

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

	Notes	2023 £	£	2022 £	£
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	
		407,413		200,387	
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)
			(1,285,620)		(1,474,339)

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
	3,303,030	(222,384)	3,080,646	2,560,855	(178,566)	2,382,289

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 Number	2022 Number
Teaching staff	60	52
Support staff	13	17
Total	73	69

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
	2,130,598	1,819,837

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

	2023 Number	2022 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.

11 Other

	2023 £	2022 £
Financing interest and charges	27,631	84,670
	27,631	84,670

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
	56,277	84,708
Less: future finance charges	(5,817)	(12,824)
	50,460	71,884

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
		1,333,105	1,539,292

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
		1,436,654	1,166,594

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
	547,899	456,228

Fees in advance movement

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

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 28 August 2021	Resources expended	Balance at 28 August 2022	Incoming resources	Resources expended
	£	£	£	£	£
Roof appeal	85,025	(2,576)	82,449	-	(2,576)
Playmatt Netball/Tennis court	19,315	(537)	18,778	-	(537)
Playground	4,434	(2,217)	2,217	-	(2,217)
EYFS Canopy and play area	8,611	(2,620)	5,991	-	(2,620)
Nursery canopy	1,877	(626)	1,251	-	(1,251)
Astro turf	34,005	(756)	33,249	-	(756)
Outdoor classroom and lighting	9,148	(1,517)	7,631	-	(1,564)
Cricket works	3,864	(82)	3,782	-	(82)
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)
Outdoor play area	15,425	(321)	15,104	-	(321)
Theatre refurb	-	-	-	6,769	(1,354)
Floodlights	-	-	-	4,694	(156)
Science lab refurb	-	-	-	30,879	(1,029)
Artificial grass play area	-	-	-	24,210	(807)
	194,568	(15,530)	179,038	66,552	(19,548)

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)

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)

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>(1,511,662)</u>	<u>226,042</u>	<u>(1,285,620)</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>(1,653,377)</u>	<u>179,038</u>	<u>(1,474,339)</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	<u>135,494</u>	<u>142,423</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 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 2023

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>