

POWNALL HALL SCHOOL TRUST LIMITED

England & Wales · Charity number 525929

Details

Other names POWNALL HALL SCHOOL

Status Registered

Legal form Charitable company

Company number [00661518](#)

Registered 1966-09-26

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

Contact

Address Pownall Hall School
Carrwood Road
Wilmslow
SK9 5DW

Phone 01625523141

Email genoffice@pownallhallschool.co.uk

Website www.pownallhallschool.co.uk

Activities

Objects: 1. TO TAKE OVER AND CARRY ON AND DEVELOP THE UNDER-TAKING OF POWNALL HALL SCHOOL, AN INDEPENDENT PREPARATORY SCHOOL FOR BOYS AT WILMSLOW, IN THE COUNTY OF CHESTER. 2. TO ACQUIRE AND CARRY ON IN THE UNITED KINGDOM ANY OTHER SCHOOL OR SCHOOLS FOR THE EDUCATION OF CHILDREN.

Activities: Education and training

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

Geography

- Cheshire East

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-22	£3,810,513	£3,546,067	£-1,021,174	81
2023-08-22	£3,153,070	£2,964,351	£-1,285,620	73
2022-08-22	£2,382,868	£2,462,809	£-1,474,339	69
2021-08-22	£2,109,875	£2,308,604	£-1,394,398	62
2020-08-22	£2,230,646	£2,417,253	£-1,195,669	67

Trustees

Name	Role	Appointed
EILEEN MACAULAY	Chair	2011-06-24
Alexandra Simmonds		2023-09-04
Debra Hueting		2023-02-21
Niamh Maria Wood		2018-11-12
Roger Hill		2024-10-21
Rollo Barnaby Wilson Wood		2018-11-12
THOMAS JAMES WAREHAM		2013-01-21

POWNALL HALL SCHOOL TRUST LIMITED

England & Wales - Charity number 525929

Accounts

Charity registration number 525929

Company registration number 00661518 (England and Wales)

POWNALL HALL SCHOOL TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 AUGUST 2024

POWELL HALL SCHOOL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Governors	Mrs E M MacAulay (Chair) Mr T F Barnes Mr T J Wareham Mrs N M Wood Mr R B W Wood Mrs S Kelly Mrs D Hueting Mrs A Simmonds Mrs K Mehta Mr R Hill	(Appointed 4 September 2023) (Appointed 20 April 2024) (Appointed 21 October 2024)
Headmaster	Mr D Goulbourn	
Secretary	Mr D Goulbourn	
Business Manager	Mr M Hughes	
Charity number	525929	
Company number	00661518	
Registered office	Pownall Hall School Carrwood Road Pownall Park Wilmslow Cheshire SK9 5DW	
Auditor	Josolyne LLP Merchant Exchange Waters Green Macclesfield Cheshire SK11 6JX	
Bankers	Lloyds Bank Group Plc 223 Finney Lane Cheadle Cheshire SK8 3PY	

POWNALL HALL SCHOOL TRUST LIMITED

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POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 27 AUGUST 2024

The Governors present their annual report and financial statements for the year ended 27 August 2024.

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 school's Memorandum and Articles of Association, 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

In setting objectives for the School and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public guidance on advancing education and fee charging. The Governors have for many years offered assistance with fees and the School has been particularly successful in attracting children whose parents would not be able to afford a full fee paying place. The assistance takes in to account the cost of extra curricular activities. The Governors are also conscious of the role that the School has always played, and continues to play, in the local community and this Report sets out details of activities which benefit all sections of that community. However we are not complacent in respect of the public benefit requirements; on the contrary we are continuously exploring opportunities to enhance the School's activities and use all its resources for the benefit of all strands of the local community.

Our School welcomes pupils from all backgrounds. There is no entrance requirement as such although in the upper forms an initial academic assessment is made, and this identifies the educational requirements and programme for the child. We have made significant investments in infrastructure to cater for the needs of children who are, or become, disabled. The welfare and progress of the children in every respect is a priority commitment and our procedures facilitate effective monitoring of development and success.

The School's objectives are the advancement of education for 6 months to 11 year old children. The Charity has also to maintain its heritage endowment, in particular the Hall which is a grade 2* listed building and various artefacts, books and works of art. The Governors have also emphasised the need to make the School's resources and activities available to the wider community and to contribute to the welfare of the community. The Governors also make bursaries available and are intent on achieving a wider access to the School, offering assisted places to children whose parents are unable to meet the full fees and making the School's resources available to the local community.

Within these Objects, the School's aim is to provide a first class independent education, based on excellent academic tuition and extra curricular activities involving the development of sporting, artistic and social skills in all its pupils. This is designed to provide an environment in which all pupils can develop and fulfil their potential, both in gaining access to the secondary school of their choice, and in building self confidence and a desire to contribute to the wider community.

The focus in the period ended 27 August 2024 and beyond has been on maintaining and improving academic performance; increasing contribution to the wider community both by activity and visibility in the community and by making the School's resources and activities available to others; actively pursuing the development and introduction of a bursary scheme; and investment in the School's infrastructure and facilities.

The activities which have contributed to the implementation of the School's strategy and the achievement of its objectives are dealt with in the next section of this Report.

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

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Governors to present a strategic report.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 27 AUGUST 2024

Achievements and performance

Education Quality and Compliance Inspections were undertaken by the Independent Schools Inspectorate in March 2017. The Inspectors concluded that the quality of the pupils' academic and other achievements is excellent and that the quality of the pupils' personal development is excellent. Specific mention was made of excellent performance in every aspect of pupils' education. The Inspectors made no recommendations themselves but commended the objectives in the School's strategic plan. The results of the Compliance Inspection were similarly positive with the School meeting the laid down standards. A further Compliance Inspection in March 2020 resulted in a very positive assessment. The Robins room for under 2 has also received an OFSTED inspection in July 23 and has received a 'Good' rating for all aspects which was a fantastic outcome for a provision which had been in operation for just 30 months. Finally, in order to obtain a Material Change Increase to the Schools Registered Capacity a further compliance inspection was carried out during 2023 and all expectations were found to have been met and the Material Change application was approved.

Our children continued to attain the highest quality academic standards. 96% of the children in Form 6 achieved passes in the 11+ entrance examinations and were offered places at the secondary Schools of their choice, including Manchester Grammar School, Stockport Grammar School, The King's School Macclesfield, Cheadle Hulme School, Alderley Edge School for Girls, Manchester High School for Girls, Hulme Hall Grammar School, Wilmslow High, Newcastle Under Lyme. Our children received 68 offers of places including 9 scholarships.

Although the primary focus of the School is on academic success, all our children participate in many extra-curricular activities which we consider essential for their development and prepares them for the rigorous demands of secondary school and beyond. There is considerable emphasis on music and drama. Many of the children passed music examinations and almost all are involved in choral activities. The majority of the senior School participated in excellent productions throughout the year, outstanding performances which received numerous accolades. All children in the School sung and performed in numerous concerts and plays. Our outstanding choirs participated in many public, as well as internal, performances during the year. There were numerous achievements at the Alderley Edge Festival, where the chamber and senior choir achieved 1st place whilst the junior choir came second. There were also individual successes in the piano solo, vocal solo, piano duet and duologue categories.

Sport continues to be an integral part of our children's activities and opportunities, and the all weather hard court, which was originally financed by a specific and generous donation from our Parents' Association, is used extensively for football, hockey, tennis, netball and other sports. This together with the Sports Hall and our extensive external facilities provides for a variety of sporting activities in which our children participate with great enthusiasm, enjoyment and success. Tennis, football, hockey, cricket, netball, cross-country, swimming, rugby and athletics are just some of the sports in which our children are extensively involved. No less important are other activities such as music, art, cooking and chess which add to the broad education which is provided.

The Governors in implementing the bursary policy, awarded a number of assisted places to children who otherwise would have been unable to attend the School. The Finance Governor continues to develop the formal policy and the Governors are anxious to ensure that assisted places are made available to the wider community on a consistent, equitable and realistic basis.

Considerable emphasis has been placed on updating the School's infrastructure and facilities. This year the focus has continued to be on enhancing and modernising teaching facilities. There has been further investment in ICT with the purchase of laptops, chrome books and iPads for both pupils and staff, classroom interactive touchscreens, installation of a new computer hub. Investment has also been made into maintaining the grade II listed Hall with refurbishment of the oak flooring in the reception area and classrooms. The theatre has also been upgraded with new lighting, curtains and toilet facilities. The EYFS has received further significant investment with a refurbishment of the Owls room the provision for 2 year olds. The private road beyond the school drive has also been re-laid for the benefit of our parents, staff and neighbours. The Parents and Staff Association have also funded play equipment for the EYFS, prep and pre-prep areas and contributed towards the previously mentioned theatre upgrade.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 27 AUGUST 2024

The Governors, staff and parents, together with their children, are particularly committed to the School's contribution to the wider local community. The Hall being a grade 2* listed Arts and Crafts building is opened to visitors on several occasions during the year. The School's sporting and other facilities are frequently used by local sports clubs and similar organisations and the Governors are seeking to extend this opportunity to those who are not fortunate enough to have their own facilities. Our children's plays and choral activities are provided to many in the community, in particular pensioners, and a considerable number of charitable activities are organised by all members of the School community.

The School's operations are funded in the main by fee income. However, the Governors and other volunteers and supporters of the School are alert to potential fundraising opportunities although these are largely focused on specific projects. The School's Parents' Committee is particularly active and successful in mounting social and other events and surpluses are typically used to purchase equipment for classrooms and other school facilities, entirely at the discretion of the Committee. The Governors would like to record their appreciation of the parents' contribution to the School.

Financial review

At 29 August 2021 the financing of the School comprised a loan of £1,050,000 from a personal lender and loans from Governors and their families of £458,000. The repayment of these loans were extended to April 2022 to enable the Governors to conclude alternative funding arrangements. The adverse financial impact of the Covid pandemic, which continued into 20/21 and beyond, meant that the School was unable to meet the lending parameters and criteria indicated by our bankers as a requirement for refinancing. As a result an alternative source of finance was obtained again from a personal lender to replace the above mentioned loan of £1,050,000. This new loan for £1,050,000 commenced on 26th August 2022 and is interest free with no repayments required for a period of 3 years whilst the Governors source replacement finance from the School's bankers. During the period ended 27th August 2024 the school has continued repayment of the Governors loans and the balance was reduced by £125,000 (2023 £50,000) to £283,000.

Numbers in the School have increased throughout the period rising from 306 on role at the start of the year rising to 340 by the end of the school year. Numbers remain strong and again are at 306 for the start of the new school, year 24/25 and are set again to rise to a similar level as last year by the end of the school year.

The Governors report a surplus of £264,446 for the period, compared to £188,719 in the previous period, the improvement reflects the growth in pupil numbers during the year. This does however, include donations of capital items funded by the PSA within the restricted funds which will be depreciated over the lifetime of the assets. The underlying numbers for the unrestricted fund show a movement from a surplus of £141,715 to £245,493.

During the last two or three years cash flow has significantly improved in line with rising pupil numbers. As a result, deferred payments of Teachers Pensions as well as repayment of Governors loans have been made totalling in excess of £230,000 (2023 £250,000).

Reserves policy

The Governors' policy towards reserves is to invest a proportion of its surpluses in the School's facilities and infrastructure. Although this discretionary spending impacts on reserves only through the progressive recognition of depreciation in the Statement of Financial Activities, it impacts on the School's cash resources. Consequently, the Governors think it appropriate that the overall financial position, including and in particular the cash position, informs and influences the policy on, and level of, reserves.

The Governors are conscious that the Unrestricted funds are in deficit. However, as stated above, the school has experienced significant increases in numbers over the past few years and although the impact of Covid-19 had postponed the return to profitability, this was achieved in the year to August 23 and August 24, with further surpluses forecast for August 25 and beyond whilst pupil numbers remain consistent. The sale of surplus land in 2017/18 yielded a significant profit and was consistent with the valuation of the School's freehold land and buildings, undertaken in 2012 as part of the negotiations in connection with the increased bank facilities, which indicated a value significantly in excess of the carrying value in the balance sheet.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 27 AUGUST 2024

Under the direction of the Governors and the Headmaster, the School has continued to invest in modernising and enhancing the teaching provision, and in the provision of new facilities which will enhance the education experience of our children. Essential, albeit modest, investment programmes were continued during this period. Some of the investment was once again funded by our Parents' Committee and we again record our appreciation of their tireless activities, support and contribution.

The Board of Governors is responsible for the management of risks faced by the School. Detailed consideration and management of risks are delegated to the executive management team who report informally to the Business Management Committee ('BMC') and Board. The Governors have continued to implement enhanced risk management processes during the year. Major risks and issues are evaluated and considered at all management meetings and the risk identification, assessment and response process has been formally documented during the year. The Governors and executive management team are risk conscious and are satisfied that the major risks faced by the School have been managed and mitigated to an adequate extent. The governors recognise that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The key objectives of the medium to long term strategic plan are:

- To achieve optimum capacity in each class throughout the School
- To ensure that teaching capacity and capability is commensurate with these class sizes
- To maintain the current high standards of academic achievement measured in the main by the success of the School's children in securing offers from the secondary schools of their choice
- To continue to maintain the School's reputation for excellence in extra curricular activity in the arts, sport and community activity
- To widen participation in the School by offering assisted places for children, and to make the School's resources, facilities and activities available to the wider community
- To continue the programme of improving the School's infrastructure and facilities.

In the short term the Governors are conscious of the School's financial position particularly in light of the recent introduction of VAT on school fees, loss of Charitable Business Rates Relief and increases of both Teachers Pension contributions and employers national insurance. Initiatives to achieve efficiencies and economies in the cost base continue to be implemented and emphasis is being placed on initiatives to increase pupil numbers. The Governors will implement projects and initiatives only on the basis that the School remains within its financial facilities.

Structure, governance and management

The activities of the Trust are referred to in the Memorandum and Articles of Association which is the governing document of the Trust.

The Governors, who are also the directors for the purpose of company law, and who have served since 28th August 2023 were:

Mrs E M MacAulay (Chair)	
Mr T F Barnes	
Mr G D Dawber	(Resigned 31 August 2024)
Mr T J Wareham	
Mrs L Window	(Resigned 4 September 2023)
Mrs N M Wood	
Mr R B W Wood	
Mrs S Kelly	
Mrs H F Jeys	(Resigned 4 September 2023)
Mrs D Hueting	
Mrs A Simmonds	(Appointed 4 September 2023)
Mrs K Mehta	(Appointed 20 April 2024)
Mr R Hill	(Appointed 21 October 2024)

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 27 AUGUST 2024

In accordance with the Articles of Association, Mrs E M MacAulay, Mr T F Barnes and Mrs S Kelly will retire by rotation at the forthcoming AGM, and being eligible, will offer themselves for re-election.

The Trust does not have any share capital but each Governor is guarantor to the extent of £1. No Governor has a beneficial interest in the Trust.

Governors are elected by The Board of Governors having regard to the skills requirements of the Board. Each Governor contributes a specific area of expertise relevant to the management of the School.

The Governors, as the Charity Trustees, are legally responsible for the overall management and control of the School and meet at least five times a year. The work of implementing most of the policies laid down by the Board of Governors and the day to day management of the School is undertaken by the executive senior management team under the supervision of the BMC, chaired by the Chair of the Board, which meets at least five times a year before the meetings of the Board, and which normally includes the Deputy Chair, Finance Governor, Headmaster and Business Manager.

Statement of Governors' responsibilities

The Governors, who are also the directors of Pownall Hall School Trust Limited for the purpose of company law, are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the school 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 Governors 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 school will continue in operation.

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

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 27 AUGUST 2024

Auditor

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

Disclosure of information to auditor

Each of the Governors 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 Governors' report, including the strategic report, was approved by the Board of Governors.

Mr R Hill
Governor



Dated: 7 February 2025

POWNALL HALL SCHOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF POWNALL HALL SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Pownall Hall School Trust Limited (the 'school') for the year ended 27 August 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, 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 27 August 2024 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 school 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

Due to the Statement of Financial Position showing net liabilities of £1,021,174 we draw your attention to the relevant disclosure in the Governors report and note 1.2.

Our opinion has not been modified in respect of this disclosure.

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

POWNALL HALL SCHOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF POWNALL HALL SCHOOL TRUST LIMITED

Matters on which we are required to report by exception

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

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors, who are also the directors of the school 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 Governors 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 Governors are responsible for assessing the school'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 Governors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and its industry, and determined that the most significant are those that relate to breaches of safeguarding, health and safety regulations, data protection and employment laws. We also considered those laws and regulations that have a direct effect on the financial statements such as FRS102 accounting principles and the Companies Act 2006. We have considered the extent to which non-compliance might have a material effect on the financial statements and also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements.

POWNALL HALL SCHOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF POWNALL HALL SCHOOL TRUST LIMITED

We established that the principal risks related to revenue recognition, management bias in accounting estimates and management override, recoverability of debtors, potential understatement of creditors and the going concern status of the school. Audit procedures performed included:

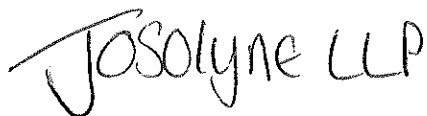
- Performed a reconciliation of total school fees to expectations based on pupil numbers and current fee rates.
- Reviewed fee invoices raised either side of the year end to ensure accounted for in the correct period.
- Vouched year end accruals and prepayment balances to supporting invoices.
- Reviewed payments and invoices post year end for omitted creditors and accruals.
- Checked cash received after date to confirm recoverability of year end debtors and ensure sufficient provision was included.
- Designed our audit procedures in order to incorporate unpredictability around the nature, timing or extent of our testing.
- Identified and tested journal entries to consider the appropriateness of journal entries and other adjustments;
- Assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of significant transactions that were unusual or outside the normal course of business.
- Challenged assumptions made by management in making their significant accounting estimates.
- Reviewed financial statement disclosures and tested to supporting documentation to assess compliance with applicable laws and regulations.
- Reviewed managements assumptions with regard to the going concern status of the school. Reviewed profit and cash flow forecasts prepared for a period in excess of 12 months from approval of the accounts.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



Chloe Harrison ACA (Senior Statutory Auditor)
for and on behalf of Josolyne LLP

7 February 2025

Chartered Accountants
Statutory Auditor

Merchant Exchange
Waters Green
Macclesfield
Cheshire
SK11 6JX

POWNALL HALL SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 27 AUGUST 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income and endowments from:							
Donations and legacies	3	-	36,604	36,604	5,750	66,552	72,302
Charitable activities	4	3,755,896	-	3,755,896	3,080,646	-	3,080,646
Investments	5	4,524	-	4,524	122	-	122
Other income	6	13,489	-	13,489	-	-	-
Total income		3,773,909	36,604	3,810,513	3,086,518	66,552	3,153,070
Expenditure on:							
Raising funds	7	15,569	-	15,569	14,678	-	14,678
Charitable activities	8	3,488,614	17,651	3,506,265	2,902,494	19,548	2,922,042
Other expenditure	13	24,233	-	24,233	27,631	-	27,631
Total expenditure		3,528,416	17,651	3,546,067	2,944,803	19,548	2,964,351
Net income and movement in funds		245,493	18,953	264,446	141,715	47,004	188,719
Reconciliation of funds:							
Fund balances at 28 August 2023		(1,511,662)	226,042	(1,285,620)	(1,653,377)	179,038	(1,474,339)
Fund balances at 27 August 2024		(1,266,169)	244,995	(1,021,174)	(1,511,662)	226,042	(1,285,620)

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

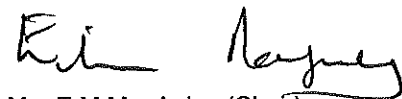
POWNALL HALL SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 27 AUGUST 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Property, plant and equipment	15		1,134,215		1,076,726
Current assets					
Trade and other receivables	17	176,226		151,429	
Cash at bank and in hand		1,037,902		255,984	
		<u>1,214,128</u>		<u>407,413</u>	
Current liabilities	20	<u>(1,865,756)</u>		<u>(1,333,105)</u>	
Net current liabilities			<u>(651,628)</u>		<u>(925,692)</u>
Total assets less current liabilities			482,587		151,034
Non-current liabilities	21		<u>(1,503,761)</u>		<u>(1,436,654)</u>
Net liabilities			<u>(1,021,174)</u>		<u>(1,285,620)</u>
The funds of the school					
Restricted income funds	24		244,995		226,042
Unrestricted funds			<u>(1,266,169)</u>		<u>(1,511,662)</u>
			<u>(1,021,174)</u>		<u>(1,285,620)</u>

The financial statements were approved by the Governors on 7 February 2025



Mrs E M MacAulay (Chair)
Governor



Mr R Hill
Governor

Company registration number 00661518 (England and Wales)

POWNALL HALL SCHOOL TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 27 AUGUST 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	29		1,100,490		382,767
Investing activities					
Purchase of property, plant and equipment		(222,184)		(142,663)	
Proceeds from disposal of property, plant and equipment		76,663		-	
Investment income received		4,524		122	
Net cash used in investing activities			(140,997)		(142,541)
Financing activities					
Repayment of borrowings		(125,000)		(50,000)	
Repayment of bank loans		(10,000)		(10,000)	
Payment of finance leases obligations		(42,575)		(23,298)	
Net cash used in financing activities			(177,575)		(83,298)
Net increase in cash and cash equivalents			781,918		156,928
Cash and cash equivalents at beginning of year			255,984		99,056
Cash and cash equivalents at end of year			<u>1,037,902</u>		<u>255,984</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 27 AUGUST 2024

1 Accounting policies

Charity information

Pownall Hall School Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Pownall Hall School, Carrwood Road, Pownall Park, Wilmslow, Cheshire, SK9 5DW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the school's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") 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)" (effective 1 January 2019). The school is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financing of the School at 27 August 2024 comprised interim funding of £1.05m from a personal lender and loans of £283,000 from Governors and their families. The School's bankers, Lloyds, have orally indicated their willingness to consider replacing this funding based on the School's return to profitability.

The interim funding of £1.05m was agreed in August 2022 and has been provided interest free and with no repayments required until 26th August 2025.

As more fully explained in the Governors' Report, the adverse financial impact of Covid-19 has been significant. The losses arising were funded initially by a Bounce Back Loan of £50,000, a deferral of amounts due to HMRC, repayment of which by instalments commenced in October 2020 and have been completed in July 23 and finally by deferral of amounts due to Teachers Pension Scheme which have been completed in March 2024. As a result the School has been funding the Covid-19 losses over a relatively short period and the Governors and School Executive have implemented measures to meet this funding requirement by income, cost and cash flow management. Based on these measures, the school has now returned to a position of positive trading cash flow and this has been evidenced by the settlement of arrears of Teachers Pension totalling £108,559 during the year ended 27th August 24 as well as a reduction in Governors loans of £125,000 during the same period.

Although the School's statement of financial position as at 27th August 2024 show a cumulative deficit of £1.05m, this is of course with properties included at a depreciated cost well below their current values. During the year ended 27th August 24 the settlement of borrowings as detailed above in excess of £230,000 clearly demonstrates that the School is having no difficulty meeting liabilities as they fall due and is generating significant operating cash flows. Draft management accounts and forecasts for the years to August 2025 and August 2026 show significant surpluses that will continue to generate sufficient cashflows to reduce borrowings further before the interest free period provided by the personal lender finance of £1.05m comes to an end in August 2025. By this time the expectation is that the School will be showing significant surpluses that will support refinancing of the £1.05m loan facility. The Trustees therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual accounts.

1.3 Charitable funds

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

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2024

1 Accounting policies

(Continued)

Restricted funds are subject to specific conditions by donors or grantors 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 school.

1.4 Incoming resources

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.

Fee income is recognised in the Statement of Financial Activities on the accruals basis. Fees received in advance of education to be provided in future years are held until either taken to income in the term or else refunded.

Cash donations are recognised on receipt. Other donations are recognised once the school 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 school 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.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is accounted for on an accruals basis. The cost headings comprise expenditure, including staff costs and depreciation, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a fair and reasonable basis.

Support costs comprise all services including an appropriate proportion of general overheads specifically identified as wholly or mainly incurred in support of the direct charitable expenditure.

Governance costs comprise the costs incurred in managing the schools assets, organisational management, administration of and compliance with the statutory requirements of the school.

Where overheads and other costs cannot be directly attributed they have been allocated on the basis of management estimates of the amount attributable to such activities, either by reference to staff time or space occupied, if material. Expenses are inclusive of VAT as it is irrecoverable.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2024

1 Accounting policies

(Continued)

1.6 Property, plant and equipment

Property, plant and equipment 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	over 50 years
Prefab buildings	over 20 years
Plant and machinery	over 5 years
Fixtures, fittings, plant and equipment	over 10 years
Computers and office equipment	over 5 years
Motor vehicles	over 4 years

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 non-current 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 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.

1.9 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 trade and other receivables 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.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables 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 payables 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 payables 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.

1.10 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.

1.11 Retirement benefits

The School participates in a multi employer pension scheme, the Government's Teachers Pension Defined Benefits Scheme, for its teaching staff. The pension liability is the responsibility of the Teachers' Pensions. As a result it is not possible to identify the assets and liabilities of the scheme that are attributable to the school. Accordingly, the scheme is accounted for as if it were a defined contributions scheme.

The school also contributes to defined contribution schemes for non-teaching staff. Contributions payable for the year are charged in the Statement of Financial Activities.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.13 Government grants

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

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

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 AUGUST 2024

1 Accounting policies (Continued)

1.14 Fees in advance

Fees received in advance are deferred until such time that they become receivable, and are then recognised in the Statement of Financial Activities.

2 Critical accounting estimates and judgements

In the application of the school's accounting policies, the Governors 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 Gifts and special receipts

	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2024	2024	2023	2023	2023
	£	£	£	£	£
Donations and gifts	36,604	36,604	5,750	66,552	72,302

4 Incoming resources from charitable activities

	Gross fees	Less: Total bursaries, grants and allowances	Total 2024	Gross fees	Less: Total bursaries, grants and allowances	Total 2023
	2024	2024	£	2023	2023	£
	£	£	£	£	£	£
Sale of goods	3,994,853	(267,571)	3,727,282	3,282,405	(222,384)	3,060,021
Other income	28,614	-	28,614	20,625	-	20,625
	<u>4,023,467</u>	<u>(267,571)</u>	<u>3,755,896</u>	<u>3,303,030</u>	<u>(222,384)</u>	<u>3,080,646</u>

5 Income from investments

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Interest receivable	4,524	122

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 AUGUST 2024

6 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Net gain on disposal of tangible fixed assets	13,489	-

7 Raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
<u>Fundraising and publicity</u>		
Advertising	15,569	14,678
	<u>15,569</u>	<u>14,678</u>

8 Charitable activities

	Teaching 2024 £	Premises 2024 £	Support costs of schooling 2024 £	Total 2024 £	Total 2023 £
Staff costs	2,244,137	50,746	357,102	2,651,985	2,130,598
Depreciation and impairment	51,308	46,256	3,957	101,521	97,097
Other charitable expenditure	110,665	287,143	324,383	722,191	661,843
	<u>2,406,110</u>	<u>384,145</u>	<u>685,442</u>	<u>3,475,697</u>	<u>2,889,538</u>
Share of governance costs (see note 9)	-	-	30,568	30,568	32,504
	<u>2,406,110</u>	<u>384,145</u>	<u>716,010</u>	<u>3,506,265</u>	<u>2,922,042</u>
Analysis by fund					
Unrestricted funds	2,406,110	366,494	716,010	3,488,614	2,902,494
Restricted funds	-	17,651	-	17,651	19,548
	<u>2,406,110</u>	<u>384,145</u>	<u>716,010</u>	<u>3,506,265</u>	<u>2,922,042</u>
For the year ended 27 August 2023					
Unrestricted funds	1,968,219	348,127	586,148		2,902,494
Restricted funds	3,416	16,132	-		19,548
	<u>1,971,635</u>	<u>364,259</u>	<u>586,148</u>		<u>2,922,042</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2024

9 Support costs

	Support costs	Governance costs	2024	2023	Basis of allocation
	£	£	£	£	
Staff costs	357,102	-	357,102	238,873	
Depreciation	3,957	-	3,957	3,542	
Printing, postage and office stationery	34,401	-	34,401	36,187	
Telephone costs	14,958	-	14,958	13,993	
Motor and travel	10,817	-	10,817	12,661	
School costs	149,800	-	149,800	112,257	
Computer costs	19,461	-	19,461	16,529	
Legal, professional and consultancy fees	31,717	-	31,717	43,570	
Equipment hire	32,249	-	32,249	9,543	
Bad and doubtful debts	(8,140)	-	(8,140)	37,194	
Subscriptions and donations	27,861	-	27,861	22,568	
Sundry expenses	11,259	-	11,259	6,727	
			-		
Audit fees	-	16,044	16,044	19,200	Governance
Accountancy and payroll	-	9,846	9,846	8,675	Governance
School inspection costs	-	4,678	4,678	4,629	Governance
	<u>685,442</u>	<u>30,568</u>	<u>716,010</u>	<u>586,148</u>	
Analysed between					
Charitable activities	<u>685,442</u>	<u>30,568</u>	<u>716,010</u>	<u>586,148</u>	

Governance costs includes payments to the auditors of £16,044 (2023- £19,200) for audit fees. In addition costs of £9,846 were incurred on accountancy, bookkeeping and payroll services (2023 - £8,675).

10 Net movement in funds

	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	16,044	19,200
Depreciation of owned property, plant and equipment	93,674	73,326
Depreciation of property, plant and equipment held under finance leases	7,847	23,771
Profit on disposal of property, plant and equipment	(13,489)	-
	<u>103,076</u>	<u>116,327</u>

11 Governors

None of the Governors (or any persons connected with them) received any remuneration during the year and total reimbursed expenses amounted to £74 (2023 - £Nil).

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 AUGUST 2024

12 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Teaching staff	62	60
Support staff	19	13
Total	<u>81</u>	<u>73</u>

Employment costs

	2024 £	2023 £
Wages and salaries	2,166,376	1,756,279
Social security costs	195,811	151,099
Other pension costs	289,798	223,220
	<u>2,651,985</u>	<u>2,130,598</u>

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

	2024 Number	2023 Number
£60,001 - £70,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>1</u>	<u>1</u>

Of the employees whose emoluments exceed £60,000, 1 (2023 - 1) has retirement benefits accruing under a defined benefit pension scheme (TPS) described more fully in note 21. 1 has retirement benefits accruing under a defined contribution pension scheme.

13 Other

	2024 £	2023 £
Financing interest and charges	24,233	27,631
	<u>24,233</u>	<u>27,631</u>

14 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 AUGUST 2024

15 Property, plant and equipment

	Freehold land and buildings	Fixtures, fittings, plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 28 August 2023	1,603,739	1,166,686	20,000	2,790,425
Additions	13,848	208,336	-	222,184
Disposals	(2,820)	(278,588)	-	(281,408)
At 27 August 2024	1,614,767	1,096,434	20,000	2,731,201
Depreciation and impairment				
At 28 August 2023	776,245	930,787	6,667	1,713,699
Depreciation charged in the year	32,877	61,977	6,667	101,521
Eliminated in respect of disposals	(2,820)	(215,414)	-	(218,234)
At 27 August 2024	806,302	777,350	13,334	1,596,986
Carrying amount				
At 27 August 2024	808,465	319,084	6,666	1,134,215
At 27 August 2023	827,494	235,899	13,333	1,076,726

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £7,847 (2023 - £23,771) for the year.

	2024 £	2023 £
Motor vehicles	6,667	13,333
Computers and office equipment	1,180	22,209
	7,847	35,542

16 Financial instruments

	2024 £	2023 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	72,547	71,865
Carrying amount of financial liabilities		
Measured at amortised cost	1,909,885	2,182,199

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 AUGUST 2024

17 Trade and other receivables	2024	2023
	£	£
Amounts falling due within one year:		
Trade receivables	68,935	70,545
Other receivables	3,612	1,320
Prepayments and accrued income	103,679	79,564
	<u>176,226</u>	<u>151,429</u>
18 Borrowings	2024	2023
	£	£
Bank loans	21,667	31,667
Other loans	1,333,000	1,458,000
	<u>1,354,667</u>	<u>1,489,667</u>
Payable within one year	293,000	90,000
Payable after one year	<u>1,061,667</u>	<u>1,399,667</u>

The loan of £1,050,000 from a third party individual is secured by a legal charge over the property known as Pownall Hall School, Carrwood Road, Wilmslow, SK9 5DW.

The loan from the third party individual started on 26th August 2022 and is interest free for a period 36 months at which point the school will have obtained replacement funds from its bankers.

The loans from the Governor's and their families carry an interest rate of 2.5% pa above base (minimum 3% pa), although 3% per annum has now been agreed as the maximum rate. These loans have since been extended and repayments have commenced. During the year ended 31st August 2024 there has been repayments totalling £125,000 of these loans and a monthly repayment plan is now in place. The agreement is that these loans will be cleared during the year ending 31st August 2025.

Additional commentary on these loans is provided in the Governors' Report and in Note 1.2.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 AUGUST 2024

19 Finance lease commitments

Future minimum lease payments due under finance leases:

	2024 £	2023 £
Within one year	6,898	27,847
Within two and five years	-	28,430
	<u>6,898</u>	<u>56,277</u>
Less: future finance charges	(887)	(5,817)
	<u>6,011</u>	<u>50,460</u>

The above represents finance leases to acquire equipment and motor vehicles entered into for a term of 3 or 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The finance lease creditors are secured over the assets to which they relate.

20 Current liabilities

	Notes	2024 £	2023 £
Bank loans	18	10,000	10,000
Obligations under finance leases	19	6,011	23,067
Other borrowings		283,000	80,000
Other taxation and social security		44,921	39,661
Deferred income	22	972,617	536,431
Trade payables		266,415	279,486
Other payables		200,060	287,246
Accruals		82,732	77,214
		<u>1,865,756</u>	<u>1,333,105</u>

Other payable includes deposits of £148,984 (2023 - £139,734) technically payable with one terms notice hence included as due in under 1 year, However, expectation is that these will be repaid over a number of years as each pupil leaves the school.

21 Non-current liabilities

	Notes	2024 £	2023 £
Bank loans	18	11,667	21,667
Obligations under finance leases	19	-	25,519
Other borrowings		1,050,000	1,378,000
Deferred income	22	442,094	11,468
		<u>1,503,761</u>	<u>1,436,654</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 AUGUST 2024

22 Deferred income

	2024 £	2023 £
Arising from Advance fees and deposits	1,414,711	547,899

Deferred income is included in the financial statements as follows:

	2024 £	2023 £
Current liabilities	972,617	536,431
Non-current liabilities	442,094	11,468
	<u>1,414,711</u>	<u>547,899</u>

Fees in advance movement

	2024 £
Brought forward August 2023	547,899
Utilised in year	(547,899)
Received in the year	1,414,711
	<u>1,414,711</u>

Parents may enter into an agreement to pay the school fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice.

In addition the school receives advance payments from Cheshire East in respect of childcare funding for the Early years pupils and from parents prior to the start of the Michaelmas term in September.

The amounts paid in advance are split between fees in connection with the year ended 31st August 2025 and lifetime fees paid for future school years post 31st August 2025.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2024

23 Retirement benefit schemes

The school participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the scheme of £266,136 (2023 - £208,281) and at the year end contributions of £32,208 (2023 - £133,376) accrued in respect of contributions to the scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. 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 Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS increased from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

The charge to profit or loss in respect of defined contribution schemes was £23,662 (2023 - £14,939). and at the year end £4,458 was accrued (2023 - £3,159) in respect of contributions to this scheme.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2024

24 Restricted funds

The funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes. The expended resources relate to the depreciation charges for the period and repair work undertaken in the year. At the year end, unexpended income was £220,865 (2023 - £226,042)

	Movement in funds			Movement in funds			Balance at 27 August 2024 £
	Balance at 28 August 2022 £	Incoming resources £	Resources expended £	Balance at 28 August 2023 £	Incoming resources £	Resources expended £	
Roof appeal	82,449	-	(2,576)	79,873	-	(2,576)	77,297
Playmatt							
Netball/							
Tennis court	18,778	-	(537)	18,241	-	(537)	17,704
Playground	2,217	-	(2,217)	-	-	-	-
EYFS							
Canopy and play area	5,991	-	(2,620)	3,371	-	(2,621)	750
Nursery canopy	1,251	-	(1,251)	-	-	-	-
Astro turf	33,249	-	(756)	32,493	-	(756)	31,737
Outdoor classroom and lighting	7,631	-	(1,564)	6,067	-	(1,517)	4,550
Cricket works	3,782	-	(82)	3,700	-	(82)	3,618
Radio station and Ipads	3,416	-	(3,416)	-	-	-	-
Stage lighting, sound and recording equipment	5,170	-	(862)	4,308	-	(862)	3,446
Outdoor play area	15,104	-	(321)	14,783	-	(321)	14,462
Theatre refurb	-	6,769	(1,354)	5,415	-	(677)	4,738
Floodlights	-	4,694	(156)	4,538	-	(469)	4,069
Science lab refurb	-	30,879	(1,029)	29,850	-	(3,088)	26,762
Artificial grass play area	-	24,210	(807)	23,403	-	(2,421)	20,982
EYFS play equipment	-	-	-	-	25,854	(1,724)	24,130
Hall restoration	-	-	-	-	5,000	-	5,000
Play equipment	-	-	-	-	606	-	606
Theatre lights	-	-	-	-	5,000	-	5,000
Art department	-	-	-	-	144	-	144
	<u>179,038</u>	<u>66,552</u>	<u>(19,548)</u>	<u>226,042</u>	<u>36,604</u>	<u>(17,651)</u>	<u>244,995</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2024

24 Restricted funds (Continued)

25 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 28 August 2023 £	Incoming resources £	Resources expended £	At 27 August 2024 £
General funds	(1,511,662)	3,773,909	(3,528,416)	(1,266,169)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 28 August 2022 £	Incoming resources £	Resources expended £	At 27 August 2023 £
General funds	(1,653,377)	3,086,518	(2,944,803)	(1,511,662)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

26 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 27 August 2024:			
Property, plant and equipment	889,220	244,995	1,134,215
Current assets/(liabilities)	(651,628)	-	(651,628)
Long term liabilities	(1,503,761)	-	(1,503,761)
	<u> </u>	<u> </u>	<u> </u>
	(1,266,169)	244,995	(1,021,174)
	<u> </u>	<u> </u>	<u> </u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 27 August 2023:			
Property, plant and equipment	850,684	226,042	1,076,726
Current assets/(liabilities)	(925,692)	-	(925,692)
Long term liabilities	(1,436,654)	-	(1,436,654)
	<u> </u>	<u> </u>	<u> </u>
	(1,511,662)	226,042	(1,285,620)
	<u> </u>	<u> </u>	<u> </u>

Restricted Funds are funds which have been given for particular purposes and projects. The restricted fund must be used for the purpose specified ie; roof appeal, the netball court, nursery play floor, Bay Window repairs, Pupil playground, quality improvement, ICT software and Early Years Foundation Stage canopy and play area.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 AUGUST 2024

27 Operating lease commitments

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

	2024	2023
	£	£
Within one year	38,245	5,454
Between two and five years	125,688	10,909
	<u>163,933</u>	<u>16,363</u>

The operating leases represent leases of telephones, copiers and computer equipment from third parties. The leases are negotiated over terms of 5 years and rentals are fixed for this period.

Amounts recognised in the Statement of Financial Activities for the year was £32,249 (2023 - £9,543).

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 AUGUST 2024

28 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024	2023
	£	£
Aggregate compensation	178,554	135,494

Loans

During previous years, the school received loans from Governor Mr G D Dawber's immediate family and from the Chair of Governors Mrs E M MacAulay, shown in other loans in note 17.

These loans remain outstanding as follows:

Loans from the family of Mr G D Dawber

	Balance outstanding 27th August 2023	Advances in period	Repayments in period	Balance outstanding 27th August 2024
	£	£	£	£
Loan from A Dawber (wife of Mr Dawber)	208,000	-	(62,500)	145,500
Loan from G Dawber (son of Mr Dawber)	129,000	-	(40,000)	89,000
	<u>337,000</u>	<u>-</u>	<u>(102,500)</u>	<u>234,500</u>

Above loans were originally agreed with interest payable at base rate plus 2.5% (minimum 3% pa).

As a result of a subsequent agreement, interest on the loans is now fixed at 3% pa.

The above loans are being repaid monthly from January 2024 subject to cashflow.

Repayments totalling £62,500 were made to A Dawber from 24th January 2024.

Repayments totalling £40,000 were made to G Dawber from 24th January 2024.

The terms of the loans, including interest rate payable, were approved by the Governors

(excluding Mr Dawber) having regards to prevailing rates for loans and deposits.

Interest of £22,656 has been paid during the year and further interest totalling £9,412 is accrued at the year end.

The interest charge for the period in relation to the above loans is £9,412.

Loans from Mrs E M MacAulay (Chair of the Board of Governors)

	Balance outstanding 27th August 2023	Advances in period	Repayments in period	Balance outstanding 27th August 2024
	£	£	£	£
Loan from EM MacAulay	71,000	-	(22,500)	48,500
	<u>71,000</u>	<u>-</u>	<u>(22,500)</u>	<u>48,500</u>

Above loan was originally agreed with interest payable at base rate plus 2.5% (minimum 3% pa).

As a result of a subsequent agreement, interest on the loans is now fixed at 3% pa.

Repayments totalling £22,500 were made to Mrs E M MacAulay from 24th January 2024.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2024

28 Related party transactions

(Continued)

The amount of £48,500 due to Mrs E M MacAulay was outstanding as at 27th August 2024 the balance sheet date.

The terms of the loans, including interest rate payable, were approved by the Governors (excluding Mrs MacAulay) having regards to prevailing rates for loans and deposits.

Interest of £4,795 has been paid during the year and further interest totalling £1,976 is accrued as at August 2024

The interest charge for the period in relation to the above loans is £1,976.

29 Cash generated from operations	2024 £	2023 £
Surplus for the year	264,446	188,719
Adjustments for:		
Investment income recognised in statement of financial activities	(4,524)	(122)
Gain on disposal of property, plant and equipment	(13,489)	-
Depreciation and impairment of property, plant and equipment	101,521	97,097
Movements in working capital:		
(Increase) in trade and other receivables	(24,797)	(50,098)
(Decrease)/increase in trade and other payables	(89,479)	55,500
Increase in deferred income	866,812	91,671
Cash generated from operations	1,100,490	382,767

30 Analysis of changes in net (debt)/funds

	At 28 August 2023 £	Cash flows £	At 27 August 2024 £
Cash at bank and in hand	255,984	781,918	1,037,902
Loans falling due within one year	(90,000)	(203,000)	(293,000)
Loans falling due after more than one year	(1,399,667)	338,000	(1,061,667)
Obligations under finance leases	(48,586)	42,575	(6,011)
	<u>(1,282,269)</u>	<u>959,493</u>	<u>(322,776)</u>

POWNALL HALL SCHOOL TRUST LIMITED

England & Wales - Charity number 525929

Accounts

Charity registration number 525929

Company registration number 00661518 (England and Wales)

POWNALL HALL SCHOOL TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 AUGUST 2023

POWNALL HALL SCHOOL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Governors	Mrs E M MacAulay (Chair) Mr T F Barnes Mr G D Dawber Mr T J Wareham Mrs N M Wood Mr R B W Wood Mrs S Kelly Mrs D Hueting Mrs A Simmonds	(Appointed 21 February 2023) (Appointed 4 September 2023)
Headmaster	Mr D Goulbourn	
Secretary	Mr D Goulbourn	
Business Manager	Mr M Hughes	
Charity number	525929	
Company number	00661518	
Registered office	Pownall Hall School Carrwood Road Pownall Park Wilmslow Cheshire SK9 5DW	
Auditor	Josolyne LLP Merchant Exchange Waters Green Macclesfield Cheshire SK11 6JX	
Bankers	Lloyds Bank Group Plc 223 Finney Lane Cheadle Cheshire SK8 3PY	

POWNALL HALL SCHOOL TRUST LIMITED

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POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 27 AUGUST 2023

The Governors present their annual report and financial statements for the year ended 27 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 school's Memorandum and Articles of Association, 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

In setting objectives for the School and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public guidance on advancing education and fee charging. The Governors have for many years offered assistance with fees and the School has been particularly successful in attracting children whose parents would not be able to afford a full fee paying place. The assistance takes in to account the cost of extra curricular activities. The Governors are also conscious of the role that the School has always played, and continues to play, in the local community and this Report sets out details of activities which benefit all sections of that community. However we are not complacent in respect of the public benefit requirements; on the contrary we are continuously exploring opportunities to enhance the School's activities and use all its resources for the benefit of all strands of the local community.

Our School welcomes pupils from all backgrounds. There is no entrance requirement as such although in the upper forms an initial academic assessment is made, and this identifies the educational requirements and programme for the child. We have made significant investments in infrastructure to cater for the needs of children who are, or become, disabled. The welfare and progress of the children in every respect is a priority commitment and our procedures facilitate effective monitoring of development and success.

The School's objectives are the advancement of education for 6 months to 11 year old children. The Charity has also to maintain its heritage endowment, in particular the Hall which is a grade 2* listed building and various artefacts, books and works of art. The Governors have also emphasised the need to make the School's resources and activities available to the wider community and to contribute to the welfare of the community. The Governors also make bursaries available and are intent on achieving a wider access to the School, offering assisted places to children whose parents are unable to meet the full fees and making the School's resources available to the local community.

Within these Objects, the School's aim is to provide a first class independent education, based on excellent academic tuition and extra curricular activities involving the development of sporting, artistic and social skills in all its pupils. This is designed to provide an environment in which all pupils can develop and fulfil their potential, both in gaining access to the secondary school of their choice, and in building self confidence and a desire to contribute to the wider community.

The focus in the period ended 27 August 2023 and beyond has been on maintaining and improving academic performance; increasing contribution to the wider community both by activity and visibility in the community and by making the School's resources and activities available to others; actively pursuing the development and introduction of a bursary scheme; and investment in the School's infrastructure and facilities.

The activities which have contributed to the implementation of the School's strategy and the achievement of its objectives are dealt with in the next section of this Report.

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

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Governors to present a strategic report.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 27 AUGUST 2023

Achievements and performance

Education Quality and Compliance Inspections were undertaken by the Independent Schools Inspectorate in March 2017. The Inspectors concluded that the quality of the pupils' academic and other achievements is excellent and that the quality of the pupils' personal development is excellent. Specific mention was made of excellent performance in every aspect of pupils' education. The Inspectors made no recommendations themselves but commended the objectives in the School's strategic plan. The results of the Compliance Inspection were similarly positive with the School meeting the laid down standards. A further Compliance Inspection in March 2020 resulted in a very positive assessment. The Robins room for under 2 has also received an OFSTED inspection in July 23 and has received a 'Good' rating for all aspects which was a fantastic outcome for a provision which has been in operation for just 30 months. Finally, in order to obtain a Material Change Increase to the Schools Registered Capacity a further compliance inspection was carried out during 2023 and all expectations were found to have been met and the Material Change application was approved.

Our children continued to attain the highest quality academic standards. 96% of the children in Form 6 achieved passes in the 11+ entrance examinations and were offered places at the secondary Schools of their choice, including Manchester Grammar School, Stockport Grammar School, The King's School Macclesfield, Cheadle Hulme School, Alderley Edge School for Girls, Manchester High School for Girls, Hulme Hall Grammar School, Wilmslow High, Newcastle Under Lyme. Our children received 68 offers of places including 9 scholarships.

Although the primary focus of the School is on academic success, all our children participate in many extra-curricular activities which we consider essential for their development and prepares them for the rigorous demands of secondary school and beyond. There is considerable emphasis on music and drama. Many of the children passed music examinations and almost all are involved in choral activities. The majority of the senior School participated in excellent productions throughout the year, outstanding performances which received numerous accolades. All children in the School sung and performed in numerous concerts and plays. Our choirs participated in many public, as well as internal, performances during the year.

Sport continues to be an integral part of our children's activities and opportunities, and the all weather hard court, which was originally financed by a specific and generous donation from our Parents' Association, is used extensively for football, hockey, tennis, netball and other sports. This together with the Sports Hall and our extensive external facilities provides for a variety of sporting activities in which our children participate with great enthusiasm, enjoyment and success. Tennis, football, hockey, cricket, netball, cross-country, swimming, rugby and athletics are just some of the sports in which our children are extensively involved. No less important are other activities such as music, art, cooking and chess which add to the broad education which is provided.

The Governors in implementing the bursary policy, awarded a number of assisted places to children who otherwise would have been unable to attend the School. The Finance Governor continues to develop the formal policy and the Governors are anxious to ensure that assisted places are made available to the wider community on a consistent, equitable and realistic basis.

Considerable emphasis has been placed on updating the School's infrastructure and facilities. This year the focus has continued to be on enhancing and modernising teaching facilities. There has been further investment in ICT with the purchase of laptops and iPads for pupils. Investment has also been made into improvements to the efficiency of the heating within the school with the replacement of three boilers. The Parents and Staff Association have also funded the refurbishment of the Science Laboratory and the play areas in the EYFS.

The Governors, staff and parents, together with their children, are particularly committed to the School's contribution to the wider local community. The Hall being a grade 2* listed Arts and Crafts building is opened to visitors on several occasions during the year. The School's sporting and other facilities are frequently used by local sports clubs and similar organisations and the Governors are seeking to extend this opportunity to those who are not fortunate enough to have their own facilities. Our children's plays and choral activities are provided to many in the community, in particular pensioners, and a considerable number of charitable activities are organised by all members of the School community.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 27 AUGUST 2023

The School's operations are funded in the main by fee income. However, the Governors and other volunteers and supporters of the School are alert to potential fundraising opportunities although these are largely focused on specific projects. The School's Parents' Committee is particularly active and successful in mounting social and other events and surpluses are typically used to purchase equipment for classrooms and other school facilities, entirely at the discretion of the Committee. The Governors would like to record their appreciation of the parents' contribution to the School.

Financial review

At 29 August 2021 the financing of the School comprised the interim loan of £1,050,000 from a personal lender and loans from Governors and their families of £458,000. The repayment of these loans had been extended to April 2022 to enable the Governors to conclude alternative funding arrangements. The adverse financial impact of the Covid pandemic, which had continued in to 20/21 and beyond, meant that the School was unable to meet the lending parameters and criteria indicated by our bankers as a requirement for refinancing. As a result an alternative source of finance was obtained again from a personal lender to replace the above mentioned loan of £1,050,000. This new loan for £1,050,000 commenced on 26th August 2022 and is interest free with no repayments required for a period of 3 years whilst the Governors source replacement finance from the School's bankers. During the period ended 27th August 2023 the school has commenced repayment of the Governors loans and the balance was reduced by £50,000 to £408,000.

Numbers in the School have increased throughout the period and continue to do so to the extent that the School was required to submit a material change application to increase the Registered Capacity of the School from 260 to 338 pupils which was subsequently approved. During the previous year the Nursery provision was expanded with the opening of the Robin's room to accommodate children from 6 months and upwards, but pupil numbers have also continued to increase throughout the School rising from 272 on roll at the start of this school year to 306 on roll for the first day of term in 2023/24.

The Governors report a surplus of £188,719 for the period, compared to a deficit of £79,941 in the previous period, the improvement reflects the growth in pupil numbers during the year. This does however, include significant donations of capital items funded by the PSA within the restricted funds which will be depreciated over the lifetime of the assets. The underlying numbers for the unrestricted fund show a movement from a deficit of £64,411 to a surplus of £141,715.

During the year the cash flow pressures have significantly improved in line with rising pupil numbers. As a result, deferred payments of Teachers Pensions and PAYE as well as repayment of Governors loans have been made totalling in excess of £250,000.

Reserves policy

The Governors' policy towards reserves is to invest any surpluses in the School's facilities and infrastructure. Although this impacts on reserves only through the progressive recognition of depreciation in the Statement of Financial Activities, the impact on the School's cash resources is immediate. Consequently, the Governors think it appropriate that the overall financial position, including and in particular the cash position, informs and influences the policy on, and level of, reserves.

The Governors are conscious that the Unrestricted funds are in deficit. However, as stated above, the school is experiencing significant increases in numbers and although the impact of Covid-19 had postponed the return to profitability, this has now been achieved in the year to August 23 and is forecast to increase in the subsequent years. The sale of surplus land in 2017/18 yielded a significant profit and was consistent with the valuation of the School's freehold land and buildings, undertaken in 2012 as part of the negotiations in connection with the increased bank facilities, which indicated a value significantly in excess of the carrying value in the balance sheet.

Under the direction of the Governors and the Headmaster, the School has continued to invest in modernising and enhancing the teaching provision, and in the provision of new facilities which will enhance the education experience of our children. Essential, albeit modest, investment programmes were continued during this period. The current emphasis has been on new teaching and assessment schemes, as well as on direct contact teaching methods and content. Some of the investment was once again funded by our Parents' Committee and we again record our appreciation of their tireless activities, support and contribution.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 27 AUGUST 2023

The Board of Governors is responsible for the management of risks faced by the School. Detailed consideration and management of risks are delegated to the executive management team who report informally to the Business Management Committee ('BMC') and Board. The Governors have continued to implement enhanced risk management processes during the year. Major risks and issues are evaluated and considered at all management meetings and the risk identification, assessment and response process has been formally documented during the year. The Governors and executive management team are risk conscious and are satisfied that the major risks faced by the School have been managed and mitigated to an adequate extent. The governors recognise that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The key objectives of the medium to long term strategic plan are:

- To achieve optimum capacity in each class throughout the School
- To ensure that teaching capacity and capability is commensurate with these class sizes
- To maintain the current high standards of academic achievement measured in the main by the success of the School's children in securing offers from the secondary schools of their choice
- To continue to maintain the School's reputation for excellence in extra curricular activity in the arts, sport and community activity
- To widen participation in the School by offering assisted places for children, and to make the School's resources, facilities and activities available to the wider community
- To continue the programme of improving the School's infrastructure and facilities.

In the short term the Governors are conscious of the School's financial position. Initiatives to achieve efficiencies and economies in the cost base continue to be implemented and emphasis is being placed on initiatives to increase pupil numbers. The Governors will implement projects and initiatives only on the basis that the School remains within its financial facilities.

Structure, governance and management

The activities of the Trust are referred to in the Memorandum and Articles of Association which is the governing document of the Trust.

The Governors, who are also the directors for the purpose of company law, and who have served since 28th August 2022 were:

Mrs E M MacAulay (Chair)	
Mr T F Barnes	
Mr G D Dawber	
Mr T J Wareham	
Mrs L Window	(Resigned 4 September 2023)
Mrs N M Wood	
Mr R B W Wood	
Mrs S Kelly	
Mrs H F Jeys	(Resigned 4 September 2023)
Mrs D Huetting	(Appointed 21 February 2023)
Mrs A Simmonds	(Appointed 4 September 2023)

In accordance with the Articles of Association, Mr G D Dawber, Mr T J Wareham and Mrs L Window will retire by rotation at the forthcoming AGM, and being eligible, will offer themselves for re-election.

The Trust does not have any share capital but each Governor is guarantor to the extent of £1. No Governor has a beneficial interest in the Trust.

Governors are elected by The Board of Governors having regard to the skills requirements of the Board. Each Governor contributes a specific area of expertise relevant to the management of the School.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 27 AUGUST 2023

The Governors, as the Charity Trustees, are legally responsible for the overall management and control of the School and meet at least five times a year. The work of implementing most of the policies laid down by the Board of Governors and the day to day management of the School is undertaken by the executive senior management team under the supervision of the BMC, chaired by the Chair of the Board, which meets at least five times a year before the meetings of the Board, and which normally includes the Deputy Chair (Finance Governor), Headmaster and Business Manager.

Statement of Governors' responsibilities

The Governors, who are also the directors of Pownall Hall School Trust Limited for the purpose of company law, are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the school 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 Governors 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 school will continue in operation.

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the school 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 school 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 Josolyne LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Governors 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 Governors' report, including the strategic report, was approved by the Board of Governors.

Mr G D Dawber

Governor

Dated: 5 March 2024

POWNALL HALL SCHOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF POWNALL HALL SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Pownall Hall School Trust Limited (the 'school') for the year ended 27 August 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, 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 27 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 school 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

Due to the Statement of Financial Position showing net liabilities of £1,285,620 we draw your attention to the relevant disclosure in the Governors report and note 1.2.

Our opinion has not been modified in respect of this disclosure.

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

POWNALL HALL SCHOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF POWNALL HALL SCHOOL TRUST LIMITED

Matters on which we are required to report by exception

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

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors, who are also the directors of the school 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 Governors 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 Governors are responsible for assessing the school'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 Governors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and its industry, and determined that the most significant are those that relate to breaches of safeguarding, health and safety regulations, data protection and employment laws. We also considered those laws and regulations that have a direct effect on the financial statements such as FRS102 accounting principles and the Companies Act 2006. We have considered the extent to which non-compliance might have a material effect on the financial statements and also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements.

POWNALL HALL SCHOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF POWNALL HALL SCHOOL TRUST LIMITED

We established that the principal risks related to revenue recognition, management bias in accounting estimates and management override, recoverability of debtors, potential understatement of creditors and the going concern status of the school. Audit procedures performed included:

- Performed a reconciliation of total school fees to expectations based on pupil numbers and current fee rates.
- Reviewed fee invoices raised either side of the year end to ensure accounted for in the correct period.
- Vouched year end accruals and prepayment balances to supporting invoices.
- Reviewed payments and invoices post year end for omitted creditors and accruals.
- Checked cash received after date to confirm recoverability of year end debtors and ensure sufficient provision was included.
- Designed our audit procedures in order to incorporate unpredictability around the nature, timing or extent of our testing.
- Identified and tested journal entries to consider the appropriateness of journal entries and other adjustments;
- Assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of significant transactions that were unusual or outside the normal course of business.
- Challenged assumptions made by management in making their significant accounting estimates
- Reviewed financial statement disclosures and tested to supporting documentation to assess compliance with applicable laws and regulations.
- Reviewed managements assumptions with regard to the going concern status of the school. Reviewed profit and cash flow forecasts prepared for a period in excess of 12 months from approval of the accounts.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Chloe Harrison ACA (Senior Statutory Auditor)
for and on behalf of Josolyne LLP

5 March 2024

Chartered Accountants
Statutory Auditor

Merchant Exchange
Waters Green
Macclesfield
Cheshire
SK11 6JX

POWNALL HALL SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 27 AUGUST 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income from:							
Donations and legacies	3	5,750	66,552	72,302	558	-	558
Charitable activities	4	3,080,646	-	3,080,646	2,382,289	-	2,382,289
Investments	5	122	-	122	21	-	21
Total income		3,086,518	66,552	3,153,070	2,382,868	-	2,382,868
Expenditure on:							
Raising funds	6	14,678	-	14,678	8,114	-	8,114
Charitable activities	7	2,902,494	19,548	2,922,042	2,354,495	15,530	2,370,025
Other expenditure	11	27,631	-	27,631	84,670	-	84,670
Total expenditure		2,944,803	19,548	2,964,351	2,447,279	15,530	2,462,809
Net income/(expenditure) and movement in funds		141,715	47,004	188,719	(64,411)	(15,530)	(79,941)
Reconciliation of funds:							
Fund balances at 28 August 2022		(1,653,377)	179,038	(1,474,339)	(1,588,966)	194,568	(1,394,398)
Fund balances at 27 August 2023		(1,511,662)	226,042	(1,285,620)	(1,653,377)	179,038	(1,474,339)

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

POWNALL HALL SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 27 AUGUST 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Property, plant and equipment	13		1,076,726		1,031,160
Current assets					
Trade and other receivables	15	151,429		101,331	
Cash at bank and in hand		255,984		99,056	
		<u>407,413</u>		<u>200,387</u>	
Current liabilities	18	1,333,105		1,539,292	
Net current liabilities			(925,692)		(1,338,905)
Total assets less current liabilities			151,034		(307,745)
Non-current liabilities	19		(1,436,654)		(1,166,594)
Net liabilities			(1,285,620)		(1,474,339)
The funds of the school					
Restricted income funds	22		226,042		179,038
Unrestricted funds			(1,511,662)		(1,653,377)
			<u>(1,285,620)</u>		<u>(1,474,339)</u>

The financial statements were approved by the Governors on 5 March 2024

Mrs E M MacAulay (Chair)
Trustee

Mr G D Dawber
Trustee

Company registration number 00661518 (England and Wales)

POWNALL HALL SCHOOL TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 27 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	27		382,767		(43,709)
Investing activities					
Purchase of property, plant and equipment		(142,663)		(29,705)	
Investment income received		122		21	
Net cash used in investing activities			(142,541)		(29,684)
Financing activities					
Repayment of borrowings		(50,000)		-	
Repayment of bank loans		(10,000)		(8,333)	
Payment of obligations under finance leases		(23,298)		(23,802)	
Net cash used in financing activities			(83,298)		(32,135)
Net increase/(decrease) in cash and cash equivalents			156,928		(105,528)
Cash and cash equivalents at beginning of year			99,056		204,584
Cash and cash equivalents at end of year			255,984		99,056

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 27 AUGUST 2023

1 Accounting policies

Charity information

Pownall Hall School Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Pownall Hall School, Carrwood Road, Pownall Park, Wilmslow, Cheshire, SK9 5DW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the school's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") 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)" (effective 1 January 2019). The school is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financing of the School at 27 August 2023 comprised interim funding of £1.05m from a personal lender and loans of £408,000 from Governors and their families. The School's bankers, Lloyds, have orally indicated their willingness to consider replacing this funding based on the School's return to profitability. For the reasons more fully explained in the Governors' Report, discussions with Lloyds have been deferred as a result of the many issues arising from Covid-19.

The interim funding of £1.05m was agreed in August 2022 and has been provided interest free and with no repayments required until 26th August 2025.

As more fully explained in the Governors' Report, the adverse financial impact of Covid-19 has been significant. The losses arising were funded initially by a Bounce Back Loan of £50,000, a deferral of amounts due to HMRC, repayment of which by instalments commenced in October 2020 and have been completed in July 23 and finally by deferral of amounts due to Teachers Pension Scheme for which there is also a repayment plan in place, which will be concluded by April 24. As a result the School has been funding the Covid-19 losses over a relatively short period and the Governors and School Executive have implemented measures to meet this funding requirement by income, cost and cash flow management. Based on these measures, the school has now returned to a position of positive trading cash flow and this has been evidenced by the settlement of arrears of PAYE and Teachers Pension totalling £101,361 and £99,000 respectively during the year ended 27th August 23 as well as a reduction in Governors loans of £50,000 during the same period.

Although the School's statement of financial position as at 27th August 2023 show a cumulative deficit of £1.3m, this is of course with properties included at a depreciated cost well below their current values. During the year ended 27th August 23 the settlement of borrowings as detailed above in excess of £250,000 clearly demonstrates that the School is having no difficulty meeting liabilities as they fall due and is generating significant operating cash flows. Draft management accounts and forecasts for the years to August 2024 and August 2025 show significant surpluses that will continue to generate sufficient cashflows to reduce borrowings further before the interest free period provided by the personal lender finance of £1.05m comes to an end in August 2025. By this time the expectation is that the School will have the August 2024 accounts approved and showing significant surpluses that will support refinancing of the £1.05m loan facility. The Trustees therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual accounts.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2023

1 Accounting policies

(Continued)

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors or grantors 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 school.

1.4 Incoming resources

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.

Fee income is recognised in the Statement of Financial Activities on the accruals basis. Fees received in advance of education to be provided in future years are held until either taken to income in the term or else refunded.

Cash donations are recognised on receipt. Other donations are recognised once the school 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 school 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.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is accounted for on an accruals basis. The cost headings comprise expenditure, including staff costs and depreciation, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a fair and reasonable basis.

Support costs comprise all services including an appropriate proportion of general overheads specifically identified as wholly or mainly incurred in support of the direct charitable expenditure.

Governance costs comprise the costs incurred in managing the schools assets, organisational management, administration of and compliance with the statutory requirements of the school.

Where overheads and other costs cannot be directly attributed they have been allocated on the basis of management estimates of the amount attributable to such activities, either by reference to staff time or space occupied, if material. Expenses are inclusive of VAT as it is irrecoverable.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2023

1 Accounting policies

(Continued)

1.6 Property, plant and equipment

Property, plant and equipment 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	over 50 years
Prefab buildings	over 20 years
Plant and machinery	over 5 years
Fixtures, fittings, plant and equipment	over 10 years
Computers and office equipment	over 5 years
Motor vehicles	over 4 years

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 non-current 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 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.

1.9 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 trade and other receivables 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.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables 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 payables 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 payables 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.

1.10 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.

1.11 Retirement benefits

The School participates in a multi employer pension scheme, the Government's Teachers Pension Defined Benefits Scheme, for its teaching staff. The pension liability is the responsibility of the Teachers' Pensions. As a result it is not possible to identify the assets and liabilities of the scheme that are attributable to the school. Accordingly, the scheme is accounted for as if it were a defined contributions scheme.

The school also contributes to defined contribution schemes for non-teaching staff. Contributions payable for the year are charged in the Statement of Financial Activities.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.13 Government grants

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

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

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2023

1 Accounting policies (Continued)

1.14 Fees in advance

Fees received in advance are deferred until such time that they become receivable, and are then recognised in the Statement of Financial Activities.

2 Critical accounting estimates and judgements

In the application of the school's accounting policies, the Governors 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 Gifts and special receipts

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2023	2023	2023	2022
	£	£	£	£
Donations and gifts	5,750	66,552	72,302	558

4 Incoming resources from charitable activities

	Gross fees	Less: Total bursaries, grants and allowances	Total 2023	Gross fees	Less: Total bursaries, grants and allowances	Total 2022
	2023	2023	£	2022	2022	£
	£	£	£	£	£	£
Sale of goods	3,282,405	(222,384)	3,060,021	2,520,684	(178,566)	2,342,118
Other income	20,625	-	20,625	40,171	-	40,171
	<u>3,303,030</u>	<u>(222,384)</u>	<u>3,080,646</u>	<u>2,560,855</u>	<u>(178,566)</u>	<u>2,382,289</u>

5 Income from investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Interest receivable	122	21

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2023

6 Raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Fundraising and publicity</u>		
Advertising	14,678	8,114
	<u>14,678</u>	<u>8,114</u>

7 Charitable activities

	Teaching 2023 £	Premises 2023 £	Support costs of schooling 2023 £	Total 2023 £	Total 2022 £
Staff costs	1,842,515	49,210	238,873	2,130,598	1,819,837
Depreciation and impairment	49,055	44,500	3,542	97,097	87,656
Other charitable expenditure	80,065	270,549	311,229	661,843	434,806
	<u>1,971,635</u>	<u>364,259</u>	<u>553,644</u>	<u>2,889,538</u>	<u>2,342,299</u>
Share of governance costs (see note 8)	-	-	32,504	32,504	27,726
	<u>1,971,635</u>	<u>364,259</u>	<u>586,148</u>	<u>2,922,042</u>	<u>2,370,025</u>
Analysis by fund					
Unrestricted funds	1,968,219	348,127	586,148	2,902,494	2,354,495
Restricted funds	3,416	16,132	-	19,548	15,530
	<u>1,971,635</u>	<u>364,259</u>	<u>586,148</u>	<u>2,922,042</u>	<u>2,370,025</u>
For the year ended 27 August 2022					
Unrestricted funds	1,586,073	260,449	507,973		2,354,495
Restricted funds	3,416	12,114	-		15,530
	<u>1,589,489</u>	<u>272,563</u>	<u>507,973</u>		<u>2,370,025</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2023

8 Support costs	Support costs	Governance costs	2023	2022	Basis of allocation
	£	£	£	£	
Staff costs	238,873	-	238,873	259,461	
Depreciation	3,542	-	3,542	3,336	
Printing, postage and office stationery	36,187	-	36,187	30,814	
Telephone costs	13,993	-	13,993	14,034	
Motor and travel	12,661	-	12,661	9,152	
School costs	112,257	-	112,257	79,944	
Computer costs	16,529	-	16,529	22,131	
Legal, professional and consultancy fees	43,570	-	43,570	19,608	
Equipment hire	9,543	-	9,543	879	
Bad and doubtful debts	37,194	-	37,194	12,523	
Subscriptions and donations	22,568	-	22,568	18,314	
Sundry expenses	6,727	-	6,727	10,051	
Audit fees	-	19,200	19,200	14,400	Governance
Accountancy and payroll	-	8,675	8,675	10,471	Governance
School inspection costs	-	4,629	4,629	2,855	Governance
	<u>553,644</u>	<u>32,504</u>	<u>586,148</u>	<u>507,973</u>	
Analysed between					
Charitable activities	<u>553,644</u>	<u>32,504</u>	<u>586,148</u>	<u>507,973</u>	

Governance costs includes payments to the auditors of £19,200 (2022- £14,400) for audit fees. In addition costs of £8,675 were incurred on accountancy, bookkeeping and payroll services (2022 - £10,471).

9 Governors

None of the Governors (or any persons connected with them) received any remuneration during the year and total reimbursed expenses amounted to £Nil.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 AUGUST 2023

10 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Teaching staff	60	52
Support staff	13	17
Total	<u>73</u>	<u>69</u>

Employment costs

	2023	2022
	£	£
Wages and salaries	1,756,279	1,489,985
Social security costs	151,099	131,201
Other pension costs	223,220	198,651
	<u>2,130,598</u>	<u>1,819,837</u>

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

	2023	2022
	Number	Number
£80,001 - £90,000	<u>1</u>	<u>1</u>

Of the employees whose emoluments exceed £60,000, 1 (2021 - 1) has retirement benefits accruing under a defined benefit pension scheme (TPS) described more fully in note 21.

11 Other

	2023	2022
	£	£
Financing interest and charges	27,631	84,670
	<u>27,631</u>	<u>84,670</u>

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2023

13 Property, plant and equipment

	Freehold land and buildings	Fixtures, fittings, plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 28 August 2022	1,601,891	1,025,871	20,000	2,647,762
Additions	1,848	140,815	-	142,663
At 27 August 2023	1,603,739	1,166,686	20,000	2,790,425
Depreciation and impairment				
At 28 August 2022	743,607	872,995	-	1,616,602
Depreciation charged in the year	32,638	57,792	6,667	97,097
At 27 August 2023	776,245	930,787	6,667	1,713,699
Carrying amount				
At 27 August 2023	827,494	235,899	13,333	1,076,726
At 27 August 2022	858,284	152,876	20,000	1,031,160

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £23,771 (2022 - £23,105) for the year.

	2023 £	2022 £
Motor vehicles	13,333	20,000
Computers and office equipment	22,209	39,313
	35,542	59,313

14 Financial instruments

	2023 £	2022 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	71,865	41,325
Carrying amount of financial liabilities		
Measured at amortised cost	2,182,199	2,115,279

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2023

15 Trade and other receivables

	2023	2022
	£	£
Amounts falling due within one year:		
Trade receivables	70,545	41,325
Other receivables	1,320	-
Prepayments and accrued income	79,564	60,006
	<u>151,429</u>	<u>101,331</u>

16 Borrowings

	2023	2022
	£	£
Bank loans	31,667	41,667
Other loans	1,458,000	1,508,000
	<u>1,489,667</u>	<u>1,549,667</u>
Payable within one year	90,000	468,000
Payable after one year	<u>1,399,667</u>	<u>1,081,667</u>

The loan of £1,050,000 from a third party individual is secured by a legal charge over the property known as Pownall Hall School, Carrwood Road, Wilmslow, SK9 5DW.

The loan from the third party individual started on 26th August 2022 and is interest free for a period 36 months at which point the school will have obtained replacement funds from its bankers.

The loans from the Governor's and their families carry an interest rate of 2.5% pa above base (minimum 3% pa), although 3% per annum has now been agreed as the maximum rate. These loans have since been extended and repayments have commenced. During the year ended 31st August 2023 there has been a £50,000 repayment of these loans and a monthly repayment plan is now in place which will be accelerated once the Teacher Pension Scheme settlement is complete. The agreement is that these loans will be reduced by a further £80,000 during the year ending 31st August 2024 with an additional repayment of £75,000 subject to cashflow.

Additional commentary on these loans is provided in the Governors' Report and in Note 1.2.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 AUGUST 2023

17 Finance lease commitments

Future minimum lease payments due under finance leases:

	2023 £	2022 £
Within one year	27,847	29,014
Within two and five years	28,430	55,694
	<u>56,277</u>	<u>84,708</u>
Less: future finance charges	(5,817)	(12,824)
	<u><u>50,460</u></u>	<u><u>71,884</u></u>

The above represents finance leases to acquire equipment and motor vehicles entered into for a term of 3 or 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The finance lease creditors are secured over the assets to which they relate.

18 Current liabilities

	Notes	2023 £	2022 £
Bank loans	16	10,000	10,000
Obligations under finance leases	17	23,067	22,552
Other borrowings		80,000	458,000
Other taxation and social security		39,661	134,379
Deferred income	20	536,431	420,633
Trade payables		279,486	71,562
Other payables		287,246	357,643
Accruals		77,214	64,523
		<u>1,333,105</u>	<u>1,539,292</u>

Other payable includes deposits of £139,734 (2022- £116,234) technically payable with one terms notice hence included as due in under 1 year, However, expectation is that these will be repaid over a number of years as each pupil leaves the school.

19 Non-current liabilities

	Notes	2023 £	2022 £
Bank loans	16	21,667	31,667
Obligations under finance leases	17	25,519	49,332
Other borrowings		1,378,000	1,050,000
Deferred income	20	11,468	35,595
		<u>1,436,654</u>	<u>1,166,594</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 AUGUST 2023

20 Deferred income

	2023 £	2022 £
Arising from Advance fees and deposits	547,899	456,228

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Current liabilities	536,431	420,633
Non-current liabilities	11,468	35,595
	<u>547,899</u>	<u>456,228</u>

Fees in advance movement

	2023 £
Brought forward August 2022	456,228
Utilised in year	(456,228)
Received in the year	547,899
	<u>547,899</u>

Parents may enter into an agreement to pay the school fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice.

In addition the school receives advance payments from Cheshire East in respect of childcare funding for the Early years pupils and from parents prior to the start of the Michaelmas term in September.

The amounts paid in advance are split between fees in connection with the year ended 31st August 2023 and lifetime fees paid for future school years post 31st August 2023.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2023

21 Retirement benefit schemes

The school participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the scheme of £208,281 (2022- £188,228) and at the year end contributions of £133,376 (2022 - £229,285) accrued in respect of contributions to the scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. 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 Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

The charge to profit or loss in respect of defined contribution schemes was £14,939 (2022 - £10,423). and at the year end £3,159 was accrued (2022 - £2,425) in respect of contributions to this scheme.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2023

22 Restricted funds

The funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes. The expended resources relate to the depreciation charges for the period and repair work undertaken in the year. At the year end, unexpended income was £226,042 (2022 - £179,038)

	Movement in funds					Balance at 27 August 2023 £
	Balance at 28 August 2021 £	Resources expended £	Balance at 28 August 2022 £	Incoming resources £	Resources expended £	
Roof appeal	85,025	(2,576)	82,449	-	(2,576)	79,873
Playmatt Netball/Tennis court	19,315	(537)	18,778	-	(537)	18,241
Playground	4,434	(2,217)	2,217	-	(2,217)	-
EYFS Canopy and play area	8,611	(2,620)	5,991	-	(2,620)	3,371
Nursery canopy	1,877	(626)	1,251	-	(1,251)	-
Astro turf	34,005	(756)	33,249	-	(756)	32,493
Outdoor classroom and lighting	9,148	(1,517)	7,631	-	(1,564)	6,067
Cricket works	3,864	(82)	3,782	-	(82)	3,700
Radio station	4,800	(2,400)	2,400	-	(2,400)	-
Ipads	2,032	(1,016)	1,016	-	(1,016)	-
Stage lighting, sound and recording equipment	6,032	(862)	5,170	-	(862)	4,308
Outdoor play area	15,425	(321)	15,104	-	(321)	14,783
Theatre refurb	-	-	-	6,769	(1,354)	5,415
Floodlights	-	-	-	4,694	(156)	4,538
Science lab refurb	-	-	-	30,879	(1,029)	29,850
Artificial grass play area	-	-	-	24,210	(807)	23,403
	<u>194,568</u>	<u>(15,530)</u>	<u>179,038</u>	<u>66,552</u>	<u>(19,548)</u>	<u>226,042</u>

23 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 28 August 2022 £	Incoming resources £	Resources expended £	At 27 August 2023 £
General funds	(1,653,377)	3,086,518	(2,944,803)	(1,511,662)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2023

23 Unrestricted funds (Continued)

Previous period:	At 28 August 2021	Incoming resources	Resources expended	At 27 August 2022
	£	£	£	£
General funds	(1,588,966)	2,382,868	(2,447,279)	(1,653,377)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

24 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 27 August 2023 are represented by:			
Property, plant and equipment	850,684	226,042	1,076,726
Current assets/(liabilities)	(925,692)	-	(925,692)
Long term liabilities	(1,436,654)	-	(1,436,654)
	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 27 August 2022 are represented by:			
Property, plant and equipment	852,122	179,038	1,031,160
Current assets/(liabilities)	(1,338,905)	-	(1,338,905)
Long term liabilities	(1,166,594)	-	(1,166,594)
	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>

Restricted Funds are funds which have been given for particular purposes and projects. The restricted fund must be used for the purpose specified ie; roof appeal, the netball court, nursery play floor, Bay Window repairs, Pupil playground, quality improvement, ICT software and Early Years Foundation Stage canopy and play area.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2023

25 Operating lease commitments

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

	2023 £	2022 £
Within one year	5,454	5,454
Between two and five years	10,909	16,363
	<u>16,363</u>	<u>21,817</u>

The operating leases represent leases of telephones, copiers and computer equipment from third parties. The leases are negotiated over terms of 5 years and rentals are fixed for this period.

Amounts recognised in the Statement of Financial Activities for the year was £9,543 (2022 - £1,479).

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	135,494	142,423

Loans

During previous years, the school received loans from Governor Mr G D Dawber's immediate family and from the Chair of Governors Mrs E M MacAulay, shown in other loans in note 17.

These loans remain outstanding as follows:

Loans from the family of Mr G D Dawber

	Balance outstanding 27th August 2022 £	Advances in period £	Repayments in period £	Balance outstanding 27th August 2023 £
Loan from A Dawber (wife of Mr Dawber)	233,000	-	(25,000)	208,000
Loan from G Dawber (son of Mr Dawber)	145,000	-	(16,000)	129,000
	<u>378,000</u>	<u>-</u>	<u>(41,000)</u>	<u>337,000</u>

Above loans were originally agreed with interest payable at base rate plus 2.5% (minimum 3% pa).

As a result of a subsequent agreement, interest on the loans is now fixed at 3% pa.

The above loans are being repaid monthly from January 2024 subject to cashflow.

A repayment of £25,000 was made to A Dawber on 24th August 2023.

A repayment of £16,000 was made to G Dawber on 24th August 2023.

The terms of the loans, including interest rate payable, were approved by the Governors

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2023

26 Related party transactions

(Continued)

(excluding Mr Dawber) having regards to prevailing rates for loans and deposits.

Interest of £11,340 has been paid during the year and further interest totalling £22,656 is accrued at the year end.

The interest charge for the period in relation to the above loans is £11,316.

Loans from Mrs E M MacAulay (Chair of the Board of Governors)

	Balance outstanding 27th August 2022	Advances in period	Repayments in period	Balance outstanding 27th August 2023
	£	£	£	£
Loan from EM MacAulay	80,000	-	(9,000)	71,000
	<u>80,000</u>	<u>-</u>	<u>(9,000)</u>	<u>71,000</u>

Above loan was originally agreed with interest payable at base rate plus 2.5% (minimum 3% pa).

As a result of a subsequent agreement, interest on the loans is now fixed at 3% pa.

A repayment of £9,000 was made to Mrs E M MacAulay on 24th August 2023.

The amount of £71,000 due to Mrs E M MacAulay was outstanding as at 27th August 2023 the balance sheet date.

The terms of the loans, including interest rate payable, were approved by the Governors

(excluding Mrs MacAulay) having regards to prevailing rates for loans and deposits.

Interest of £2,400 has been paid during the year and further interest totalling £4,795 is accrued as at August 20223

The interest charge for the period in relation to the above loans is £2,395.

27 Cash generated from operations

2023
£ **2022**
£

Surplus/(deficit) for the year	188,719	(79,941)
Adjustments for:		
Investment income recognised in statement of financial activities	(122)	(21)
Depreciation and impairment of property, plant and equipment	97,097	87,656
Movements in working capital:		
(Increase) in trade and other receivables	(50,098)	(58,126)
Increase in trade and other payables	55,500	152,158
Increase/(decrease) in deferred income	91,671	(145,435)
Cash generated from/(absorbed by) operations	<u>382,767</u>	<u>(43,709)</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 AUGUST 2023

28 Analysis of changes in net (debt)/funds

	At 28 August 2022 £	Cash flows £	At 27 August 2023 £
Cash at bank and in hand	99,056	156,928	255,984
Loans falling due within one year	(468,000)	378,000	(90,000)
Loans falling due after more than one year	(1,081,667)	(318,000)	(1,399,667)
Obligations under finance leases	(71,884)	23,298	(48,586)
	<u>(1,522,495)</u>	<u>240,226</u>	<u>(1,282,269)</u>

POWNALL HALL SCHOOL TRUST LIMITED

England & Wales - Charity number 525929

Accounts

Charity registration number 525929

Company registration number 00661518 (England and Wales)

POWNALL HALL SCHOOL TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 AUGUST 2022

POWNALL HALL SCHOOL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Governors	Mrs E M MacAulay (Chair) Mr T F Barnes Mr G D Dawber Mr T J Wareham Mrs N M Wood Mr R B W Wood Mrs S Kelly Mrs D Hueting Mrs A Simmonds	(Appointed 21 February 2023) (Appointed 4 September 2023)
Headmaster	Mr D Goulbourn	
Secretary	Mr D Goulbourn	
Business Manager	Mr M Hughes	
Charity number	525929	
Company number	00661518	
Registered office	Pownall Hall School Carrwood Road Pownall Park Wilmslow Cheshire SK9 5DW	
Auditor	Josolyne LLP Merchant Exchange Waters Green Macclesfield Cheshire SK11 6JX	
Bankers	Lloyds Bank Group Plc 223 Finney Lane Cheadle Cheshire SK8 3PY	

POWNALL HALL SCHOOL TRUST LIMITED

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POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE PERIOD ENDED 27 AUGUST 2022

The Governors present their annual report and financial statements for the period ended 27 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 school's Memorandum and Articles of Association, 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

In setting objectives for the School and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public guidance on advancing education and fee charging. The Governors have for many years offered assistance with fees and the School has been particularly successful in attracting children whose parents would not be able to afford a full fee paying place. The assistance takes in to account the cost of extra curricular activities. The Governors are also conscious of the role that the School has always played, and continues to play, in the local community and this Report sets out details of activities which benefit all sections of that community. However we are not complacent in respect of the public benefit requirements; on the contrary we are continuously exploring opportunities to enhance the School's activities and use all its resources for the benefit of all strands of the local community.

Our School welcomes pupils from all backgrounds. There is no entrance requirement as such although in the upper forms an initial academic assessment is made, and this identifies the educational requirements and programme for the child. We have made significant investments in infrastructure to cater for the needs of children who are, or become, disabled. The welfare and progress of the children in every respect is a priority commitment and our procedures facilitate effective monitoring of development and success.

The School's objectives are the advancement of education for 6 months to 11 year old children. The Charity has also to maintain its heritage endowment, in particular the Hall which is a grade 2* listed building and various artefacts, books and works of art. The Governors have also emphasised the need to make the School's resources and activities available to the wider community and to contribute to the welfare of the community. The Governors also make bursaries available and are intent on achieving a wider access to the School, offering assisted places to children whose parents are unable to meet the full fees and making the School's resources available to the local community.

Within these Objects, the School's aim is to provide a first class independent education, based on excellent academic tuition and extra curricular activities involving the development of sporting, artistic and social skills in all its pupils. This is designed to provide an environment in which all pupils can develop and fulfil their potential, both in gaining access to the secondary school of their choice, and in building self confidence and a desire to contribute to the wider community.

The focus in the period ended 27 August 2022 and beyond has been on maintaining and improving academic performance; increasing contribution to the wider community both by activity and visibility in the community and by making the School's resources and activities available to others; actively pursuing the development and introduction of a bursary scheme; and investment in the School's infrastructure and facilities.

The activities which have contributed to the implementation of the School's strategy and the achievement of its objectives are dealt with in the next section of this Report.

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

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Governors to present a strategic report.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE PERIOD ENDED 27 AUGUST 2022

Achievements and performance

Education Quality and Compliance Inspections were undertaken by the Independent Schools Inspectorate in March 2017. The Inspectors concluded that the quality of the pupils' academic and other achievements is excellent and that the quality of the pupils' personal development is excellent. Specific mention was made of excellent performance in every aspect of pupils' education. The Inspectors made no recommendations themselves but commended the objectives in the School's strategic plan. The results of the Compliance Inspection were similarly positive with the School meeting the laid down standards. A further Compliance Inspection in March 2020 resulted in a very positive assessment. The Robins room for under 2 has also received an OFSTED inspection in July 23 and has received a 'Good' rating for all aspects which was a fantastic outcome for a provision which has been in operation for just 30 months. Finally, in order to obtain a Material Change Increase to the Schools Registered Capacity a further compliance inspection was carried out during 2023 and all expectations were found to have been met and the Material Change application was approved.

Our children continued to attain the highest quality academic standards. All the children in Form 6 achieved passes in the 11+ entrance examinations and were offered places at the secondary Schools of their choice, including Manchester Grammar School, Stockport Grammar School, The King's School Macclesfield, Cheadle Hulme School, Alderley Edge School for Girls, Altrincham Grammar School, Rossall School, Fleetwood, Hulme Hall Grammar School, Manchester high School, Withington High School, Hazel Grove High School. Our children received 56 offers of places including 6 scholarships.

Although the primary focus of the School is on academic success, all our children participate in many extra curricular activities which we consider essential for their development and prepares them for the rigorous demands of secondary school and beyond. There is considerable emphasis on music and drama. Many of the children passed music examinations and almost all are involved in choral activities. The majority of the senior school participated in excellent productions throughout the year, outstanding performances which received numerous accolades. All children in the School sung and performed in numerous concerts and plays. Our choirs participated in many public, as well as internal, performances during the year.

Sport continues to be an integral part of our children's activities and opportunities, and the all weather hard court, which was originally financed by a specific and generous donation from our Parents' Association, was extended and improved, again financed by our Parents' Committee and is used extensively for football, hockey, tennis, netball and other sports. This together with the Sports Hall and our extensive external facilities provides for a variety of sporting activities in which our children participate with great enthusiasm, enjoyment and success. Tennis, football, hockey, cricket, netball, cross-country, swimming, rugby and athletics are just some of the sports in which our children are extensively involved. No less important are other activities such as music, art, cooking and chess which add to the broad education which is provided.

The Governors in implementing the bursary policy, awarded a number of assisted places to children who otherwise would have been unable to attend the School. The Finance Governor continues to develop the formal policy and the Governors are anxious to ensure that assisted places are made available to the wider community on a consistent, equitable and realistic basis.

Considerable emphasis has been placed on updating the School's infrastructure and facilities. This year the focus has continued to be on enhancing and modernising teaching facilities. There has been further investment in ICT and the provision of interactive teaching and learning equipment in all classrooms and facilities is now complete. Progress has been made in achieving high speed broadband connectivity.

The Governors, staff and parents, together with their children, are particularly committed to the School's contribution to the wider local community. The Hall being a grade 2* listed Arts and Crafts building is opened to visitors on several occasions during the year. The School's sporting and other facilities are frequently used by local sports clubs and similar organisations and the Governors are seeking to extend this opportunity to those who are not fortunate enough to have their own facilities. Our children's plays and choral activities are provided to many in the community, in particular pensioners, and a considerable number of charitable activities are organised by all members of the School community.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE PERIOD ENDED 27 AUGUST 2022

The School's operations are funded in the main by fee income. However, the Governors and other volunteers and supporters of the School are alert to potential fundraising opportunities although these are largely focused on specific projects. The School's Parents' Committee is particularly active and successful in mounting social and other events and surpluses are typically used to purchase equipment for classrooms and other school facilities, entirely at the discretion of the Committee. The Governors would like to record their appreciation of the parents' contribution to the School.

Financial review

At 29 August 2021 the financing of the School comprised the interim loan of £1,050,000 from a personal lender and loans from Governors and their families of £458,000. The repayment of these loans had been extended to April 2022 to enable the Governors to conclude alternative funding arrangements. The adverse financial impact of the Covid pandemic, which had continued in to 20/21 and beyond, meant that the School was unable to meet the lending parameters and criteria indicated by our bankers as a requirement for refinancing. As a result an alternative source of finance was obtained again from a personal lender to replace the above mentioned loan of £1,050,000. This new loan for £1,050,000 commenced on 26th August 2022 and is interest free with no repayments required for a period of 3 years whilst the Governors source replacement finance from the School's bankers. During the period ended 27th August 2023 the school has commenced repayment of the Governors loans and the balance was reduced by £50,000 to £408,000.

Numbers in the School have increased throughout the period and continue to do so to the extent that the School was required to submit a material change application to increase the Registered Capacity of the School from 260 to 338 pupils which was subsequently approved. During this period the Nursery provision was expanded with the opening of the Robin's room to accommodate children from 6 months and upwards, but pupil numbers have also increased throughout the School rising from 231 on roll at the start of this school year to 272 on roll for the first day of term in 2022/23.

The Governors report a deficit of £79,941 for the period, compared to a deficit of £198,729 in the previous period, the improvement reflects the growth in pupil numbers during the year.

As a result of the deficit in this and the previous year the School continued to experience cash flow pressures. The Governors remain disappointed that our bankers were unable to approve a Coronavirus interruption loan of £200,000 although the School did receive a Bounce Back Loan of £50,000. The Governors are grateful to HMRC who granted deferred payment terms for PAYE and Teachers' Pension contributions.

During the subsequent year the cash flow pressures have significantly improved in line with rising pupil numbers. As a result, deferred payments of Teachers Pensions and PAYE as well as repayment of Governors loans have been made totalling in excess of £250,000.

Reserves policy

The Governors' policy towards reserves is to invest any surpluses in the School's facilities and infrastructure. Although this impacts on reserves only through the progressive recognition of depreciation in the Statement of Financial Activities, the impact on the School's cash resources is immediate. Consequently, the Governors think it appropriate that the overall financial position, including and in particular the cash position, informs and influences the policy on, and level of, reserves.

The Governors are conscious that the Unrestricted funds are in deficit. However, as stated above, the school is experiencing significant increases in numbers and although the impact of Covid-19 had postponed the return to profitability, the Governors expect that they will be able to report trading profits in the next and subsequent years. The sale of surplus land in 2017/18 yielded a significant profit and was consistent with the valuation of the School's freehold land and buildings, undertaken in 2012 as part of the negotiations in connection with the increased bank facilities, which indicated a value significantly in excess of the carrying value in the balance sheet.

Under the direction of the Governors and the Headmaster, the School has continued to invest in modernising and enhancing the teaching provision, and in the provision of new facilities which will enhance the education experience of our children. Essential, albeit modest, investment programmes were continued during this period. The current emphasis has been on new teaching and assessment schemes, as well as on direct contact teaching methods and content. Some of the investment was once again funded by our Parents' Committee and we again record our appreciation of their tireless activities, support and contribution.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE PERIOD ENDED 27 AUGUST 2022

The Board of Governors is responsible for the management of risks faced by the School. Detailed consideration and management of risks are delegated to the executive management team who report informally to the Business Management Committee ('BMC') and Board. The Governors have continued to implement enhanced risk management processes during the year. Major risks and issues are evaluated and considered at all management meetings and the risk identification, assessment and response process has been formally documented during the year. The Governors and executive management team are risk conscious and are satisfied that the major risks faced by the School have been managed and mitigated to an adequate extent. The governors recognise that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The key objectives of the medium to long term strategic plan are:

To achieve optimum capacity in each class throughout the School
To ensure that teaching capacity and capability is commensurate with these class sizes
To maintain the current high standards of academic achievement measured in the main by the success of the School's children in securing offers from the secondary schools of their choice
To continue to maintain the School's reputation for excellence in extra curricular activity in the arts, sport and community activity
To widen participation in the School by offering assisted places for children, and to make the School's resources, facilities and activities available to the wider community
To continue the programme of improving the School's infrastructure and facilities.

In the short term the Governors are conscious of the School's financial position. Initiatives to achieve efficiencies and economies in the cost base continue to be implemented and emphasis is being placed on initiatives to increase pupil numbers. The Governors will implement projects and initiatives only on the basis that the School remains within its financial facilities.

Structure, governance and management

The activities of the Trust are referred to in the Memorandum and Articles of Association which is the governing document of the Trust.

The Governors, who are also the directors for the purpose of company law, and who have served since 30th August 2021 were:

Mrs E M MacAulay (Chair)

Mr T F Barnes

Mr G D Dawber

Mr T J Wareham

Mrs L Window (Resigned 4 September 2023)

Mrs N M Wood

Mr R B W Wood

Mrs S Kelly

Mrs H F Jeys (Appointed 27 September 2021 and resigned 4 September 2023)

Mrs D Huetting (Appointed 21 February 2023)

Mrs A Simmonds (Appointed 4 September 2023)

In accordance with the Articles of Association, Mr G D Dawber, Mr T J Wareham and Mrs L Window will retire by rotation at the forthcoming AGM, and being eligible, will offer themselves for re-election.

The Trust does not have any share capital but each Governor is guarantor to the extent of £1. No Governor has a beneficial interest in the Trust.

Governors are elected by The Board of Governors having regard to the skills requirements of the Board. Each Governor contributes a specific area of expertise relevant to the management of the School.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE PERIOD ENDED 27 AUGUST 2022

The Governors, as the Charity Trustees, are legally responsible for the overall management and control of the School and meet at least five times a year. The work of implementing most of the policies laid down by the Board of Governors and the day to day management of the School is undertaken by the executive senior management team under the supervision of the BMC, chaired by the Chair of the Board, which meets at least five times a year before the meetings of the Board, and which normally includes the Deputy Chair (Finance Governor), Headmaster and Business Manager.

Statement of Governors' responsibilities

The Governors, who are also the directors of Pownall Hall School Trust Limited for the purpose of company law, are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the school and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Governors 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 school will continue in operation.

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the school 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 school 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 Josolyne LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Governors 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 Governors' report, including the strategic report, was approved by the Board of Governors.



Mr G D Dawber

Governor

Dated: 23 November 2023

POWNALL HALL SCHOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF POWNALL HALL SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Pownall Hall School Trust Limited (the 'school') for the period ended 27 August 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, 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 27 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 school 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

Due to the Statement of Financial Position showing net liabilities of £1,474,339 we draw your attention to the relevant disclosure in the Governors report and note 1.2.

Our opinion has not been modified in respect of this disclosure.

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 Governors 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 Governors' report for the financial period for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the Governors' report have been prepared in accordance with applicable legal requirements.

POWNALL HALL SCHOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF POWNALL HALL SCHOOL TRUST LIMITED

Matters on which we are required to report by exception

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

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors, who are also the directors of the school 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 Governors 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 Governors are responsible for assessing the school'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 Governors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and its industry, and determined that the most significant are those that relate to breaches of safeguarding, health and safety regulations, data protection and employment laws. We also considered those laws and regulations that have a direct effect on the financial statements such as FRS102 accounting principles and the Companies Act 2006. We have considered the extent to which non-compliance might have a material effect on the financial statements and also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements.

POWNALL HALL SCHOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF POWNALL HALL SCHOOL TRUST LIMITED

We established that the principal risks related to revenue recognition, management bias in accounting estimates and management override, recoverability of debtors, potential understatement of creditors and the going concern status of the school. Audit procedures performed included:

- Performed a reconciliation of total school fees to expectations based on pupil numbers and current fee rates.
- Reviewed fee invoices raised either side of the year end to ensure accounted for in the correct period.
- Vouched year end accruals and prepayment balances to supporting invoices.
- Reviewed payments and invoices post year end for omitted creditors and accruals.
- Checked cash received after date to confirm recoverability of year end debtors and ensure sufficient provision was included.
- Designed our audit procedures in order to incorporate unpredictability around the nature, timing or extent of our testing.
- Identified and tested journal entries to consider the appropriateness of journal entries and other adjustments;
- Assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of significant transactions that were unusual or outside the normal course of business.
- Challenged assumptions made by management in making their significant accounting estimates
- Reviewed financial statement disclosures and tested to supporting documentation to assess compliance with applicable laws and regulations.
- Reviewed managements assumptions with regard to the going concern status of the school. Reviewed profit and cash flow forecasts prepared for a period in excess of 12 months from approval of the accounts.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



James Bostock ACA (Senior Statutory Auditor)
for and on behalf of Josolyne LLP

23 November 2023

Chartered Accountants
Statutory Auditor

Merchant Exchange
Waters Green
Macclesfield
Cheshire
SK11 6JX

POWNALL HALL SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 27 AUGUST 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<u>Income and endowments from:</u>							
Gifts and special receipts	3	558	-	558	2,000	-	2,000
Incoming resources from charitable activities	4	2,382,289	-	2,382,289	2,072,881	-	2,072,881
Investment income	5	21	-	21	20	-	20
Other incoming resources	6	-	-	-	34,974	-	34,974
Total income		2,382,868	-	2,382,868	2,109,875	-	2,109,875
<u>Expenditure on:</u>							
Raising funds	7	8,114	-	8,114	8,940	-	8,940
Charitable activities	8	2,354,495	15,530	2,370,025	2,180,003	15,530	2,195,533
Other	12	84,670	-	84,670	104,131	-	104,131
Total expenditure		2,447,279	15,530	2,462,809	2,293,074	15,530	2,308,604
Net expenditure for the period/ Net movement in funds		(64,411)	(15,530)	(79,941)	(183,199)	(15,530)	(198,729)
Fund balances at 30 August 2021		(1,588,966)	194,568	(1,394,398)	(1,405,767)	210,098	(1,195,669)
Fund balances at 27 August 2022		(1,653,377)	179,038	(1,474,339)	(1,588,966)	194,568	(1,394,398)

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

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.

POWNALL HALL SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL POSITION

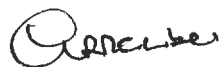
AS AT 27 AUGUST 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Property, plant and equipment	14		1,031,160		1,069,111
Current assets					
Trade and other receivables	16	101,331		43,205	
Cash at bank and in hand		99,056		204,584	
		<u>200,387</u>		<u>247,789</u>	
Current liabilities	19	(1,539,292)		(2,617,747)	
Net current liabilities			(1,338,905)		(2,369,958)
Total assets less current liabilities			(307,745)		(1,300,847)
Non-current liabilities	20		(1,166,594)		(93,551)
Net liabilities			<u>(1,474,339)</u>		<u>(1,394,398)</u>
Income funds					
Restricted funds	23		179,038		194,568
Unrestricted funds			(1,653,377)		(1,588,966)
			<u>(1,474,339)</u>		<u>(1,394,398)</u>

The financial statements were approved by the Governors on 23 November 2023



Mrs E M MacAulay (Chair)
Trustee



Mr G D Dawber
Trustee

Company registration number 00661518

POWNALL HALL SCHOOL TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 27 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	27		(43,709)		(62,308)
Investing activities					
Purchase of property, plant and equipment		(29,705)		(13,501)	
Investment income received		21		20	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(29,684)		(13,481)
Financing activities					
Proceeds from new bank loans		-		50,000	
Repayment of bank loans		(8,333)		-	
Payment of obligations under finance leases		(23,802)		(13,114)	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from financing activities			(32,135)		36,886
Net decrease in cash and cash equivalents			(105,528)		(38,903)
Cash and cash equivalents at beginning of period			204,584		243,487
Cash and cash equivalents at end of period			<u>99,056</u>		<u>204,584</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 27 AUGUST 2022

1 Accounting policies

Charity information

Pownall Hall School Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Pownall Hall School, Carrwood Road, Pownall Park, Wilmslow, Cheshire, SK9 5DW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the school's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") 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)" (effective 1 January 2019). The school is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financing of the School at 31 August 2022 comprised interim funding of £1.05m from a personal lender and loans of £458,000 from Governors and their families. The School's bankers, Lloyds, have orally indicated their willingness to consider replacing this funding based on the School's return to profitability. For the reasons more fully explained in the Governors' Report, discussions with Lloyds have been deferred as a result of the many issues arising from Covid-19.

The interim funding of £1.05m was agreed in August 2022 and is repayable on or before 26th August 2025.

The adverse financial impact of Covid-19 has been significant. The losses arising have been funded initially by a Bounce Back Loan of £50,000, a deferral of amounts due to HMRC, repayment of which by instalments commenced in October 2020 and have been completed in July 23 and finally by deferral of amounts due to Teachers Pension Scheme for which there is also a repayment plan in place. As a result the School has been funding the Covid-19 losses over a relatively short period and the Governors and School Executive have implemented measures to meet this funding requirement by income, cost and cash flow management. Based on these measures, forecasts for the year ending August 2023 show the school returning to positive trading cash flow and this has been evidenced by the settlement of arrears of PAYE and Teachers Pension totalling £101,361 and £99,000 respectively during the year ended 31st August 23 as well as a reduction in Governors loans of £50,000 during the same period.

Although the School has incurred a deficit during 21-22 and the statement of financial position show a cumulative deficit of £1.5m, this is of course with properties included at a depreciated cost well below their current values. During the year ended 31st August 23 the settlement of borrowings as detailed above in excess of £250,000 clearly demonstrates that the School is having no difficulty meeting liabilities as they fall due and is generating significant operating cash flows. Draft management accounts and forecasts for the years to August 2023 and August 2024 show significant surpluses that will continue to generate sufficient cashflows to reduce borrowings further before the personal lender finance of £1.05m is due for repayment in August 2025. By this time the expectation is that the School will have both the August 2023 and August 2024 accounts approved and showing significant surpluses that will support refinancing of the £1.05m loan facility. The Trustees therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual accounts.

1.3 Charitable funds

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

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2022

1 Accounting policies

(Continued)

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 school.

1.4 Incoming resources

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.

Fee income is recognised in the Statement of Financial Activities on the accruals basis. Fees received in advance of education to be provided in future years are held until either taken to income in the term or else refunded.

Cash donations are recognised on receipt. Other donations are recognised once the school 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 school 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.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is accounted for on an accruals basis. The cost headings comprise expenditure, including staff costs and depreciation, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a fair and reasonable basis.

Support costs comprise all services including an appropriate proportion of general overheads specifically identified as wholly or mainly incurred in support of the direct charitable expenditure.

Governance costs comprise the costs incurred in managing the schools assets, organisational management, administration of and compliance with the statutory requirements of the school.

Where overheads and other costs cannot be directly attributed they have been allocated on the basis of management estimates of the amount attributable to such activities, either by reference to staff time or space occupied, if material. Expenses are inclusive of VAT as it is irrecoverable.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2022

1 Accounting policies

(Continued)

1.6 Property, plant and equipment

Property, plant and equipment 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	over 50 years
Prefab buildings	over 20 years
Plant and machinery	over 5 years
Fixtures, fittings, plant and equipment	over 10 years
Computers and office equipment	over 5 years
Motor vehicles	over 4 years

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 non-current 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 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.

1.9 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 trade and other receivables 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.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables 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 payables 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 payables 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.

1.10 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.

1.11 Retirement benefits

The School participates in a multi employer pension scheme, the Government's Teachers Pension Defined Benefits Scheme, for its teaching staff. The pension liability is the responsibility of the Teachers' Pensions. As a result it is not possible to identify the assets and liabilities of the scheme that are attributable to the school. Accordingly, the scheme is accounted for as if it were a defined contributions scheme.

The school also contributes to defined contribution schemes for non-teaching staff. Contributions payable for the year are charged in the Statement of Financial Activities.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.13 Government grants

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

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

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2022

1 Accounting policies

(Continued)

1.14 Fees in advance

Fees received in advance are deferred until such time that they become receivable, and are then recognised in the Statement of Financial Activities.

2 Critical accounting estimates and judgements

In the application of the school's accounting policies, the Governors 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 Gifts and special receipts

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2022	2022	2022	2021
	£	£	£	£
Donations and gifts	558	-	558	2,000

4 Incoming resources from charitable activities

	Gross fees	Less: Total bursaries, grants and allowances	Total 2022	Gross fees	Less: Total bursaries, grants and allowances	Total 2021
	2022	2022		2021	2021	
	£	£	£	£	£	£
Sales within charitable activities	2,520,684	(178,566)	2,342,118	2,257,481	(200,978)	2,056,503
Other income	40,171	-	40,171	16,378	-	16,378
	<u>2,560,855</u>	<u>(178,566)</u>	<u>2,382,289</u>	<u>2,273,859</u>	<u>(200,978)</u>	<u>2,072,881</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2022

5 Investment income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	21	20

6 Other incoming resources

	Unrestricted funds	Total Unrestricted funds	Unrestricted funds
	2022	2022	2021
	£	£	£
Government grants	-	-	34,974

The above represents amounts receivable under the Coronavirus Job Retention Scheme.

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Advertising	8,114	8,940

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 AUGUST 2022

8 Charitable activities	Teaching	Premises	Support costs of schooling	Total 2022	Total 2021
	2022	2022	2022		
	£	£	£	£	£
Staff costs	1,503,580	56,796	259,461	1,819,837	1,644,739
Depreciation and impairment	45,763	38,557	3,336	87,656	97,420
Other charitable expenditure	40,146	177,210	217,450	434,806	416,140
	<u>1,589,489</u>	<u>272,563</u>	<u>480,247</u>	<u>2,342,299</u>	<u>2,158,299</u>
Share of governance costs (see note 9)	-	-	27,726	27,726	37,234
	<u>1,589,489</u>	<u>272,563</u>	<u>507,973</u>	<u>2,370,025</u>	<u>2,195,533</u>
Analysis by fund					
Unrestricted funds	1,586,073	260,449	507,973	2,354,495	2,180,003
Restricted funds	3,416	12,114	-	15,530	15,530
	<u>1,589,489</u>	<u>272,563</u>	<u>507,973</u>	<u>2,370,025</u>	<u>2,195,533</u>
For the period ended 29 August 2021					
Unrestricted funds	1,444,074	258,642	477,287		2,180,003
Restricted funds	3,416	12,114	-		15,530
	<u>1,447,490</u>	<u>270,756</u>	<u>477,287</u>		<u>2,195,533</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 AUGUST 2022

9 Support costs

	Support costs £	Governance costs £	2022 £	2021 £	Basis of allocation
Staff costs	259,461	-	259,461	247,021	
Depreciation	3,336	-	3,336	3,440	
Printing, postage and office stationery	30,814	-	30,814	22,935	
Telephone costs	14,034	-	14,034	5,818	
Motor and travel	9,152	-	9,152	6,895	
School costs	79,944	-	79,944	50,462	
Computer costs	22,131	-	22,131	20,974	
Legal, professional and consultancy fees	14,182	-	14,182	1,530	
Equipment hire	879	-	879	5,882	
Bad and doubtful debts	12,523	-	12,523	60,119	
Subscriptions and donations	18,314	-	18,314	3,089	
Sundry expenses	10,051	-	10,051	11,888	
			-		
Audit fees	-	14,400	14,400	12,600	Governance
Accountancy and payroll	-	10,471	10,471	21,660	Governance
School inspection costs	-	2,855	2,855	2,974	Governance
	<u>474,821</u>	<u>27,726</u>	<u>502,547</u>	<u>477,287</u>	
Analysed between					
Charitable activities	<u>480,247</u>	<u>27,726</u>	<u>507,973</u>	<u>477,287</u>	

Governance costs includes payments to the auditors of £14,400 (2021- £12,600) for audit fees. In addition costs of £10,471 were incurred on accountancy, bookkeeping and payroll services (2021 - £21,660).

10 Governors

None of the Governors (or any persons connected with them) received any remuneration during the period and total reimbursed expenses amounted to £Nil.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2022

11 Employees

The average monthly number of employees during the period was:

	2022 Number	2021 Number
Teaching staff	52	46
Support staff	17	16
Total	69	62

Employment costs

	2022 £	2021 £
Wages and salaries	1,489,985	1,341,773
Social security costs	131,201	111,442
Other pension costs	198,651	191,524
	1,819,837	1,644,739

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

	2022 Number	2021 Number
£80,001 - £90,000	1	1

Of the employees whose emoluments exceed £60,000, 1 (2021 - 1) has retirement benefits accruing under a defined benefit pension scheme (TPS) described more fully in note 21.

12 Other

	2022 £	2021 £
Financing interest and charges	84,670	104,131
	84,670	104,131

13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 AUGUST 2022

14 Property, plant and equipment

	Freehold land and buildings	Fixtures, fittings, plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 30 August 2021	1,601,891	996,166	27,000	2,625,057
Additions	-	29,705	20,000	49,705
Disposals	-	-	(27,000)	(27,000)
At 27 August 2022	1,601,891	1,025,871	20,000	2,647,762
Depreciation and impairment				
At 30 August 2021	712,892	816,054	27,000	1,555,946
Depreciation charged in the period	30,715	56,941	-	87,656
Eliminated in respect of disposals	-	-	(27,000)	(27,000)
At 27 August 2022	743,607	872,995	-	1,616,602
Carrying amount				
At 27 August 2022	858,284	152,876	20,000	1,031,160
At 29 August 2021	888,999	180,112	-	1,069,111

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £23,105 (2021 - £31,371) for the period.

	2022 £	2021 £
Motor vehicles	20,000	-
Computers and office equipment	39,313	62,418
	59,313	62,418

15 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	41,325	26,442
Carrying amount of financial liabilities		
Measured at amortised cost	2,115,279	2,015,690

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 AUGUST 2022

16 Trade and other receivables	2022	2021
Amounts falling due within one year:	£	£
Trade receivables	41,325	26,322
Other receivables	-	120
Prepayments and accrued income	60,006	16,763
	<u>101,331</u>	<u>43,205</u>
17 Borrowings	2022	2021
	£	£
Bank loans	41,667	50,000
Other loans	1,508,000	1,508,000
	<u>1,549,667</u>	<u>1,558,000</u>
Payable within one year	468,000	1,516,333
Payable after one year	1,081,667	41,667
	<u></u>	<u></u>

The loan of £1,050,000 from a third party individual is secured by a legal charge over the property known as Pownall Hall School, Carrwood Road, Wilmslow, SK9 5DW.

The loan from the third party individual was replaced in the year by a loan of the same amount from another third party individual on 26th August 2022

The original loan carried an interest rate of 5% pa.

The new loan is interest free for a period 36 months at which point the school will have obtained replacement funds from its bankers.

The loans from the Governor's and their families carry an interest rate of 2.5% pa above base (minimum 3% pa), although 3% per annum has now been agreed as the maximum rate. These loans have since been extended and repayments have commenced. During the year ended 31st August 2023 there has been a £50,000 repayment of these loans and a monthly repayment plan is now in place which will be accelerated once the Teacher Pension Scheme settlement is complete. The expectation is that these loans will be reduced by a further £155,000 during the year ending 31st August 2024.

Additional commentary on these loans is provided in the Governors' Report and in Note 1.2.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 AUGUST 2022

18 Finance lease commitments

Future minimum lease payments due under finance leases:

	2022 £	2021 £
Within one year	29,014	33,869
Within two and five years	55,694	62,546
	<u>84,708</u>	<u>96,415</u>
Less: future finance charges	(12,824)	(20,729)
	<u><u>71,884</u></u>	<u><u>75,686</u></u>

The above represents finance leases to acquire equipment and motor vehicles entered into for a term of 3 or 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The finance lease creditors are secured over the assets to which they relate.

19 Current liabilities

	Notes	2022 £	2021 £
Bank loans	17	10,000	8,333
Obligations under finance leases	18	22,552	23,802
Other borrowings		458,000	1,508,000
Other taxation and social security		134,379	93,945
Deferred income	21	420,633	601,663
Trade payables		71,562	68,165
Other payables		357,643	233,133
Accruals		64,523	80,706
		<u>1,539,292</u>	<u>2,617,747</u>

Other payable includes deposits of £144,334 (2021- £90,834) technically payable with one terms notice hence included as due in under 1 year, However, expectation is that these will be repaid over a number of years as each pupil leaves the school.

20 Non-current liabilities

	Notes	2022 £	2021 £
Bank loans	17	31,667	41,667
Obligations under finance leases	18	49,332	51,884
Other borrowings		1,050,000	-
Deferred income	21	35,595	-
		<u>1,166,594</u>	<u>93,551</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 AUGUST 2022

21 Deferred income

	2022 £	2021 £
Arising from Advance fees and deposits	456,228	601,663

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Current liabilities	420,633	601,663
Non-current liabilities	35,595	-
	<u>456,228</u>	<u>601,663</u>

Fees in advance movement

	2022 £
Brought forward August 2020	527,465
Utilised in year	(527,465)
Received in the year	601,663
	<u>456,228</u>

Parents may enter into an agreement to pay the school fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice.

In addition the school receives advance payments from Cheshire East in respect of childcare funding for the Early years pupils and from parents prior to the start of the Michaelmas term in September.

The amounts paid in advance are split between fees in connection with the year ended 31st August 2023 and lifetime fees paid for future school years post 31st August 2023.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 AUGUST 2022

22 Retirement benefit schemes

The school participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the scheme of £188,228 (2021- £182,775) and at the year end contributions of £229,285 (2021 - £129,971) accrued in respect of contributions to the scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. 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 Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

The charge to profit or loss in respect of defined contribution schemes was £10,423 (2021 - £8,749). and at the year end £2,425 was accrued (2021 - £3,300) in respect of contributions to this scheme.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 AUGUST 2022

23 Restricted funds

The funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes. The expended resources relate to the depreciation charges for the period and repair work undertaken in the year. At the year end, unexpended income was £179,038 (2021 - £194,568)

	Balance at 30 August 2020	Resources expended	Balance at 30 August 2021	Resources expended	Balance at 27 August 2022
	£	£	£	£	£
Roof appeal	87,601	(2,576)	85,025	(2,576)	82,449
Playmatt Netball/Tennis court	19,852	(537)	19,315	(537)	18,778
Playground	6,651	(2,217)	4,434	(2,217)	2,217
EYFS Canopy and play area	11,231	(2,620)	8,611	(2,620)	5,991
Nursery canopy	2,503	(626)	1,877	(626)	1,251
Astro turf	34,761	(756)	34,005	(756)	33,249
Outdoor classroom and lighting	10,665	(1,517)	9,148	(1,517)	7,631
Cricket works	3,946	(82)	3,864	(82)	3,782
Radio station	7,200	(2,400)	4,800	(2,400)	2,400
Ipads	3,048	(1,016)	2,032	(1,016)	1,016
Stage lighting, sound and recording equipment	6,894	(862)	6,032	(862)	5,170
Outdoor play area	15,746	(321)	15,425	(321)	15,104
	<u>210,098</u>	<u>(15,530)</u>	<u>194,568</u>	<u>(15,530)</u>	<u>179,038</u>

24 Analysis of net assets between funds

	Unrestricted funds 2022	Restricted funds 2022	Total Unrestricted funds 2022	Restricted funds 2021	Total 2021
	£	£	£	£	£
Fund balances at 27 August 2022 are represented by:					
Property, plant and equipment	852,122	179,038	1,031,160	874,543	1,069,111
Current assets/(liabilities)	(1,338,905)	-	(1,338,905)	(2,369,958)	(2,369,958)
Long term liabilities	(1,166,594)	-	(1,166,594)	(93,551)	(93,551)
	<u>(1,653,377)</u>	<u>179,038</u>	<u>(1,474,339)</u>	<u>194,568</u>	<u>(1,394,398)</u>

Restricted Funds are funds which have been given for particular purposes and projects. The restricted fund must be used for the purpose specified ie; roof appeal, the netball court, nursery play floor, Bay Window repairs, Pupil playground, quality improvement, ICT software and Early Years Foundation Stage canopy and play area.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 AUGUST 2022

25 Operating lease commitments

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

	2022	2021
	£	£
Within one year	5,454	900
Between two and five years	16,363	-
	<u>21,817</u>	<u>900</u>

The operating leases represent leases of telephones, copiers and computer equipment from third parties. The leases are negotiated over terms of 5 years and rentals are fixed for this period.

Amounts recognised in the Statement of Financial Activities for the year was £1,242 (2020 - £1,242).

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022	2021
	£	£
Aggregate compensation	<u>142,423</u>	<u>154,404</u>

Loans

During previous years, the school received loans from Governor Mr G D Dawber's immediate family and from the Chair of Governors Mrs E M MacAulay, shown in other loans in note 17.

These loans remain outstanding as follows:

Loans from the family of Mr G D Dawber

	Balance outstanding 30th August 2021	Advances in period	Repayments in period	Balance outstanding 27th August 2022
	£	£	£	£
Loan from A Dawber (wife of Mr Dawber)	233,000	-	-	233,000
Loan from G Dawber (son of Mr Dawber)	145,000	-	-	145,000
	<u>378,000</u>	<u>-</u>	<u>-</u>	<u>378,000</u>

Above loans were originally agreed with interest payable at base rate plus 2.5% (minimum 3% pa).

As a result of a subsequent agreement, interest on the loans is now fixed at 3% pa.

The whole of the above loans have been classified as short term representing conditions existing at the balance sheet date.

However subsequent extension of the loan has confirmed that this balance will not be repaid until alternative long term finance is agreed.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 AUGUST 2022

26 Related party transactions

(Continued)

The terms of the loans, including interest rate payable, were approved by the Governors (excluding Mr Dawber) having regards to prevailing rates for loans and deposits. Interest of £10,546 has been paid during the year and further interest totalling £22,680 is accrued at the year end.

The interest charge for the period in relation to the above loans is £11,380.

Loans from Mrs E M MacAulay (Chair of the Board of Governors)

	Balance outstanding 30th August 2021	Advances in period	Repayments in period	Balance outstanding 27th August 2022
	£	£	£	£
Loan from EM MacAulay	80,000	-	-	80,000
	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>80,000</u>

Above loan was originally agreed with interest payable at base rate plus 2.5% (minimum 3% pa).

As a result of a subsequent agreement, interest on the loans is now fixed at 3% pa.

The full amount of £80,000 due to Mrs E M MacAulay was outstanding as at 27th August 2022 the balance sheet date.

However subsequent extension of the loan has confirmed that this balance will not be repaid until alternative long term finance is agreed.

The terms of the loans, including interest rate payable, were approved by the Governors (excluding Mrs MacAulay) having regards to prevailing rates for loans and deposits.

Interest of £2,400 has been paid during the year and further interest totalling £4,800 is accrued as at August 2022.

The interest charge for the period in relation to the above loans is £2,400.

27 Cash generated from operations

	2022 £	2021 £
Deficit for the period	(79,941)	(198,729)
Adjustments for:		
Investment income recognised in statement of financial activities	(21)	(20)
Depreciation and impairment of property, plant and equipment	87,656	97,420
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(58,126)	50,188
Increase/(decrease) in trade and other payables	152,158	(85,365)
(Decrease)/increase in deferred income	(145,435)	74,198
Cash absorbed by operations	<u>(43,709)</u>	<u>(62,308)</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 AUGUST 2022

28 Analysis of changes in net (debt)/funds

	At 30 August 2021	Cash flows	New finance leases	At 27 August 2022
	£	£	£	£
Cash at bank and in hand	204,584	(105,528)	-	99,056
Loans falling due within one year	(1,516,333)	1,048,333	-	(468,000)
Loans falling due after more than one year	(41,667)	(1,040,000)	-	(1,081,667)
Obligations under finance leases	(75,686)	23,802	(20,000)	(71,884)
	<u>(1,429,102)</u>	<u>(73,393)</u>	<u>(20,000)</u>	<u>(1,522,495)</u>

POWNALL HALL SCHOOL TRUST LIMITED

England & Wales - Charity number 525929

Accounts

Charity registration number 525929

Company registration number 00661518 (England and Wales)

POWNALL HALL SCHOOL TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 AUGUST 2021

POWNALL HALL SCHOOL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Governors	Mrs E M MacAulay (Chair) Mr T F Barnes Mr G D Dawber Mr T J Wareham Mrs L Window Mrs N M Wood Mr R B W Wood Mrs S Kelly
Headmaster	Mr D Goulbourn
Secretary	Mr D Goulbourn
Business Manager	Mrs P Dhoot
Charity number	525929
Company number	00661518
Registered office	Pownall Hall School Carrwood Road Pownall Park Wilmslow Cheshire SK9 5DW
Auditor	Josolyne LLP Merchant Exchange Waters Green Macclesfield Cheshire SK11 6JX
Bankers	Lloyds Bank Group Plc 223 Finney Lane Cheadle Cheshire SK8 3PY

POWNALL HALL SCHOOL TRUST LIMITED

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POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 29 AUGUST 2021

The Governors present their annual report and financial statements for the year ended 29 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 school's Memorandum and Articles of Association, 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

In setting objectives for the School and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public guidance on advancing education and fee charging. The Governors have for many years offered assistance with fees and the School has been particularly successful in attracting children whose parents would not be able to afford a full fee paying place. The assistance takes in to account the cost of extra curricular activities. The Governors are also conscious of the role that the School has always played, and continues to play, in the local community and this Report sets out details of activities which benefit all sections of that community. However we are not complacent in respect of the public benefit requirements; on the contrary we are continuously exploring opportunities to enhance the School's activities and use all its resources for the benefit of all strands of the local community.

Our School welcomes pupils from all backgrounds. There is no entrance requirement as such although in the upper forms an initial academic assessment is made, and this identifies the educational requirements and programme for the child. We have made significant investments in infrastructure to cater for the needs of children who are, or become, disabled. The welfare and progress of the children in every respect is a priority commitment and our procedures facilitate effective monitoring of development and success.

The School's objectives are the advancement of education for 2 to 11 year old children. The Charity has also to maintain its heritage endowment, in particular the Hall which is a grade 2* listed building and various artefacts, books and works of art. The Governors have also emphasised the need to make the School's resources and activities available to the wider community and to contribute to the welfare of the community. The Governors also make bursaries available and are intent on achieving a wider access to the School, offering assisted places to children whose parents are unable to meet the full fees and making the School's resources available to the local community.

Within these Objects, the School's aim is to provide a first class independent education, based on excellent academic tuition and extra curricular activities involving the development of sporting, artistic and social skills in all its pupils. This is designed to provide an environment in which all pupils can develop and fulfil their potential, both in gaining access to the secondary school of their choice, and in building self confidence and a desire to contribute to the wider community.

The focus in the period ended 29 August 2021 and beyond has been on maintaining and improving academic performance; increasing contribution to the wider community both by activity and visibility in the community and by making the School's resources and activities available to others; actively pursuing the development and introduction of a bursary scheme; and investment in the School's infrastructure and facilities.

The activities which have contributed to the implementation of the School's strategy and the achievement of its objectives are dealt with in the next section of this Report.

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

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Governors to present a strategic report.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 29 AUGUST 2021

Achievements and performance

Education Quality and Compliance Inspections were undertaken by the Independent Schools Inspectorate in March 2017. The Inspectors concluded that the quality of the pupils' academic and other achievements is excellent and that the quality of the pupils' personal development is excellent. Specific mention was made of excellent performance in every aspect of pupils' education. The Inspectors made no recommendations themselves but commended the objectives in the School's strategic plan. The results of the Compliance Inspection were similarly positive with the School meeting the laid down standards. A further Compliance Inspection in March 2020 resulted in a very positive assessment.

Our children continued to attain the highest quality academic standards. All the children in Form 6 achieved passes in the 11+ entrance examinations, and were offered places at the secondary schools of their choice, including Manchester Grammar School, Stockport Grammar School, The King's School Macclesfield, Cheadle Hulme School, St Ambrose, Alderley Edge School for Girls and Wilmslow High School. Our children received 64 offers of places including 9 scholarships.

The impact of the Covid pandemic continued throughout 2020/21. The Governors would like to formally thank the Headmaster and his teaching staff for their continued immense efforts, thanks and appreciation for which have also been expressed by many parents. So many said that our provision during this very difficult time was second to none.

Although the primary focus of the School is on academic success, all our children participate in many extra curricular activities which we consider essential for their development and prepares them for the rigorous demands of secondary school and beyond. There is considerable emphasis on music and drama. Many of the children passed music examinations and almost all are involved in choral activities. The majority of the senior school participated in excellent productions throughout the year, outstanding performances which received numerous accolades. All children in the School sung and performed in numerous concerts and plays. Our choirs participated in many public, as well as internal, performances during the year.

Sport continues to be an integral part of our children's activities and opportunities, and the all weather hard court, which was originally financed by a specific and generous donation from our Parents' Association, was extended and improved, again financed by our Parents' Committee and is used extensively for football, hockey, tennis, netball and other sports. This together with the Sports Hall and our extensive external facilities provides for a variety of sporting activities in which our children participate with great enthusiasm, enjoyment and success. Tennis, football, hockey, cricket, netball, cross-country, swimming, rugby and athletics are just some of the sports in which our children are extensively involved. No less important are other activities such as music, art, cooking and chess which add to the broad education which is provided.

As a result of the continuing COVID 19 Pandemic External activities were restricted throughout 2020/21.

The Governors in implementing the bursary policy, awarded a number of assisted places to children who otherwise would have been unable to attend the School. The Finance Governor continues to develop the formal policy and the Governors are anxious to ensure that assisted places are made available to the wider community on a consistent, equitable and realistic basis.

Considerable emphasis has been placed on updating the School's infrastructure and facilities. This year the focus has continued to be on enhancing and modernising teaching facilities. There has been further investment in ICT and the provision of interactive teaching and learning equipment in all classrooms and facilities is now complete. Progress has been made in achieving high speed broadband connectivity.

The Governors, staff and parents, together with their children, are particularly committed to the School's contribution to the wider local community. The Hall being a grade 2* listed Arts and Crafts building is opened to visitors on several occasions during the year. The School's sporting and other facilities are frequently used by local sports clubs and similar organisations and the Governors are seeking to extend this opportunity to those who are not fortunate enough to have their own facilities. Our children's plays and choral activities are provided to many in the community, in particular pensioners, and a considerable number of charitable activities are organised by all members of the School community.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 29 AUGUST 2021

The School's operations are funded in the main by fee income. However, the Governors and other volunteers and supporters of the School are alert to potential fundraising opportunities although these are largely focused on specific projects. The School's Parents' Committee is particularly active and successful in mounting social and other events and surpluses are typically used to purchase equipment for classrooms and other school facilities, entirely at the discretion of the Committee. The Governors would like to record their appreciation of the parents' contribution to the School.

Financial review

At 29 August 2021 the financing of the School comprised the interim loan of £1,050,000 from a personal lender and loans from Governors and their families of £458,000. The repayment of these loans had been extended to April 2022 to enable the Governors to conclude alternative funding arrangements. The adverse financial impact of the Covid pandemic, which has continued in to 20/21 and beyond, has meant that the School is unable presently to meet the lending parameters and criteria indicated by our bankers as a requirement for refinancing. Discussions with the bankers are ongoing as are discussions with the personal lender and Governors. Although the Governors have not sought a further repayment deferral of the loans, they are comfortable that no precipitative action will be taken by the personal lender or Governors in respect of their loans, especially as discussions are ongoing. Agreement has now been reached with another personal lender for an advance of £1,050,000 to replace the current loan.

The Governors report a deficit of £198,729 for the period, compared to a deficit of £186,607 In the previous period.

Numbers in the School were lower than expected in 2020/21 primarily in Nursery and Kindergarten and session bookings were also much lower throughout the year, as a result of the restrictions and in particular the incidence of working from home.

The School experienced a much greater incidence of irrecoverable debts, as a result of parents being in financial difficulty - some were granted additional discount, others were granted deferred payment terms which are ongoing at the date of approval of this report.

Additional costs were incurred in ensuring that School infrastructure and deployment of resources complied with the social distancing and other requirements when on site provision resumed.

It will be evident that the School suffered a significant loss of income as well as exceptional costs.

As a result the School has experienced, and is still experiencing, cash flow pressures. The Governors remain disappointed that our bankers were unable to approve a Coronavirus interruption loan of £200,000 although the School did receive a Bounce Back Loan of £50,000. The Governors are grateful to HMRC who granted deferred payment terms for PAYE and Teachers' Pension contributions. At the date of approval of this report, the School has repaid approximately £200,000 of backlog PAYE. The Governors note that repayment of the interruption loan would have been over 5 years starting in September 2021 – at the date of approval of this report, repayments of only around £30,000 would have been made.

The cash flow pressures continue and the Governors recognise the uncertainty of the School's financial position as a result, and the Governors acknowledge the additional uncertainty in respect of the repayment of the loans described above.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 29 AUGUST 2021

Reserves policy

The Governors' policy towards reserves is to invest any surpluses in the School's facilities and infrastructure. Although this impacts on reserves only through the progressive recognition of depreciation in the Statement of Financial Activities, the impact on the School's cash resources is immediate. Consequently the Governors think it appropriate that the overall financial position, including in particular the cash position, informs and influences the policy on, and level of, reserves.

The Governors are conscious that the Unrestricted funds are in deficit. However, as stated above, the school is experiencing stability in numbers and although the impact of Covid-19 has postponed the return to profitability, the Governors expect that they will be able to report trading profits in future years. The sale of surplus land in 2017/18 yielded a significant profit and was consistent with the valuation of the School's freehold land and buildings, undertaken in 2012 as part of the negotiations in connection with the increased bank facilities, which indicated a value significantly in excess of the carrying value in the balance sheet.

Under the direction of the Governors and the Headmaster, the School has continued to invest in modernising and enhancing the teaching provision, and in the provision of new facilities which will enhance the education experience of our children. Essential, albeit modest, investment programmes were continued during this period. The current emphasis has been on new teaching and assessment schemes, as well as on direct contact teaching methods and content. Some of the investment was once again funded by our Parents' Committee and we again record our appreciation of their tireless activities, support and contribution.

The Board of Governors is responsible for the management of risks faced by the School. Detailed consideration and management of risks are delegated to the executive management team who report informally to the Business Management Committee ('BMC') and Board. The Governors have continued to implement enhanced risk management processes during the year. Major risks and issues are evaluated and considered at all management meetings and the risk identification, assessment and response process has been formally documented during the year. The Governors and executive management team are risk conscious and are satisfied that the major risks faced by the School have been managed and mitigated to an adequate extent. The governors recognise that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The key objectives of the medium to long term strategic plan are:

- To achieve optimum capacity in each class throughout the School
- To ensure that teaching capacity and capability is commensurate with these class sizes
- To maintain the current high standards of academic achievement measured in the main by the success of the School's children in securing offers from the secondary schools of their choice
- To continue to maintain the School's reputation for excellence in extra curricular activity in the arts, sport and community activity
- To widen participation in the School by offering assisted places for children, and to make the School's resources, facilities and activities available to the wider community
- To continue the programme of improving the School's infrastructure and facilities.

In the short term the Governors are conscious of the School's financial position. Initiatives to achieve efficiencies and economies in the cost base continue to be implemented and emphasis is being placed on initiatives to increase pupil numbers. The Governors will implement projects and initiatives only on the basis that the School remains within its financial facilities.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 29 AUGUST 2021

Structure, governance and management

The activities of the Trust are referred to in the Memorandum and Articles of Association which is the governing document of the Trust.

The Governors, who are also the directors for the purpose of company law, and who have served since 1st September 2020 were:

Mrs E M MacAulay (Chair)

Mr T F Barnes

Mr G D Dawber

Mr T J Wareham

Mrs L Window

Mrs N M Wood

Mr R B W Wood

Mrs S Kelly

In accordance with the Articles of Association, Mr G D Dawber, Mr T J Wareham and Mrs L Window will retire by rotation at the forthcoming AGM, and being eligible, will offer themselves for re-election.

The Trust does not have any share capital but each Governor is guarantor to the extent of £1. No Governor has a beneficial interest in the Trust.

Governors are elected by The Board of Governors having regard to the skills requirements of the Board. Each Governor contributes a specific area of expertise relevant to the management of the School.

The Governors, as the Charity Trustees, are legally responsible for the overall management and control of the School and meet at least five times a year. The work of implementing most of the policies laid down by the Board of Governors and the day to day management of the School is undertaken by the executive senior management team under the supervision of the BMC, chaired by the Chair of the Board, which meets at least five times a year before the meetings of the Board, and which normally includes the Deputy Chair (Finance Governor), Headmaster and Business Manager.

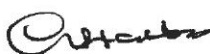
Auditor

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

Disclosure of information to auditor

Each of the Governors 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 Governors' report, including the strategic report, was approved by the Board of Governors.



.....
Mr G D Dawber

Governor

Dated: 21 June 2022

POWNALL HALL SCHOOL TRUST LIMITED

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 29 AUGUST 2021

The Governors, who are also the directors of Pownall Hall School Trust Limited for the purpose of company law, are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the school 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 Governors 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 school will continue in operation.

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

POWNALL HALL SCHOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE GOVERNORS OF POWNALL HALL SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Pownall Hall School Trust Limited (the 'school') for the year ended 29 August 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, 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 29 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 school 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 the provisions available for small entities, in the circumstances set out in note 29 to the financial statements, 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

Due to the Statement of Financial Position showing net liabilities of £1,394,398 we draw your attention to the relevant disclosure in the Governors report and note 1.2.

Our opinion has not been modified in respect of this disclosure.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that there is no formal agreement in place to extend the repayment date of the loan beyond the current repayment date of April 2022. The governors have agreement from another personal lender to replace the current £1.05m loan and this should be finalised before the start of the school year. As stated in the note 1.2, the potential for a requirement to repay this facility if the new lending is not finalised along with the uncertainty caused by the COVID pandemic and meeting the related cash costs as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

POWNALL HALL SCHOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF POWNALL HALL SCHOOL TRUST LIMITED

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

Matters on which we are required to report by exception

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' 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.

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors, who are also the directors of the school 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 Governors 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 Governors are responsible for assessing the school'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 Governors 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.

POWNALL HALL SCHOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF POWNALL HALL SCHOOL TRUST LIMITED

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and its industry, and determined that the most significant are those that relate to breaches of safeguarding, health and safety regulations, data protection and employment laws. We also considered those laws and regulations that have a direct effect on the financial statements such as FRS102 accounting principles and the Companies Act 2006. We have considered the extent to which non-compliance might have a material effect on the financial statements and also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements.

We established that the principal risks related to revenue recognition, management bias in accounting estimates and management override, recoverability of debtors, potential understatement of creditors and the going concern status of the school. Audit procedures performed included:

- Performed a reconciliation of total school fees to expectations based on pupil numbers and current fee rates.
- Reviewed fee invoices raised either side of the year end to ensure accounted for in the correct period.
- Vouched year end accruals and prepayment balances to supporting invoices.
- Reviewed payments and invoices post year end for omitted creditors and accruals.
- Checked cash received after date to confirm recoverability of year end debtors and ensure sufficient provision was included.
- Designed our audit procedures in order to incorporate unpredictability around the nature, timing or extent of our testing.
- Identified and tested journal entries to consider the appropriateness of journal entries and other adjustments;
- Assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of significant transactions that were unusual or outside the normal course of business.
- Challenged assumptions made by management in making their significant accounting estimates
- Reviewed financial statement disclosures and tested to supporting documentation to assess compliance with applicable laws and regulations.
- Reviewed managements assumptions with regard to the going concern status of the school. Reviewed profit and cash flow forecasts prepared for a period in excess of 12 months from approval of the accounts.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

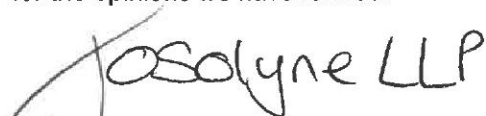
POWNALL HALL SCHOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF POWNALL HALL SCHOOL TRUST LIMITED

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.



Chloe Harrison ACA (Senior Statutory Auditor)
for and on behalf of Josolyne LLP

21ST JUNE 2022

Chartered Accountants
Statutory Auditor

Merchant Exchange
Waters Green
Macclesfield
Cheshire
SK11 6JX

POWNALL HALL SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 29 AUGUST 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<u>Income and endowments from:</u>							
Gifts and special receipts	3	2,000	-	2,000	2,250	16,067	18,317
Incoming resources from charitable activities	4	2,072,881	-	2,072,881	2,120,864	-	2,120,864
Investment income	5	20	-	20	47	-	47
Other incoming resources	6	34,974	-	34,974	91,418	-	91,418
Total income		2,109,875	-	2,109,875	2,214,579	16,067	2,230,646
<u>Expenditure on:</u>							
Raising funds	7	8,940	-	8,940	31,656	-	31,656
Charitable activities	8	2,180,003	15,530	2,195,533	2,287,810	15,532	2,303,342
Other	12	104,131	-	104,131	82,255	-	82,255
Total expenditure		2,293,074	15,530	2,308,604	2,401,721	15,532	2,417,253
Net expenditure for the year/ Net movement in funds		(183,199)	(15,530)	(198,729)	(187,142)	535	(186,607)
Fund balances at 30 August 2020		(1,405,767)	210,098	(1,195,669)	(1,218,625)	209,563	(1,009,062)
Fund balances at 29 August 2021		(1,588,966)	194,568	(1,394,398)	(1,405,767)	210,098	(1,195,669)

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.

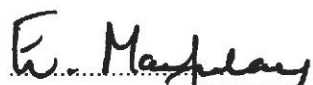
POWNALL HALL SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 29 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Property, plant and equipment	13		1,069,111		1,153,030
Current assets					
Trade and other receivables	15	43,205		93,393	
Cash at bank and in hand		204,584		243,487	
		<u>247,789</u>		<u>336,880</u>	
Current liabilities	16	<u>(2,617,747)</u>		<u>(2,634,074)</u>	
Net current liabilities			<u>(2,369,958)</u>		<u>(2,297,194)</u>
Total assets less current liabilities			<u>(1,300,847)</u>		<u>(1,144,164)</u>
Non-current liabilities	19		<u>(93,551)</u>		<u>(51,505)</u>
Net liabilities			<u><u>(1,394,398)</u></u>		<u><u>(1,195,669)</u></u>
Income funds					
Restricted funds	22		194,568		210,098
Unrestricted funds			<u>(1,588,966)</u>		<u>(1,405,767)</u>
			<u><u>(1,394,398)</u></u>		<u><u>(1,195,669)</u></u>

The financial statements were approved by the Governors on 21 June 2021



Mrs E M MacAulay (Chair)
Governor



Mr G D Dawber
Governor

Company Registration No. 00661518

POWNALL HALL SCHOOL TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 29 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	27		(62,308)		120,018
Investing activities					
Purchase of property, plant and equipment		(13,501)		(47,596)	
Interest received		20		47	
Net cash used in investing activities			(13,481)		(47,549)
Financing activities					
Increase/(repayment) of non bank borrowings		-		55,000	
Proceeds of new bank loans		50,000		-	
Increase/(repayment) of obligations under finance leases		(13,114)		(37,297)	
Net cash generated from financing activities			36,886		17,703
Net (decrease)/increase in cash and cash equivalents			(38,903)		90,172
Cash and cash equivalents at beginning of year			243,487		153,315
Cash and cash equivalents at end of year			<u>204,584</u>		<u>243,487</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 AUGUST 2021

1 Accounting policies

Charity information

Pownall Hall School Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Pownall Hall School, Carrwood Road, Pownall Park, Wilmslow, Cheshire, SK9 5DW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the school's Memorandum and Articles of Association, 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 school is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financing of the School at 31 August 2021 comprised interim funding of £1.05m from a personal lender and loans of £458,000 from Governors and their families. The School's bankers, Lloyds, have orally indicated their willingness to consider replacing this funding based on the School's return to profitability. For the reasons more fully explained in the Governors' Report, discussions with Lloyds have been deferred as a result of the many issues arising from Covid-19. The personal lender, Governors and their families had formally agreed to defer repayment of their loans to April 2022.

In the circumstances, the Governors have not sought a further formal repayment extension but are in discussions to ensure that the lenders will not seek repayment until the School has the necessary alternative funds. Agreement has been reached with another personal lender for a loan of £1.05m to replace the current loan.

As more fully explained in the Governors' Report, the adverse financial impact of Covid-19 has been significant and the final extent of losses has yet to be fully determined. The losses arising have been funded initially by a Bounce Back Loan of £50,000 and a deferral of amounts due to HMRC, repayment of which by instalments commenced in October 2020. As a result the School will be funding the Covid-19 losses over a relatively short period and the Governors and School Executive are implementing measures to meet this funding requirement by income, cost and cash flow management. Based on these measures, forecasts for the year ending August 2023 show the school returning to positive trading cash flow.

Although there is some uncertainty surrounding the School's ability to meet the cash costs of Covid-19 losses, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Governors 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 school.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2021

1 Accounting policies

(Continued)

1.4 Incoming resources

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.

Fee income is recognised in the Statement of Financial Activities on the accruals basis. Fees received in advance of education to be provided in future years are held until either taken to income in the term or else refunded.

Cash donations are recognised on receipt. Other donations are recognised once the school 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 school 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.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is accounted for on an accruals basis. The cost headings comprise expenditure, including staff costs and depreciation, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a fair and reasonable basis.

Support costs comprise all services including an appropriate proportion of general overheads specifically identified as wholly or mainly incurred in support of the direct charitable expenditure.

Governance costs comprise the costs incurred in managing the schools assets, organisational management, administration of and compliance with the statutory requirements of the school.

Where overheads and other costs cannot be directly attributed they have been allocated on the basis of management estimates of the amount attributable to such activities, either by reference to staff time or space occupied, if material. Expenses are inclusive of VAT as it is irrecoverable.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2021

1 Accounting policies

(Continued)

1.6 Property, plant and equipment

Property, plant and equipment 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	over 50 years
Prefab buildings	over 20 years
Fixtures, fittings, plant and equipment	over 10 years
Computers and office equipment	over 5 years
Motor vehicles	over 4 years

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 non-current 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 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.

1.9 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 trade and other receivables 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.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables 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 payables 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 payables 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.

1.10 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.

1.11 Retirement benefits

The School participates in a multi employer pension scheme, the Government's Teachers Pension Defined Benefits Scheme, for its teaching staff. The pension liability is the responsibility of the Teachers' Pensions. As a result it is not possible to identify the assets and liabilities of the scheme that are attributable to the school. Accordingly, the scheme is accounted for as if it were a defined contributions scheme.

The school also contributes to defined contribution schemes for non-teaching staff. Contributions payable for the year are charged in the Statement of Financial Activities.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.13 Government grants

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

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

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2021

1 Accounting policies (Continued)

1.14 Fees in advance

Fees received in advance are deferred until such time that they become receivable, and are then recognised in the Statement of Financial Activities.

2 Critical accounting estimates and judgements

In the application of the school's accounting policies, the Governors 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 Gifts and special receipts

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	2,000	-	2,000	2,250	16,067	18,317

4 Incoming resources from charitable activities

	Gross fees 2021 £	Less: Total bursaries, grants and allowances 2021 £	Total 2021 £	Total 2020 £
Sales within charitable activities	2,257,481	(200,978)	2,056,503	2,083,733
Other income	16,378	-	16,378	37,131
	<u>2,273,859</u>	<u>(200,978)</u>	<u>2,072,881</u>	<u>2,120,864</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2021

5 Investment income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	20	47

6 Other incoming resources

	Unrestricted funds	Total
	2021	2020
	£	£
Government grants	34,974	91,418
	<u>34,974</u>	<u>91,418</u>

The above represents amounts receivable under the Coronavirus Job Retention Scheme.

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Advertising	8,940	6,256
Other fundraising costs	-	25,400
	<u>8,940</u>	<u>31,656</u>
Fundraising and publicity	8,940	31,656
	<u>8,940</u>	<u>31,656</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2021

8 Charitable activities

	Teaching	Premises	Support costs of schooling	Total 2021	Total 2020
	2021	2021	2021		
	£	£	£	£	£
Staff costs	1,341,485	56,233	247,021	1,644,739	1,721,590
Depreciation and impairment	55,423	38,557	3,440	97,420	106,359
Other charitable expenditure	50,582	175,966	189,592	416,140	438,218
	<u>1,447,490</u>	<u>270,756</u>	<u>440,053</u>	<u>2,158,299</u>	<u>2,266,167</u>
Share of governance costs (see note 9)	-	-	37,234	37,234	37,175
	<u>1,447,490</u>	<u>270,756</u>	<u>477,287</u>	<u>2,195,533</u>	<u>2,303,342</u>
Analysis by fund					
Unrestricted funds	1,444,074	258,642	477,287	2,180,003	2,287,810
Restricted funds	3,416	12,114	-	15,530	15,532
	<u>1,447,490</u>	<u>270,756</u>	<u>477,287</u>	<u>2,195,533</u>	<u>2,303,342</u>
For the year ended 29 August 2020					
Unrestricted funds	1,547,794	279,843	460,173		2,287,810
Restricted funds	3,416	12,116	-		15,532
	<u>1,551,210</u>	<u>291,959</u>	<u>460,173</u>		<u>2,303,342</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2021

9 Support costs	Support costs	Governance costs	2021	2020	Basis of allocation
	£	£	£	£	
Staff costs	247,021	-	247,021	233,208	
Depreciation	3,440	-	3,440	2,951	
Printing, postage and office stationery	22,935	-	22,935	22,693	
Telephone costs	5,818	-	5,818	7,271	
Motor and travel	6,895	-	6,895	8,741	
School costs	50,462	-	50,462	53,149	
Computer costs	20,974	-	20,974	38,518	
Legal, professional and consultancy fees	1,530	-	1,530	1,325	
Equipment hire	5,848	-	5,848	5,255	
Bad and doubtful debts	60,119	-	60,119	40,300	
Subscriptions and donations	3,089	-	3,089	5,974	
Sundry expenses	11,888	-	11,888	3,613	
Audit fees	-	12,600	12,600	12,000	Governance
Accountancy and payroll	-	21,660	21,660	21,288	Governance
School inspection costs	-	2,974	2,974	3,887	Governance
	<u>440,019</u>	<u>37,234</u>	<u>477,253</u>	<u>460,173</u>	
Analysed between					
Charitable activities	<u>440,053</u>	<u>37,234</u>	<u>477,287</u>	<u>460,173</u>	

Governance costs includes payments to the auditors of £12,600 (2020-£12,000) for audit fees. In addition costs of £21,660 were incurred on accountancy, bookkeeping and payroll services (2020 - £21,288).

10 Governors

None of the Governors (or any persons connected with them) received any remuneration during the year and total reimbursed expenses amounted to £Nil.

11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Teaching staff	46	50
Support staff	16	17
Total	<u>62</u>	<u>67</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 AUGUST 2021

11 Employees	(Continued)	
Employment costs	2021	2020
	£	£
Wages and salaries	1,341,773	1,404,095
Social security costs	111,442	119,932
Other pension costs	191,524	197,563
	<u>1,644,739</u>	<u>1,721,590</u>

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

	2021	2020
	Number	Number
£80,001 - £90,000	<u>1</u>	<u>1</u>

Of the employees whose emoluments exceed £60,000, 1 (2020 - 1) has retirement benefits accruing under a defined benefit pension scheme (TPS) described more fully in note 21.

12 Other	2021	2020
	£	£
Financing interest and charges	<u>104,131</u>	<u>82,255</u>
	<u>104,131</u>	<u>82,255</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2021

13 Property, plant and equipment

	Freehold land and buildings	Fixtures, fittings, plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 30 August 2020	1,601,891	982,665	27,000	2,611,556
Additions	-	13,501	-	13,501
At 29 August 2021	1,601,891	996,166	27,000	2,625,057
Depreciation and impairment				
At 30 August 2020	682,177	756,099	20,250	1,458,526
Depreciation charged in the year	30,715	59,955	6,750	97,420
At 29 August 2021	712,892	816,054	27,000	1,555,946
Carrying amount				
At 29 August 2021	888,999	180,112	-	1,069,111
At 29 August 2020	919,714	226,566	6,750	1,153,030

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £31,371 (2020 - £35,164) for the year.

	2021 £	2020 £
Motor vehicles	-	6,750
Computers and office equipment	62,418	87,039
	62,418	93,789

14 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	26,442	90,720
Carrying amount of financial liabilities		
Measured at amortised cost	2,015,690	1,930,309

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2021

15 Trade and other receivables

	2021	2020
	£	£
Amounts falling due within one year:		
Trade receivables	26,322	81,564
Other receivables	120	9,156
Prepayments and accrued income	16,763	2,673
	<u>43,205</u>	<u>93,393</u>

16 Current liabilities

	Notes	2021	2020
		£	£
Bank loans	17	8,333	-
Obligations under finance leases	18	23,802	37,295
Other borrowings		1,508,000	1,508,000
Other taxation and social security		93,945	227,805
Deferred income	20	601,663	527,465
Trade payables		68,165	37,126
Other payables		233,133	214,846
Accruals		80,706	81,537
		<u>2,617,747</u>	<u>2,634,074</u>

Other payable includes deposits of £90,834 (2020 - £89,269) technically payable with one terms notice hence included as due in under 1 year, However, expectation is that these will be repaid over a number of years as each pupil leaves the school.

17 Borrowings

	2021	2020
	£	£
Bank loans	50,000	-
Other loans	1,508,000	1,508,000
	<u>1,558,000</u>	<u>1,508,000</u>
Payable within one year	1,516,333	1,508,000
Payable after one year	41,667	-
	<u>1,558,000</u>	<u>1,508,000</u>

The loan of £1,050,000 from a third party individual is secured by a legal charge over the property known as Pownall Hall School, Carrwood Road, Wilmslow, SK9 5DW.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2021

17 Borrowings

(Continued)

The loan from the third party individual carries an interest rate of 5% pa. This loan has been extended and now has an earliest repayment date of 10th April 2022.

The loans from the Governor's and their families carry an interest rate of 2.5% pa above base (minimum 3% pa), although 3% per annum has now been agreed as the maximum rate. These loans have since been extended and now have an earliest repayment date of 10th April 2022.

Additional commentary on these loans is provided in the Governors' Report and in Note 1.2.

18 Finance lease commitments

Future minimum lease payments due under finance leases:

	2021 £	2020 £
Within one year	33,869	47,492
Within two and five years	62,546	66,824
	<u>96,415</u>	<u>114,316</u>
Less: future finance charges	(20,729)	(25,516)
	<u>75,686</u>	<u>88,800</u>

The above represents finance leases to acquire equipment and motor vehicles entered into for a term of 3 or 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The finance lease creditors are secured over the assets to which they relate.

19 Non-current liabilities

	Notes	2021 £	2020 £
Bank loans	17	41,667	-
Obligations under finance leases	18	51,884	51,505
		<u>93,551</u>	<u>51,505</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2021

20 Deferred income

	2021 £	2020 £
Arising from Advance fees and deposits	601,663	527,465
	<u>601,663</u>	<u>527,465</u>
Fees in advance movement	2021 £	
Brought forward August 2019	527,465	
Utilised in year	(527,465)	
Received in the year	601,663	
	<u>601,663</u>	
Carried forward at August 2020	<u>601,663</u>	

Parents may enter into an agreement to pay the school fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice.

In addition the school receive advance payments from both local authorities for the Early years pupils and from parents prior to the start of the Michaelmas term in September.

All amounts paid in advance relate to fees in connection with the year ending 31st August 2022.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2021

21 Retirement benefit schemes

The school participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the scheme of £182,775 (2020- £188,475) and at the year end contributions of £129,971 (2020 - £110,009) accrued in respect of contributions to the scheme.

The TPS is an unfunded multi-employer defined benefits scheme governed by the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's 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 31 March 2016 valuation report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the Government permission to appeal the Court of Appeal's judgement that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions and the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The School also runs a group personal pension scheme for its non-teaching staff. The cost for the year represents the School's contributions to this scheme.

The charge to profit or loss in respect of defined contribution schemes was £8,749 (2020 - £9,088). and at the year end £3,300 was accrued (2020 - £3,602) in respect of contributions to this scheme.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2021

22 Restricted funds

The funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes. The expended resources relate to the depreciation charges for the period and repair work undertaken in the year. At the year end, unexpended income was £194,568 (2020 - £210,098)

	Movement in funds					Balance at 29 August 2021 £
	Balance at 30 August 2019 £	Incoming resources £	Resources expended £	Balance at 30 August 2020 £	Resources expended £	
Roof appeal	90,177	-	(2,576)	87,601	(2,576)	85,025
Playmatt Netball/Tennis court	20,390	-	(537)	19,852	(537)	19,315
Cheshire East Council Quality Improvement Grant	2	-	(2)	-	-	-
Playground	8,868	-	(2,217)	6,651	(2,217)	4,434
EYFS Canopy and play area	13,850	-	(2,620)	11,231	(2,620)	8,611
Nursery canopy	3,129	-	(626)	2,503	(626)	1,877
Astro turf	35,517	-	(756)	34,761	(756)	34,005
Outdoor classroom and lighting	12,182	-	(1,517)	10,665	(1,517)	9,148
Cricket works	4,028	-	(82)	3,946	(82)	3,864
Radio station	9,600	-	(2,400)	7,200	(2,400)	4,800
Ipads	4,064	-	(1,016)	3,048	(1,016)	2,032
Stage lighting, sound and recording equipment	7,756	-	(862)	6,894	(862)	6,032
Outdoor play area	-	16,067	(321)	15,746	(321)	15,425
	<u>209,563</u>	<u>16,067</u>	<u>(15,532)</u>	<u>210,098</u>	<u>(15,530)</u>	<u>194,568</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2021

23 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 29 August 2021 are represented by:						
Property, plant and equipment	874,543	194,568	1,069,111	942,932	210,098	1,153,030
Current assets/ (liabilities)	(2,369,958)	-	(2,369,958)	(2,297,194)	-	(2,297,194)
Long term liabilities	(93,551)	-	(93,551)	(51,505)	-	(51,505)
	<u>(1,588,966)</u>	<u>194,568</u>	<u>(1,394,398)</u>	<u>(1,405,767)</u>	<u>210,098</u>	<u>(1,195,669)</u>

Restricted Funds are funds which have been given for particular purposes and projects. The restricted fund must be used for the purpose specified ie; roof appeal, the netball court, nursery play floor, Bay Window repairs, Pupil playground, quality improvement, ICT software and Early Years Foundation Stage canopy and play area.

24 Operating lease commitments

At the reporting end 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	900	1,200
Between two and five years	-	900
	<u>900</u>	<u>2,100</u>

The operating leases represent leases of telephones, copiers and computer equipment from third parties. The leases are negotiated over terms of 5 years and rentals are fixed for this period.

Amounts recognised in the Statement of Financial Activities for the year was £1,242 (2020 - £1,242).

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2021

25 Events after the reporting date

During the previous year the outbreak of Coronavirus was declared as a global pandemic which continues to spread throughout the world.

During 2020 and 2021 the school has taken advantage of government support including the furlough of some employees through the job retention scheme.

The pandemic has had a detrimental effect on the business which is ongoing. Income has been impacted by reduced numbers and hours in Nursery and Kindergarten. It is likely that this shortfall will not be fully covered by reduced site costs and job retention scheme claims. As a result the accounts for the year ended August 2022 are likely to show a loss, which at this point can't be accurately determined.

With pupils now returning to classrooms and the successful roll out of the vaccine, the Governors think that any further impact will be modest and are forecasting a return to profitability in the 22/23 academic year.

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	154,404	161,796

Loans

During previous years, the school received loans from Governor Mr G D Dawber's immediate family and from the Chair of Governors Mrs E M MacAulay, shown in other loans in note 17. These loans remain outstanding as follows:

Loans from the family of Mr G D Dawber

	Balance outstanding 30th August 2020 £	Advances in period £	Repayments in period £	Balance outstanding 29th August 2021 £
Loan from A Dawber (wife of Mr Dawber)	233,000	-	-	233,000
Loan from G Dawber (son of Mr Dawber)	145,000	-	-	145,000
	<u>378,000</u>	<u>-</u>	<u>-</u>	<u>378,000</u>

Above loans were originally agreed with interest payable at base rate plus 2.5% (minimum 3% pa).

As a result of a subsequent agreement, interest on the loans is now fixed at 3% pa.

The whole of the above loans have been classified as short term representing conditions existing at the balance sheet date.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2021

26 Related party transactions

(Continued)

However subsequent extension of the loan has confirmed that this balance will not be repaid until alternative long term finance is agreed.

The terms of the loans, including interest rate payable, were approved by the Governors (excluding Mr Dawber) having regards to prevailing rates for loans and deposits.

Interest of £9,690 has been paid during the year and further interest totalling £21,846 is accrued at the year end.

The interest charge for the period in relation to the above loans is £11,340.

Loans from Mrs E M MacAulay (Chair of the Board of Governors)

	Balance outstanding 30th August 2020 £	Advances in period £	Repayments in period £	Balance outstanding 29th August 2021 £
Loan from EM MacAulay	80,000	-	-	80,000
	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>80,000</u>

Above loan was originally agreed with interest payable at base rate plus 2.5% (minimum 3% pa). As a result of a subsequent agreement, interest on the loans is now fixed at 3% pa.

The full amount of £80,000 due to Mrs E M MacAulay was outstanding as at 29th August 2021 the balance sheet date.

However subsequent extension of the loan has confirmed that this balance will not be repaid until alternative long term finance is agreed.

The terms of the loans, including interest rate payable, were approved by the Governors (excluding Mrs MacAulay) having regards to prevailing rates for loans and deposits.

Interest of £2,400 has been paid during the year and further interest totalling £4,800 is accrued as at August 2021.

The interest charge for the period in relation to the above loans is £2,400.

27 Cash generated from operations

	2021 £	2020 £
Deficit for the year	(198,729)	(186,607)
Adjustments for:		
Investment income recognised in statement of financial activities	(20)	(47)
Depreciation and impairment of property, plant and equipment	97,420	106,359
Movements in working capital:		
Decrease/(increase) in trade and other receivables	50,188	(27,028)
(Decrease)/increase in trade and other payables	(85,365)	181,857
Increase in deferred income	74,198	45,484
Cash (absorbed by)/generated from operations	<u>(62,308)</u>	<u>120,018</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2021

28 Analysis of changes in net (debt)/funds

	At 30 August 2020 £	Cash flows £	At 29 August 2021 £
Cash at bank and in hand	243,487	(38,903)	204,584
Loans falling due within one year	(1,508,000)	(8,333)	(1,516,333)
Loans falling due after more than one year	-	(41,667)	(41,667)
Obligations under finance leases	(88,800)	13,114	(75,686)
	<u>(1,353,313)</u>	<u>(75,789)</u>	<u>(1,429,102)</u>

29 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to assist with the preparation of the financial statements.

POWNALL HALL SCHOOL TRUST LIMITED

England & Wales - Charity number 525929

Accounts

Charity Registration No. 525929

Company Registration No. 00661518 (England and Wales)

POWNALL HALL SCHOOL TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 AUGUST 2020



POWNALL HALL SCHOOL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Governors

Mrs E M MacAulay (Chair)
Mr T F Barnes
Mr G D Dawber
Mr T J Wareham
Mrs L Window
Mrs N M Wood
Mr R B W Wood
Mrs S Kelly (Appointed 7 October 2019)
Mrs S C Levy (Resigned 31 May 2020)
Mr M J Erian (Resigned 29 June 2020)

Headmaster

Mr D Goulbourn

Secretary

Mr D Goulbourn

Business Manager

Mrs P Dhoot

Charity number

525929

Company number

00661518

Registered office

Pownall Hall School
Carrwood Road
Pownall Park
Wilmslow
Cheshire
SK9 5DW

Auditor

Josolyne LLP
Merchant Exchange
Waters Green
Macclesfield
Cheshire
SK11 6JX

Bankers

Lloyds Bank Group Plc
223 Finney Lane
Cheadle
Cheshire
SK8 3PY

POWNALL HALL SCHOOL TRUST LIMITED

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POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 29 AUGUST 2020

The Governors present their report and financial statements for the year ended 29 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 school's Memorandum and Articles of Association, 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

In setting objectives for the School and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public guidance on advancing education and fee charging. The Governors have for many years offered assistance with fees and the School has been particularly successful in attracting children whose parents would not be able to afford a full fee paying place. The assistance takes in to account the cost of extra curricular activities. The Governors are also conscious of the role that the School has always played, and continues to play, in the local community and this Report sets out details of activities which benefit all sections of that community. However we are not complacent in respect of the public benefit requirements; on the contrary we are continuously exploring opportunities to enhance the School's activities and use all its resources for the benefit of all strands of the local community.

Our School welcomes pupils from all backgrounds. There is no entrance requirement as such although in the upper forms an initial academic assessment is made, and this identifies the educational requirements and programme for the child. We have made significant investments in infrastructure to cater for the needs of children who are, or become, disabled. The welfare and progress of the children in every respect is a priority commitment and our procedures facilitate effective monitoring of development and success.

The School's objectives are the advancement of education for 2 to 11 year old children. The Charity has also to maintain its heritage endowment, in particular the Hall which is a grade 2* listed building and various artefacts, books and works of art. The Governors have also emphasised the need to make the School's resources and activities available to the wider community and to contribute to the welfare of the community. The Governors also make bursaries available and are intent on achieving a wider access to the School, offering assisted places to children whose parents are unable to meet the full fees and making the School's resources available to the local community.

Within these Objects, the School's aim is to provide a first class independent education, based on excellent academic tuition and extra curricular activities involving the development of sporting, artistic and social skills in all its pupils. This is designed to provide an environment in which all pupils can develop and fulfil their potential, both in gaining access to the secondary school of their choice, and in building self confidence and a desire to contribute to the wider community.

The focus in the period ended 31 August 2020 and beyond has been on maintaining and improving academic performance; increasing contribution to the wider community both by activity and visibility in the community and by making the School's resources and activities available to others; actively pursuing the development and introduction of a bursary scheme; and investment in the School's infrastructure and facilities.

The activities which have contributed to the implementation of the School's strategy and the achievement of its objectives are dealt with in the next section of this Report.

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

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Governors to present a strategic report.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 29 AUGUST 2020

Achievements and performance

Education Quality and Compliance Inspections were undertaken by the Independent Schools Inspectorate in March 2017. The Inspectors concluded that the quality of the pupils' academic and other achievements is excellent and that the quality of the pupils' personal development is excellent. Specific mention was made of excellent performance in every aspect of pupils' education. The Inspectors made no recommendations themselves but commended the objectives in the School's strategic plan. The results of the Compliance Inspection were similarly positive with the School meeting the laid down standards. A further Compliance Inspection in March 2020 resulted in a very positive assessment.

Our children continued to attain the highest quality academic standards. All the children in Form 6 achieved passes in the 11+ entrance examinations, and were offered places at the secondary schools of their choice, including Withington Girls' School, Manchester High School for Girls, Stockport Grammar School, The King's School Macclesfield, Cheadle Hulme School, St Bedes, Cransley, Alderley Edge School for Girls and Wilmslow High School. Our children received 64 offers of places including 9 scholarships.

The restrictions imposed in March 2020 as a result of the Covid pandemic continued through the Trinity term 2020. The School had to physically close at very short notice. In the last two weeks of the Lent term and for most of the Trinity term, lessons were delivered online. The provision was comprehensive, covered all specialist as well as Class teaching and involved extensive interaction, supervision and feedback. The Governors recognise that not only was a first class online provision developed in such a short time, but that it was also delivered so well by a highly committed team of teaching staff. The Governors would like to formally thank the Headmaster and his teaching staff for their immense efforts, thanks and appreciation for which have also been expressed by many parents. So many said that our provision during this very difficult time was second to none.

The Covid pandemic restrictions continued throughout the Trinity term and as a consequence many of the activities during that normally very active term were cancelled.

Although the primary focus of the School is on academic success, all our children participate in many extra curricular activities which we consider essential for their development and prepares them for the rigorous demands of secondary school and beyond. There is considerable emphasis on music and drama. Many of the children passed music examinations and almost all are involved in choral activities. The Alderley Edge and Hazel Grove Festivals were cancelled due to the pandemic. The majority of the senior school participated in excellent productions throughout the year, outstanding performances which received numerous accolades. All children in the School sung and performed in numerous concerts and plays. Our choirs participated in many public, as well as internal, performances during the year.

Sport continues to be an integral part of our children's activities and opportunities, and the all weather hard court, which was originally financed by a specific and generous donation from our Parents' Association, was extended and improved, again financed by our Parents' Committee and is used extensively for football, hockey, tennis, netball and other sports. This together with the Sports Hall and our extensive external facilities provides for a variety of sporting activities in which our children participate with great enthusiasm, enjoyment and success. Tennis, football, hockey, cricket, netball, cross-country, swimming, rugby and athletics are just some of the sports in which our children are extensively involved. No less important are other activities such as music, art, cooking and chess which add to the broad education which is provided.

The School continued to organise many educational trips and expeditions. There were numerous visits to the theatre, environmental organisations and museums. The majority of residential and educational trips take place during the Trinity term and these were cancelled due to the pandemic.

The Governors in implementing the bursary policy, awarded a number of assisted places to children who otherwise would have been unable to attend the School. The Finance Governor continues to develop the formal policy and the Governors are anxious to ensure that assisted places are made available to the wider community on a consistent, equitable and realistic basis.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 29 AUGUST 2020

Considerable emphasis has been placed on updating the School's infrastructure and facilities. This year the focus has continued to be on enhancing and modernising teaching facilities. There has been further investment in ICT and the provision of interactive teaching and learning equipment in all classrooms and facilities is now complete. Progress has been made in achieving high speed broadband connectivity.

The Governors, staff and parents, together with their children, are particularly committed to the School's contribution to the wider local community. The Hall being a grade 2* listed Arts and Crafts building is opened to visitors on several occasions during the year. The School's sporting and other facilities are frequently used by local sports clubs and similar organisations and the Governors are seeking to extend this opportunity to those who are not fortunate enough to have their own facilities. Our children's plays and choral activities are provided to many in the community, in particular pensioners, and a considerable number of charitable activities are organised by all members of the School community.

The School's operations are funded in the main by fee income. However, the Governors and other volunteers and supporters of the School are alert to potential fundraising opportunities although these are largely focused on specific projects. The School's Parents' Committee is particularly active and successful in mounting social and other events and surpluses are typically used to purchase equipment for classrooms and other school facilities, entirely at the discretion of the Committee. The Governors would like to record their appreciation of the parents' contribution to the School.

Financial review

At 31 August 2019 the financing of the School comprised the interim loan of £1,050,000 from a personal lender and loans from Governors and their families of £458,000. The repayment of these loans was extended to April 2022 to enable the Governors to conclude alternative funding arrangements. The adverse financial impact of the Covid pandemic, which has continued in to 20/21 and beyond, has meant that the School is unable presently to meet the lending parameters and criteria indicated by our bankers as a requirement for refinancing. Discussions with the bankers are ongoing as are discussions with the personal lender and Governors. Although the Governors have not sought a further repayment deferral of the loans, they are comfortable that no precipitative action will be taken by the personal lender or Governors in respect of their loans, especially as discussions are ongoing.

The Governors report a deficit of £186,607 for the period, compared to a deficit of £62,407 In the previous period which did reflect significant non-recurring net income.

Numbers in the School increased in the first part of 2019/20 and were relatively stable thereafter. This has continued in to 20/21 and beyond. There were however many adverse impacts of the pandemic. Session bookings for the Nursery and Kindergarten were significantly reduced for the Trinity term 2020 as a result of the restrictions and in particular the incidence of working from home. Although online educational provision was delivered for these groups, online attendance was impacted and many parents chose not to settle these fees as child care was not provided.

In common with many other independent schools, the Governors awarded a 10% fee discount on all fees. Charges for lunches were waived although some provision was eventually made towards the end of term as children returned but no charges were levied.

The School experienced a much greater incidence of irrecoverable debts. Disappointingly a number of parents refused to settle fees for a number of reasons and the Governors chose not to pursue settlement. Some parents experienced difficulty encouraging their children to engage with the online provision and did not settle the fees. Other parents were in financial difficulty – some were granted additional discount, others were granted deferred payment terms which are ongoing at the date of approval of this report.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 29 AUGUST 2020

Additional costs were incurred in ensuring that School infrastructure and deployment of resources complied with the social distancing and other requirements when on site provision resumed.

It will be evident that the School suffered a significant loss of income as well as exceptional costs. This was mitigated by furlough grants although the Governors decided that the School would continue to pay 100% of salaries to those furloughed in recognition of the loyal service of the staff affected, and the fact that they would be under increased pressure when School resumed on site.

As a result the School has experienced, and is still experiencing, cash flow pressures. The Governors remain disappointed that our bankers were unable to approve a Coronavirus interruption loan of £200,000 although the School did receive a Bounce Back Loan of £50,000. The Governors are grateful to HMRC who granted deferred payment terms for PAYE and Teachers' Pension contributions. At the date of approval of this report, the School has repaid approximately £188,000 of backlog PAYE. The Governors note that repayment of the interruption loan would have been over 5 years starting in September 2021 – at the date of approval of this report, repayments of only around £17,000 would have been made.

The cash flow pressures continue and the Governors recognise the uncertainty of the School's financial position as a result, and the Governors acknowledge the additional uncertainty in respect of the repayment of the loans described above.

Reserves policy

The Governors' policy towards reserves is to invest any surpluses in the School's facilities and infrastructure. Although this impacts on reserves only through the progressive recognition of depreciation in the Statement of Financial Activities, the impact on the School's cash resources is immediate. Consequently the Governors think it appropriate that the overall financial position, including in particular the cash position, informs and influences the policy on, and level of, reserves.

The Governors are conscious that the Unrestricted funds are in deficit. However, as stated above, the school is experiencing stability in numbers and although the impact of Covid-19 has postponed the return to profitability, the Governors expect that they will be able to report trading profits in future years. The sale of surplus land in 2017/18 yielded a significant profit and was consistent with the valuation of the School's freehold land and buildings, undertaken in 2012 as part of the negotiations in connection with the increased bank facilities, which indicated a value significantly in excess of the carrying value in the balance sheet.

Under the direction of the Governors and the Headmaster, the School has continued to invest in modernising and enhancing the teaching provision, and in the provision of new facilities which will enhance the education experience of our children. Essential, albeit modest, investment programmes were continued during this period. The current emphasis has been on new teaching and assessment schemes, as well as on direct contact teaching methods and content. Some of the investment was once again funded by our Parents' Committee and we again record our appreciation of their tireless activities, support and contribution.

The Board of Governors is responsible for the management of risks faced by the School. Detailed consideration and management of risks are delegated to the executive management team who report informally to the Business Management Committee ('BMC') and Board. The Governors have continued to implement enhanced risk management processes during the year. Major risks and issues are evaluated and considered at all management meetings and the risk identification, assessment and response process has been formally documented during the year. The Governors and executive management team are risk conscious and are satisfied that the major risks faced by the School have been managed and mitigated to an adequate extent. The governors recognise that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 29 AUGUST 2020

The key objectives of the medium to long term strategic plan are:

To achieve optimum capacity in each class throughout the School

To ensure that teaching capacity and capability is commensurate with these class sizes

To maintain the current high standards of academic achievement measured in the main by the success of the School's children in securing offers from the secondary schools of their choice

To continue to maintain the School's reputation for excellence in extra curricular activity in the arts, sport and community activity

To widen participation in the School by offering assisted places for children, and to make the School's resources, facilities and activities available to the wider community

To continue the programme of improving the School's infrastructure and facilities.

In the short term the Governors are conscious of the School's financial position. Initiatives to achieve efficiencies and economies in the cost base continue to be implemented and emphasis is being placed on initiatives to increase pupil numbers. The Governors will implement projects and initiatives only on the basis that the School remains within its financial facilities.

POWNALL HALL SCHOOL TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 29 AUGUST 2020

Structure, governance and management

The activities of the Trust are referred to in the Memorandum and Articles of Association which is the governing document of the Trust.

The Governors, who are also the directors for the purpose of company law, and who have served since 1st September 2019 were:

Mrs E M MacAulay (Chair)

Mr T F Barnes

Mr G D Dawber

Mrs S C Levy (Resigned 31 May 2020)

Mr T J Wareham

Mr M J Erian (Resigned 29 June 2020)

Mrs L Window

Mrs N M Wood

Mr R B W Wood

Mrs S Kelly (Appointed 7 October 2019)

In accordance with the Articles of Association, Mr R B W Wood, Mrs N M Wood and Mrs S Kelly will retire by rotation at the forthcoming AGM, and being eligible, will offer themselves for re-election.

The Trust does not have any share capital but each Governor is guarantor to the extent of £1. No Governor has a beneficial interest in the Trust.

Governors are elected by The Board of Governors having regard to the skills requirements of the Board. Each Governor contributes a specific area of expertise relevant to the management of the School.

The Governors, as the Charity Trustees, are legally responsible for the overall management and control of the School and meet at least five times a year. The work of implementing most of the policies laid down by the Board of Governors and the day to day management of the School is undertaken by the executive senior management team under the supervision of the BMC, chaired by the Chair of the Board, which meets at least five times a year before the meetings of the Board, and which normally includes the Deputy Chair (Finance Governor), Headmaster and Business Manager.

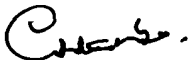
Auditor

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

Disclosure of information to auditor

Each of the Governors 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 Governors' report, including the strategic report, was approved by the Board of Governors.



Mr G D Dawber

Governor

Dated: 24 Feb 2022

POWNALL HALL SCHOOL TRUST LIMITED

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 29 AUGUST 2020

The Governors, who are also the directors of Pownall Hall School Trust Limited for the purpose of company law, are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the school 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 Governors 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 school will continue in operation.

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

POWNALL HALL SCHOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE GOVERNORS OF POWNALL HALL SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Pownall Hall School Trust Limited (the 'school') for the year ended 29 August 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, 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 29 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 school 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

Due to the Statement of Financial Position showing net liabilities of £1,009,062 we draw your attention to the relevant disclosure in the Governors report and note 1.2.

Our opinion has not been modified in respect of this disclosure.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that there is no formal agreement in place to extend the repayment date of the loan beyond the current repayment date of April 2022, although the governors are in discussions to ensure that the lender will not seek repayment until the School has the necessary alternative funds. As stated in the note 1.2, the potential for a requirement to repay this facility, along with the uncertainty caused by the COVID pandemic and meeting the related cash costs as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

POWNALL HALL SCHOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF POWNALL HALL SCHOOL TRUST LIMITED

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 Governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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.

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 Governors' report, which includes the directors' report and the strategic 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 strategic report and the directors' report included within the Governors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors, who are also the directors of the school 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 Governors 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 Governors are responsible for assessing the school'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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

POWNALL HALL SCHOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF POWNALL HALL SCHOOL TRUST LIMITED

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: <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.

Josolyne LLP

**Chloe Harrison ACA (Senior Statutory Auditor)
for and on behalf of Josolyne LLP**

24th February 2022

**Chartered Accountants
Statutory Auditor**

Merchant Exchange
Waters Green
Macclesfield
Cheshire
SK11 6JX

POWNALL HALL SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 29 AUGUST 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<u>Income and endowments from:</u>							
Gifts and special receipts	3	2,250	16,067	18,317	2,500	29,808	32,308
Incoming resources from charitable activities	4	2,120,864	-	2,120,864	2,127,348	-	2,127,348
Investment income	5	47	-	47	195	-	195
Other incoming resources	6	91,418	-	91,418	-	-	-
Total income		2,214,579	16,067	2,230,646	2,130,043	29,808	2,159,851
<u>Expenditure on:</u>							
Raising funds	7	31,656	-	31,656	17,020	-	17,020
Charitable activities	8	2,287,810	15,532	2,303,342	2,171,970	16,177	2,188,147
Other	12	82,255	-	82,255	17,091	-	17,091
Total resources expended		2,401,721	15,532	2,417,253	2,206,081	16,177	2,222,258
Net (expenditure)/income for the year/							
Net movement in funds		(187,142)	535	(186,607)	(76,038)	13,631	(62,407)
Fund balances at 1 September 2019		(1,218,625)	209,563	(1,009,062)	(1,142,587)	195,932	(946,655)
Fund balances at 29 August 2020		(1,405,767)	210,098	(1,195,669)	(1,218,625)	209,563	(1,009,062)

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

All income and expenditure derive from continuing activities.

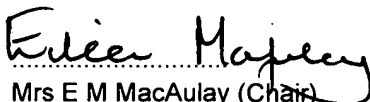
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

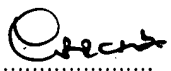
POWNALL HALL SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 29 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Property, plant and equipment	13		1,153,030		1,204,165
Current assets					
Trade and other receivables	15	93,393		66,365	
Cash at bank and in hand		243,487		153,315	
		<u>336,880</u>		<u>219,680</u>	
Current liabilities	16	(2,634,074)		(2,350,281)	
Net current liabilities			(2,297,194)		(2,130,601)
Total assets less current liabilities			(1,144,164)		(926,436)
Non-current liabilities	19		(51,505)		(82,626)
Net liabilities			<u>(1,195,669)</u>		<u>(1,009,062)</u>
Income funds					
Restricted funds	22		210,098		209,563
Unrestricted funds			(1,405,767)		(1,218,625)
			<u>(1,195,669)</u>		<u>(1,009,062)</u>

The financial statements were approved by the Governors on ~~24 February 2022~~ 24 February 2022


Mrs E M MacAulay (Chair)
Governor


Mr G D Dawber
Governor

Company Registration No. 00661518

POWNALL HALL SCHOOL TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 29 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	27		120,018		117,302
Investing activities					
Purchase of property, plant and equipment		(47,596)		(163,283)	
Interest received		47		195	
Net cash used in investing activities			(47,549)		(163,088)
Financing activities					
Increase/(repayment) of non bank borrowings		55,000		-	
Increase/(repayment) of obligations under finance leases		(37,297)		(32,097)	
Net cash generated from/(used in) financing activities			17,703		(32,097)
Net increase/(decrease) in cash and cash equivalents			90,172		(77,883)
Cash and cash equivalents at beginning of year			153,315		231,198
Cash and cash equivalents at end of year			243,487		153,315

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 AUGUST 2020

1 Accounting policies

Charity information

Pownall Hall School Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Pownall Hall School, Carrwood Road, Pownall Park, Wilmslow, Cheshire, SK9 5DW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the school's Memorandum and Articles of Association, 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 school is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financing of the School at 31 August 2020 comprised interim funding of £1.05m from a personal lender and loans of £458,000 from Governors and their families. The School's bankers, Lloyds, have orally indicated their willingness to consider replacing this funding based on the School's return to profitability. For the reasons more fully explained in the Governors' Report, discussions with Lloyds have been deferred as a result of the many issues arising from Covid-19. The personal lender, Governors and their families have formally agreed to defer repayment of their loans to April 2022.

In the circumstances, the Governors have not sought a further formal repayment extension but are in discussions to ensure that the lenders will not seek repayment until the School has the necessary alternative funds.

As more fully explained in the Governors' Report, the adverse financial impact of Covid-19 has been significant and the final extent of losses has yet to be fully determined. The losses arising have been funded initially by a Bounce Back Loan of £50,000 and a deferral of amounts due to HMRC, repayment of which by instalments commenced in October 2020. As a result the School will be funding the Covid-19 losses over a relatively short period and the Governors and School Executive are implementing measures to meet this funding requirement by income, cost and cash flow management. Based on these measures, forecasts for the year ending August 2023 show the school returning to positive trading cash flow.

Although there is some uncertainty surrounding the School's ability to meet the cash costs of Covid-19 losses and there is no formal agreement to extend the April 2022 loan repayment terms, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Governors 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 school.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

1 Accounting policies

(Continued)

1.4 Incoming resources

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.

Fee income is recognised in the Statement of Financial Activities on the accruals basis. Fees received in advance of education to be provided in future years are held until either taken to income in the term or else refunded.

Cash donations are recognised on receipt. Other donations are recognised once the school 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 school 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.

1.5 Resources expended

Expenditure is accounted for on an accruals basis. The cost headings comprise expenditure, including staff costs and depreciation, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a fair and reasonable basis.

Support costs comprise all services including an appropriate proportion of general overheads specifically identified as wholly or mainly incurred in support of the direct charitable expenditure.

Governance costs comprise the costs incurred in managing the schools assets, organisational management, administration of and compliance with the statutory requirements of the school.

Where overheads and other costs cannot be directly attributed they have been allocated on the basis of management estimates of the amount attributable to such activities, either by reference to staff time or space occupied, if material. Expenses are inclusive of VAT as it is irrecoverable.

1.6 Property, plant and equipment

Property, plant and equipment 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	over 50 years
Prefab buildings	over 20 years
Fixtures, fittings, plant and equipment	over 10 years
Computers and office equipment	over 5 years
Motor vehicles	over 4 years

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.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

1 Accounting policies

(Continued)

1.7 Impairment of non-current 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 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.

1.9 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 trade and other receivables 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 trade and other payables 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 payables 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 payables 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.

1.10 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.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

1 Accounting policies

(Continued)

1.11 Retirement benefits

The School participates in a multi employer pension scheme, the Government's Teachers Pension Defined Benefits Scheme, for its teaching staff. The pension liability is the responsibility of the Teachers' Pensions. As a result it is not possible to identify the assets and liabilities of the scheme that are attributable to the school. Accordingly, the scheme is accounted for as if it were a defined contributions scheme.

The school also contributes to defined contribution schemes for non-teaching staff. Contributions payable for the year are charged in the Statement of Financial Activities.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.13 Fees in advance

Fees received in advance are deferred until such time that they become receivable, and are then recognised in the Statement of Financial Activities.

2 Critical accounting estimates and judgements

In the application of the school's accounting policies, the Governors 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 Gifts and special receipts

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Donations and gifts	2,250	16,067	18,317	2,500	29,808	32,308

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

4 Incoming resources from charitable activities

	Gross fees	Less: Total bursaries, grants and allowances	Total 2020	Total 2019
	2020	2020		
	£	£	£	£
Sales within charitable activities	2,326,267	(242,534)	2,083,733	2,107,540
Other income	37,131	-	37,131	19,808
	<u>2,363,398</u>	<u>(242,534)</u>	<u>2,120,864</u>	<u>2,127,348</u>

Fee income was adversely affected by the impact of the Covid restrictions in the Trinity term 2020. (See note 6).

5 Investment income

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	47	195
	<u>47</u>	<u>195</u>

6 Other incoming resources

	Unrestricted funds	Total
	2020	2019
	£	£
Government grants	91,418	-
	<u>91,418</u>	<u>-</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

6 Other incoming resources

(Continued)

The Government grants are the Covid furlough receipts. As explained in more detail in the Governors' Report, the School incurred significant losses due to the impact of Covid. Fee discounts were granted to parents for the Trinity term and catering charges reversed albeit with modest mitigation from savings of direct costs. There was a significant incidence of irrecoverable fees in respect of parents were unwilling or unable to settle the reduced fees for the term. Additional costs were incurred as School resumed onsite to ensure complete compliance with Government requirements. A summary of these further costs is detailed below:

	£
10% discount offered to parents	70,228
Lunches income lost Trinity term	54,258
Less: Estimated lunch costs saving	(21,933)
After care income lost	1,144
Bad debts non-payers for Trinity term	19,065
Additional costs incurred	6,880
	<u>129,642</u>

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
<u>Fundraising and publicity</u>		
Advertising	6,256	2,750
Other fundraising costs	25,400	14,270
	<u>31,656</u>	<u>17,020</u>
Fundraising and publicity	<u>31,656</u>	<u>17,020</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

8 Charitable activities

	Teaching	Premises	Support costs of schooling	Total 2020	Total 2019
	2020	2020	2020		
	£	£	£	£	£
Staff costs	1,432,149	56,233	233,208	1,721,590	1,516,432
Depreciation and impairment	64,850	38,558	2,951	106,359	101,541
Other charitable expenditure	54,211	197,168	186,839	438,218	522,642
	<u>1,551,210</u>	<u>291,959</u>	<u>422,998</u>	<u>2,266,167</u>	<u>2,140,615</u>
Share of governance costs (see note 9)	-	-	37,175	37,175	47,532
	<u>1,551,210</u>	<u>291,959</u>	<u>460,173</u>	<u>2,303,342</u>	<u>2,188,147</u>
Analysis by fund					
Unrestricted funds	1,547,794	279,843	460,173	2,287,810	2,171,970
Restricted funds	3,416	12,116	-	15,532	16,177
	<u>1,551,210</u>	<u>291,959</u>	<u>460,173</u>	<u>2,303,342</u>	<u>2,188,147</u>
For the year ended 31 August 2019					
Unrestricted funds	1,415,389	254,253	502,328		2,171,970
Restricted funds	3,416	12,761	-		16,177
	<u>1,418,805</u>	<u>267,014</u>	<u>502,328</u>		<u>2,188,147</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

9 Support costs	Support costs	Governance costs	2020	2019	Basis of allocation
	£	£	£	£	
Staff costs	233,208	-	233,208	204,536	
Depreciation	2,951	-	2,951	1,125	
Printing, postage and office stationery	22,693	-	22,693	18,702	
Telephone costs	7,271	-	7,271	7,308	
Motor and travel	8,741	-	8,741	10,803	
School costs	53,149	-	53,149	67,438	
Computer costs	38,518	-	38,518	37,460	
Legal, professional and consultancy fees	1,325	-	1,325	22,906	
Equipment hire	5,255	-	5,255	4,194	
Bad and doubtful debts	40,300	-	40,300	57,207	
Subscriptions and donations	5,974	-	5,974	7,716	
Sundry expenses	3,613	-	3,613	15,401	
Audit fees	-	12,000	12,000	11,700	Governance
Accountancy and payroll support	-	21,288	21,288	31,842	Governance
School inspection costs	-	3,887	3,887	3,990	Governance
	<u>422,998</u>	<u>37,175</u>	<u>460,173</u>	<u>502,328</u>	
Analysed between					
Charitable activities	<u>422,998</u>	<u>37,175</u>	<u>460,173</u>	<u>502,328</u>	

Governance costs includes payments to the auditors of £12,000 (2019-£11,700) for audit fees. In addition costs of £21,288 were incurred on accountancy, bookkeeping and payroll services (2019 - £31,842). The prior year charge includes £12,300 related to year end 2018 fees partly due to an under accrual for year end work and partly due to an invoice not being recorded in the accounts.

10 Governors

None of the Governors (or any persons connected with them) received any remuneration during the year and total reimbursed expenses amounted to £Nil.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 AUGUST 2020

11 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Teaching staff	50	50
Support staff	17	14
Total	<u>67</u>	<u>64</u>

Employment costs	2020 £	2019 £
Wages and salaries	1,404,095	1,291,011
Social security costs	119,932	101,272
Other pension costs	197,563	124,149
	<u>1,721,590</u>	<u>1,516,432</u>

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

	2020 Number	2019 Number
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<u>1</u>	<u>-</u>

Of the employees whose emoluments exceed £60,000, 1 (2019 - 1) has retirement benefits accruing under a defined benefit pension scheme (TPS) described more fully in note 21.

12 Other

	2020 £	2019 £
Financing interest and charges	82,255	17,091
	<u>82,255</u>	<u>17,091</u>

POWNAILL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 AUGUST 2020

13 Property, plant and equipment

	Freehold land and buildings	Fixtures, fittings, plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2019	1,575,285	954,048	27,000	2,556,333
Additions	26,606	28,617	-	55,223
At 29 August 2020	1,601,891	982,665	27,000	2,611,556
Depreciation and impairment				
At 1 September 2019	651,463	687,205	13,500	1,352,168
Depreciation charged in the year	30,714	68,894	6,750	106,358
At 29 August 2020	682,177	756,099	20,250	1,458,526
Carrying amount				
At 29 August 2020	919,714	226,566	6,750	1,153,030
At 31 August 2019	923,822	266,843	13,500	1,204,165

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £35,164 (2019 - £29,970) for the year.

	2020 £	2019 £
Motor vehicles	6,750	13,500
Computers and office equipment	87,039	107,825
	93,789	121,325

14 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	90,720	42,349
Carrying amount of financial liabilities		
Measured at amortised cost	1,930,309	1,776,877

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 AUGUST 2020

15 Trade and other receivables

	2020	2019
	£	£
Amounts falling due within one year:		
Trade receivables	81,564	31,121
Other receivables	9,156	11,228
Prepayments and accrued income	2,673	24,016
	<u>93,393</u>	<u>66,365</u>

16 Current liabilities

	Notes	2020	2019
		£	£
Obligations under finance leases	18	37,295	35,843
Borrowings		1,508,000	1,453,000
Other taxation and social security		227,805	24,959
Deferred income	20	527,465	481,981
Trade payables		37,126	88,718
Other payables		214,846	116,690
Accruals		81,537	149,090
		<u>2,634,074</u>	<u>2,350,281</u>

Other payable includes deposits of £89,269 (2019 - £89,784) technically payable with one terms notice hence included as due in under 1 year, However, expectation is that these will be repaid over a number of years as each pupil leaves the school.

17 Borrowings

	2020	2019
	£	£
Other loans	<u>1,508,000</u>	<u>1,453,000</u>
Payable within one year	<u>1,508,000</u>	<u>1,453,000</u>

The loan of £1,050,000 from a third party individual is secured by a legal charge over the property known as Pownall Hall School, Carrwood Road, Wilmslow, SK9 5DW.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 AUGUST 2020

17 Borrowings

(Continued)

The loan from the third party individual carries an interest rate of 5% pa. Although this is shown above as repayable within one year based on the repayment date at 31st August 2020 of 31st March 2021. This loan has since been extended and now has an earliest repayment date of 10th April 2022.

The loans from the Governor's and their families carry an interest rate of 2.5% pa above base (minimum 3% pa), although 3% has per annum has now been agreed as the maximum rate. Although these loans are shown as repayable within one year based on the repayment date at 31st August 2020 of 31st March 2021. These loans have since been extended and now have an earliest repayment date of 10th April 2022.

Additional commentary on these loans is provided in the Governors' Report and in Note 1.2.

18 Finance lease commitments

Future minimum lease payments due under finance leases:

	2020 £	2019 £
Within one year	47,492	45,563
Within two and five years	66,824	106,115
	<u>114,316</u>	<u>151,678</u>
Less: future finance charges	(25,516)	(33,209)
	<u>88,800</u>	<u>118,469</u>

The above represents finance leases to acquire equipment and motor vehicles entered into for a term of 3 or 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The finance lease creditors are secured over the assets to which they relate.

19 Non-current liabilities

	Notes	2020 £	2019 £
Obligations under finance leases	18	<u>51,505</u>	<u>82,626</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 AUGUST 2020

20 Deferred income

	2020 £	2019 £
Arising from Advance fees and deposits	527,465	481,981
	<u>527,465</u>	<u>481,981</u>
Fees in advance movement	2020 £	
Brought forward August 2019	481,981	
Utilised in year	(481,981)	
Received in the year	527,465	
	<u>527,465</u>	
Carried forward at August 2020	<u>527,465</u>	

Parents may enter into an agreement to pay the school fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice.

In addition the school receive advance payments from both local authorities for the Early years pupils and from parents prior to the start of the Michaelmas term in September.

All amounts paid in advance relate to fees in connection with the year ended 31st August 2021.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

21 Retirement benefit schemes

The school participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the scheme of £188,475 (2019 - £117,688) and at the year end contributions of £110,009 (2019 - £15,262) accrued in respect of contributions to the scheme.

The TPS is an unfunded multi-employer defined benefits scheme governed by the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's 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 31 March 2016 valuation report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the Government permission to appeal the Court of Appeal's judgement that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions and the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The School also runs a group personal pension scheme for its non-teaching staff. The cost for the year represents the School's contributions to this scheme.

The charge to profit or loss in respect of defined contribution schemes was £9,088 (2019 - £6,461), and at the year end £3,602 was accrued (2019 - £5,088) in respect of contributions to this scheme.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

22 Restricted funds

The funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes. The expended resources relate to the depreciation charges for the period and repair work undertaken in the year. At the year end, unexpended income was £210,098 (2019 - £209,563)

	Movement in funds			Movement in funds			Balance at 29 August 2020 £
	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	
Roof appeal	92,753	-	(2,576)	90,177	-	(2,576)	87,601
Playmatt							
Netball/ Tennis court	20,927	-	(537)	20,390	-	(537)	19,853
Cheshire East Council Quality Improvement Grant	969	-	(967)	2	-	(2)	-
Playground	11,085	-	(2,217)	8,868	-	(2,217)	6,651
EYFS Canopy and play area	16,471	-	(2,621)	13,850	-	(2,620)	11,230
Nursery canopy	3,755	-	(626)	3,129	-	(626)	2,503
Astro turf	36,273	-	(756)	35,517	-	(756)	34,761
Outdoor classroom and lighting	13,699	-	(1,517)	12,182	-	(1,517)	10,665
Cricket works	-	4,110	(82)	4,028	-	(82)	3,946
Radio station	-	12,000	(2,400)	9,600	-	(2,400)	7,200
Ipads	-	5,080	(1,016)	4,064	-	(1,016)	3,048
Stage lighting, sound and recording equipment	-	8,618	(862)	7,756	-	(862)	6,894
Outdoor play area	-	-	-	-	16,067	(321)	15,746
	<u>195,932</u>	<u>29,808</u>	<u>(16,177)</u>	<u>209,563</u>	<u>16,067</u>	<u>(15,532)</u>	<u>210,098</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 AUGUST 2020

23 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 29 August 2020 are represented by:						
Property, plant and equipment	942,932	210,098	1,153,030	994,602	209,563	1,204,165
Current assets/ (liabilities)	(2,297,194)	-	(2,297,194)	(2,130,601)	-	(2,130,601)
Long term liabilities	(51,505)	-	(51,505)	(82,626)	-	(82,626)
	<u>(1,405,767)</u>	<u>210,098</u>	<u>(1,195,669)</u>	<u>(1,218,625)</u>	<u>209,563</u>	<u>(1,009,062)</u>

Restricted Funds are funds which have been given for particular purposes and projects. The restricted fund must be used for the purpose specified ie; roof appeal, the netball court, nursery play floor, Bay Window repairs, Pupil playground, quality improvement, ICT software and Early Years Foundation Stage canopy and play area.

24 Operating lease commitments

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

	2020 £	2019 £
Within one year	1,200	1,200
Between two and five years	900	2,100
	<u>2,100</u>	<u>3,300</u>

The operating leases represent leases of telephones, copiers and computer equipment from third parties. The leases are negotiated over terms of 5 years and rentals are fixed for this period.

Amounts recognised in the Statement of Financial Activities for the year was £10,104 (2017 - £9,849).

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

25 Events after the reporting date

During the year the outbreak of Coronavirus was declared as a global pandemic which continues to spread throughout the world.

During 2020 and 2021 the school has taken advantage of government support including the furlough of some employees through the job retention scheme.

The pandemic has had a detrimental effect on the business which is ongoing. Income has been impacted by reduced numbers and hours in Nursery and Kindergarten as well as discounts being offered to recognise schooling being provided online. It is likely that this shortfall will not be fully covered by reduced site costs and job retention scheme claims. As a result the accounts for the years ended August 2021 and August 2022 are likely to show losses, which at this point can't be accurately determined.

With pupils now returning to classrooms and the successful roll out of the vaccine, management feel that any further disruption will be temporary and are forecasting a return to profitability in the 22/23 academic year.

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	161,796	136,326

Loans

During previous years, the school received loans from Governor Mr G D Dawber's immediate family shown in other loans in note 17 and from the Chair of Governors Mrs E M MacAulay. These loans remain outstanding as follows:

Loans from the family of Mr G D Dawber

	Balance outstanding 1st September 2019 £	Advances in period £	Repayments in period £	Balance outstanding 29th August 2020 £
Loan from A Dawber (wife of Mr Dawber)	203,000	35,000	(5,000)	233,000
Loan from G Dawber (son of Mr Dawber)	120,000	25,000	-	145,000
	<u>323,000</u>	<u>60,000</u>	<u>(5,000)</u>	<u>378,000</u>

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 AUGUST 2020

26 Related party transactions

(Continued)

Above loans were originally agreed with interest payable at base rate plus 2.5% (minimum 3% pa).

As a result of a subsequent agreement, interest on the loans is now fixed at 3% pa.

The whole of the above loans have been classified as short term representing conditions existing at the balance sheet date.

However subsequent extension of the loan has confirmed that this balance will not be repaid until alternative long term finance is agreed.

The terms of the loans, including interest rate payable, were approved by the Governors (excluding Mr Dawber) having regards to prevailing rates for loans and deposits.

Interest of £11,545 has been paid during the year and further interest totalling £20,196 is accrued at the year end.

The interest charge for the period in relation to the above loans is £9,698.

Loans from Mrs E M MacAulay (Chair of the Board of Governors)

	Balance outstanding 1st September 2019 £	Advances in period £	Repayments in period £	Balance outstanding 29th August 2020 £
Loan from EM MacAulay	80,000	-	-	80,000
	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>80,000</u>

Above loan was originally agreed with interest payable at base rate plus 2.5% (minimum 3% pa).

As a result of a subsequent agreement, interest on the loans is now fixed at 3% pa.

The full amount of £80,000 due to Mrs E M MacAulay was outstanding as at 29th August 2020, the balance sheet date.

However subsequent extension of the loan has confirmed that this balance will not be repaid until alternative long term finance is agreed.

The terms of the loans, including interest rate payable, were approved by the Governors (excluding Mrs MacAulay) having regards to prevailing rates for loans and deposits.

Interest of £3,127 has been paid during the year and further interest totalling £4,800 is accrued as at August 2020.

The interest charge for the period in relation to the above loans is £2,200.

POWNALL HALL SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 AUGUST 2020

27	Cash generated from operations		2020	2019	
			£	£	
	Deficit for the year		(186,607)	(62,407)	
	Adjustments for:				
	Investment income recognised in statement of financial activities		(47)	(195)	
	Depreciation and impairment of property, plant and equipment		106,359	101,541	
	Movements in working capital:				
	(Increase) in trade and other receivables		(27,028)	(40,135)	
	Increase in trade and other payables		181,857	57,646	
	Increase in deferred income		45,484	60,852	
	Cash generated from operations		120,018	117,302	
28	Analysis of changes in net (debt)/funds				
		At 1 September 2019	Cash flows	New finance leases	At 29 August 2020
		£	£	£	£
	Cash at bank and in hand	153,315	90,172	-	243,487
	Loans falling due within one year	(1,453,000)	(55,000)	-	(1,508,000)
	Obligations under finance leases	(118,469)	37,296	(7,627)	(88,800)
		<u>(1,418,154)</u>	<u>72,468</u>	<u>(7,627)</u>	<u>(1,353,313)</u>