this the school provides regular updates on news and events through its website and weekly newsletters. Other functions such as parent workshops, visiting mornings and 'stay and play' sessions provide opportunities for parents and families to experience the School during a normal working day and to be fully informed about teaching and learning strategies used with their children. The School staff team work closely with the PTA, enabling further links with the parent community to support the work of the School.

The School welcomes pupils from all backgrounds. To admit a prospective pupil the School needs to be satisfied that it will be able to educate and develop the pupil to the best of his or her potential and in line with the general standards achieved by peers. Entrance interviews and taster sessions are undertaken to satisfy School, and parents, that potential pupils can cope with the pace of learning and can benefit from the education provided. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of the assessment procedures.

# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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Avalon School remains an accredited member of the Independent Schools Association.

Pupil numbers continue to be healthy, with steady class sizes within the main school.

All staff vacancies were filled satisfactorily. The School employs 33 members of staff in total. The development of a middle leadership structure has continued to further strengthen the management and leadership of the School.

Curriculum developments have included a particular focus on specific aspects of Personal, Social, Health, Citizenship and Economics Education, such as Mental Health & Wellbeing, following on from the impact of the Coronavirus Pandemic. The School has continued its curriculum development of Relationships and Sex Education, in consultation with Parents, Staff and the Board of Governors.

A regulatory compliance inspection of Avalon School by the Independent Schools Inspectorate took place in June 2018. The inspection report stated that, "the school meets the standards in the schedule to the Education (Independent School Standards) Regulations 2014 and relevant requirements of the Statutory Framework for the Early Years Foundation Stage, and associated requirements and no further action is required as a result of this inspection."

### **Public Benefit and Community Involvement**

The trustees have regard for the Charity Commission's guidance on public benefit.

### **Discounted Fee and Bursaries**

These take three forms:

To underline the value the School places on continuity for families, it offers discounts on the fees where parents have more than one child at the School. Last year 34 children received sibling discounts amounting to £20,265.

Assistance with fees can be made in cases where children attending the School are affected by unexpected family hardship, eg: unemployment, sudden illness, etc and where the child's education and future prospects would otherwise be at risk. Such assistance is designed to be temporary, but the trustees acknowledge that in some cases it may need to last for longer period of time.

Some bursaries are available for children joining the School, and whose parents would not otherwise be able to afford the full fees. These may be available for children meeting the School's general entrance requirements and whose parental means have been assessed and deemed suitable for bursarial assistance.

The School does not have any designated endowments for fee assistance and bursaries and it has to be mindful, in funding these awards, to ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education and those benefiting from the award.

In assessing means, a number of factors are taken into consideration including family income, investments and savings and family circumstances eg: number of siblings.

During the last year, a total of 22 children, were assisted by combinations of temporary assistances and bursaries to the sum of £71,855. Together with the family discounts, this represented a total of £92,120.

# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### Other Public Benefits

Avalon School has a long history of involvement within the local community.

Other public benefits provided by the School include:

- The School runs a weekly Parent Toddler group for the local community.
- The School offers its facilities to a local Holiday Club provider for children in the local community.
- The School premises are available free of charge to local organisations.
- The School premises are provided free of charge for LAMDA public speaking examinations.
- Work experience opportunities are given to pupils from local state schools.
- Children and staff make visits to elderly residential care homes in the local community.

Unfortunately, it was not possible to carry out all of these activities during the whole academic year of 2021/22 due to the coronavirus pandemic, but it is intended to recommence the full range when Covid-19 regulations allow.

### Public Benefit and Community Involvement

Pupils would normally have involvement in local services and assemblies linked with St. Bridget's Church. Due to the restrictions of the pandemic, these were very limited this year. However, plans to re-establish these links in the next academic year, when restrictions have eased, are fully in place.

Charities supported this year have included:

- Macmillan Coffee Morning
- Young Mind – Hello Yellow
- Royal British Legion Poppy Appeal
- Anti-Bullying Alliance – Odd Socks Day
- Children In Need
- Place 2 Be – Dress to Express
- Comic Relief Red Nose Day
- Nathan Young – Deaflympics Swimmer
- Book Fair in Aid of Ukraine
- Tam O'Shanter Urban Farm
- Sport Relief – Lap of Hope
- Great Big School Clean up
- So The Child May Learn - Nepal

As the School is a charity, the parents of pupils have the assurance that all its income must be applied for educational purposes. As an educational charity, it enjoys tax exemption on the educational activities and on any investment income. As a charity, it is entitled to a reduction on the business rates on the property occupied. The financial benefits received from these tax exemptions are all applied for educational purposes and indirectly help the School to maintain its bursary policies. However, as an educational charity, it is unable to reclaim VAT input tax on its costs, as it is exempt for VAT purposes. As well as the VAT paid, it also pays tax as an employer through the PAYE and National Insurance contributions made.

In addition to the substantial benefits the School brings to its pupils, the local community, and society in general through the education offered, the bursary programme creates a social asset without cost to the Exchequer.

All governors give of their time freely and no remuneration or expenses were paid to them in the year in respect of their services as governors. No governor or person connected with a governor received any benefit from either means tested bursaries or other benefits awarded to pupils.

In summary, the total value of all aspects of public benefit provided by the School was in excess of £92,000.

# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### **Achievements and performance**

Very good academic results were achieved during the school year:

Secondary School Entrance Assessments: 14 out of 16, year 6 children (88%) went on to grammar schools or selective independent secondary schools following entrance examinations.

SATS - The School does not submit SATS data for external moderation, but uses SATS papers together with INCAS and other standardised tests, as important strands in assessing pupils' attainment at the end of key stages 1 & 2. In both cases, teacher assessment reveals that children are achieving well in advance of their predicted assessment profile. In addition, the School has subscribed to the value added assessment offered by the PIPS programme and INCAS assessment.

Teaching and nursery staff attended over 100 courses in total, the majority of which were online, due to many providers continuing this working pattern, following the coronavirus pandemic. During the year all teachers were involved in a programme of in-service training activities organised at the School on a variety of educational issues, including supporting children's return to school following periods of remote learning due to the coronavirus pandemic and a number of courses required for Health & Safety and Safeguarding compliance were completed.

School Development plans were significantly amended, and strategic priorities were quickly adapted due to the impact of the coronavirus pandemic.

The School's strong and robust approach to teaching and learning during the pandemic, with a well-developed Remote Learning programme, enabled a smooth return to a more normal schedule of activities, with very little evidence of children's learning being affected as a result.

Events and activities such as the School's 'Challenge Week', Beach and Outdoor Learning Projects, including an EYFS Den Building Day, Eco Water Week and two large scale Junior Performing Arts Productions of, 'Joseph and his Amazing Technicolour Dreamcoat' and 'Oliver,' were just a sample of the many activities and achievements reinstated to enable further enrichment of the school's broad and balanced curriculum.

Pupils at the School take part in a wide range of extra-curricular trip and visits. These included:

- War Memorial at Grange Hill (Year 2)
- Tattenhall Activity Centre – Residential (Y6 Leavers)
- Ashton Park Mini Beast Hunt (Reception)
- Cubbins Green Beach (All Year groups)
- Challenge Day (Climbing Wall, Archery, Problem Solving & Speed Ball activities)
- KS1 classes visited Ellesmere Port Boat Museum as part of a topic on Transport
- School Council visits to Tam O' Shanter Urban Farm
- KS1 classes visited the World Museum in Liverpool
- West Kirby Library visits (Reception)
- KS1 classes visited Chester Zoo as part of topic about the Animal Kingdom
- Y4 & Y5 visited Delamere Forest including high rope adventure trails
- House Winners visited Paradise Island Mini Golf
- Y3 visit to Blue Planet Aquarium
- Y6 visit to Caldy Woods

The children performed in over 10 music or drama concerts throughout the year, including a Performing Arts concert and Junior productions of 'Joseph and his Amazing Technicolour Dreamcoat' and 'Oliver,' A theatre in education workshop was also held at the School and Junior children supported the School's Parent Teacher Association events such as the Christmas Fair and Strawberry Tea by managing their own stalls following an Enterprise week project. 100% of the 14 children entered for LAMDA speech & drama examinations gained merits or distinction awards.

# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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Extra - curricular activities included:

- STEAM
- Netball
- Chess
- Gardening
- Construction
- ICT – Coding & Tinkercad
- Library
- Peripatetic music: Piano, Guitar, Violin, Clarinet, Flute, Singing
- Rugby
- Verbal Reasoning
- Dance
- Football
- Drama
- Choir

Children also took part in a range of local and regional sporting fixtures including netball, football, and athletics, but these were more limited than previous years, due to the Coronavirus Pandemic.

### Financial review

The financial performance of the charitable company is reflected in the attached financial statements, which show a cash surplus on running the School of £51,836 (2021: £95,786), but depreciation provided on the assets of £54,215 (2021: £55,981) has meant that there is a net deficit of £2,379 (2021: surplus £39,805). There are sufficient funds to allow the trustees to continue to pursue their objectives of continuing to develop the School for the benefit of its pupils and the community in general.

Income shows a increase from £1,058,694 to £1,126,657. Expenditure shows an increase from £1,018,889 to £1,129,036.

The balance sheet remains solid with net current assets of £556,233 (2021: £510,038) and total net assets of £2,431,286 (2021: £2,433,665).

Despite the dramatic impact of the COVID-19 pandemic, with an effective Senior Management Team in place, and the on-going programme of modernising educational methods and school facilities, Avalon School has continued to make progress throughout 2021/22.

### Reserves Policy

This is to aim to achieve and maintain a reserve of six months' working capital in case of future and unexpected downturns. If this is exceeded, then additional repayments of the mortgage are to be made. At present this implies a free reserve of the equivalent to six months expenditure, approximately £500,000. Current reserves exceed this, sitting at £619,847.

### Risk Management

The trustees have assessed the major risks to which the School is exposed, and are satisfied that systems are in place to monitor and control these risks so as to minimise the School's exposure to them and mitigate any impact they may have in the future.

### Plans for future periods

Plans for future periods:

1. To ensure the financial well-being of the charity during the period of national economic difficulty.
2. Continue to work to ensure the health and safety of all involved in the School
3. Maintain satisfactory staffing levels and expertise.
4. Examine ways in which the buildings and grounds can be more eco-friendly.

# **AVALON SCHOOL EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

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#### **Structure, governance and management**

Avalon School Educational Trust is a charitable company limited by guarantee, incorporated (04050603) on 10th August 2000 and registered as a charity on 15th August 2001 (1088050). The objects and powers of the company are established by its Memorandum of Association and it is governed by its Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr Catherine Kidd

Miss Julie Yardley

Mrs Patricia Johnson

Mr Phillip Sheard

Mrs Deborah Hillman

Ms Heather Probert

#### **Recruitment of Trustees**

The company's directors are also trustees of the charity and governors of the School. New trustees are initially appointed by the Board and their appointment is then confirmed at the next annual general meeting. In addition one third of the members of the Board retire by rotation at the annual general meeting in every second year. Members so retiring may offer themselves for re-election.

Trustees are generally appointed from persons with a strong connection to the School who have expertise in various fields; frequently former parents whose children have attended the School or former pupils. This ensures that trustees have empathy for the ethos and aims of the School, whilst bringing to the Board a professional and business approach.

Names of potential trustees are normally put forward to the Board by existing trustees, particularly with the aim of reinforcing the range of competencies of the trustees.

#### **Qualifying third party indemnity provisions**

Following the agreement of the Board, the new trustee undergoes the requisite safeguarding checks before commencing duties, and initial taking in undertaken.

The appointment of trustees from a range of backgrounds ensures that breadth and depth of experience from many areas is available to enable duties to be carried out effectively and efficiently. Where possible the trustees consider that it is helpful if the experience of the Board comprises knowledge and skills in the following areas:

- Education
- Finance
- Food hygiene
- Legal
- Personnel
- Property management

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Once appointed, training is supplied for trustees on an ongoing basis. Trustees regularly attend School functions.

Separate sub-committees exist to consider issues in detail and to make recommendations to the Board. These cover:

- Staff recruitment and appointment;
- Finance;
- Property management and Health and Safety;

# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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A visiting governor has been appointed to liaise with staff, and another governor liaises over matters concerning children with special educational needs.

Trustees normally meet six times a year to review policies and make decisions.

Policies are set by the governors, whilst responsibility for the day to day running of the School is delegated to the head teacher, who attends these meetings and submits a report to the trustees.

No external person or body is entitled to appoint a trustee.

### Statement of trustees' responsibilities

The trustees, who are also the directors of Avalon School Educational Trust for the purpose of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the trust 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

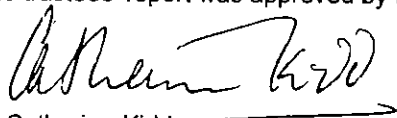
### Auditor

Xeinadin Audit Limited were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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



Dr Catherine Kidd  
Trustee

6 March 2023

# AVALON SCHOOL EDUCATIONAL TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF AVALON SCHOOL EDUCATIONAL TRUST

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#### Opinion

We have audited the financial statements of Avalon School Educational Trust (the 'trust') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 charitable company's affairs as at 31 August 2022 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the trust 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

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 trust'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.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

# AVALON SCHOOL EDUCATIONAL TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF AVALON SCHOOL EDUCATIONAL TRUST

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

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the trust for the purpose 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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.

Enquiries of management and those charged with governance were held in order to identify any laws and regulations that could be expected to have a material impact on the financial statements. Throughout the audit, the team were updated with the outcomes of these enquiries including consideration as to where and how fraud may occur in the Trust.

The audit procedures undertaken to address any potential risk in relation to irregularities (which include fraud and non-compliance with laws and regulations) included: enquiries of management and those charged with governance on how the charity complies with relevant laws, regulations and any cases of actual or potential litigations or claims; examination of appropriate legal correspondence; review of board minutes; testing of journal entries for appropriateness; and analytical procedures on account balances to identify variances against expectation which may show indications of fraud.

No instances of material non-compliance were identified, although the prospect of detecting irregularities, including fraud, is inherently difficult. This is due to; difficulty in detecting irregularities; limits imposed by the effectiveness of the entity's controls; and the nature, timing and extent of the audit procedures performed. Irregularities as a result of fraud are inherently more difficult to detect than those that resulting from error. Despite this the audit has been planned and performed in accordance with ISAs (UK), there is an unavoidable risk that material misstatements may not be detected.

# AVALON SCHOOL EDUCATIONAL TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF AVALON SCHOOL EDUCATIONAL TRUST

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A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

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



**Michael Caputo FCA (Senior Statutory Auditor)**  
for and on behalf of Xelnadin Audit Limited

6 March 2023

**Chartered Accountants**  
**Statutory Auditor**

2 Hilliards Court  
Chester Business Park  
Chester  
Cheshire  
CH4 9QP

# AVALON SCHOOL EDUCATIONAL TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

|                                                                         | Notes | Unrestricted funds<br>2022<br>£ | Unrestricted funds<br>2021<br>£ |
|-------------------------------------------------------------------------|-------|---------------------------------|---------------------------------|
| <b><u>Income from:</u></b>                                              |       |                                 |                                 |
| Charitable activities                                                   | 3     | 1,126,553                       | 1,044,113                       |
| Investments                                                             | 4     | 104                             | 164                             |
| Other income                                                            | 5     | -                               | 14,417                          |
| <b>Total income</b>                                                     |       | <u>1,126,657</u>                | <u>1,058,694</u>                |
| <b><u>Expenditure on:</u></b>                                           |       |                                 |                                 |
| Charitable activities                                                   | 6     | <u>1,129,036</u>                | <u>1,018,889</u>                |
| <b>Net (expenditure)/income for the year/<br/>Net movement in funds</b> |       | (2,379)                         | 39,805                          |
| Fund balances at 1 September 2021                                       |       | <u>2,433,665</u>                | <u>2,393,860</u>                |
| <b>Fund balances at 31 August 2022</b>                                  |       | <u><u>2,431,286</u></u>         | <u><u>2,433,665</u></u>         |

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

All income and expenditure derive from continuing activities.

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

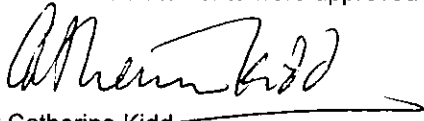
# AVALON SCHOOL EDUCATIONAL TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2022

|                                                                | Notes | 2022<br>£ | £         | 2021<br>£ | £         |
|----------------------------------------------------------------|-------|-----------|-----------|-----------|-----------|
| <b>Fixed assets</b>                                            |       |           |           |           |           |
| Tangible assets                                                | 10    |           | 1,974,522 |           | 2,030,781 |
| <b>Current assets</b>                                          |       |           |           |           |           |
| Stocks                                                         | 11    | 4,100     |           | 4,100     |           |
| Debtors                                                        | 12    | 49,322    |           | 58,902    |           |
| Cash at bank and in hand                                       |       | 619,846   |           | 566,519   |           |
|                                                                |       | 673,268   |           | 629,521   |           |
| <b>Creditors: amounts falling due within one year</b>          | 14    | (117,035) |           | (119,483) |           |
| Net current assets                                             |       |           | 556,233   |           | 510,038   |
| <b>Total assets less current liabilities</b>                   |       |           | 2,530,755 |           | 2,540,819 |
| <b>Creditors: amounts falling due after more than one year</b> | 15    |           | (99,469)  |           | (107,154) |
| <b>Net assets</b>                                              |       |           | 2,431,286 |           | 2,433,665 |
| <b>Income funds</b>                                            |       |           |           |           |           |
| Unrestricted funds                                             |       |           | 2,431,286 |           | 2,433,665 |
|                                                                |       |           | 2,431,286 |           | 2,433,665 |

The financial statements were approved by the Trustees on 6 March 2023

  
 Dr Catherine Kidd  
 Trustee

Company registration number 04050603

# AVALON SCHOOL EDUCATIONAL TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

|                                                  | Notes | 2022<br>£ | £       | 2021<br>£ | £       |
|--------------------------------------------------|-------|-----------|---------|-----------|---------|
| <b>Cash flows from operating activities</b>      |       |           |         |           |         |
| Cash generated from operations                   | 21    |           | 67,535  |           | 74,164  |
| <b>Investing activities</b>                      |       |           |         |           |         |
| Purchase of tangible fixed assets                |       | (6,219)   |         | (3,582)   |         |
| Investment income received                       |       | 104       |         | 164       |         |
| <b>Net cash used in investing activities</b>     |       |           | (6,115) |           | (3,418) |
| <b>Financing activities</b>                      |       |           |         |           |         |
| Repayment of bank loans                          |       | (8,093)   |         | (8,902)   |         |
| <b>Net cash used in financing activities</b>     |       |           | (8,093) |           | (8,902) |
| <b>Net increase in cash and cash equivalents</b> |       |           | 53,327  |           | 61,844  |
| Cash and cash equivalents at beginning of year   |       |           | 566,519 |           | 504,675 |
| <b>Cash and cash equivalents at end of year</b>  |       |           | 619,846 |           | 566,519 |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **1 Accounting policies**

#### **Charity information**

Avalon School Educational Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Avalon School, Caldý Road, Wirral, Merseyside, CH48 2HE.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the trust'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 and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The trust is a Public Benefit Entity as defined by FRS 102.

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the trust.

#### **1.4 Income**

Income is recognised when the School 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 trust 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.

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income in respect of Early Years Funding from Wirral Borough Council is recognised in the period to which the funding relates.

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

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.

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the School to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### Teaching Materials:

Supplies of apparatus, equipment, books, stationery and sundry materials are written off as soon as the expenditure on procuring them is incurred.

Governance costs comprise the costs of running the School, including strategic planning for its future development, external audit, any legal advice for the School's Governors, and all costs of complying with constitutional and statutory requirements, such as the cost of Governors and Committee meetings, and of preparing statutory accounts and satisfying public accountability.

##### Allocation of support costs:

Support costs are those functions that assist the work of the School but do not directly undertake charitable activities. Support costs include finance, personnel, payroll and governance. Governance costs are those incurred in connection with administrative of the charity and compliance with constitutional and statutory requirements.

These costs are subsequently apportioned to the charitable activity to which they directly support, as analysed in notes 6 & 7.

#### 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                             |                      |
|-----------------------------|----------------------|
| Freehold land and buildings | 2%-10% straight line |
| Plant and equipment         | 10% straight line    |
| Fixtures and fittings       | 20% reducing balance |
| Computers                   | 40% reducing balance |

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.

#### 1.7 Impairment of fixed assets

At each reporting end date, the School 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 Stocks

Stocks are stated at the lower of cost and replacement value.

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial Instruments

The School 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 School's balance sheet when the School 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.

##### **Derecognition of financial liabilities**

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

#### 1.11 Employee benefits

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

Termination benefits are recognised immediately as an expense when the School is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The School participates in a multi-employer defined benefits scheme, the Teachers' Pension Scheme ("the Scheme") for its teaching staff. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The School is unable to identify its share of the underlying assets and liabilities of the scheme; accordingly, the School accounts for its contributions as if it were a defined contribution scheme.

The School also contributes to defined contribution schemes for its non-teaching staff.

### 2 Critical accounting estimates and judgements

In the application of the School'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

|                              | Fees<br>receivable | Other income | Total<br>2022    | Total<br>2021    |
|------------------------------|--------------------|--------------|------------------|------------------|
|                              | 2022               | 2022         |                  |                  |
|                              | £                  | £            | £                | £                |
| Fees receivable              | 961,127            | -            | 961,127          | 911,454          |
| Early learning years funding | 66,151             | -            | 66,151           | 49,601           |
| Dinner fees                  | 95,868             | -            | 95,868           | 81,704           |
| Other income                 | -                  | 3,407        | 3,407            | 1,354            |
|                              | <u>1,123,146</u>   | <u>3,407</u> | <u>1,126,553</u> | <u>1,044,113</u> |

### 4 Investments

|                     | Unrestricted<br>funds | Unrestricted<br>funds |
|---------------------|-----------------------|-----------------------|
|                     | 2022                  | 2021                  |
|                     | £                     | £                     |
| Interest receivable | <u>104</u>            | <u>164</u>            |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 5 Government Grants

Other income is government grants received in relation to the coronavirus job retention scheme. Income totalled £nil (2021: £14,417).

#### 6 Charitable activities

|                                        | Teaching         | Catering      | School trips | Total            | Total            |
|----------------------------------------|------------------|---------------|--------------|------------------|------------------|
|                                        | 2022             | 2022          | 2022         | 2022             | 2021             |
|                                        | £                | £             | £            | £                | £                |
| Staff costs                            | 653,931          | 47,746        | -            | 701,677          | 657,287          |
| Supply teachers                        | 1,655            | -             | -            | 1,655            | -                |
| Educational supplies                   | 14,337           | -             | -            | 14,337           | 11,661           |
| Food and drink                         | -                | 38,671        | -            | 38,671           | 27,349           |
| Educational visits                     | -                | -             | 3,263        | 3,263            | 113              |
|                                        | <u>669,923</u>   | <u>86,417</u> | <u>3,263</u> | <u>759,603</u>   | <u>696,410</u>   |
| Share of support costs (see note 7)    | 354,966          | -             | -            | 354,966          | 312,330          |
| Share of governance costs (see note 7) | 14,467           | -             | -            | 14,467           | 10,149           |
|                                        | <u>1,039,356</u> | <u>86,417</u> | <u>3,263</u> | <u>1,129,036</u> | <u>1,018,889</u> |

#### 7 Support costs

|                         | Support costs  | Governance costs | 2022           | Support costs  | Governance costs | 2021           |
|-------------------------|----------------|------------------|----------------|----------------|------------------|----------------|
|                         | £              | £                | £              | £              | £                | £              |
| Staff costs             | 84,612         | -                | 84,612         | 66,245         | -                | 66,245         |
| Depreciation            | 62,478         | -                | 62,478         | 55,981         | -                | 55,981         |
| Operating lease charges | 18,646         | -                | 18,646         | 29,678         | -                | 29,678         |
| Premises costs          | 130,453        | -                | 130,453        | 113,375        | -                | 113,375        |
| Finance                 | 2,704          | -                | 2,704          | 2,394          | -                | 2,394          |
| Welfare                 | 9,304          | -                | 9,304          | 4,804          | -                | 4,804          |
| Administration          | 46,769         | -                | 46,769         | 39,853         | -                | 39,853         |
| Audit fees              | -              | 4,000            | 4,000          | -              | 6,720            | 6,720          |
| Accountancy             | -              | 3,013            | 3,013          | -              | 1,000            | 1,000          |
| Legal and professional  | -              | 7,454            | 7,454          | -              | 2,429            | 2,429          |
|                         | <u>354,966</u> | <u>14,467</u>    | <u>369,433</u> | <u>312,330</u> | <u>10,149</u>    | <u>322,479</u> |
| Analysed between        |                |                  |                |                |                  |                |
| Charitable activities   | <u>354,966</u> | <u>14,467</u>    | <u>369,433</u> | <u>312,330</u> | <u>10,149</u>    | <u>322,479</u> |

Governance costs includes payments to the auditors of £4,000 for audit fees (2021: £6,720).

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the School during the year for their role as trustees.

Mrs H J Probert is employed by the School under a contract of employment - for which she is remunerated at market rate. This is unrelated to her activities as a trustee.

There were no trustees' expenses paid for the year ended 31 August 2022 nor for the year ended 31 August 2021.

### 9 Employees

The average monthly number of employees during the year was:

|                | 2022<br>Number | 2021<br>Number |
|----------------|----------------|----------------|
| Teaching       | 27             | 25             |
| Domestic       | 4              | 4              |
| Administration | 4              | 4              |
| Total          | 35             | 33             |

#### Employment costs

|                       | 2022<br>£ | 2021<br>£ |
|-----------------------|-----------|-----------|
| Wages and salaries    | 669,554   | 621,635   |
| Social security costs | 51,862    | 46,694    |
| Other pension costs   | 64,873    | 55,203    |
|                       | 786,289   | 723,532   |

The number of employees whose annual remuneration was more than £60,000 is as follows:

|                               | 2022<br>Number | 2021<br>Number |
|-------------------------------|----------------|----------------|
| In the band £70,000 - £79,999 | -              | 1              |
| In the band £80,000 - £89,999 | 1              | -              |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 10 Tangible fixed assets

|                                    | Freehold land<br>and buildings<br>£ | Plant and<br>equipment<br>£ | Fixtures and<br>fittings<br>£ | Computers<br>£ | Total<br>£ |
|------------------------------------|-------------------------------------|-----------------------------|-------------------------------|----------------|------------|
| <b>Cost</b>                        |                                     |                             |                               |                |            |
| At 1 September 2021                | 2,500,158                           | 31,804                      | 184,286                       | 56,298         | 2,772,546  |
| Additions                          | -                                   | -                           | 4,128                         | 2,093          | 6,221      |
| Disposals                          | -                                   | (31,804)                    | -                             | -              | (31,804)   |
| At 31 August 2022                  | 2,500,158                           | -                           | 188,414                       | 58,391         | 2,746,963  |
| <b>Depreciation and impairment</b> |                                     |                             |                               |                |            |
| At 1 September 2021                | 503,897                             | 22,294                      | 166,732                       | 48,844         | 741,767    |
| Depreciation charged in the year   | 45,621                              | 1,247                       | 3,889                         | 3,458          | 54,215     |
| Eliminated in respect of disposals | -                                   | (23,541)                    | -                             | -              | (23,541)   |
| At 31 August 2022                  | 549,518                             | -                           | 170,621                       | 52,302         | 772,441    |
| <b>Carrying amount</b>             |                                     |                             |                               |                |            |
| At 31 August 2022                  | 1,950,640                           | -                           | 17,793                        | 6,089          | 1,974,522  |
| At 31 August 2021                  | 1,996,261                           | 9,510                       | 17,555                        | 7,455          | 2,030,781  |

Included in cost of the freehold land and buildings is land of £311,170 (2021: £311,170) not depreciated.

### 11 Stocks

|                                     | 2022<br>£ | 2021<br>£ |
|-------------------------------------|-----------|-----------|
| Stationery and educational supplies | 4,100     | 4,100     |

### 12 Debtors

|                                             | 2022<br>£ | 2021<br>£ |
|---------------------------------------------|-----------|-----------|
| <b>Amounts falling due within one year:</b> |           |           |
| Trade debtors                               | 33,130    | 45,276    |
| Other debtors                               | 385       | 385       |
| Prepayments and accrued income              | 15,807    | 13,241    |
|                                             | 49,322    | 58,902    |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 13 Loans and overdrafts

|                                                         | 2022<br>£ | 2021<br>£ |
|---------------------------------------------------------|-----------|-----------|
| Bank loans                                              | 107,269   | 115,362   |
| Payable within one year                                 | 7,800     | 8,208     |
| Payable after one year                                  | 99,469    | 107,154   |
| Amounts included above which fall due after five years: |           |           |
| Payable by instalments                                  | 70,956    | 74,322    |

The long-term loans are secured by fixed charges over the freehold property together with all buildings & fixtures, fixed plant and machinery, alongside all present and future book & other debts. A floating charge is also in place over all moveable plant machinery, implements, utensils, furniture & equipment, together with goodwill of the business and the full benefit of all licences and guarantees.

### 14 Creditors: amounts falling due within one year

|                                    | Notes | 2022<br>£ | 2021<br>£ |
|------------------------------------|-------|-----------|-----------|
| Bank loans                         | 13    | 7,800     | 8,208     |
| Other taxation and social security |       | 9,952     | 10,857    |
| Deferred income                    | 16    | 53,580    | 59,796    |
| Trade creditors                    |       | 23,126    | 16,605    |
| Other creditors                    |       | 15,195    | 12,178    |
| Accruals                           |       | 7,382     | 11,839    |
|                                    |       | 117,035   | 119,483   |

### 15 Creditors: amounts falling due after more than one year

|            | Notes | 2022<br>£ | 2021<br>£ |
|------------|-------|-----------|-----------|
| Bank loans | 13    | 99,469    | 107,154   |

### 16 Deferred income

|                                       | 2022<br>£ | 2021<br>£ |
|---------------------------------------|-----------|-----------|
| Arising from fees received in advance | 53,580    | 59,796    |

Deferred income is included in the financial statements as follows:

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 16 Deferred income

(Continued)

|                                     | 2022<br>£ | 2021<br>£ |
|-------------------------------------|-----------|-----------|
| Deferred income is included within: |           |           |
| Current liabilities                 | 53,580    | 59,796    |
| Movements in the year:              |           |           |
| Deferred income at 1 September 2021 | 59,796    | 81,497    |
| Released from previous periods      | (6,216)   | (21,701)  |
| Deferred income at 31 August 2022   | 53,580    | 59,796    |

### 17 Operating lease commitments

#### Lessee

The operating leases are for plant, machinery and office equipment, negotiated over average lease terms of 5 years and rentals are fixed for the same period.

At the reporting date the School had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | 2022<br>£ | 2021<br>£ |
|----------------------------|-----------|-----------|
| Within one year            | 18,394    | 21,272    |
| Between two and five years | 20,024    | 38,417    |
|                            | 38,418    | 59,689    |

### 18 Related party transactions

#### Remuneration of key management personnel

The key management personnel of the School comprises; the Head teacher, Deputy Head teacher and the School Business Manager. Their total remuneration is as follows.

|                        | 2022<br>£ | 2021<br>£ |
|------------------------|-----------|-----------|
| Aggregate compensation | 156,472   | 152,114   |

There have been no related party transactions during the year (2021: £nil).

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 19 Pension Commitments

The School participates in a multi-employer defined benefits scheme, the Teachers' Pension Scheme ("the Scheme") for its teaching staff. The contributions to the Scheme amounted to £57,678 (2021 - £52,692). Contributions outstanding at 31 August 2022 amounted to £8,057 (2021 - £nil).

The Scheme is 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%.

The School is unable to identify its share of the underlying assets and liabilities of the scheme; accordingly, the School has accounted for its contributions as if it were a defined contribution scheme.

The School also contributes to defined contribution schemes for its non-teaching staff. The cost of the School's contributions for the year amounted to £7,233 (2021 - £2,510).

#### 20 Indemnity Insurance

The School's public liability policy includes cover for claims made against it arising from any negligent act, error or omission committed in good faith and extends to include any such acts by trustees, employees and voluntary helpers. The additional cost of such cover cannot be separated from the public liability premium of £9,446 (2021: £9,097).

| 21 Cash generated from operations                                 | 2022<br>£     | 2021<br>£     |
|-------------------------------------------------------------------|---------------|---------------|
| (Deficit)/surplus for the year                                    | (2,379)       | 39,805        |
| Adjustments for:                                                  |               |               |
| Investment income recognised in statement of financial activities | (104)         | (164)         |
| Loss on disposal of tangible fixed assets                         | 8,263         | -             |
| Amortisation and impairment of intangible assets                  | 54,215        | 55,981        |
| Movements in working capital:                                     |               |               |
| Decrease/(increase) in debtors                                    | 9,580         | (5,134)       |
| Increase/(decrease) in creditors                                  | 4,176         | (11,633)      |
| (Decrease) in deferred income                                     | (6,216)       | (21,701)      |
| <b>Cash generated from operations</b>                             | <b>67,535</b> | <b>57,154</b> |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 22 Analysis of changes in net funds

|                                            | At 1 September<br>2021<br>£ | Cash flows<br>£ | At 31 August<br>2022<br>£ |
|--------------------------------------------|-----------------------------|-----------------|---------------------------|
| Cash at bank and in hand                   | 566,519                     | 53,327          | 619,846                   |
| Loans falling due within one year          | (8,208)                     | 408             | (7,800)                   |
| Loans falling due after more than one year | (107,154)                   | 7,685           | (99,469)                  |
|                                            | <u>451,157</u>              | <u>61,420</u>   | <u>512,577</u>            |



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# Accounts

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Charity Registration No. 1088050

Company Registration No. 04050603 (England and Wales)

**AVALON SCHOOL EDUCATIONAL TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**



# AVALON SCHOOL EDUCATIONAL TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Trustees**

Dr Catherine Kidd  
Miss Julie Yardley  
Mrs Patricia Johnson  
Mr Phillip Sheard  
Mrs Deborah Hillman  
Ms Heather Probert

**Secretary**

Ms Heather Probert

**Charity number**

1088050

**Company number**

04050603

**Registered office**

Avalon School  
Caldy Road  
Wirral  
Merseyside  
CH48 2HE

**Auditor**

McLintocks (NW) Limited  
2 Hilliards Court  
Chester Business Park  
Chester  
Cheshire  
CH4 9PX

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# AVALON SCHOOL EDUCATIONAL TRUST

## CONTENTS

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|                                   | <b>Page</b> |
|-----------------------------------|-------------|
| Trustees' report                  | 1 - 7       |
| Independent auditor's report      | 8 - 10      |
| Statement of financial activities | 11          |
| Balance sheet                     | 12          |
| Statement of cash flows           | 13          |
| Notes to the financial statements | 14 - 24     |

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# **AVALON SCHOOL EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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The trustees present their annual report and financial statements for the year ended 31 August 2021.

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 trust'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 and Republic of Ireland (FRS 102)" (effective 1 January 2019).

#### **Objectives and activities**

The objects for which the charity is established are to further the education of children between the ages of 2-11 and to maintain, manage, develop and carry on an early years, infant and junior school and to supply to pupils general instruction of the highest standard.

The principal activity of the charitable company throughout the year was the operation, management and development of Avalon School.

Avalon School is committed to providing a quality educational experience for all its pupils, by enabling each child to reach his or her full potential intellectually, socially and physically. The School's objectives are to provide a secure, happy and stimulating environment in which children feel confident to ask questions and learn, involving parents in this process by discussion with them on their children's work and progress and to prepare pupils for examinations for both the state and independent secondary schools.

The School promotes the academic, moral, social and physical development of its pupils through its academic curriculum, pastoral care, sporting and other activities. An educational environment is provided where each child can develop self-confidence and a desire to contribute to the wider community.

The School is committed to safeguarding and promoting the welfare of its pupils and expects all staff and volunteers to share this commitment.

Strong home and school partnerships are fostered in a variety of ways including regular communication about children's social and academic progress through parents' evenings and formal written reports. In addition to this the school provides regular updates on news and events through its website and weekly newsletters. Other functions such as parent workshops, visiting mornings and 'stay and play' sessions provide opportunities for parents and families to experience the School during a normal working day and to be fully informed about teaching and learning strategies used with their children. The School staff team work closely with the PTA, enabling further links with the parent community to support the work of the School.

The School welcomes pupils from all backgrounds. To admit a prospective pupil the School needs to be satisfied that it will be able to educate and develop the pupil to the best of his or her potential and in line with the general standards achieved by peers. Entrance interviews and taster sessions are undertaken to satisfy School, and parents, that potential pupils can cope with the pace of learning and can benefit from the education provided. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of the assessment procedures.

# **AVALON SCHOOL EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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Avalon School remains an accredited member of the Independent Schools Association.

Pupil numbers continue to be healthy, with steady class sizes and a good intake into the EYFS department.

All staff vacancies were filled satisfactorily. The School employs 33 members of staff in total. The development of a middle leadership structure has continued to further strengthen the management and leadership of the School.

Curriculum developments have included a particular focus on specific aspects of Personal, Social, Health, Citizenship and Economics Education, such as Mental Health & Wellbeing, following on from the impact of the Coronavirus Pandemic. The School has continued its curriculum development of Relationships and Sex Education, in consultation with Parents, Staff and the Board of Governors.

A regulatory compliance inspection of Avalon School by the Independent Schools Inspectorate took place in June 2018. The inspection report stated that, "the school meets the standards in the schedule to the Education (Independent School Standards) Regulations 2014 and relevant requirements of the Statutory Framework for the Early Years Foundation Stage, and associated requirements and no further action is required as a result of this inspection."

### **Public Benefit and Community Involvement**

The trustees have regard for the Charity Commission's guidance on public benefit.

### **Discounted Fee and Bursaries**

These take three forms:

To underline the value the School places on continuity for families, it offers discounts on the fees where parents have more than one child at the School. Last year 36 children received sibling discounts amounting to £17,617.

Assistance with fees can be made in cases where children attending the School are affected by unexpected family hardship, eg: unemployment, sudden illness, etc and where the child's education and future prospects would otherwise be at risk. Such assistance is designed to be temporary, but the trustees acknowledge that in some cases it may need to last for longer period of time.

Some bursaries are available for children joining the School, and whose parents would not otherwise be able to afford the full fees. These may be available for children meeting the School's general entrance requirements and whose parental means have been assessed and deemed suitable for bursarial assistance.

The School does not have any designated endowments for fee assistance and bursaries and it has to be mindful, in funding these awards, to ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education and those benefiting from the award.

In assessing means, a number of factors are taken into consideration including family income, investments and savings and family circumstances eg: number of siblings.

During the last year, a total of 25 children, were assisted by combinations of temporary assistances and bursaries to the sum of £ 67,087. Together with the family discounts, this represented a total of £84,707.

# **AVALON SCHOOL EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **Other Public Benefits**

Avalon School has a long history of involvement within the local community.

Other public benefits provided by the School include:

- The School runs a weekly Parent Toddler group for the local community.
- The School offers its facilities to a local Holiday Club provider for children in the local community.
- The School premises are available free of charge to local organisations.
- The School premises are provided free of charge for LAMDA public speaking examinations.
- Work experience opportunities are given to pupils from local state schools.
- Children and staff make visits to elderly residential care homes in the local community.

Unfortunately, it was not possible to carry out all of these activities during the whole academic year of 2020/21 due to the coronavirus pandemic, but it is intended to recommence the full range when Covid-19 regulations allow.

#### **Public Benefit and Community Involvement**

Pupils would normally have involvement in local services and assemblies linked with St. Bridget's Church. Due to the restrictions of the pandemic, these were very limited this year. However, plans to re-establish these links in the next academic year, when restrictions have eased, are fully in place.

Charities supported this year have included:

- Children in Need
- Antbullying Alliance - Odd Socks Day
- British Heart Foundation
- Royal British Legion
- So The Child May Learn- Pyjama Day (sponsored a child's education (Susali) in Nepal)
- Red Nose Day - Comic Relief
- Macmillan Cancer Support - Coffee morning (online event only)
- Poppy Appeal
- Charles Thompson Mission
- Rescue Me Animal Sanctuary
- LIV (UK)

As the School is a charity, the parents of pupils have the assurance that all its income must be applied for educational purposes. As an educational charity, it enjoys tax exemption on the educational activities and on any investment income. As a charity, it is entitled to a reduction on the business rates on the property occupied. The financial benefits received from these tax exemptions are all applied for educational purposes and indirectly help the School to maintain its bursary policies. However, as an educational charity, it is unable to reclaim VAT input tax on its costs, as it is exempt for VAT purposes. As well as the VAT paid, it also pays tax as an employer through the PAYE and National Insurance contributions made.

In addition to the very substantial benefits the School brings to its pupils, the local community and society in general through the education offered, the bursary programme creates a social asset without cost to the Exchequer.

All governors give of their time freely and no remuneration or expenses were paid to them in the year in respect of their services as governors. No governor or person connected with a governor received any benefit from either means tested bursaries or other benefits awarded to pupils.

In summary, the total value of all aspects of public benefit provided by the School was in excess of £84,000.

#### **Achievements and performance**

# **AVALON SCHOOL EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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Very good academic results were achieved during the school year:

Secondary School Entrance Assessments: 22 out of 23, year 6 children (86%) went on to grammar schools or selective independent secondary schools following entrance examinations.

SATS - The School does not submit SATS data for external moderation, but uses SATS papers together with INCAS and other standardised tests, as important strands in assessing pupils' attainment at the end of key stages 1 & 2. In both cases, teacher assessment reveals that children are achieving well in advance of their predicted assessment profile. In addition, the School has subscribed to the value added assessment offered by the PIPS programme.

Teaching and nursery staff attended over 200 courses in total, the majority of which were online, due to the coronavirus pandemic. During the year all teachers were involved in a programme of in-service training activities organised at the School on a variety of educational issues, including supporting children's return to school following periods of remote learning due to the coronavirus pandemic and a number of courses required for Health & Safety and Safeguarding compliance were completed.

School Development plans were significantly amended, and strategic priorities were quickly adapted due to the impact of the coronavirus pandemic.

The School adapted rapidly and took on new ways of working, such as blended learning, with some pupils learning online remotely whilst others, who were children of Key Workers, needed to continue to attend and be taught, in school. Other adaptations included classes being in strict 'bubble' groups throughout the School, with restrictions forcing them to be kept separated from other bubble groups during the school day. This had a huge impact on school life generally and the daily operations of the school had to be tailored yet further including staggered drop off & collections, lunchtimes and break times being staggered, no whole school assemblies and all communications with parents via telephone, email or remotely online.

Pupils at the School would normally participate in an extensive range of extra-curricular activities and educational visits. However, due to the significant restrictions in place caused by the pandemic, the scope for these activities to be able to take place safely was extremely limited. When it was safe to do so and Government & Local Authority guidance allowed, the School re-established a small number of local visits and extra-curricular activities in the summer term:

- Viking Day (Year 3)
- War Memorial at Grange Hill (Year 2)
- Barnstondale Activity Centre (Y6 Leavers)
- Ashton Park Mini Beast Hunt (Reception)
- Cubbins Green Beach (Year 3 & Pre School)
- Challenge Day (Climbing Wall, Archery, Problem Solving & Speed Ball activities)

Due to the difficult circumstances and restrictions caused by the coronavirus pandemic, the School's usual extent and variety of performances and concerts throughout the year had to be considerably revised. Christmas concerts and other performances during the year, including the end of year concerts, were organised and shared online with parents, as alternatives.

In the summer term, when restrictions allowed and following our thorough risk assessment considered it safe to do so, a small programme of extra - curricular activities was offered to pupils in class group bubbles. These included:

- Multi Skills
- Dodge ball
- Football

Children were unable to take part in the usual variety of local and regional sporting fixtures due to the inherent restrictions of the coronavirus pandemic and risks of transmission.

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# **AVALON SCHOOL EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Financial review**

The financial performance of the charitable company is reflected in the attached financial statements, which show a cash surplus on running the School of £95,786 (2020: £49,954), but depreciation provided on the assets of £55,981 (2020: £56,537) has meant that there is a much reduced net annual surplus of £39,805 (2020: deficit £6,583). There are sufficient funds to allow the trustees to continue to pursue their objectives of continuing to develop the School for the benefit of its pupils and the community in general.

Income shows a increase from £1,037,860 to £1,058,694. Expenditure shows a decrease from £1,044,443 to £1,018,889.

The balance sheet remains solid with net current assets of £510,038 (2020: £426,916) and total net assets of £2,433,665 (2020: £2,393,860).

Despite the dramatic impact of the COVID-19 pandemic, with an effective Senior Management Team in place, and the on-going programme of modernising educational methods and school facilities, Avalon School has continued to make progress throughout 2020/21.

### **Reserves Policy**

This is to aim to achieve and maintain a reserve of six months' working capital in case of future and unexpected downturns. If this is exceeded, then additional repayments of the mortgage are to be made. At present this implies a free reserve of the equivalent to six months expenditure, approximately £500,000.

### **Risk Management**

The trustees have assessed the major risks to which the School is exposed, and are satisfied that systems are in place to monitor and control these risks so as to minimise the School's exposure to them and mitigate any impact they may have in the future.

### **Plans for future periods**

- Continue to work to ensure the health and safety of all involved in the School during the ongoing Coronavirus pandemic.
- Maintain satisfactory staffing levels and expertise.
- Examine ways in which the buildings and grounds can be more eco-friendly.

### **Structure, governance and management**

Avalon School Educational Trust is a charitable company limited by guarantee, incorporated (04050603) on 10th August 2000 and registered as a charity on 15th August 2001 (1088050). The objects and powers of the company are established by its Memorandum of Association and it is governed by its Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr Catherine Kidd  
Miss Julie Yardley  
Mrs Patricia Johnson  
Mr Phillip Sheard  
Mrs Deborah Hillman  
Ms Heather Probert

# **AVALON SCHOOL EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Recruitment of Trustees**

The company's directors are also trustees of the charity and governors of the School. New trustees are initially appointed by the Board and their appointment is then confirmed at the next annual general meeting. In addition one third of the members of the Board retire by rotation at the annual general meeting in every second year. Members so retiring may offer themselves for re-election.

Trustees are generally appointed from persons with a strong connection to the School who have expertise in various fields; frequently former parents whose children have attended the School or former pupils. This ensures that trustees have empathy for the ethos and aims of the School, whilst bringing to the Board a professional and business approach.

Names of potential trustees are normally put forward to the Board by existing trustees, particularly with the aim of reinforcing the range of competencies of the trustees.

### **Qualifying third party indemnity provisions**

Following the agreement of the Board, the new trustee undergoes the requisite safeguarding checks before commencing duties, and initial taking in undertaken.

The appointment of trustees from a range of backgrounds ensures that breadth and depth of experience from many areas is available to enable duties to be carried out effectively and efficiently. Where possible the trustees consider that it is helpful if the experience of the Board comprises knowledge and skills in the following areas:

- Education
- Finance
- Food hygiene
- Legal
- Personnel
- Property management

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Once appointed, training is supplied for trustees on an ongoing basis. Trustees regularly attend School functions.

Separate sub-committees exist to consider issues in detail and to make recommendations to the Board. These cover:

- Staff recruitment and appointment;
- Finance;
- Property management and Health and Safety;

A visiting governor has been appointed to liaise with staff, and another governor liaises over matters concerning children with special educational needs.

Trustees normally meet six times a year to review policies and make decisions.

Policies are set by the governors, whilst responsibility for the day to day running of the School is delegated to the head teacher, who attends these meetings and submits a report to the trustees.

No external person or body is entitled to appoint a trustee.

# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### Statement of trustees' responsibilities

The trustees, who are also the directors of Avalon School Educational Trust for the purpose of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the trust 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditor

In accordance with the company's articles, a resolution proposing that McLintocks (NW) Limited be reappointed as auditor of the company will be put at a General Meeting.

### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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



Dr Catherine Kidd  
Trustee

6 December 2021

# AVALON SCHOOL EDUCATIONAL TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF AVALON SCHOOL EDUCATIONAL TRUST

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#### Opinion

We have audited the financial statements of Avalon School Educational Trust (the 'trust') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, 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 trust 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

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 trust'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.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

# AVALON SCHOOL EDUCATIONAL TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF AVALON SCHOOL EDUCATIONAL TRUST

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

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the trust for the purpose 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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.

Enquiries of management and those charged with governance were held in order to identify any laws and regulations that could be expected to have a material impact on the financial statements. Throughout the audit, the team were updated with the outcomes of these enquiries including consideration as to where and how fraud may occur in the Trust.

The audit procedures undertaken to address any potential risk in relation to irregularities (which include fraud and non-compliance with laws and regulations) included: enquiries of management and those charged with governance on how the charity complies with relevant laws, regulations and any cases of actual or potential litigations or claims; examination of appropriate legal correspondence; review of board minutes; testing of journal entries for appropriateness; and analytical procedures on account balances to identify variances against expectation which may show indications of fraud.

# AVALON SCHOOL EDUCATIONAL TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF AVALON SCHOOL EDUCATIONAL TRUST

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No instances of material non-compliance were identified, although the prospect of detecting irregularities, including fraud, is inherently difficult. This is due to; difficulty in detecting irregularities; limits imposed by the effectiveness of the entity's controls; and the nature, timing and extent of the audit procedures performed. Irregularities as a result of fraud are inherently more difficult to detect than those that resulting from error. Despite this the audit has being planned and performed in accordance with ISAs (UK), there is an unavoidable risk that material misstatements may not be detected.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### 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**

6 December 2021

**Chartered Accountants**  
**Statutory Auditor**

2 Hilliards Court  
Chester Business Park  
Chester  
Cheshire  
CH4 9PX

# AVALON SCHOOL EDUCATIONAL TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

|                                                                         | Notes | Unrestricted funds<br>2021<br>£ | Unrestricted funds<br>2020<br>£ |
|-------------------------------------------------------------------------|-------|---------------------------------|---------------------------------|
| <b>Income from:</b>                                                     |       |                                 |                                 |
| Charitable activities                                                   | 3     | 1,044,113                       | 938,812                         |
| Investments                                                             | 4     | 164                             | 1,253                           |
| Other income                                                            | 5     | 14,417                          | 97,795                          |
| <b>Total income</b>                                                     |       | <b>1,058,694</b>                | <b>1,037,860</b>                |
| <b>Expenditure on:</b>                                                  |       |                                 |                                 |
| Charitable activities                                                   | 6     | 1,018,889                       | 1,044,443                       |
| <b>Net income/(expenditure) for the year/<br/>Net movement in funds</b> |       | <b>39,805</b>                   | <b>(6,583)</b>                  |
| Fund balances at 1 September 2020                                       |       | 2,393,860                       | 2,400,443                       |
| <b>Fund balances at 31 August 2021</b>                                  |       | <b>2,433,665</b>                | <b>2,393,860</b>                |

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

All income and expenditure derive from continuing activities.

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

# AVALON SCHOOL EDUCATIONAL TRUST

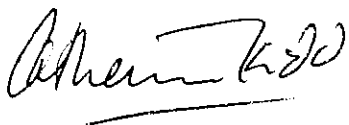
## BALANCE SHEET

AS AT 31 AUGUST 2021

|                                                                | Notes | 2021<br>£ | £         | 2020<br>£ | £         |
|----------------------------------------------------------------|-------|-----------|-----------|-----------|-----------|
| <b>Fixed assets</b>                                            |       |           |           |           |           |
| Tangible assets                                                | 10    |           | 2,030,781 |           | 2,083,180 |
| <b>Current assets</b>                                          |       |           |           |           |           |
| Stocks                                                         | 11    | 4,100     |           | 4,100     |           |
| Debtors                                                        | 12    | 58,902    |           | 53,768    |           |
| Cash at bank and in hand                                       |       | 566,519   |           | 504,675   |           |
|                                                                |       | 629,521   |           | 562,543   |           |
| <b>Creditors: amounts falling due within one year</b>          | 14    | (119,483) |           | (135,627) |           |
| Net current assets                                             |       |           | 510,038   |           | 426,916   |
| <b>Total assets less current liabilities</b>                   |       |           | 2,540,819 |           | 2,510,096 |
| <b>Creditors: amounts falling due after more than one year</b> | 16    |           | (107,154) |           | (116,236) |
| <b>Net assets</b>                                              |       |           | 2,433,665 |           | 2,393,860 |
| <b>Income funds</b>                                            |       |           |           |           |           |
| Unrestricted funds                                             |       |           | 2,433,665 |           | 2,393,860 |
|                                                                |       |           | 2,433,665 |           | 2,393,860 |

The financial statements were approved by the Trustees on 6 December 2021

Dr Catherine Kidd  
Trustee



Company Registration No. 04050603

# AVALON SCHOOL EDUCATIONAL TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

|                                                  | Notes | 2021<br>£ | £       | 2020<br>£ | £       |
|--------------------------------------------------|-------|-----------|---------|-----------|---------|
| <b>Cash flows from operating activities</b>      |       |           |         |           |         |
| Cash generated from operations                   | 22    |           | 74,164  |           | 91,389  |
| <b>Investing activities</b>                      |       |           |         |           |         |
| Purchase of tangible fixed assets                |       | (3,582)   |         | (9,791)   |         |
| Investment income received                       |       | 164       |         | 1,253     |         |
| <b>Net cash used in investing activities</b>     |       |           | (3,418) |           | (8,538) |
| <b>Financing activities</b>                      |       |           |         |           |         |
| Repayment of bank loans                          |       | (8,902)   |         | (7,173)   |         |
| <b>Net cash used in financing activities</b>     |       |           | (8,902) |           | (7,173) |
| <b>Net increase in cash and cash equivalents</b> |       |           | 61,844  |           | 75,678  |
| Cash and cash equivalents at beginning of year   |       |           | 504,675 |           | 428,997 |
| <b>Cash and cash equivalents at end of year</b>  |       |           | 566,519 |           | 504,675 |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

#### Charity information

Avalon School Educational Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Avalon School, Caldys Road, Wirral, Merseyside, CH48 2HE.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the trust'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 and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The trust is a Public Benefit Entity as defined by FRS 102.

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the trust.

#### 1.4 Income

Income is recognised when the School 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 trust 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.

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income in respect of Early Years Funding from Wirral Borough Council is recognised in the period to which the funding relates.

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

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.

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the School to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### Teaching Materials

Supplies of apparatus, equipment, books, stationery and sundry materials are written off as soon as the expenditure on procuring them is incurred.

Governance costs comprise the costs of running the School, including strategic planning for its future development, external audit, any legal advice for the School's Governors, and all costs of complying with constitutional and statutory requirements, such as the cost of Governors and Committee meetings, and of preparing statutory accounts and satisfying public accountability.

##### Allocation of support costs

Support costs are those functions that assist the work of the School but do not directly undertake charitable activities. Support costs include finance, personnel, payroll and governance. Governance costs are those incurred in connection with administrative of the charity and compliance with constitutional and statutory requirements.

These costs are subsequently apportioned to the charitable activity to which they directly support, as analysed in notes 6 & 7.

#### 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                             |                      |
|-----------------------------|----------------------|
| Freehold land and buildings | 2%-10% straight line |
| Plant and equipment         | 10% straight line    |
| Fixtures and fittings       | 20% reducing balance |
| Computers                   | 40% reducing balance |

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.

#### 1.7 Impairment of fixed assets

At each reporting end date, the School 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 Stocks

Stocks are stated at the lower of cost and replacement value.

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The School 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 School's balance sheet when the School 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.

##### **Derecognition of financial liabilities**

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

#### 1.11 Employee benefits

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

Termination benefits are recognised immediately as an expense when the School is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The School participates in a multi-employer defined benefits scheme, the Teachers' Pension Scheme ("the Scheme") for its teaching staff. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The School is unable to identify its share of the underlying assets and liabilities of the scheme; accordingly, the School accounts for its contributions as if it were a defined contribution scheme.

The School also contributes to defined contribution schemes for its non-teaching staff.

### 2 Critical accounting estimates and judgements

In the application of the School'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

|                              | Fees receivable  | Other Income | Total 2021       | Total 2020     |
|------------------------------|------------------|--------------|------------------|----------------|
|                              | 2021             | 2021         |                  |                |
|                              | £                | £            | £                | £              |
| Fees receivable              | 911,454          | -            | 911,454          | 817,984        |
| Early learning years funding | 49,601           | -            | 49,601           | 59,682         |
| Dinner fees                  | 81,704           | -            | 81,704           | 58,592         |
| Other income                 | -                | 1,354        | 1,354            | 2,554          |
|                              | <u>1,042,759</u> | <u>1,354</u> | <u>1,044,113</u> | <u>938,812</u> |

### 4 Investments

|                     | Unrestricted funds | Unrestricted funds |
|---------------------|--------------------|--------------------|
|                     | 2021               | 2020               |
|                     | £                  | £                  |
| Interest receivable | <u>164</u>         | <u>1,253</u>       |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5

Other income is government grants received in relation to the coronavirus job retention scheme. Income totalled £14,417 (2020: £97,795).

### 6 Charitable activities

|                                        | Teaching       | Catering      | School trips | Total            | Total            |
|----------------------------------------|----------------|---------------|--------------|------------------|------------------|
|                                        | 2021           | 2021          | 2021         | 2021             | 2020             |
|                                        | £              | £             | £            | £                | £                |
| Staff costs                            | 600,175        | 57,112        | -            | 657,287          | 703,907          |
| Supply teachers                        | -              | -             | -            | -                | 8,494            |
| Educational supplies                   | 11,661         | -             | -            | 11,661           | 9,807            |
| Food and drink                         | -              | 27,349        | -            | 27,349           | 21,975           |
| Educational visits                     | -              | -             | 113          | 113              | -                |
| Miscellaneous                          | -              | -             | -            | -                | 400              |
|                                        | <u>611,836</u> | <u>84,461</u> | <u>113</u>   | <u>696,410</u>   | <u>744,583</u>   |
| Share of support costs (see note 7)    | 312,330        | -             | -            | 312,330          | 285,102          |
| Share of governance costs (see note 7) | 10,149         | -             | -            | 10,149           | 14,758           |
|                                        | <u>934,315</u> | <u>84,461</u> | <u>113</u>   | <u>1,018,889</u> | <u>1,044,443</u> |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 7 Support costs

|                         | Support costs  | Governance costs | 2021           | Support costs  | Governance costs | 2020           |
|-------------------------|----------------|------------------|----------------|----------------|------------------|----------------|
|                         | £              | £                | £              | £              | £                | £              |
| Staff costs             | 66,245         | -                | 66,245         | 64,341         | -                | 64,341         |
| Depreciation            | 55,981         | -                | 55,981         | 56,537         | -                | 56,537         |
| Operating lease charges | 29,678         | -                | 29,678         | 30,568         | -                | 30,568         |
| Premises costs          | 113,375        | -                | 113,375        | 84,461         | -                | 84,461         |
| Finance                 | 2,394          | -                | 2,394          | 2,575          | -                | 2,575          |
| Welfare                 | 4,804          | -                | 4,804          | 4,816          | -                | 4,816          |
| Administration          | 39,853         | -                | 39,853         | 41,804         | -                | 41,804         |
| Audit fees              | -              | 6,720            | 6,720          | -              | 5,500            | 5,500          |
| Accountancy             | -              | 1,000            | 1,000          | -              | 776              | 776            |
| Legal and professional  | -              | 2,429            | 2,429          | -              | 8,482            | 8,482          |
|                         | <u>312,330</u> | <u>10,149</u>    | <u>322,479</u> | <u>285,102</u> | <u>14,758</u>    | <u>299,860</u> |
| Analysed between        |                |                  |                |                |                  |                |
| Charitable activities   | <u>312,330</u> | <u>10,149</u>    | <u>322,479</u> | <u>285,102</u> | <u>14,758</u>    | <u>299,860</u> |

Governance costs includes payments to the auditors of £6,720 for audit fees (2020: £5,500).

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the School during the year for their role as trustees.

Mrs H J Probert is employed by the School under a contract of employment - for which she is remunerated at market rate. This is unrelated to her activities as a trustee.

There were no trustees' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

### 9 Employees

The average monthly number of employees during the year was:

|                | 2021<br>Number | 2020<br>Number |
|----------------|----------------|----------------|
| Teaching       | 25             | 28             |
| Domestic       | 4              | 5              |
| Administration | 4              | 4              |
| Total          | <u>33</u>      | <u>37</u>      |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

| 9 | Employees             | (Continued)    |                |
|---|-----------------------|----------------|----------------|
|   | Employment costs      | 2021<br>£      | 2020<br>£      |
|   | Wages and salaries    | 621,635        | 656,841        |
|   | Social security costs | 46,694         | 47,964         |
|   | Other pension costs   | 55,203         | 63,443         |
|   |                       | <u>723,532</u> | <u>768,248</u> |

The number of employees whose annual remuneration was more than £60,000 is as follows:

|                               | 2021<br>Number | 2020<br>Number |
|-------------------------------|----------------|----------------|
| In the band £70,000 - £79,999 | <u>1</u>       | <u>1</u>       |

| 10 | Tangible fixed assets              | Freehold land<br>and buildings<br>£ | Plant and<br>equipment<br>£ | Fixtures and<br>fittings<br>£ | Computers<br>£ | Total<br>£       |
|----|------------------------------------|-------------------------------------|-----------------------------|-------------------------------|----------------|------------------|
|    | <b>Cost</b>                        |                                     |                             |                               |                |                  |
|    | At 1 September 2020                | 2,497,668                           | 31,804                      | 183,663                       | 55,832         | 2,768,967        |
|    | Additions                          | 2,490                               | -                           | 624                           | 466            | 3,580            |
|    | At 31 August 2021                  | <u>2,500,158</u>                    | <u>31,804</u>               | <u>184,287</u>                | <u>56,298</u>  | <u>2,772,547</u> |
|    | <b>Depreciation and Impairment</b> |                                     |                             |                               |                |                  |
|    | At 1 September 2020                | 458,276                             | 21,047                      | 162,357                       | 44,106         | 685,786          |
|    | Depreciation charged in the year   | 45,621                              | 1,247                       | 4,375                         | 4,737          | 55,980           |
|    | At 31 August 2021                  | <u>503,897</u>                      | <u>22,294</u>               | <u>166,732</u>                | <u>48,843</u>  | <u>741,766</u>   |
|    | <b>Carrying amount</b>             |                                     |                             |                               |                |                  |
|    | At 31 August 2021                  | <u>1,996,261</u>                    | <u>9,510</u>                | <u>17,555</u>                 | <u>7,455</u>   | <u>2,030,781</u> |
|    | At 31 August 2020                  | <u>2,039,392</u>                    | <u>10,757</u>               | <u>21,305</u>                 | <u>11,726</u>  | <u>2,083,180</u> |

Included in cost of the freehold land and buildings is land of £311,170 (2020: £311,170) not depreciated.

| 11 | Stocks                              | 2021<br>£    | 2020<br>£    |
|----|-------------------------------------|--------------|--------------|
|    | Stationery and educational supplies | <u>4,100</u> | <u>4,100</u> |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 12 Debtors

|                                      | 2021<br>£     | 2020<br>£     |
|--------------------------------------|---------------|---------------|
| Amounts falling due within one year: |               |               |
| Trade debtors                        | 45,276        | 35,910        |
| Other debtors                        | 385           | 385           |
| Prepayments and accrued income       | 13,241        | 17,473        |
|                                      | <u>58,902</u> | <u>53,768</u> |

### 13 Loans and overdrafts

|                                                         | 2021<br>£      | 2020<br>£      |
|---------------------------------------------------------|----------------|----------------|
| Bank loans                                              | <u>115,362</u> | <u>124,264</u> |
| Payable within one year                                 | 8,208          | 8,028          |
| Payable after one year                                  | <u>107,154</u> | <u>116,236</u> |
| Amounts included above which fall due after five years: |                |                |
| Payable by instalments                                  | <u>74,322</u>  | <u>84,124</u>  |

The long-term loans are secured by fixed charges over the freehold property together with all buildings & fixtures, fixed plant and machinery, alongside all present and future book & other debts. A floating charge is also in place over all moveable plant machinery, implements, utensils, furniture & equipment, together with goodwill of the business and the full benefit of all licences and guarantees.

### 14 Creditors: amounts falling due within one year

|                                    | Notes | 2021<br>£      | 2020<br>£      |
|------------------------------------|-------|----------------|----------------|
| Bank loans                         | 13    | 8,208          | 8,028          |
| Other taxation and social security |       | 10,857         | 10,320         |
| Deferred income                    | 15    | 59,796         | 81,497         |
| Trade creditors                    |       | 16,605         | 14,602         |
| Other creditors                    |       | 12,178         | 14,555         |
| Accruals                           |       | 11,839         | 6,625          |
|                                    |       | <u>119,483</u> | <u>135,627</u> |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 15 Deferred income

|                                       | 2021<br>£ | 2020<br>£ |
|---------------------------------------|-----------|-----------|
| Arising from fees received in advance | 59,796    | 81,497    |

### 16 Creditors: amounts falling due after more than one year

|            | Notes | 2021<br>£ | 2020<br>£ |
|------------|-------|-----------|-----------|
| Bank loans | 13    | 107,154   | 116,236   |

### 17 Operating lease commitments

#### Lessee

The operating leases are for plant, machinery and office equipment, negotiated over average lease terms of 5 years and rentals are fixed for the same period.

At the reporting date the School had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | 2021<br>£ | 2020<br>£ |
|----------------------------|-----------|-----------|
| Within one year            | 21,272    | 29,058    |
| Between two and five years | 38,417    | 39,768    |
|                            | 59,689    | 68,826    |

### 18 Capital commitments

|                                                                  | 2021<br>£ | 2020<br>£ |
|------------------------------------------------------------------|-----------|-----------|
| At 31 August 2021 the School had capital commitments as follows: |           |           |
| Contracted for but not provided in the financial statements:     |           |           |
| Acquisition of fixtures and fittings                             | -         | 2,490     |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Related party transactions

#### Remuneration of key management personnel

The key management personnel of the School comprises; the Head teacher, Deputy Head teacher and the School Business Manager. Their total remuneration is as follows.

|                        | 2021<br>£ | 2020<br>£ |
|------------------------|-----------|-----------|
| Aggregate compensation | 152,114   | 150,272   |

There have been no related party transactions during the year (2020: £nil).

### 20 Pension Commitments

The School participates in a multi-employer defined benefits scheme, the Teachers' Pension Scheme ("the Scheme") for its teaching staff. The contributions to the Scheme amounted to £52,692 (2020 - £55,846). Contributions outstanding at 31 August 2021 amounted to £nil (2020 - £nil).

The Scheme is 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 Government's 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%.

The School is unable to identify its share of the underlying assets and liabilities of the scheme; accordingly, the School has accounted for its contributions as if it were a defined contribution scheme.

The School also contributes to defined contribution schemes for its non-teaching staff. The cost of the School's contributions for the year amounted to £2,510 (2020 - £7,264).

### 21 Indemnity Insurance

The School's public liability policy includes cover for claims made against it arising from any negligent act, error or omission committed in good faith and extends to include any such acts by trustees, employees and voluntary helpers. The additional cost of such cover cannot be separated from the public liability premium of £9,097 (2020: £6,048).

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

|    |                                                                   |                             |                           |
|----|-------------------------------------------------------------------|-----------------------------|---------------------------|
| 22 | Cash generated from operations                                    | 2021<br>£                   | 2020<br>£                 |
|    | Surplus/(deficit) for the year                                    | 39,805                      | (6,583)                   |
|    | Adjustments for:                                                  |                             |                           |
|    | Investment income recognised in statement of financial activities | (164)                       | (1,253)                   |
|    | Amortisation and impairment of intangible assets                  | 55,981                      | 56,537                    |
|    | Movements in working capital:                                     |                             |                           |
|    | (Increase)/decrease in debtors                                    | (5,134)                     | 27,022                    |
|    | Increase/(decrease) in creditors                                  | 5,377                       | (615)                     |
|    | (Decrease)/increase in deferred income                            | (21,701)                    | 16,281                    |
|    | Cash generated from operations                                    | 74,164                      | 91,389                    |
| 23 | Analysis of changes in net funds                                  |                             |                           |
|    |                                                                   | At 1 September<br>2020<br>£ | Cash flows<br>£           |
|    |                                                                   |                             | At 31 August<br>2021<br>£ |
|    | Cash at bank and in hand                                          | 504,675                     | 61,844                    |
|    | Loans falling due within one year                                 | (8,028)                     | (180)                     |
|    | Loans falling due after more than one year                        | (116,236)                   | 9,082                     |
|    |                                                                   | 380,411                     | 70,746                    |



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# Accounts

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Charity Registration No. 1088050

Company Registration No. 04050603 (England and Wales)

**AVALON SCHOOL EDUCATIONAL TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**



# **AVALON SCHOOL EDUCATIONAL TRUST**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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|                          |                                                                                                                                   |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| <b>Trustees</b>          | Dr Catherine Kidd<br>Miss Julie Yardley<br>Mrs Patricia Johnson<br>Mr Phillip Sheard<br>Mrs Deborah Hillman<br>Ms Heather Probert |
| <b>Secretary</b>         | Ms Heather Probert                                                                                                                |
| <b>Charity number</b>    | 1088050                                                                                                                           |
| <b>Company number</b>    | 04050603                                                                                                                          |
| <b>Registered office</b> | Avalon School<br>Caldy Road<br>Wirral<br>Merseyside<br>CH48 2HE                                                                   |
| <b>Auditor</b>           | McLintocks (NW) Limited<br>2 Hilliards Court<br>Chester Business Park<br>Chester<br>Cheshire<br>CH4 9PX                           |

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# AVALON SCHOOL EDUCATIONAL TRUST

## CONTENTS

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|                                         | <b>Page</b> |
|-----------------------------------------|-------------|
| Trustees' report                        | 1 - 8       |
| Statement of trustees' responsibilities | 9           |
| Independent auditor's report            | 10 - 12     |
| Statement of financial activities       | 13          |
| Balance sheet                           | 14          |
| Statement of cash flows                 | 15          |
| Notes to the financial statements       | 16 - 27     |

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# **AVALON SCHOOL EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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The trustees present their report and financial statements for the year ended 31 August 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 trust'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 and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

### **Objectives and activities**

The objects for which the charity is established are to further the education of children between the ages of 2-11 and to maintain, manage, develop and carry on an early years, infant and junior School and to supply to pupils general instruction of the highest standard.

The principal activity of the charitable company throughout the year was the operation, management and development of Avalon School.

Avalon School is committed to providing a quality educational experience for all its pupils, by enabling each child to reach his or her full potential intellectually, socially and physically. The School's objectives are to provide a secure, happy and stimulating environment in which children feel confident to ask questions and learn, involving parents in this process by discussion with them on their children's work and progress and to prepare pupils for examinations for both the state and independent secondary schools.

The School promotes the academic, moral, social and physical development of its pupils through its academic curriculum, pastoral care, sporting and other activities. An educational environment is provided where each child can develop self-confidence and a desire to contribute to the wider community.

The School is committed to safeguarding and promoting the welfare of its pupils and expects all staff and volunteers to share this commitment.

Strong home and school partnerships are fostered in a variety of ways including regular communication about children's social and academic progress through parents' evenings and formal written reports. In addition to this the school provides regular updates on news and events through its website and weekly newsletters. Other functions such as parent workshops, visiting mornings and 'stay and play' sessions provide opportunities for parents and families to experience the school during a normal working day and to be fully informed about teaching and learning strategies used with their children. The School staff team work closely with the PTA, enabling further links with the parent community to support the work of the School.

The School welcomes pupils from all backgrounds. To admit a prospective pupil the School needs to be satisfied that it will be able to educate and develop the pupil to the best of his or her potential and in line with the general standards achieved by peers. Entrance interviews and taster sessions are undertaken to satisfy School, and parents, that potential pupils can cope with the pace of learning and can benefit from the education provided. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of the assessment procedures.

# **AVALON SCHOOL EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

---

Avalon School remains an accredited member of the Independent Schools Association.

Pupil numbers continue to be healthy, with steady class sizes and a good intake into the EYFS department.

All staff vacancies were filled satisfactorily. The School employs 36 members of staff in total. The development of a middle leadership structure has continued to further strengthen the management and leadership of the School.

In March 2020 the outbreak of COVID-19 triggered a period of enforced school closures, due to the rapid rise of transmission rates. Avalon continued to remain open to support the children of Key Workers and for those children identified as being vulnerable. The School quickly reverted to providing a broad curriculum via remote online learning for those children who had to continue to learn from home.

A regulatory compliance inspection of Avalon School by the Independent Schools Inspectorate took place in June 2018. The inspection report stated that, "the school meets the standards in the schedule to the Education (Independent School Standards) Regulations 2014 and relevant requirements of the Statutory Framework for the Early Years Foundation Stage, and associated requirements and no further action is required as a result of this inspection."

### **Public Benefit and Community Involvement**

The trustees have regard for the Charity Commission's guidance on public benefit.

### **Discounted Fee and Bursaries**

These take three forms:

To underline the value the School places on continuity for families, it offers discounts on the fees where parents have more than one child at the School. Last year 34 children received sibling discounts amounting to £16,272.

Assistance with fees can be made in cases where children attending the School are affected by unexpected family hardship, eg: unemployment, sudden illness, etc and where the child's education and future prospects would otherwise be at risk. Such assistance is designed to be temporary, but the trustees acknowledge that in some cases it may need to last for longer period of time.

Some bursaries are available for children joining the School, and whose parents would not otherwise be able to afford the full fees. These may be available for children meeting the School's general entrance requirements and whose parental means have been assessed and deemed suitable for bursarial assistance.

The School does not have any designated endowments for fee assistance and bursaries and it has to be mindful, in funding these awards, to ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education and those benefiting from the award.

In assessing means, a number of factors are taken into consideration including family income, investments and savings and family circumstances eg: number of siblings.

During the last year, a total of 23 children, were assisted by combinations of temporary assistances and bursaries to the sum of £ 72,223.

Together with the family discounts, this represented a total of £88,495.

Due to COVID-19 pandemic emergency, a discount was offered to all parents during the summer term 2020, on school fees only which totalled £57,528. This was managed and balanced through cost savings made during the partial closure of the School in the summer term.

# **AVALON SCHOOL EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Other Public Benefits**

Avalon School has a long history of involvement within the local community.

Other public benefits provided by the School include:

- The School runs a weekly Parent Toddler group for the local community.
- The School offers its facilities to a local Holiday Club provider for children in the local community.
- The School premises are available free of charge to local organisations.
- The School premises are provided free of charge for LAMDA public speaking examinations.
- Work experience opportunities are given to pupils from local state schools.
- Children and staff make visits to elderly residential care homes in the local community.

### **Public Benefit and Community Involvement**

Pupils of the School attended St Bridget's Church for their carol service. However due to COVID-19, other planned events that linked to the local Church community, had to be cancelled.

Charities supported this year have included:

- Macmillan Cancer Charity - Coffee morning
- Young Minds
- Children in Need
- The British Legion Poppy Appeal
- Anti-bullying Alliance - Odd Socks Day
- Charles Thompson Mission - Toys and clothing donations

As the School is a charity, the parents of pupils have the assurance that all its income must be applied for educational purposes. As an educational charity, it enjoys tax exemption on the educational activities and on any investment income. As a charity, it is entitled to a reduction on the business rates on the property occupied. The financial benefits received from these tax exemptions are all applied for educational purposes and indirectly help the School to maintain its bursary policies. However, as an educational charity, it is unable to reclaim VAT input tax on its costs, as it is exempt for VAT purposes. As well as the VAT paid, it also pays tax as an employer through the PAYE and National Insurance contributions made.

In addition to the very substantial benefits the School brings to its pupils, the local community and society in general through the education offered, the bursary programme creates a social asset without cost to the Exchequer.

All governors give of their time freely and no remuneration or expenses were paid to them in the year in respect of their services as governors. No governor or person connected with a governor received any benefit from either means tested bursaries or other benefits awarded to pupils.

In summary, the total value of all aspects of public benefit provided by the School was in excess of £140,000 (includes fee reduction for summer term 2020 due to COVID-19 pandemic).

# **AVALON SCHOOL EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Achievements and performance**

Very good academic results were achieved during the school year:

11+ results: 14 out of the 16 year 6 children who undertook selective secondary assessments (87.5%) went on to grammar schools or selective independent secondary schools following entrance examinations.

SATS - The School does not submit SATS data for external moderation, but uses SATS papers together with NFER and other standardised tests, as important strands in assessing pupils' attainment at the end of key stages 1 & 2. In both cases, teacher assessment reveals that children are achieving well in advance of their predicted assessment profile. In addition, the School has subscribed to the value added assessment offered by the PIPS programme.

Teaching and nursery staff attended over 20 courses during the year and all teachers were involved in a programme of in-service training activities organised at the School on a variety of educational issues. Some planned Professional Development courses were cancelled due to COVID-19, however some staff were enabled to access a limited number of courses online.

The bulk of the development plan, as discussed by governors, was delivered during the year and the governors agreed a detailed development plan for the following academic year.

Pupils of the School participated in a wide range of extra-curricular activities and educational visits:

Out of school educational visits:

- Y3 - DEVA Roman Experience, Chester
- Junior children visited the Storyhouse Theatre in Chester
- Y5 children visited the World Museum in Liverpool and the Tate Art Gallery
- EYFS children visited Little Edensville in Birkenhead

Other trips and visits were planned for the remainder of the academic year, however restrictions due to the outbreak of COVID-19, meant that these educational visits had to be cancelled or postponed.

# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2020*

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The children's concerts and performances in 2019/20 were further limited after March 2020 due to COVID-19, however, as many events as possible were shared online with parents and carers, such as weekly Achievement Celebration assemblies, the Y6 Leavers' Assembly and the whole school end of year celebrations. 19 children took part in LAMDA examinations at the end of November 2019, with a 100% pass rate and 100% of children reaching merit or distinction level.

Extra - curricular activities up to March 2020 included:

- Ballet
- Art & Craft
- Football
- Netball
- UKMT Maths Challenge
- Street Dance
- Gardening
- Storytime
- ICT Lego
- Library
- Peripatetic music: Piano, Guitar, Violin, Clarinet, Flute
- Rugby
- Cheerleading
- Athletics
- Choir
- Speech & Drama
- French
- Origami
- STEM
- Inventors

Children also took part in a wide range of local and regional sporting fixtures including netball, football, cricket and athletics tournaments, prior to restrictions being imposed from March 2020 onwards.

# **AVALON SCHOOL EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Financial review**

The financial performance of the charitable company is reflected in the attached financial statements, which show a cash surplus on running the School of £49,954 (2019: £11,799), but depreciation provided on the assets of £56,537 (2018: £57,679) has meant that there is a much reduced net annual deficit of £6,583 (2019: £45,880). There are sufficient funds to allow the trustees to continue to pursue their objectives of continuing to develop the School for the benefit of its pupils and the community in general.

Income shows a increase from £1,021,193 to £1,037,860. Expenditure shows a decrease from £1,067,073 to £1,044,443.

The balance sheet remains solid with net current assets of £426,916 (2019: £394,371) and total net assets of £2,393,860 (2019: £2,400,443).

Despite the dramatic impact of the COVID-19 pandemic, with an effective Senior Management Team in place, and the on-going programme of modernising educational methods and school facilities, Avalon School has continued to make progress throughout 2019/20.

### **Reserves Policy**

This is to aim to achieve and maintain a reserve of six months' working capital in case of future and unexpected downturns. If this is exceeded, then additional repayments of the mortgage are to be made. At present this implies a free reserve of the equivalent to six months expenditure, approximately £500,000.

### **Risk Management**

The trustees have assessed the major risks to which the School is exposed, and are satisfied that systems are in place to monitor and control these risks so as to minimise the School's exposure to them and mitigate any impact they may have in the future.

### **Plans for future periods**

- Recruiting for and filling any staff vacancies which may arise during the year.
- Continue implementation of a rolling programme of improvements aimed at making the School more energy efficient and environmentally friendly.
- Investments in staff training and continuation of specific projects towards a whole school approach for positive mental health and well-being, and whole school recovery from the effects of COVID-19.

### **Structure, governance and management**

Avalon School Educational Trust is a charitable company limited by guarantee, incorporated on 10th August 2000 and registered as a charity on 15th August 2001. The objects and powers of the company are established by its Memorandum of Association and it is governed by its Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr Catherine Kidd  
Miss Julie Yardley  
Mrs Patricia Johnson  
Mr Phillip Sheard  
Mrs Deborah Hillman  
Ms Heather Probert

# **AVALON SCHOOL EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Recruitment of Trustees**

The Company's directors are also trustees of the charity and governors of the School. New trustees are, initially, appointed by the Board and their appointment is then confirmed at the next annual general meeting. In addition one third of the members of the Board retire by rotation at the annual general meeting in every second year. Members so retiring may offer themselves for re-election.

Trustees are generally appointed from persons with a strong connection to the School who have expertise in various fields; frequently former parents whose children have attended the School or former pupils. This ensures that trustees have empathy for the ethos and aims of the School, whilst bringing to the Board a professional and business approach.

Names of potential trustees are normally put forward to the Board by existing trustees, particularly with the aim of reinforcing the range of competencies of the trustees.

Following the agreement of the Board, the new trustee undergoes the requisite safeguarding checks before commencing duties, and initial taking in undertaken.

The appointment of trustees from a range of backgrounds ensures that breadth and depth of experience from many areas is available to enable duties to be carried out effectively and efficiently. Where possible the trustees consider that it is helpful if the experience of the Board comprises knowledge and skills in the following areas:

Education

Finance

Food hygiene

Legal

Personnel

Property management

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Once appointed, training is supplied for trustees on an ongoing basis. Trustees regularly attend School functions.

Separate sub-committees exist to consider issues in detail and to make recommendations to the Board. These cover:

Staff recruitment and appointment;

Finance;

Property management and Health and Safety;

A visiting governor has been appointed to liaise with staff, and another governor liaises over matters concerning children with special educational needs.

Trustees normally meet six times a year to review policies and make decision, however during the COVID-19 pandemic, the Board of Governors have liaised regularly with the headteacher and senior staff via e-mail, where meetings have not been practical.

Policies are set by the governors, whilst responsibility for the day to day running of the School is delegated to the headteacher, who attends these meetings and submits a report to the trustees.

No external person or body is entitled to appoint a trustee.

# AVALON SCHOOL EDUCATIONAL TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### Auditor

In accordance with the company's articles, a resolution proposing that McLintocks (NW) Limited be reappointed as auditor of the company will be put at a General Meeting.

### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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



**Dr Catherine Kidd**

Trustee

Dated: 1 March 2021

# **AVALON SCHOOL EDUCATIONAL TRUST**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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The trustees, who are also the directors of Avalon School Educational Trust for the purpose of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the trust 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# AVALON SCHOOL EDUCATIONAL TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF AVALON SCHOOL EDUCATIONAL TRUST

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#### Opinion

We have audited the financial statements of Avalon School Educational Trust (the 'trust') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, 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 trust 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.

#### Emphasis of matter

We draw attention to note 19 to the financial statements which describes events after the reporting period the company is facing as a result of the ongoing COVID-19 pandemic. Our opinion is not modified in respect of this matter.

#### 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 trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

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

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

We have nothing to report in this regard.

# AVALON SCHOOL EDUCATIONAL TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF AVALON SCHOOL EDUCATIONAL TRUST

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the trust for the purpose 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

# **AVALON SCHOOL EDUCATIONAL TRUST**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF AVALON SCHOOL EDUCATIONAL TRUST**

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#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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**

1 March 2021

**Chartered Accountants**  
**Statutory Auditor**

2 Hilliards Court  
Chester Business Park  
Chester  
Cheshire  
CH4 9PX

# AVALON SCHOOL EDUCATIONAL TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

|                                                                | Notes | Unrestricted<br>funds<br>2020<br>£ | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Total<br>2019<br>£ |
|----------------------------------------------------------------|-------|------------------------------------|------------------------------------|----------------------------------|--------------------|
| <b>Income from:</b>                                            |       |                                    |                                    |                                  |                    |
| Donations and legacies                                         | 3     | -                                  | -                                  | 10,337                           | 10,337             |
| Charitable activities                                          | 4     | 938,812                            | 1,008,825                          | -                                | 1,008,825          |
| Investments                                                    | 5     | 1,253                              | 2,031                              | -                                | 2,031              |
| Other income                                                   |       | 97,795                             | -                                  | -                                | -                  |
| <b>Total Income</b>                                            |       | <b>1,037,860</b>                   | <b>1,010,856</b>                   | <b>10,337</b>                    | <b>1,021,193</b>   |
| <b>Expenditure on:</b>                                         |       |                                    |                                    |                                  |                    |
| Charitable activities                                          | 6     | 1,044,443                          | 1,067,073                          | -                                | 1,067,073          |
| Gross transfers between funds                                  |       | -                                  | 10,337                             | (10,337)                         | -                  |
| <b>Net expenditure for the year/<br/>Net movement in funds</b> |       | <b>(6,583)</b>                     | <b>(45,880)</b>                    | <b>-</b>                         | <b>(45,880)</b>    |
| Fund balances at 1 September 2019                              |       | 2,400,443                          | 2,446,323                          | -                                | 2,446,323          |
| <b>Fund balances at 31 August 2020</b>                         |       | <b>2,393,860</b>                   | <b>2,400,443</b>                   | <b>-</b>                         | <b>2,400,443</b>   |

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

All income and expenditure derive from continuing activities.

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

# AVALON SCHOOL EDUCATIONAL TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2020

|                                                                | Notes | 2020<br>£ | £         | 2019<br>£ | £         |
|----------------------------------------------------------------|-------|-----------|-----------|-----------|-----------|
| <b>Fixed assets</b>                                            |       |           |           |           |           |
| Tangible assets                                                | 10    |           | 2,083,180 |           | 2,129,925 |
| <b>Current assets</b>                                          |       |           |           |           |           |
| Stocks                                                         | 11    | 4,100     |           | 4,100     |           |
| Debtors                                                        | 12    | 53,768    |           | 80,790    |           |
| Cash at bank and in hand                                       |       | 504,675   |           | 428,997   |           |
|                                                                |       | 562,543   |           | 513,887   |           |
| <b>Creditors: amounts falling due within one year</b>          | 14    | (135,627) |           | (119,516) |           |
| Net current assets                                             |       |           | 426,916   |           | 394,371   |
| <b>Total assets less current liabilities</b>                   |       |           | 2,510,096 |           | 2,524,296 |
| <b>Creditors: amounts falling due after more than one year</b> | 15    |           | (116,236) |           | (123,853) |
| <b>Net assets</b>                                              |       |           | 2,393,860 |           | 2,400,443 |
| <b>Income funds</b>                                            |       |           |           |           |           |
| Unrestricted funds                                             |       |           | 2,393,860 |           | 2,400,443 |
|                                                                |       |           | 2,393,860 |           | 2,400,443 |

The financial statements were approved by the Trustees on 1 March 2021



Dr Catherine Kidd

Trustee

Company Registration No. 04050603

# AVALON SCHOOL EDUCATIONAL TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

|                                                  | Notes | 2020<br>£ | £       | 2019<br>£ | £        |
|--------------------------------------------------|-------|-----------|---------|-----------|----------|
| <b>Cash flows from operating activities</b>      |       |           |         |           |          |
| Cash generated from operations                   | 23    |           | 84,216  |           | 17,808   |
| <b>Investing activities</b>                      |       |           |         |           |          |
| Purchase of tangible fixed assets                |       | (9,791)   |         | (17,679)  |          |
| Interest received                                |       | 1,253     |         | 2,031     |          |
| <b>Net cash used in investing activities</b>     |       |           | (8,538) |           | (15,648) |
| <b>Net Increase in cash and cash equivalents</b> |       |           | 75,678  |           | 2,160    |
| Cash and cash equivalents at beginning of year   |       |           | 428,997 |           | 426,837  |
| <b>Cash and cash equivalents at end of year</b>  |       |           | 504,675 |           | 428,997  |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

*FOR THE YEAR ENDED 31 AUGUST 2020*

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### **1 Accounting policies**

#### **Charity information**

Avalon School Educational Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Avalon School, Caldys Road, Wirral, Merseyside, CH48 2HE.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the trust'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 and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The trust is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the trust. 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 School has adequate resources to continue in operational existence for the foreseeable future, despite the ongoing COVID-19 global pandemic, see further disclosure in note 19. 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.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the trust.

#### **1.4 Income**

Income is recognised when the School 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 trust 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.

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income in respect of Early Years Funding from Wirral Borough Council is recognised in the period to which the funding relates.

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

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts.

#### 1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the School to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### Teaching Materials

Supplies of apparatus, equipment, books, stationery and sundry materials are written off as soon as the expenditure on procuring them is incurred.

Governance costs comprise the costs of running the School, including strategic planning for its future development, external audit, any legal advice for the School's Governors, and all costs of complying with constitutional and statutory requirements, such as the cost of Governors and Committee meetings, and of preparing statutory accounts and satisfying public accountability.

##### Allocation of support costs

Support costs are those functions that assist the work of the School but do not directly undertake charitable activities. Support costs include finance, personnel, payroll and governance. Governance costs are those incurred in connection with administrative of the charity and compliance with constitutional and statutory requirements.

These costs are subsequently apportioned to the charitable activity to which they directly support, as analysed in notes 6 & 7.

#### 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                             |                      |
|-----------------------------|----------------------|
| Freehold land and buildings | 2%-10% straight line |
| Plant and equipment         | 10% straight line    |
| Fixtures and fittings       | 20% reducing balance |
| Computers                   | 40% reducing balance |

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 School 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 Stocks

Stocks are stated at the lower of cost and replacement value.

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial Instruments

The School 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 School's balance sheet when the School 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.

##### **Derecognition of financial liabilities**

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

#### 1.11 Employee benefits

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

Termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# AVALON SCHOOL EDUCATIONAL TRUST

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

### 1 Accounting policies

(Continued)

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The School participates in a multi-employer defined benefits scheme, the Teachers' Pension Scheme ("the Scheme") for its teaching staff. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The School is unable to identify its share of the underlying assets and liabilities of the scheme; accordingly, the School accounts for its contributions as if it were a defined contribution scheme.

The School also contributes to defined contribution schemes for its non-teaching staff.

#### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

### 2 Critical accounting estimates and judgements

In the application of the School'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 Donations and legacies

|                     | Total | Restricted funds |
|---------------------|-------|------------------|
|                     | 2020  | 2019             |
|                     | £     | £                |
| Donations and gifts | -     | 10,337           |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 4 Charitable activities

|                              | Fees receivable<br>2020<br>£ | Other Income<br>2020<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|------------------------------|------------------------------|---------------------------|--------------------|--------------------|
| Fees receivable              | 817,984                      | -                         | 817,984            | 858,318            |
| Early learning years funding | 59,682                       | -                         | 59,682             | 61,970             |
| Dinner fees                  | 58,592                       | -                         | 58,592             | 83,587             |
| School trips                 | -                            | -                         | -                  | 1,959              |
| Other income                 | -                            | 2,554                     | 2,554              | 2,991              |
|                              | <u>936,258</u>               | <u>2,554</u>              | <u>938,812</u>     | <u>1,008,825</u>   |

### 5 Investments

|                     | Unrestricted<br>funds<br>2020<br>£ | Unrestricted<br>funds<br>2019<br>£ |
|---------------------|------------------------------------|------------------------------------|
| Interest receivable | <u>1,253</u>                       | <u>2,031</u>                       |

### 6 Charitable activities

|                                        | Teaching<br>2020<br>£ | Catering<br>2020<br>£ | School trips<br>2020<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|----------------------------------------|-----------------------|-----------------------|---------------------------|--------------------|--------------------|
| Staff costs                            | 639,271               | 64,636                | -                         | 703,907            | 685,745            |
| Supply teachers                        | 8,494                 | -                     | -                         | 8,494              | 2,617              |
| Educational supplies                   | 9,807                 | -                     | -                         | 9,807              | 23,825             |
| Food and drink                         | -                     | 21,975                | -                         | 21,975             | 34,588             |
| Educational visits                     | -                     | -                     | -                         | -                  | 2,006              |
| Miscellaneous                          | 400                   | -                     | -                         | 400                | 784                |
|                                        | <u>657,972</u>        | <u>86,611</u>         | <u>-</u>                  | <u>744,583</u>     | <u>749,565</u>     |
| Share of support costs (see note 7)    | 285,102               | -                     | -                         | 285,102            | 301,266            |
| Share of governance costs (see note 7) | 14,758                | -                     | -                         | 14,758             | 16,242             |
|                                        | <u>957,832</u>        | <u>86,611</u>         | <u>-</u>                  | <u>1,044,443</u>   | <u>1,067,073</u>   |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 7 Support costs

|                         | Support costs  | Governance costs | 2020           | Support costs  | Governance costs | 2019           |
|-------------------------|----------------|------------------|----------------|----------------|------------------|----------------|
|                         | £              | £                | £              | £              | £                | £              |
| Staff costs             | 64,341         | -                | 64,341         | 73,692         | -                | 73,692         |
| Depreciation            | 56,537         | -                | 56,537         | 57,679         | -                | 57,679         |
| Operating lease charges | 30,568         | -                | 30,568         | 23,646         | -                | 23,646         |
| Premises costs          | 84,461         | -                | 84,461         | 88,166         | -                | 88,166         |
| Finance                 | 2,575          | -                | 2,575          | 3,198          | -                | 3,198          |
| Welfare                 | 4,816          | -                | 4,816          | 1,555          | -                | 1,555          |
| Administration          | 41,804         | -                | 41,804         | 53,330         | -                | 53,330         |
| Audit fees              | -              | 5,500            | 5,500          | -              | 5,000            | 5,000          |
| Accountancy             | -              | 776              | 776            | -              | 4,853            | 4,853          |
| Legal and professional  | -              | 8,482            | 8,482          | -              | 6,389            | 6,389          |
|                         | <u>285,102</u> | <u>14,758</u>    | <u>299,860</u> | <u>301,266</u> | <u>16,242</u>    | <u>317,508</u> |
| Analysed between        |                |                  |                |                |                  |                |
| Charitable activities   | <u>285,102</u> | <u>14,758</u>    | <u>299,860</u> | <u>301,266</u> | <u>16,242</u>    | <u>317,508</u> |

Governance costs includes payments to the auditors of £5,500 for audit fees (2019: £5,000).

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the School during the year for their role as trustees.

Mrs H J Probert is employed by the School under a contract of employment - for which she is remunerated at market rate. This is unrelated to her activities as a trustee.

There were no trustees' expenses paid for the year ended 31 August 2020 nor for the year ended 31 August 2019.

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Employees

#### Number of employees

The average monthly number of employees during the year was:

|                | 2020<br>Number | 2019<br>Number |
|----------------|----------------|----------------|
| Teaching       | 28             | 29             |
| Domestic       | 5              | 5              |
| Administration | 4              | 3              |
|                | <u>37</u>      | <u>37</u>      |

#### Employment costs

|                       | 2020<br>£      | 2019<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 656,841        | 660,255        |
| Social security costs | 47,964         | 46,718         |
| Other pension costs   | 63,443         | 52,464         |
|                       | <u>768,248</u> | <u>759,437</u> |

The number of employees whose annual remuneration was £60,000 or more were:

|                               | 2020<br>Number | 2019<br>Number |
|-------------------------------|----------------|----------------|
| In the band £70,000 - £79,999 | <u>1</u>       | <u>1</u>       |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 10 Tangible fixed assets

|                                    | Freehold land<br>and buildings | Plant and<br>equipment | Fixtures and<br>fittings | Computers | Total     |
|------------------------------------|--------------------------------|------------------------|--------------------------|-----------|-----------|
|                                    | £                              | £                      | £                        | £         | £         |
| <b>Cost</b>                        |                                |                        |                          |           |           |
| At 1 September 2019                | 2,497,668                      | 31,804                 | 181,642                  | 48,061    | 2,759,175 |
| Additions                          | -                              | -                      | 2,020                    | 7,771     | 9,791     |
| At 31 August 2020                  | 2,497,668                      | 31,804                 | 183,662                  | 55,832    | 2,768,966 |
| <b>Depreciation and Impairment</b> |                                |                        |                          |           |           |
| At 1 September 2019                | 412,904                        | 17,867                 | 157,225                  | 41,254    | 629,250   |
| Depreciation charged in the year   | 45,372                         | 3,180                  | 5,132                    | 2,852     | 56,536    |
| At 31 August 2020                  | 458,276                        | 21,047                 | 162,357                  | 44,106    | 685,786   |
| <b>Carrying amount</b>             |                                |                        |                          |           |           |
| At 31 August 2020                  | 2,039,392                      | 10,757                 | 21,305                   | 11,726    | 2,083,180 |
| At 31 August 2019                  | 2,084,764                      | 13,937                 | 24,417                   | 6,807     | 2,129,925 |

Included in cost of the freehold land and buildings is land of £311,170 (2019: £311,170) not depreciated.

### 11 Stocks

|                                     | 2020<br>£ | 2019<br>£ |
|-------------------------------------|-----------|-----------|
| Stationery and educational supplies | 4,100     | 4,100     |

### 12 Debtors

|                                             | 2020<br>£ | 2019<br>£ |
|---------------------------------------------|-----------|-----------|
| <b>Amounts falling due within one year:</b> |           |           |
| Trade debtors                               | 35,910    | 58,319    |
| Other debtors                               | 385       | 5,385     |
| Prepayments and accrued income              | 17,473    | 17,086    |
|                                             | 53,768    | 80,790    |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 13 Loans and overdrafts

|                                                         | 2020<br>£ | 2019<br>£ |
|---------------------------------------------------------|-----------|-----------|
| Bank loans                                              | 124,264   | 131,437   |
| Payable within one year                                 | 8,028     | 7,584     |
| Payable after one year                                  | 116,236   | 123,853   |
| Amounts included above which fall due after five years: |           |           |
| Payable by instalments                                  | 84,124    | 93,517    |

The long-term loans are secured by fixed charges over the freehold property together with all buildings & fixtures, fixed plant and machinery, alongside all present and future book & other debts. A floating charge is also in place over all moveable plant machinery, implements, utensils, furniture & equipment, together with goodwill of the business and the full benefit of all licences and guarantees.

### 14 Creditors: amounts falling due within one year

|                                    | Notes | 2020<br>£ | 2019<br>£ |
|------------------------------------|-------|-----------|-----------|
| Bank loans                         | 13    | 8,028     | 7,584     |
| Other taxation and social security |       | 10,320    | 11,111    |
| Deferred income                    | 16    | 81,497    | 65,216    |
| Trade creditors                    |       | 14,602    | 19,229    |
| Other creditors                    |       | 14,555    | 2,669     |
| Accruals                           |       | 6,625     | 13,707    |
|                                    |       | 135,627   | 119,516   |

### 15 Creditors: amounts falling due after more than one year

|            | Notes | 2020<br>£ | 2019<br>£ |
|------------|-------|-----------|-----------|
| Bank loans | 13    | 116,236   | 123,853   |

### 16 Deferred Income

|                                       | 2020<br>£ | 2019<br>£ |
|---------------------------------------|-----------|-----------|
| Arising from fees received in advance | 81,497    | 65,216    |

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 17 Operating lease commitments

#### Lessee

The operating leases are for plant, machinery and office equipment, negotiated over average lease terms of 5 years and rentals are fixed for the same period.

At the reporting date the School had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | 2020<br>£     | 2019<br>£     |
|----------------------------|---------------|---------------|
| Within one year            | 29,058        | 29,993        |
| Between two and five years | 39,768        | 63,068        |
|                            | <u>68,826</u> | <u>93,061</u> |

### 18 Capital commitments

|                                                                  | 2020<br>£    | 2019<br>£ |
|------------------------------------------------------------------|--------------|-----------|
| At 31 August 2020 the School had capital commitments as follows: |              |           |
| Contracted for but not provided in the financial statements:     |              |           |
| Acquisition of fixtures and fittings                             | <u>2,490</u> | <u>-</u>  |

### 19 Events after the reporting date

During the financial year, the World Health Organization declared the outbreak of COVID-19, a novel strain of coronavirus, a pandemic. The coronavirus outbreak has been disrupting everyday life and continues to do so and is affecting a range of industries, especially the education sector with the ever-changing imposed government restrictions around children attending schools. However, despite COVID-19 the School remains operational and has considered the potential impact of COVID-19 on its service delivery, risk management and financial forecasts for the period of one year from the date of signing of the financial statements.

As a result of the assessment, the trustees consider that the School has adequate resources to continue in operational existence for a period of twelve months from signing of the financial statements.

COVID-19 is a non-adjusting balance sheet event. As a result of the assessment of the events and conditions summarised above and based on information available at the date of approval of the financial statements, the School has concluded that there are no material impacts in relation to the COVID-19 pandemic.

The trustees have confirmed there are no other events after the reporting period that are required to be disclosed.

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 20 Related party transactions

#### Remuneration of key management personnel

The key management personnel of the School comprises; the Head teacher, Deputy Head teacher and the School Business Manager. Their total remuneration is as follows.

|                        | 2020<br>£ | 2019<br>£ |
|------------------------|-----------|-----------|
| Aggregate compensation | 150,272   | 142,203   |

### 21 Pension Commitments

The School participates in a multi-employer defined benefits scheme, the Teachers' Pension Scheme ("the Scheme") for its teaching staff. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The pension cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels for the current financial year are as follows:

Latest actuarial valuation under the new provisions 31st March 2012

Actuarial method

Projected Unit methodology

Investment returns per annum 5.06% pa

Salary scale increases per annum 4.75% pa

Notional value of assets at date of last valuation £176,600 million

Proportion of members' accrued benefits covered by notional value of assets 92.2%

Prior to 1st September 2015, the standard contribution rate was 20.5%; 6.4% to be paid by the teachers and the remaining 14.1% to be borne by the school.

With effect from 1st September 2015, the standard contribution rate has been increased to 26.08%; an average rate of 9.6% to be paid by the teachers and the remaining 16.48% to be borne by the School.

The School is unable to identify its share of the underlying assets and liabilities of the scheme; accordingly, the School has accounted for its contributions as if it were a defined contribution scheme. The contributions to the Scheme amounted to £55,846 (2019 - £40,694). Contributions outstanding at 31 August 2020 amounted to £nil (2019 - £nil).

The School also contributes to defined contribution schemes for its non-teaching staff. The cost of the School's contributions for the year amounted to £7,264 (2019 - £6,020).

### 22 Indemnity Insurance

The School's public liability policy includes cover for claims made against it arising from any negligent act, error or omission committed in good faith and extends to include any such acts by trustees, employees and voluntary helpers. The additional cost of such cover cannot be separated from the public liability premium of £6,048 (2019: £6,024).

# AVALON SCHOOL EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

| 23 Cash generated from operations          | 2020<br>£                   | 2019<br>£                               |
|--------------------------------------------|-----------------------------|-----------------------------------------|
| Deficit for the year                       | (6,583)                     | (45,880)                                |
| Adjustments for:                           |                             |                                         |
| Investment income                          | (1,253)                     | (2,031)                                 |
| Depreciation                               | 56,536                      | 57,679                                  |
| Movements in working capital:              |                             |                                         |
| Decrease/(increase) in debtors             | 27,022                      | (23,916)                                |
| (Decrease)/increase in creditors           | (11,906)                    | 5,103                                   |
| Increase in deferred income                | 16,281                      | 26,853                                  |
| <b>Cash generated from operations</b>      | <b>84,216</b>               | <b>17,808</b>                           |
| 24 Analysis of changes in net funds        |                             |                                         |
|                                            | At 1 September<br>2019<br>£ | Cash flows<br>At 31 August<br>2020<br>£ |
| Cash at bank and in hand                   | 428,997                     | 75,678 504,675                          |
| Loans falling due within one year          | (7,584)                     | (444) (8,028)                           |
| Loans falling due after more than one year | (123,853)                   | 7,617 (116,236)                         |
|                                            | <u>297,560</u>              | <u>82,851</u> <u>380,411</u>            |