

THE WELSH SCHOOLS TRUST LTD

**REGISTERED CHARITY NUMBER 1167479
COMPANY LIMITED BY GUARANTEE NUMBER 04783466**

REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2020

The Welsh Schools Trust Ltd

Registered charity number 1167479
Company limited by guarantee number 04783466

Reference and Administrative Details**Board of Trustees
(Company Directors)**

Mrs. Margaret T. Jones (Chair)
Mrs. Ann Batey
Mr. Huw Davies (resigned July 2020)
Miss Elen Hughes
Ms M. Eiri Jones (appointed March 2020)
Miss Glenys Roberts (Deputy Chair)
Mrs Angela Robinson (appointed March 2020)
Mr Ceredig Thomas (appointed February 2020)
Mrs. Sioned Wiliam (resigned March 2020)
Mr Jonathan Wright

Key staff

Lead Teacher: Mrs Sioned Rees-Jones
Class 2 teacher and KS2 Curriculum Leader: Miss Sioned Jones
Early Years teacher: Miss Angharad Price

Registered Office

73 Cornhill, London, United Kingdom, EC3V 3QQ

Correspondence address

Hanwell Community Centre, Wescott Crescent, London W7 1PD

Independent Examiner

Thomas Ward FCA, Lonsdale Ward Limited, 5, Market Yard Mews
194-204 Bermondsey Street, London SE1 3TQ

Insurance Brokers

Hayes Parsons, Colston Tower, Colston Street, Bristol BS1 4XE

Bankers

HSBC UK

The Welsh Schools Trust Ltd.

Trustees' and Directors' Report

Purpose of the charity

The London Welsh School (Ysgol Gymraeg Llundain) was established in 1958 by a group of parents to provide an education to children between the ages of 3 to 11 years old. The School is an Independent School with charitable status and registered as a company limited by guarantee. Its objective is to provide children with a bi-lingual education in Welsh and English by following the National Curriculum of Wales, and to nurture the children in the best of British values. The School operates on a non-selective basis and admits pupils without reference to ability or aptitude. The School's Fee Policy includes a dispensation process, so that no family is turned away on financial grounds. The Trustees therefore believe that the public benefit objectives of The Charity Commission's guidance are met.

Whilst aiming for the highest standards of academic education, the School's ethos is based on Christian principles, which provides the pupils with a sound moral compass and develops a respect and tolerance of others. The pupils are encouraged to aim for excellence in every endeavour, to develop an enquiring mind, and to acquire a love of learning and of the Welsh language.

Achievements and performance

The School's academic performance is monitored by three Trustees who are members of the Curriculum and Standards Sub-committee. The group meets twice a term with the Lead Teacher to scrutinise and support the standard of teaching and learning from Early Years to Year 6. It monitors pupil attainment and progress, drawing on both formative and summative data. A summary of this information is provided for the Board's scrutiny termly.

The closure of schools, on the 21st March 2020 due to the Covid-19 pandemic, caused a huge disruption in people's lives and to children's schooling. It was a relief when the School was able to fully re-open in June 2020 to all the pupils but with strict safe distancing measures in place. For three months, parents, teachers and the Board lived through unprecedented challenges, which increased workloads, and put considerable pressure on home life and on the School's organisation. Undoubtedly the effects of the pandemic will impact the School and it will only be when there is a return to normal that it will be possible to properly assess its impact. The School continues to work to its strengths in a spirit of co-operation and by sharing the common goal, which is to provide pupils with a sound, high quality bilingual education in Welsh and English within the School's nurturing environment.

It has not been possible for the students to participate in the usual wide range of extra-curricular activities in London and Wales. These would usually have included attendance at an annual St. David's Day Service at The Palace of Westminster, competing at the Urdd National Eisteddfod, and a week's visit in July to the Urdd's recreational centre at Llangrannog. It is hoped that there can be a return to these activities once restrictions have been lifted.

The committed Staff ensure that the School offers an excellent education to the pupils. After a period of leading the School from afar during Lockdown, the Lead Teacher, Mrs Rachel King went on maternity leave. Miss Angharad Price joined as maternity cover teacher in Class 1 on 1st June and focused her considerable energies on reintegrating the children after their prolonged break during the School closure. The School has benefited from the appointment of a former head teacher of a Primary School in Cardiganshire as executive maternity cover Lead Teacher, Mrs Sioned Rees-Jones. She is working with the School for a day and a half a week.

The Welsh Schools Trust Ltd.

Trustees' and Directors' Report (continued)

Financial review

The School's financial statements accompany this report. The Income and Expenditure account for the year ended 31st August 2020 resulted in a surplus of £34,608. This compares with a surplus of £28,322 for the year ended 31st August 2019. £14,000 has been transferred from General Funds to Designated Funds.

The School's total income of £277,072 for the year ended 31st August 2020 is derived from three sources. 42% of this income comes from parental fees and the London Borough of Ealing's contribution to nursery education. Another 32% of the income is derived from a grant received from the Welsh Government which is subject to a new application every year. The remaining 26% of income arises from donations from institutions and private individuals, including the Radnor Walk and Kings Cross Chapel Trusts, and the fundraising events of the School's Parents Teachers Friends Association (PTFA). The Trustees recognise that donation and bequest income is highly volatile and unpredictable, and it cannot be assumed that this level of donation income can be sustained in future years.

The five principal expense categories that account for 95% of the School expenses are staff salary, pension and training costs, rent for the School building payable to London Borough of Ealing, educational material, insurance and depreciation of fixed assets.

Management accounts are prepared three times a year by our accountants at the end of each term, the results of which are compared with a budget. Significant variances are investigated and explained.

The School has established a Designated Fund in the Balance Sheet of £55,000 to meet exceptional costs not normally incurred in the operation of the School or unexpected shortfalls of income. An example would be a serious fire forcing the closure of the School building, and the requirement to pay a premium for a short lease of an alternative building. The Trustees have discretion on what type of extraordinary situation would require these Reserves to be used, but the authority of all Board members would be required to release funds from the Designated Fund.

Thanks to donations from the PTFA and the Chapel Trusts a Bursary Fund has been set up this year and £14,000 transferred to it. This fund is ring fenced from the School's other funds. It has been established to provide financial assistance to pupils or families in need of support. We hope to be able to add to this Fund each year.

Cash deposits meeting at least the value of the Designated Fund are held in HSBC Money Market accounts on a term of 3 or 6 months.

Financial outlook

The outlook for the academic year 2020/21 does not look as positive as the last three years. The main reason for this is because of an expected drop in pupil numbers. There are a number transferring to Secondary School and others may leave because of a change in personal circumstances following the Covid 19 outbreak. The strategy for the next couple of years will focus on increasing pupil numbers.

Although pupil numbers will reduce and there will be a reduction in total fee income there will be no corresponding decrease in costs. Major costs are fixed and not dependent on the number of pupils. In addition, this Summer's PTFA fundraising events have been curtailed by the Covid 19 pandemic. These uncertainties have required the preparation of a cautious and prudent Budget for next year.

The Welsh Schools Trust Ltd.

Trustees' and Directors' Report (continued)

Structure, Governance and Management

The Welsh Schools Trust Ltd. is a company limited by guarantee and a registered charity. The charity operates as a School known as The London Welsh School / Ysgol Gymraeg Llundain. The address of the School is Hanwell Community Centre, Wescott Crescent, London W7 1PD.

As a Non-Association Independent School, it is regulated by Ofsted and is registered as a charity. The School is also incorporated as a company limited by guarantee. The affairs of the School are governed by a Board of Directors. The Directors of the company are also the Trustees of the charity. A list of names of the Trustees is provided in the Reference and Administrative Section above.

The members of the Board provide a range of skills and expertise. During the year Huw Davies, the Finance Director stepped down after three years on the Board and was replaced as Finance Director by Angela Robinson. Sioned Wiliam who had been a Board Member since 2014, stepped down. In January Ceredig Thomas, a past Parent Representative was co-opted on to the Board and has taken responsibility for Governance and Risk Management.

Appropriate training is given to Board members on a regular basis. Board meetings are held twice a term i.e. six times a year. Certain duties are delegated to Board sub-committees which meet on a more frequent basis. These sub-committees comprise of the Curriculum and Standards Sub-committee, the Finance Sub-committee, and the Risk Sub-committee.

The Board maintains a Risk Register which covers the key strategic, reputational, operational, regulatory and financial risks of the School. The Risk Register is reviewed annually, with risks being prioritised appropriately. Controls to mitigate the risks are included in the Register.

Appropriate risks are insured with Aviva through Hayes Parsons, a Bristol based broker specialising in School insurance. The Aviva policy includes employers' liability cover for £10 million, and Public and Product liability for £5 million, as well as other insurable risks.

Jonathon Wright, who is the School's Data Protection Officer (DPO) reviews General Data Protection Regulations (GDPR) requirements and ensures that the School is compliant. No data breaches have been detected or reported by the School since the GDPR introduction in May 2018. All sensitive electronic School data is stored on the School's central data server. Paper based sensitive School data is appropriately marked and stored securely in locked filing cabinets. Information Technology Security is reviewed on a regular basis. All computers at the School have anti-virus protection installed (Kaspersky) and are protected with the latest anti-virus definitions and software. A Sonic Wall firewall is installed on the School network to prevent unauthorised access from the internet to School systems.

The School has a close relationship with the Parents Teachers Friends Association (PTFA) which is open to all parents, carers and friends to join. It organises fundraising events involving the School families and the wider local community. The School receives donations from the fundraising activities of the PTFA, which is shown as part of the School's donation income. The PTFA is registered as a separate charity.

Trustee report approved by:



Mrs Margaret T. Jones (Chair)

Report of the Independent Examiner to the Trustees of The Welsh Schools Trust Ltd

I report on the accounts of The Welsh Schools Trust for the year ended 31st August 2020, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes, set out on pages 6 to 12.

This report is made solely to the Charity's Trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. My examination has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my examination, for this report, or for the opinions I have formed.

Respective responsibilities of Trustees and Examiner

The Charity's Trustees are responsible for the preparation of the accounts. The Charity's Trustees consider an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts under section 145 of the 2011 Act;
- To follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- To state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes a consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- a) which gives me reasonable cause to believe that, in any material respect, the requirements:
- to keep accounting records in accordance with section 145 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act
- have not been met; or
- b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

Thomas Ward

The Welsh Schools Trust Ltd
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 August 2020

		Unrestricted Funds <u>2020</u> £	Unrestricted Funds <u>2019</u> £
	<u>Note</u>		
Income from:			
Donations and legacies			
Grant received	3	99,993	116,005
Donations		70,248	58,629
Charitable activities			
Parental contributions		104,466	82,026
Sundry income		1,646	-
Investments			
Bank interest received		719	313
Total Income		<u>277,072</u>	<u>256,973</u>
Expenditure on:			
Charitable activities			
Educational materials		10,673	15,095
Support costs	4	231,791	213,556
Total Expenditure		<u>242,464</u>	<u>228,651</u>
Net Income		34,608	28,322
Total Funds Brought Forward		<u>84,138</u>	<u>55,816</u>
Total Funds Carried Forward at 31 August 2020		<u>118,746</u>	<u>84,138</u>

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

All incoming resources and resources expended derive from continuing activities.

The notes on pages 9 to 12 form part of the financial statements.

The Welsh Schools Trust Ltd
Company registration number : 04783466

Balance Sheet as at 31 August 2020

	<u>Note</u>	<u>2020</u>		<u>2019</u>	
		£	£	£	£
Tangible Fixed Assets	7		361		8,440
Current Assets					
Cash at bank		172,689		99,146	
Debtors		6,119		-	
		<u>178,808</u>		<u>99,146</u>	
Creditors, amounts falling due within one year	8	<u>(60,423)</u>		<u>(23,448)</u>	
Net Current Assets			<u>118,385</u>		<u>75,698</u>
Net Assets		£	<u><u>118,746</u></u>	£	<u><u>84,138</u></u>
Unrestricted Funds					
General funds	9		49,746		29,138
Designated funds	9		69,000		55,000
		£	<u><u>118,746</u></u>	£	<u><u>84,138</u></u>

The company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its accounts for the year ended 31st August 2020 in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with the provisions of FRS 102 SORP.

Approved by the Board of Trustees on 26th March 2021
and signed on their behalf by:



Mrs Angela Robinson
Director

The notes on pages 9 to 12 form part of the financial statements.

The Welsh Schools Trust Ltd
Statement of Cash Flows
For the year ending 31 August 2020

		<u>2020</u> £	<u>2019</u> £
	<u>Note</u>		
Cash flows from operating activities:			
Net cash provided by			
Operating activities	11	72,824	28,947
Cash flows from investing activities			
Interest		719	313
Payments to acquire fixed assets		-	(5,436)
		<hr/>	<hr/>
Change in cash and cash equivalents			
In the reporting period		73,543	23,824
Cash and cash equivalents at the start of the reporting period		99,146	75,322
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		£ 172,689	£ 99,146
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 9 to 12 form part of the financial statements.

The Welsh Schools Trust Ltd

Notes to the Financial Statements For the year ended 31 August 2020

1. General information

The London Welsh School (Ysgol Gymraeg Llundain) is a Non-Association Independent School with charitable status and registered as a company limited by guarantee, incorporated in England and Wales. Its objective is to provide children with a bi-lingual education in Welsh and English by following the National Curriculum of Wales, and to nurture the children in the best of British values. The charity is a public benefit entity. The address of its registered office is 73 Cornhill, London, United Kingdom, EC3V 3QQ

2. Summary of Significant Accounting Policies

(a) Basis of accounting

These financial statements have been prepared in accordance with 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), the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared under the historical cost convention. The principal accounting policies that have been applied to all periods presented in these financial statements are set out below.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the Charity. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

(b) Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Trustees have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the Charity becomes legally entitled to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

Income from government and other grants are recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is charged to the SOFA on an accruals basis.

The Welsh Schools Trust Ltd
Notes to the Financial Statements
For the year ended 31 August 2020

2. Accounting Policies (continued)

(e) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less any residual value, of each asset evenly over its estimated useful life as follows:

Land and buildings	33% straight line
Equipment	33% straight line

(f) Gifts in kind

Gifts in kind are brought into account at their estimated market value at the time the relevant gifts are made.

(g) Debtors

School fee and other debtors are recognised at the settlement amount due less any impairment losses for bad or doubtful debts.

(h) Creditors and provisions

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(i) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

(j) Pensions

Contributions to defined contribution plans are expensed in the periods to which they relate.

(k) Fund accounting

The general funds of the School represent unrestricted funds expendable at the discretion of the Trustees in furtherance of the objects of the charity. Designated funds comprise unrestricted funds which have been set aside by the Trustees for a specific purpose.

3. Grants

	<u>2020</u>	<u>2019</u>
Welsh Government	90,000	90,000
London Borough of Ealing	9,993	26,005
	<hr/>	<hr/>
	£ 99,993	£ 116,005
	<hr/>	<hr/>

The Welsh Schools Trust Ltd
Notes to the Financial Statements
For the year ended 31 August 2020

4. Charitable expenditure – support costs

	<u>2020</u>	<u>2019</u>
Staff costs	178,605	161,222
Property costs	25,619	28,358
Administrative expenses	27,567	23,976
	<u>£ 231,791</u>	<u>£ 213,556</u>

Administrative expenses include an independent examiner's fee of £600 (2019 - £600).

5. Salaries

Staff costs		
Wages and salaries	150,075	138,647
Social Security Costs	8,229	11,109
Pension costs	20,301	11,466
	<u>£ 178,605</u>	<u>£ 161,222</u>

The average number of employees during the year was 8 (2019: 7), engaged in the management and operation of the School.

During the year no employee received emoluments above £60,000 (2019: Nil).

Key management is considered to be the Trustees. No trustees received any remuneration or were reimbursed for expenses incurred.

6. Taxation

The Trust is exempt from corporation tax on its charitable activities.

7. Fixed assets

	<u>Land and Buildings</u> £	<u>Equipment</u> £	<u>Total</u> £
Cost			
As at 1st September 2019	14,000	10,241	24,241
Additions	<u>-</u>	<u>-</u>	<u>-</u>
At 31 st August 2020	<u>14,000</u>	<u>10,241</u>	<u>24,241</u>
Depreciation			
As at 1st September 2019	9,334	6,467	15,801
Charge for the period	<u>4,666</u>	<u>3,413</u>	<u>8,079</u>
As at 31st August 2020	<u>14,000</u>	<u>9,880</u>	<u>23,880</u>
Net book value			
As at 31st August 2020	<u>-</u>	<u>361</u>	<u>361</u>
As at 31st August 2019	<u>4,666</u>	<u>3,774</u>	<u>8,440</u>

The Welsh Schools Trust Ltd
Notes to the Financial Statements
For the year ended 31 August 2020

8. Creditors – amounts falling due within one year

	<u>2020</u>	<u>2019</u>
Trade creditors	1,500	1,648
Other taxation and social security payable	2,523	2,817
Accruals	21,400	8,983
Deferred income	35,000	10,000
	<u>£ 60,423</u>	<u>£ 23,448</u>

9. Summary of Funds

	<u>General Funds</u>	<u>Designated Funds</u>	<u>Total Funds</u>
As at 1 st September 2019	29,138	55,000	84,138
Surplus for the year	34,608	-	34,608
Transfer to designated fund	<u>(14,000)</u>	<u>14,000</u>	<u>-</u>
At 31st August 2020	<u>49,746</u>	<u>69,000</u>	<u>118,746</u>

All funds are unrestricted. The Trustees have determined that there should be a designated fund set aside to meet exceptional costs not normally incurred in the operation of the School or unexpected shortfalls of income. In addition, in the current year the trustees set aside a further £14,000 to meet the cost of bursaries in future years.

10. Lease commitments

The trust has annual commitments of £28,507 in respect of a lease on its property that has 5 years to run.

11. Notes to the cash flow statement

Reconciliation of net income to net cash inflow from operating activities:

	<u>2020 £</u>	<u>2019 £</u>
Net income	34,608	28,322
Bank interest receivable	(719)	(313)
Depreciation	8,079	8,027
Increase in debtors	(6,119)	-
Increase/(Decrease) in creditors	36,975	(7,089)
Net cash provided by operating activities	<u>72,824</u>	<u>28,947</u>