

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

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

AVALON SCHOOL EDUCATIONAL TRUST

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AVALON SCHOOL EDUCATIONAL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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

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.

AVALON SCHOOL EDUCATIONAL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

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**

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

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

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

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

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

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.

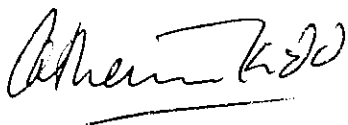
AVALON SCHOOL EDUCATIONAL TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10		2,030,781		2,083,180
Current assets					
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	
Creditors: amounts falling due within one year	14	(119,483)		(135,627)	
Net current assets			510,038		426,916
Total assets less current liabilities			2,540,819		2,510,096
Creditors: amounts falling due after more than one year	16		(107,154)		(116,236)
Net assets			2,433,665		2,393,860
Income funds					
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 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	22		74,164		91,389
Investing activities					
Purchase of tangible fixed assets		(3,582)		(9,791)	
Investment income received		164		1,253	
Net cash used in investing activities			(3,418)		(8,538)
Financing activities					
Repayment of bank loans		(8,902)		(7,173)	
Net cash used in financing activities			(8,902)		(7,173)
Net increase in cash and cash equivalents			61,844		75,678
Cash and cash equivalents at beginning of year			504,675		428,997
Cash and cash equivalents at end of year			566,519		504,675

AVALON SCHOOL EDUCATIONAL TRUST

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

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

10	Tangible fixed assets	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
	Cost					
	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>
	Depreciation and Impairment					
	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>
	Carrying amount					
	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 £	2020 £
	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 £	2020 £
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 £	2020 £
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 £	2020 £
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 £	2020 £
Arising from fees received in advance	59,796	81,497

16 Creditors: amounts falling due after more than one year

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

18 Capital commitments

	2021 £	2020 £
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 £	2020 £
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	2020
			£	£
	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 2020	Cash flows	At 31 August 2021
		£	£	£
	Cash at bank and in hand	504,675	61,844	566,519
	Loans falling due within one year	(8,028)	(180)	(8,208)
	Loans falling due after more than one year	(116,236)	9,082	(107,154)
		380,411	70,746	451,157

