

THE ELMS (COLWALL) LIMITED

England & Wales · Charity number 527252

Details

Status Registered

Legal form Charitable company

Company number [00843499](#)

Registered 1965-11-04

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

Contact

Address The Elms School
Colwall Green
Malvern
WR13 6EF

Phone 01684540344

Email bursar@elmsschool.co.uk

Website www.elmsschool.co.uk

Activities

Objects: TO ESTABLISH, PROVIDE, CONDUCT AND CARRY ON RESIDENTIAL AND NON-RESIDENTIAL SCHOOLS TO GRANT SCHOLARSHIPS, BURSARIES, EXHIBITIONS AND PRIZES AND TO PROVIDE FOR THE HOLDING OF LECTURES, CLASSES, CONFERENCES, EXHIBITIONS AND CONCERTS.

Activities: Education of children up to the age of 13

Classification

- **How:** Makes Grants To Individuals
- **What:** Education/training
- **Who:** Children/young People

Geography

- Herefordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£3,325,316	£3,484,819	£3,359,775	65
2023-08-31	£2,897,053	£3,050,961	£3,519,278	61
2022-08-31	£3,258,288	£3,051,175	£3,673,186	61
2021-08-31	£2,485,195	£2,942,239	£3,466,073	62
2020-08-31	£2,423,845	£2,981,795	£3,923,117	64

Trustees

Name	Role	Appointed
Alexandra Moira Mackenzie Milliken		2018-11-25
Benjamin Paul Evans		2022-07-20
Daniel James Graham		2022-07-20
Hannah Claire Wall		2022-12-02
James Michael Rose		2022-07-18
James Stevens		2025-03-14
Laura Elizabeth Redvers		2021-03-21
Mathew Gilliat-Smith		2019-06-30
Matthew Radley		2025-09-12
Neil Baldwin		2022-07-13
Samantha Bagshaw		2025-03-14
Suzanne Keown-Boyd		2025-12-05

THE ELMS (COLWALL) LIMITED

England & Wales - Charity number 527252

Accounts

Registered number: 00843499
Charity number: 527252

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

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THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS GOVERNORS
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2024**

Governors	J Rose, Chairman N Baldwin, Vice Chairman B Evans M Gilliat-Smith D Graham Lady S J Mcfarlane A Milliken L Redvers H Wall
Company registered number	00843499
Charity registered number	527252
Registered office	The Elms School Colwall Stone Malvern Worcestershire WR13 6EF
Company secretary	J Monro (appointed 15 September 2023 and resigned 30 April 2025) S Brandwood (resigned 15 September 2023)
Chief executive officer	E Lyddon
Independent auditor	Cooper Parry Group Limited Statutory Auditor Cubo Birmingham Office 401 Two Chamberlain Square Birmingham B3 3AX
Bankers	Lloyds Bank plc 8 High Town Hereford HR1 2AE
Solicitors	Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham GL50 1YD

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Governors present their annual report together with the audited financial statements of the Charitable Company for the year 1 September 2023 to 31 August 2024. The members of the Governing Body of The Elms (Colwall) Limited present their Annual Report for the year ended 31 August 2024 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

Directors' Report

a. Constitution and Objects

The Elms (Colwall) Limited is a charitable company founded in 1614, charity registration number 527252, company registration number 00843499 incorporated on 30 March 1965 with the liability of its members limited to £1 by guarantee. The registered office and principal address of the company is at The Elms, Colwall, Malvern, Worcestershire, WR13 6EF.

The company is governed by its Articles of Association adopted on 18 November 2012.

b. Aims and Objectives

Aims

The objective of the company, in accordance with its Articles of Association (clause 4), is to promote the advancement of education and in connection therewith to acquire, establish, provide, conduct and carry on residential and non-residential schools in which children may receive a sound general education. This objective includes all children, including those of different levels of ability, those who may require special educational needs, those from a variety of backgrounds and those whose parents may not be able to afford full fees.

Strategic Aim and Intended Effect

The school's strategic aim to reach its annual objective is the attainment of good academic levels whilst allowing pupils to benefit from an extra-curricular programme. This aims to draw out their abilities, to develop wider interests in life and to prepare them for a successful outcome at their chosen senior school.

Objectives for the Year

The Board's main objective continued to be to educate all the school's pupils to a high standard as in previous years, so that they will be fully able to benefit from their chosen school for the completion of their education in due course. Our strategy for achieving this is to maintain small class sizes with a high teacher-to-pupil ratio, tailoring our services as appropriate in each case to suit individual needs.

Principal Activity

The principal activity of The Elms (Colwall) Limited continues to be the provision of a boarding school. Additionally there is a nursery facility.

THE ELMS (COLWALL) LIMITED
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Directors' Report (continued)

c. Governance and Management

Governing Body

The Directors of the company, who also act as governors of the school and trustees of the charity, are elected at the Annual General Meeting of the company. A matrix is used to monitor whether the Board contains a full range of desirable skills. One third of the Directors are required to retire by rotation every year and are eligible for re-election. As a policy it has been agreed that Directors should serve for a maximum of nine years after which they are ineligible for re-election for one year. Directors may be elected from current parents in the school. For the reporting period under review Alex Milliken, Hannah Wall, James Rose, Dan Graham and Neil Baldwin are parents of children who were in the school during the financial year.

Trustees Induction and Training

The Governors are aware that new Trustees should undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other Trustees. Trustees are encouraged to attend external training events where these will facilitate the undertaking of their role.

Organisational Management

The Directors meet as a Board at least three times a year to determine the general policy of the company and review its overall management and control, for which they are legally responsible. The Board is supported by Board Committees ("Committees"; formerly, Support and Monitoring Groups) covering Education, Finance, Governance, Safeguarding and Welfare (formerly: Welfare and Health and Safety), Marketing, and Estates (formerly: Property) which review practice in their respective fields, advise the Head and propose and review appropriate policies. The day to day running of the school is delegated to the Head and Bursar. They are also supported by their Senior Management Team and together this group are the key management personnel. Aspects of education, finance and welfare are subject to review by Committees. Remuneration is set by the Board. The Head and Bursar attend all meetings of the Governing Body's Committees. The Board is supported by its Clerk.

Employment policy

The School will endeavour to recruit the most suitable staff, both teaching and support staff, for any post to ensure the highest standards are maintained throughout the school. It also pursues policies as an equal opportunities employer. Full and fair consideration is given to job applications from applicants of all abilities and backgrounds and due consideration is given to their training and employment needs. Communications with staff continues throughout the year with whole school inset briefings and after school staff meetings.

THE ELMS (COLWALL) LIMITED
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Directors' Report (continued)

d. Statement of Trustees' Responsibilities

The Trustees (who are also directors of The Elms (Colwall) Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company 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 Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Trustees of the School at the date of approval of this report is aware, there is no relevant audit information of which the School's auditor is unaware. Each of the Trustees have each taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the School's auditor is aware of that information.

THE ELMS (COLWALL) LIMITED
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Directors' Report (continued)

e. Strategic Report

MISSION STATEMENT

The school's mission is to provide the necessary education to enable each pupil to develop their individual talents in whatever sphere they might lie, to foster genuine self-confidence and to matriculate successfully to their chosen schools upon leaving and be confident members of the larger society and effective contributors to it.

Our Vision

Our vision is to help each pupil to realise they are truly unique and possess gifts and talents which gives them unlimited potential. We wish to create an educational foundation whereby throughout their lives our pupils will always be ambitious for self-improvement and so develop beyond their perceived potential.

Our Mission

The school's mission is to:

- To provide excellent teaching, learning and pastoral care
- To provide a wealth of opportunities both curricular and extra-curricular
- To encourage pupils to be the best they can be so that we help them to develop their untapped potential

f. Strategies to Achieve the Primary Objectives

With effect from 1 August 2023, the Directors are actively involved in the implementation of a five year business plan that will run from 2022 to 2027 and which supersedes the prior development plan. The plan, the result of a new energy garnered from within the parent group and local community, is focused on delivering a well-funded and growing school, run with greater efficiency, that understands the market in which it is operating and is confident about its offer into that market. The financial year covered by these Accounts saw the arrival of new operational leadership for the school, a reshaping of the operating costs and all of this done while the market in which the school operates continued to become ever more competitive.

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the Year:

The school has again had a successful year, attaining excellent academic achievement with all pupils reaching their chosen schools for completion of their education. There was success for the school in its full range of sporting activities in competitions with other schools. Cultural and rural activities form an important part of the school's curriculum. Performing arts continue to provide excellent results with frequent concerts and drama productions. Additionally, the farm and rural studies activities are proving extremely popular with the pupils and their parents.

The school has been able to achieve its mission and these results by continuing to retain its high quality of teaching staff.

The Board's commitment to maintaining the school's excellence has been reinforced by the capital expenditure programme.

THE ELMS (COLWALL) LIMITED
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

ACHIEVEMENTS AND PERFORMANCE (continued)

(continued)

Public Benefit

The school takes part in a wide variety of activities in order to carry out the school's aim for public benefit educating children in an environment not generally available to the state sector. The school has links with local state primary school and other local community organisations and provides its facilities free of charge, and engages in a wide range of other charitable work with the local community.

The arrival into power of a new Government in July 2024, within the financial year covered by these Accounts, has seen the immediate implementation of VAT on school fees, and the removal of Business Rates relief for independent schools. This was implemented in law in January 2025. This policy has led some schools to reconsider both their Charitable status, and their commitment to Public Benefit. The Directors of The Elms (Colwall) Limited consider the corporate structure of ownership to be a separate issue from the commitment to providing public benefit. While from time to time the Directors may review the ownership structure to ensure it is the most appropriate vehicle for the school's needs, on the matter of providing public benefit the Directors believe that it is the moral duty of the more fortunate to share their fortune with those less fortunate. Beyond this moral duty, it is the strong belief of the Directors that the school operates at its best when it has strong links with its local community. The Directors have always believed therefore in the delivery by the school of meaningful Public Benefit, and this is not expected to change.

Means tested financial assistance is available and during the year grants and other awards in the form of bursaries and allowances were made out of unrestricted funds thereby increasing access to the school and thus reducing the annual fee income by £328,085 (2023 - £438,782).

The Directors, as the charity Trustees, confirm that they have complied with their duty in section 17 of the Charities Act 2011 to have regard to the public benefit guidance published by the Charity Commission for England and Wales.

Financial Review

The results for the year ended 31 August 2024 are shown in the Statement of Financial Activities on page 14. This, together with the balance sheet on page 15, should be read in conjunction with the related notes which have been prepared in accordance with the Charities SORP 2019 (FRS 102).

Total income for the year amounted to £3,325,316 (2023: £2,897,053). The principal source of funding continued to be tuition fees. Total expenditure for the year amounted to £3,484,819 (2023: £3,050,961). A breakdown of expenditure is set out in the notes to the accounts.

After transfers between funds, there was a deficit on unrestricted funds for the year totalling £109,902 and a deficit on restricted funds totalling £49,601. This has resulted in a total decrease in funds for the year of £159,503 (2023: £153,908). The funds for the charity at the year end totalled £3,359,775 which are all unrestricted funds.

THE ELMS (COLWALL) LIMITED
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

ACHIEVEMENTS AND PERFORMANCE (continued)

Going concern

The School's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report.

The Directors have overseen the preparation of detailed cash flow forecasts, covering a period of 3 years from the date of approval of these Financial Statements. The forecasts are prepared with appropriate regard for the current headwinds and particular circumstances in which the School operates, including a sensitivity analysis to the potential impact of the Government's application of VAT to independent school fees from 1 January 2025.

After making appropriate enquiries and considering key judgements and assumptions described above, the Directors have a reasonable expectation at the time of approving these Financial Statements that the Company has adequate resources to continue in operational existence for the foreseeable future.

Following careful consideration, the Directors do not consider there to be a material uncertainty with regards to going concern and consider it is appropriate to adopt the going concern basis in preparing these Financial Statements.

Reserves Policy

Free reserves are calculated as Current assets less Restricted funds and Total liabilities (excluding Creditor balances which are non-refundable at the balance sheet date). Using this definition the Company would have free reserves of £813,350 (2023: £897,278).

The School's policy is to maintain free reserves at a level that ensures a continuation of the standard of education currently provided. The current level of free reserves is considered sufficient to meet the current development plans of the School.

Investments Policy

The school's surplus funds are invested at all times to obtain maximum protection and income at the same time being readily realisable to meet its commitments within acceptable levels of risk.

THE ELMS (COLWALL) LIMITED
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Future Plans

The school's development plan is subject to an annual review by the Governors and the future plans for the school include:

- ensuring that the school and grounds are a safe and attractive environment for pupils, staff and visitors alike;
- provision of a happy and secure pastoral environment, suitable for both day and boarding pupils in which all pupils are offered opportunities for leadership and service to others;
- providing a stimulating learning environment in which pupils can develop their academic potential in full;
- increasing the capability of the school to offer education to children whose parents are unable to afford full fees;
- providing an enjoyable and appropriately challenging environment within which members of staff may develop their careers;
- ensuring that the school plays a significant part in the life of the local community, sharing facilities and seeking local partnerships wherever possible.

These aims underpin development plans so that the school continues to enhance its ability to provide first class education.

THE ELMS (COLWALL) LIMITED
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Risk Management

The Governors have given consideration to the major risks to which the school is exposed. The Governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent school sector to be the principal risks faced by the School. Health and Safety is always a significant area for risk management. The Governing Body has ultimate responsibility for managing any risks faced by the school and has developed a Risk Management Plan. Detailed consideration of risks is delegated to the Welfare and Health and Safety committee which reports formally to the Governing Body. The structure of the committee comprises four members of the Governing Body assisted by senior management.

The risk management process and the resulting report identifies risks, assesses their impact and likelihood, and where necessary, recommends controls to mitigate and monitor those risks. The controls used by the school to minimise risk include:

- detailed terms of reference together with formal agenda;
- comprehensive budgeting and management accounting;
- established organisational structures and lines of reporting;
- formal written policies including clear authorisation and approval levels;
- vetting procedures as required by law for the protection of the vulnerable.

The Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks.

Principal Risks and Uncertainties

The Governing Body has considered the effects of the implementation of VAT on school fees by the new Government and the accompanying removal of Business Rates relief. This has been a risk for some years and it has been implemented as of January 2025. These risks are minimised by financial planning and ensuring that the cost base of the school is not inappropriate to the prevailing revenue outlook.

Related to the affordability impact of VAT on school fees, the Governing Body is alert to the risk of The Elms, being an independent preparatory school, being unable to offer "all-through" fee discounts for families for whom independence of educational outcome at 13 is a marginal decision when set against the possibility of fee discounting that eases financial pressures from the age of 7 through to 18. The Governors recognise that, by geography, the school competes for customers in an area well populated by schools offering all-through fee discounts. This risk is minimised by the breadth of education on offer at The Elms, the clear communication of the benefits of educational choice at the age of 13, and the delivery of pupil achievement outcomes that prove this value.

Health and safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (including when away from the school premises on trips and expeditions). The risks associated with all activities are minimised by thorough planning and risk assessment.

The Governing Body is satisfied that for all major risks identified appropriate controls have been put in place and maintained to minimise those risks adequately. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

Disclosure of information to auditor

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

THE ELMS (COLWALL) LIMITED
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Auditor

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the re-appointment of Cooper Parry Group Limited as auditor to the School will be put to the Annual General Meeting.

Approved by order of the members of the board of Governors and signed on their behalf by:



.....
J Rose

Chairman of The Trustees

Date: 27 May 2025

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ELMS (COLWALL) LIMITED

Opinion

We have audited the financial statements of The Elms (Colwall) Limited (the 'charitable company') for the year ended 31 August 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

THE ELMS (COLWALL) LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ELMS (COLWALL) LIMITED
(CONTINUED)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the Strategic report, including the strategic report

We have nothing to report in respect of the following matters in relation to which 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or Governors.

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the charitable company for the purposes 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 charitable company'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.

THE ELMS (COLWALL) LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ELMS (COLWALL) LIMITED
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focused on key laws and regulations the charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery, and employment legislation

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the charitable company's control environment and how the charitable company has applied relevant control procedures, through discussions with Governors and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

THE ELMS (COLWALL) LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ELMS (COLWALL) LIMITED
(CONTINUED)

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Glen Bott FCA (Senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Statutory Auditor

Cubo Birmingham

Office 401

Two Chamberlain Square

Birmingham

B3 3AX

Date: 27 May 2025

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024**

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	3	2,900	15,645	18,545	164,660
Charitable activities	4	3,203,802	-	3,203,802	2,655,912
Other trading activities		1,187	-	1,187	6,170
Investments		19,977	-	19,977	12,410
Other income	5	-	81,805	81,805	57,901
Total income		<u>3,227,866</u>	<u>97,450</u>	<u>3,325,316</u>	<u>2,897,053</u>
Expenditure on:					
Charitable activities	6	3,387,369	97,450	3,484,819	3,050,961
Total expenditure		<u>3,387,369</u>	<u>97,450</u>	<u>3,484,819</u>	<u>3,050,961</u>
Net expenditure		(159,503)	-	(159,503)	(153,908)
Transfers between funds	15	49,601	(49,601)	-	-
Net movement in funds		<u>(109,902)</u>	<u>(49,601)</u>	<u>(159,503)</u>	<u>(153,908)</u>
Reconciliation of funds:					
Total funds brought forward		3,469,677	49,601	3,519,278	3,673,186
Net movement in funds		(109,902)	(49,601)	(159,503)	(153,908)
Total funds carried forward		<u><u>3,359,775</u></u>	<u><u>-</u></u>	<u><u>3,359,775</u></u>	<u><u>3,519,278</u></u>

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

The notes on pages 18 to 32 form part of these financial statements.

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 00843499

BALANCE SHEET
AS AT 31 AUGUST 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	10	2,925,871	2,889,042
		2,925,871	2,889,042
Current assets			
Stocks		-	10,065
Debtors	11	199,144	165,222
Cash at bank and in hand		1,372,082	953,815
		1,571,226	1,129,102
Creditors: amounts falling due within one year	12	(706,113)	(427,884)
		865,113	701,218
Net current assets		865,113	701,218
Total assets less current liabilities		3,790,984	3,590,260
Creditors: amounts falling due after more than one year	13	(431,209)	(70,982)
Total net assets		3,359,775	3,519,278
Charity funds			
Restricted funds	15	-	49,601
Unrestricted funds	15	3,359,775	3,469,677
Total funds		3,359,775	3,519,278

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Governors on 27 May 2025 and signed on their behalf by:

J Rose
Chairman of the Trustees

The notes on pages 18 to 32 form part of these financial statements.

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	16	594,189	52,112
Cash flows from investing activities			
Investment income and bank interest received		19,977	12,410
Purchase of tangible fixed assets		(195,899)	(138,517)
Net cash used in investing activities		(175,922)	(126,107)
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		418,267	(73,995)
Cash and cash equivalents at the beginning of the year		953,815	1,027,810
Cash and cash equivalents at the end of the year	17	1,372,082	953,815

The notes on pages 18 to 32 form part of these financial statements

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. General information

The Elms (Colwall) Limited is a registered charity with the Charity Commission England and Wales (charity number: 527252) and was incorporated as a private company limited by guarantee (company number: 00843499) on 30 March 1965. The address of its registered office is The Elms School, Colwall, Malvern, Worcestershire, WR13 6EF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Elms (Colwall) Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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 £.

2.2 Going concern

The School's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report.

The Directors have overseen the preparation of detailed cash flow forecasts, covering a period of 3 years from the date of approval of these Financial Statements. The forecasts are prepared with appropriate regard for the current headwinds and particular circumstances in which the School operates, including a sensitivity analysis to the potential impact of the Government's application of VAT to independent school fees from 1st January 2025.

After making appropriate enquiries and considering key judgements and assumptions described above, the Directors have a reasonable expectation at the time of approving these Financial Statements that the Company has adequate resources to continue in operational existence for the foreseeable future.

Following careful consideration, the Directors do not consider there to be a material uncertainty with regards to going concern and consider it is appropriate to adopt the going concern basis in preparing these Financial Statements.

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.3 Fees and Other Income

Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

All other income is included in the Statement of Financial Activities when the School has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations income is accounted for as and when entitlement arises and the amount can be reliably quantified.

Investment income from dividends and interest are accounted for on an accruals basis.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

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 allocated on the portion of the asset's use.

Charitable activities and governance costs are costs incurred on the School's educational operations, including support costs and costs relating to the governance of the school apportioned to charitable activities. Costs of raising funds are those costs incurred in attracting income and those incurred in trading activities that raise funds for the School.

All expenditure is inclusive of irrecoverable VAT.

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

Tangible fixed asset are stated at cost less depreciation. Depreciation is not provided on freehold land. On other assets depreciation is provided on cost in equal annual installments over the estimated economic lives of the asset.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	10% or 20% straight line
Computer equipment	-	10% or 20% straight line

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Repair, renovation and replacement expenditure is written off as expenditure in the statement of financial activities. Individual items costing less than £5,000 are written off as an expense as acquired.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of financial activities.

2.6 Investments

Investments are measured at market value with any change recognised in the Statement of financial activities.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any fee discounts offered. Prepayments are valued at the amount prepaid net of any trade discount due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.10 Recognition of liabilities

Liabilities are recognised once there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the School anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11 Financial instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

2.13 Fund accounting

General Funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the School and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charitable Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2.14 Pensions

The School operates two defined contribution pension schemes and the pension charge represents the amounts payable by the school to the schemes' funds in respect of the year.

2.15 Taxation

The School is a registered charity, and as such is entitled to certain tax exemptions on surpluses on any trading activities carried out in furtherance of the charity's primary objectives.

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.16 Critical accounting estimates and areas of judgement

The Governors are required to adopt those accounting policies most appropriate to the circumstances for the purposes of presenting fairly its financial position, financial performance, and cash flows. The preparation of the financial statements requires the Governors to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenditure. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Governors consider that accounting forecasts, assumptions and judgements made will not result in a significant difference to the amounts of assets and liabilities carried forward in the next financial year.

The Governors consider the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities:

Recoverability of debtors (Note 11)

The provision for doubtful debts is based on an estimate of the expected recoverability of those debts. In line with the School's accounting policy, the provision is based on the current situation of the customer and the age profile of the debt. At the reporting date, the bad debt provision is £22,876 (2023: £Nil).

Useful economic life (UEL) of tangible fixed assets (Note 10)

Tangible fixed assets represent a significant proportion of the School's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the reported performance. Useful lives are determined at the time the asset is acquired, and the UEL of its assets is reviewed annually. The UEL are based on historical experience with similar assets as well as anticipation of future events. Depreciation policies are applied to each asset category in order to reflect the useful economic life of the assets.

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

3. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	2,900	15,645	18,545	164,660
Total 2023	141,350	23,310	164,660	

The School has received a restricted donation for tuition fees of £15,645 (2023: £23,310). This has been recognised as a restricted fund and the bursary has been recognised within expenditure.

4. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Gross School Fees	3,172,931	3,172,931	2,855,634
Scholarships, bursaries and discounts	(328,085)	(328,085)	(415,472)
Other income	358,956	358,956	215,750
Total 2024	3,203,802	3,203,802	2,655,912

5. Other incoming resources

	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Local council funding	81,805	81,805	57,901
Total 2023	57,901	57,901	

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
Education	1,653,132	97,450	1,750,582	1,781,286
Welfare	250,032	-	250,032	369,276
Premises	708,550	-	708,550	485,980
Marketing and publicity	93,885	-	93,885	57,872
Support costs	679,201	-	679,201	333,237
Grants, awards and prizes	2,569	-	2,569	23,310
	<u>3,387,369</u>	<u>97,450</u>	<u>3,484,819</u>	<u>3,050,961</u>
Total 2023	<u>2,969,749</u>	<u>81,212</u>	<u>3,050,961</u>	

Summary by expenditure type

	Staff costs 2024 £	Depreciation 2024 £	Other costs 2024 £	Total 2024 £	Total 2023 £
Education	1,383,935	85,466	281,181	1,750,582	1,781,286
Welfare	112,840	-	137,192	250,032	369,276
Premises	169,079	73,605	465,866	708,550	485,980
Marketing and publicity	49,252	-	44,633	93,885	57,872
Support costs	472,461	-	206,740	679,201	333,237
Grants, awards and prizes	-	-	2,569	2,569	23,310
	<u>2,187,567</u>	<u>159,071</u>	<u>1,138,181</u>	<u>3,484,819</u>	<u>3,050,961</u>
Total 2023	<u>1,969,535</u>	<u>149,020</u>	<u>932,406</u>	<u>3,050,961</u>	

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

7. Auditor's remuneration

	2024	2023
	£	£
Fees payable to the Charitable Company's auditor for the audit of the Charitable Company's annual accounts	14,000	15,100
Fees payable to the Charitable Company's auditor in respect of: All non-audit services not included above	2,000	-
	16,000	15,100

8. Staff costs

	2024	2023
	£	£
Wages and salaries	1,806,074	1,599,045
Social security costs	164,310	146,446
Contribution to defined contribution pension schemes	217,183	224,044
	2,187,567	1,969,535

In 2024, there was 1 redundancy payment of £15,000 (2023: £NIL) and 1 termination payment of £5,000 (2023: £NIL).

The average number of persons employed by the Charitable Company during the year was as follows:

	2024	2023
	No.	No.
Teaching	32	36
Admin and support	33	25
	65	61

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

8. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
	No.	No.
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	1	-

Total remuneration and benefits received by key management personnel for the year was £551,382 (2023: £387,495).

9. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 August 2024, no Governor expenses have been incurred (2023 - £NIL).

10. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2023	3,859,986	106,716	726,932	305,138	4,998,772
Additions	-	-	165,901	29,998	195,899
At 31 August 2024	3,859,986	106,716	892,833	335,136	5,194,671
Depreciation					
At 1 September 2023	1,324,120	96,373	527,905	161,332	2,109,730
Charge for the year	73,604	4,297	42,543	38,626	159,070
At 31 August 2024	1,397,724	100,670	570,448	199,958	2,268,800
Net book value					
At 31 August 2024	2,462,262	6,046	322,385	135,178	2,925,871
At 31 August 2023	2,535,866	10,343	199,027	143,806	2,889,042

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

11. Debtors

	2024	2023
	£	£
Due within one year		
Net school fee debtor	116,408	57,772
Other debtors	22,879	25,349
Prepayments and accrued income	59,857	82,101
	<u>199,144</u>	<u>165,222</u>

12. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Fees received in advance of term	322,660	316,643
Trade creditors	64,591	31,650
Fees in advance	204,854	-
Other taxation and social security	38,792	37,026
Deposits from parents	42,506	11,012
Other creditors and accruals	32,710	31,553
	<u>706,113</u>	<u>427,884</u>

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

13. Creditors: Amounts falling due after more than one year

	2024	2023
	£	£
Fees in advance	364,209	-
Fee deposits	67,000	70,982
	431,209	70,982
	431,209	70,982

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2024	2023
	£	£
Payable or repayable by instalments	243,190	-
	243,190	-
	243,190	-

14. Financial instruments

	2024	2023
	£	£
Financial assets		
Financial assets measured at amortised cost	1,511,369	1,036,936
	1,511,369	1,036,936
Financial liabilities		
Financial liabilities measured at amortised cost	1,065,820	432,131
	1,065,820	432,131

Financial assets measured at amortised cost comprise of cash at bank, fee debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, deposits and fees in advance.

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

15. Statement of funds

Statement of funds - current year

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2024 £
Unrestricted funds					
Designated funds					
Designated Funds	5,855	-	-	-	5,855
General funds					
General Funds	3,463,822	3,227,866	(3,387,369)	49,601	3,353,920
Total Unrestricted funds	3,469,677	3,227,866	(3,387,369)	49,601	3,359,775
Restricted funds					
Grocers donation - bursary	49,601	15,645	(15,645)	(49,601)	-
Specialist learning support	-	81,805	(81,805)	-	-
	49,601	97,450	(97,450)	(49,601)	-
Total of funds	3,519,278	3,325,316	(3,484,819)	-	3,359,775

The transfer from restricted fund to general funds, relates to restricted funds which were used entirely in the prior year but taken out of the general fund.

The Grocers Company provides annual financial support for an identified pupil throughout their stay at the school.

The local authority has granted funding in relation to specialist learning support to cover related expenses.

Designated funds have been set aside for the refurbishment of the tennis courts within the school grounds.

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2022 £	Income £	Expenditure £	Balance at 31 August 2023 £
Unrestricted funds				
Designated funds				
Designated Funds	5,855	-	-	5,855
General funds				
General Reserve	3,617,730	2,815,841	(2,969,749)	3,463,822
Total Unrestricted funds	3,623,585	2,815,841	(2,969,749)	3,469,677
Restricted funds				
Grocers donation - bursary	49,601	23,310	(23,310)	49,601
Specialist learning support	-	57,902	(57,902)	-
	49,601	81,212	(81,212)	49,601
Total of funds	3,673,186	2,897,053	(3,050,961)	3,519,278

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2024	2023
	£	£
Net expenditure for the period (as per Statement of Financial Activities)	(159,503)	(153,908)
Adjustments for:		
Depreciation charges	159,070	148,454
Dividends, interests and rents from investments	(19,977)	(12,410)
Decrease/(increase) in stocks	10,065	(10,065)
Decrease/(increase) in debtors	(33,922)	33,501
Increase in creditors	638,456	45,974
Net cash provided by operating activities	594,189	51,546

17. Analysis of cash and cash equivalents

	2024	2023
	£	£
Cash in hand	982,491	564,224
Notice deposits (less than 3 months)	389,591	389,591
Total cash and cash equivalents	1,372,082	953,815

18. Analysis of changes in net debt

	At 1 September 2023	Cash flows	At 31 August 2024
	£	£	£
Cash at bank and in hand	953,815	213,413	1,167,228
Debt due within 1 year	-	-	-
	953,815	213,413	1,167,228

THE ELMS (COLWALL) LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

19. Pension commitments

The School contributes to a defined contribution schemes administered by Aviva Pension Trust for Independent Schools for the benefit of eligible support staff employees and teachers respectively. The pension cost charged in the accounts is the amount payable by the School during the year which amounted to £217,183 (2023: £224,044). Contributions totalling £NIL (2023: £Nil) were payable to the funds at the Balance Sheet date and are included in other creditors.

20. Operating lease commitments

At 31 August 2024 the Charitable Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£	£
Not later than 1 year	2,864	31,371
Later than 1 year and not later than 5 years	5,008	7,698
Later than 5 years	-	301
	<u>7,872</u>	<u>39,370</u>

21. Related party transactions

A company which is owned by a relative of A Milliken, Governor, was paid £NIL (2023 - £1,608) for landscape services provided to the school. £NIL (2023 - £Nil) was owed to that company at 31 August 2024.

A company of which J Rose, Governor, was paid £1,800 (2023 - £1,800) for advisory services provided to the school. £NIL (2023 - £Nil) was owed to that company at 31 August 2024.

A company of which the Director is a close relative to H Taranczuk, a member of the senior leadership team, was paid £840 (2023 - £Nil) for school production services provided to the school. £NIL (2023 - £Nil) was owed to that company at 31 August 2024.

5 Governors are parents of children who were in the school during the financial year. Of these, 1 Governor received the standard 5% sibling discount and 1 Governor, in an arrangement pre-dating their election as a Governor benefits from a non-standard sibling discount totalling £4,283.

The School had no other related party transactions during the financial year.

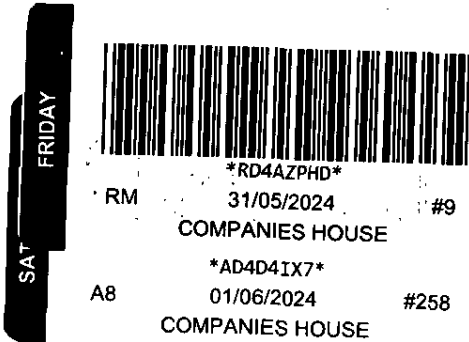
THE ELMS (COLWALL) LIMITED

England & Wales - Charity number 527252

Accounts

THE ELMS (COLWALL) LIMITED
(a company limited by guarantee)

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2023



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THE ELMS (COLWALL) LIMITED

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THE ELMS (COLWALL) LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2023

TRUSTEES

J Rose – Chairman
N Baldwin
B Evans
M Gilliat Smith
D Graham
A MacKinnon (resigned 02 December 2022)
Lady S J Mcfarlane
A Milliken
L Redvers
P Thomas (resigned 02 December 2022)
H Wall (appointed 02 December 2022)
C Whitworth (resigned 10 March 2023)

COMPANY SECRETARY

S Brandwood

CLERK TO THE TRUSTEES

S Brandwood

HEAD OF SCHOOL

E Lyddon

COMPANY NUMBER

00843499

CHARITY NUMBER

527252

REGISTERED AND PRINCIPAL OFFICE

The Elms School
Colwall
Malvern
Worcestershire
WR13 6EF

AUDITOR

Crowe U.K. LLP
Statutory Auditor
4th Floor, St James House
St James Square
Cheltenham
GL50 3PR

BANKERS

Lloyds Bank plc
8 High Town
Hereford
HR1 2AE

SOLICITORS

Harrison Clark Rickerbys Limited
Ellenborough House
Wellington Street
Cheltenham
GL50 1YD

Whatley Weston & Fox
15 & 16 The Tything
Worcester
WR1 1HD

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 31 AUGUST 2023

The members of the Governing Body of The Elms (Colwall) Limited present their Annual Report for the year ended 31 August 2023 under the Charities Act 2011 and the Companies Act 2006, thus including the *Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements* for the year.

DIRECTORS' REPORT

CONSTITUTION AND OBJECTS

The Elms (Colwall) Limited is a charitable company founded in 1614, charity registration number 527252, company registration number 00843499 incorporated on 30 March 1965 with the liability of its members limited to £1 by guarantee. The registered office and principal address of the company is at The Elms, Colwall, Malvern, Worcestershire, WR13 6EF.

The company is governed by its Articles of Association adopted on 18 November 2012.

AIMS AND OBJECTIVES

Aims

The object of the company, in accordance with its Articles of Association, is to seek to advance education of children up to and around the age of 13. In so doing this includes children of different levels of ability and requiring special educational needs achieved by fostering special talents from a variety of backgrounds and widening access to children whose parents cannot afford full fees.

Strategic Aim and Intended Effect.

The school's strategic aim to reach its annual objective is the attainment of good academic levels whilst allowing pupils to benefit from an extra-curricular programme. This aims to draw out their abilities, to develop wider interests in life and to prepare them for a successful outcome at their chosen senior school.

Objectives for the Year

The Board's main objective continued to be to educate all the school's pupils to a high standard as in previous years, so that they will be fully able to benefit from their chosen school for the completion of their education in due course. Our strategy for achieving this is to maintain as small class sizes as is operationally and economically possible with a high teacher-to-pupil ratio, tailoring our services as appropriate in each case to suit individual needs.

Principal Activity

The principal activity of The Elms (Colwall) Limited continues to be the provision of a boarding school. Additionally there is a nursery facility.

GOVERNANCE AND MANAGEMENT

Governing Body

The Directors of the company, who also act as Governors of the school and Trustees of the charity, are elected at the Annual General Meeting of the company. A matrix is used to monitor whether the Board contains a full range of desirable skills. One third of the Directors are required to retire by rotation every year and are eligible for re-election. As a policy it has been agreed that Directors should serve

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

for a maximum of nine years after which they are ineligible for re-election for one year. Directors may be elected from current parents in the school. For the reporting period under review A Milliken, James Rose, Dan Graham, Hannah Wall and Neil Baldwin are parents of children who were in the school during the financial year.

Trustees' Induction and Training

The Governors are aware that new Trustees should undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the *committee and decision making processes, the business plan and recent financial performance of the charity*. During the induction day they meet key employees and other Trustees. All Trustees undergo annual Safeguarding training from a qualified individual. Trustees are encouraged to attend external training events where these will facilitate the undertaking of their role.

Organisational Management

The Directors meet as a Board at least three times a year to determine the general policy of the company and review its overall management and control, for which they are legally responsible. The Board is supported by Committees covering Education, Finance, Governance, Safeguarding and Welfare, Marketing and New Pupils, and Estates which review practice in their respective fields, advise the Head and propose and review appropriate policies. The day to day running of the school is delegated to the Head and Bursar. They are also supported by their Senior Management Team and together this group are the key management personnel. Aspects of education, finance and welfare are subject to review by Committees. Remuneration is set by the Board. The Head and Bursar attend all meetings of the Governing Body's Committees.

Employment policy

The School will endeavour to recruit the most suitable staff for any post to ensure the highest standards are maintained throughout the school, both teaching and support staff. It also pursues policies as an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Communications with staff continues throughout the year with whole school inset briefings and after school staff meetings.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Elms (Colwall) Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

- 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Trustees of the School at the date of approval of this report is aware, there is no relevant audit information of which the School's auditor is unaware. Each of the Trustees have each taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the School's auditor is aware of that information.

STRATEGIC REPORT

MISSION STATEMENT

The school's mission is to provide the necessary education to enable each pupil to develop their *individual talents in whatever sphere they might lie*, to foster genuine self-confidence and to matriculate successfully to their chosen schools upon leaving and be confident members of the larger society and effective contributors to it.

Our Vision

Our vision is to help each pupil to realise they are truly unique and possess gifts and talents which gives them unlimited potential. We wish to create an educational foundation whereby throughout their lives our pupils will always be ambitious for self-improvement and so develop beyond their perceived potential.

Our Mission

The school's mission is to:

- To provide excellent teaching, learning and pastoral care
- To provide a wealth of opportunities both curricular and extra-curricular
- To encourage pupils to be the best they can be so that we help them to develop their untapped potential

STRATEGIES TO ACHIEVE THE PRIMARY OBJECTIVES

With effect from 1 August 2022, the Directors are actively involved in the implementation of a five year business plan that will run from 2022 to 2027 and which supersedes the prior development plan. The plan, the result of a new energy garnered from within the parent group and local community, is focused on delivering a well-funded and growing school, run with greater efficiency, that understands the market in which it is operating and is confident about its offer into that market. The Accounts covered in this report cover the first year of this strategy, and reflect a reorganisation of staff numbers, along with a recognition of the current market trends and the optimisation of the school's infrastructure and offer in order to allow the school to flourish in the current market.

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the Year:

The school has again had a successful year, attaining excellent academic achievement with all pupils reaching their chosen schools for completion of their education. There was success for the school in its full range of sporting activities in competitions with other schools. Cultural and rural activities form an important part of the school's curriculum. Performing arts continue to provide excellent results with frequent concerts and drama productions. Additionally, the farm and rural studies activities are proving extremely popular with the pupils and their parents.

The school has been able to achieve its mission and these results by continuing to retain its high quality of teaching staff.

The Board's commitment to maintaining the school's excellence has been reinforced by the capital expenditure programme.

Public Benefit

The school takes part in a wide variety of activities in order to carry out the school's aim for public benefit educating children in an environment not generally available to the state sector. The school has links with local state primary school and other local community organisations and provides its facilities free of charge. The school engages in a wide range of other charitable work with the local community.

Means tested financial assistance is available and during the year grants and other awards in the form of bursaries and allowances were made out of unrestricted funds thereby increasing access to the school and thus reducing the annual fee income by £438,782 (2022 - £552,762).

The Directors, as the charity Trustees, confirm that they have complied with their duty in section 17 of the Charities Act 2011 to have regard to the public benefit guidance published by the Charity Commission for England and Wales.

FINANCIAL REVIEW

The results for the year which show a loss of £153,908 (2022 – surplus of £207,113) are set out in the Statement of Financial Activities on page 11.

Reserves Policy

According to the charities SORP definition, free reserves are calculated as total reserves excluding fixed assets, restricted and endowed funds. Using this definition, the Company would have free reserves of £580,635 (2022 - £724,040). These free reserves are within the parameters set by the Directors of retaining at least the estimated costs of running the charity for the forthcoming academic term and to meet immediate capital expenditure, thereby ensuring there are adequate resources in place to continue current operations.

Investment Policy

The school's surplus funds are invested at all times to obtain maximum protection and income at the same time being readily realisable to meet its commitments within acceptable levels of risk.

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

FUTURE PLANS

The school's development plan is subject to an annual review by the Governors and the future plans for the school include:

- ensuring that the school and grounds are a safe and attractive environment for pupils, staff and visitors alike;
- provision of a happy and secure pastoral environment, suitable for both day and boarding pupils in which all pupils are offered opportunities for leadership and service to others;
- providing a stimulating learning environment in which pupils can develop their academic potential in full;
- increasing the capability of the school to offer education to children whose parents are unable to afford full fees;
- providing an enjoyable and appropriately challenging environment within which members of staff may develop their careers;
- ensuring that the school plays a significant part in the life of the local community, sharing facilities and seeking local partnerships wherever possible.

These aims underpin development plans so that the school continues to enhance its ability to provide first class education.

RISK MANAGEMENT

The Governors have given consideration to the major risks to which the school is exposed. The Governors consider the affordability of fees by parents across the independent school sector, an affordability challenged in the recent past by the economic turbulence and facing the likelihood of a Government seeking to add VAT to the cost of school fees, to be the principal risks faced by the School. Safeguarding, Health and Safety are always significant areas for risk management. The Governing Body has ultimate responsibility for managing any risks faced by the school and has developed a Risk Management Plan. Detailed consideration of risks is delegated to the Welfare and Health and Safety committee which reports formally to the Governing Body. The structure of the committee comprises four members of the Governing Body assisted by senior management.

The risk management process and the resulting report identifies risks, assesses their impact and likelihood, and where necessary, recommends controls to mitigate and monitor those risks. The controls used by the school to minimise risk include:

- detailed terms of reference together with formal agenda;
- comprehensive budgeting and management accounting;
- established organizational structures and lines of reporting;
- formal written policies including clear authorization and approval levels;
- vetting procedures as required by law for the protection of the vulnerable.

The Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks.

Principal Risks and Uncertainties

The Governing Body has considered the effects of the additional staff costs due to the increase in broad inflation and, for part of the year under review, the threat of Teachers' Pension contributions, as well as the removal of the second state pension in setting fee levels whilst remaining mindful of the effects of the economic situation in recent years.

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Health and safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (including when away from the school premises on trips and expeditions). The risks associated with all activities are minimized by thorough planning and risk assessment.

The Governing Body is satisfied that for all major risks identified appropriate controls have been put in place and maintained to minimize those risks adequately. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

AUDITOR

Crowe U.K have been auditor to the School since 2012. In accordance with the principles of good corporate governance, a resolution proposing that the School's external audit contract be put out for tender was passed at the Annual General Meeting on 1st December 2023.

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the appointment of Cooper Parry as auditor to the School from 1st September 2023 was approved by the Trustees of The Elms (Colwall) Limited on 15th March 2024.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006 (in accordance within the special provisions relating to small companies, subject to the small companies regime within Part 15 of the Companies Act 2006), was approved by the Trustees of The Elms (Colwall) Limited on 15th March 2024 including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



J Rose
Chairman of the Trustees

THE ELMS (COLWALL) LIMITED

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2023

Independent Auditor's Report to the Members of The Elms (Colwall) Limited

Opinion

We have audited the financial statements of The Elms (Colwall) Limited 'the charitable company' the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and income and expenditure, for the 31 August 2023 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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 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.

THE ELMS (COLWALL) LIMITED

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the Directors' report 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 Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their 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 trustees' report.

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

- adequate and proper accounting records have not been kept; 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 trustees

As explained more fully in the Trustees' responsibilities statement set out on page 3, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

THE ELMS (COLWALL) LIMITED

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2023

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation, and Employment legislation

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.



Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor, St James House
St James Square
Cheltenham
GL50 3PR

Date: 30 May 2024

THE ELMS (COLWALL) LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2023**

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
	Notes				
INCOME FROM:					
Charitable activities					
School fees	2	2,440,162	-	2,440,162	2,346,370
Ancillary trading income	3	215,750	-	215,750	242,510
Investment income		12,410	-	12,410	1,280
Other trading activities	3	6,170	-	6,170	1,712
Government grant income	3		-	-	-
Local council funding			57,902	57,902	42,659
Donations		141,350	23,310	164,660	605,957
Profit on disposal of fixed assets		-			17,800
Total incoming resources		2,815,841	81,212	2,897,053	3,258,288
EXPENDITURE ON:					
Charitable activities					
Education and grant making		2,969,749	81,212	3,050,961	3,051,175
Total expenditure	5	2,969,749	81,212	3,050,961	3,051,175
Net movement on funds		(153,908)	-	(153,908)	207,113
Fund balances at 1 September 2022		3,623,585	49,601	3,673,186	3,466,073
Fund balances at 31 August 2023	11/12	3,469,677	49,601	3,519,278	3,673,186

All amounts relate to continuing operations.

The Statement of Financial Activities contains all the gains and losses recognised in the current and preceding year.

The notes on pages 13 to 22 form part of these financial statements.

THE ELMS (COLWALL) LIMITED**BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2023
COMPANY NUMBER: 00843499**

	Notes	£	2023	£	£	2022	£
FIXED ASSETS							
Tangible assets	6		2,889,042			2,899,545	
CURRENT ASSETS							
Debtors	7	165,222			198,723		
Stock		10,065					
Cash at bank and in hand		<u>953,815</u>			<u>1,027,810</u>		
		1,129,102			1,226,533		
CREDITORS – amounts falling due within one year	8	<u>(427,884)</u>			<u>(384,887)</u>		
NET CURRENT ASSETS			701,218			841,646	
CREDITORS – amounts falling due after more than one year	9		<u>(70,982)</u>			<u>(68,005)</u>	
TOTAL NET ASSETS	10		<u>3,519,278</u>			<u>3,673,186</u>	
FUNDS							
Unrestricted funds	12		3,469,677			3,623,585	
Restricted funds	11		<u>49,601</u>			<u>49,601</u>	
TOTAL FUNDS	10		<u>3,519,278</u>			<u>3,673,186</u>	

These financial statements have been prepared in accordance with the special provisions relating to the small companies regime within Part 15 of the Companies Act 2006 relating to small companies.

Approved and authorised for issue by the Trustees on 15th March 2024 and signed on its behalf by:


J Rose
Chairman

The notes on pages 13 to 22 form part of these financial statements.

THE ELMS (COLWALL) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023**

	2023		2022	
	£	£	£	£
Cash flows from operating activities:				
Net outgoings for the year		(153,342)		207,113
Adjustments for:				
Investment income and bank interest received		(12,410)		(1,280)
Profit on disposal of tangible fixed assets		0		(17,800)
Purchase of uniform stock		(10,065)		
Depreciation charge		148,454		145,540
(Increase) in debtors		33,501		(96,931)
(Decrease)/increase in creditors		45,975		(53,619)
		<u>52,112</u>		<u>183,023</u>
Net cash from/(used) by operating activities				
Cash flows from investing activities				
Payments for tangible fixed assets	(138,517)		(5,680)	
Proceeds from sale of tangible fixed assets	0		17,800	
Investment income and bank interest received	12,410		1,280	
		<u>(126,108)</u>		<u>13,400</u>
Net cash provided/(used) by investing activities				
Change in cash and cash equivalents in the year		<u>(73,995)</u>		<u>196,423</u>
<i>Cash and cash equivalents at the beginning of the year</i>		1,027,810		831,387
Cash and cash equivalents at the end of the year		<u>953,815</u>		<u>1,027,810</u>

Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	<u>953,815</u>	<u>1,027,810</u>

Analysis of changes in net debt

	<i>At 1 September 2022</i>	Cash- flows	At 31 August 2023
	£	£	£
Cash at bank and in hand	<u>1,027,810</u>	<u>(73,995)</u>	<u>953,815</u>

The notes on pages 13 to 22 form part of these financial statements.

THE ELMS (COLWALL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. STATEMENT OF ACCOUNTING POLICIES

a) **Charity Information**

The Elms (Colwall) Limited is a registered charity with the Charities Commission England and Wales (charity number: 527252) and was incorporated as a private company limited by guarantee (company number: 00843499) on 30 March 1965. The address of its registered office is The Elms School, Colwall, Malvern, Worcestershire, WR13 6EF.

b) **Basis of Preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Elms (Colwall) Limited meets the definition of a public benefit entity under FRS 102.

c) **Going Concern**

The School has cash resources, that were significantly augmented by a successful fund-raising campaign in June 2022, and no requirement for external funding. The Trustees have reviewed the expected ongoing demand for places and cash flow forecasts, and have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

d) **Fees and Other Income**

Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

All other income is included in the Statement of Financial Activities when the School has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donation income is accounted for as and when entitlement arises and the amount can be reliably quantified.

Investment income from dividends and interest are accounted for in an accruals basis.

e) **Government Grant**

During the previous year, The Elms suspended certain functions in reaction to government directives aimed at reducing the spread of Covid-19 (coronavirus). This resulted in a number of staff being furloughed with their wages paid by the government. These wages are reflected in Notes 4 and 5 of the accounts. The repayment of their wages from the government is represented in unrestricted income in Note 3. The furlough scheme has not been utilised in the current year by The Elms and as a result not income has been recorded in the year.

During the current year, The Elms received grant funding from their local authority to support expenses incurred as well as a contribution towards fees for a pupil due to consideration for specialist learning support.

f) **Expenditure**

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure is allocated to expense headings on a direct cost basis, with staff costs being allocated according to the estimated time spent by staff working in relevant departments. The irrecoverable element of VAT is included with the item of expense to which it relates.

THE ELMS (COLWALL) LIMITED

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

1. STATEMENT OF ACCOUNTING POLICIES (continued)

g) Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is not provided on freehold land. On other assets depreciation is provided on cost in equal annual instalments over the estimated economic lives of the assets. The rates of depreciation are as follows:

Freehold buildings	2% straight line or the expected remaining life of the building
Furniture, fixtures and equipment	10% or 20% straight line
Motor vehicles	25% straight line

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Repair, renovation and replacement expenditure is written off as expenditure in the statement of financial activities. Individual items costing less than £5,000 are written off as an expense as acquired.

h) Investments

Investments are measured at market value with any change recognised in the Statement of financial activities.

i) Debtors

Short term debtors are initially measured at transaction price, less any impairment.

j) Cash

Cash is represented by cash in hand and deposits with financial institutions.

k) Creditors

Short term creditors are initially measured at the transaction price.

l) Financial instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

m) Restricted Funds

Funds donated for purposes restricted by the wishes of the donor are taken to restricted funds, where these wishes are legally binding on the Trustees.

n) Recognition of Liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the School to the obligation.

o) Pension Schemes

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme, which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme. The School also contributes to personal pension schemes for non-teaching staff and these contributions are accrued accordingly.

p) Taxation

The School is a registered charity, and as such is entitled to certain tax exemptions on surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

THE ELMS (COLWALL) LIMITED

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

2. FEES RECEIVABLE

Income represents gross School fees invoiced less discounts and allowances.

	2023	2022
	£	£
Gross School fees	2,855,634	2,885,822
Less: total scholarships, bursaries, grants and allowances:	<u>(438,782)</u>	<u>(552,762)</u>
	2,416,852	2,333,060
Add back: Bursaries and awards paid for by restricted funds	<u>23,310</u>	<u>13,310</u>
	<u>2,440,162</u>	<u>2,346,370</u>

3. OTHER INCOME

	2023	2022
	£	£
Ancillary trading income		
Fee extras and school trips	206,493	238,215
Other trading income	<u>9,257</u>	<u>4,295</u>
	<u>215,750</u>	<u>242,510</u>

Non ancillary trading income

	2023	2022
	£	£
Interest on overdue fees	3,124	604
Other income	<u>3,046</u>	<u>1,108</u>
	<u>6,170</u>	<u>1,712</u>

	2023	2022
	£	£
Government grant income – furlough	<u>-</u>	<u>-</u>

4. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	1,599,045	1,590,596
Social security costs	146,446	154,904
Pension contributions	<u>224,044</u>	<u>269,531</u>
	<u>1,969,535</u>	<u>2,015,031</u>

The average number of the School's employees during the year calculated on average head count was 61 (2022 – 61).

THE ELMS (COLWALL) LIMITED

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

4. STAFF COSTS (continued)

The number of employees paid in excess of £60,000 during the year were as follows:

	2023	2022
	No.	No.
£60,001 - £70,000	0	1
£80,001 - £90,000	0	1

Contributions to the Teachers' Pension Scheme were made for the benefit of none (2022 - two) higher paid employee. Payments made in the year for that member of staff into the Teachers' Pension Scheme totalled £0 (2022 – £29,888).

The Trustees received no remuneration in either year, and no expenses were paid on behalf of Trustees in either year.

During the year there were no redundancy or termination payments made (2022 – £7,500).

The remuneration of the Senior Management Team was:

	2023	2022
	£	£
Senior Management Team Remuneration	387,495	563,643

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs	Other	Depreciation	2023	2022
	£	£	£	Total	Total
				£	£
Charitable activities:					
Education	1,396,167	313,170	71,949	1,781,286	1,870,283
Welfare	241,141	128,135		369,276	397,911
Premises	133,931	274,977	77,078	485,986	360,227
Marketing and publicity		57,873		57,873	42,563
Support costs	198,296	134,941		333,237	366,881
Grants, awards and prizes		23,310		23,310	13,310
Total	1,969,535	932,406	149,027	3,050,968	3,051,175

	2023	2022
	£	£

Auditor's remuneration – audit services

15,100	9,500
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THE ELMS (COLWALL) LIMITED

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

6. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures & Fittings £	Motor vehicles £	Total £
Cost				
<i>At 1 September 2022</i>	3,841,226	920,367	124,036	4,885,629
Additions	18,756	111,703	8,060	138,523
Disposal			(25,380)	(25,380)
At 31 August 2023	3,859,986	1,032,070	106,716	4,998,772
Depreciation				
<i>At 1 September 2022</i>	1,247,042	632,618	106,426	1,986,084
Charge for the year	77,078	56,619	15,330	149,027
Disposal			(25,380)	(25,380)
At 31 August 2023	1,324,120	689,237	96,373	2,109,731
Net book value				
At 31 August 2023	2,535,866	342,833	10,343	2,889,042
<i>At 31 August 2022</i>	2,594,184	287,751	17,610	2,899,551

7. DEBTORS

	2023 £	2022 £
Net School fee debtors	57,772	47,107
Other debtors	25,349	96,695
Prepayments and accrued income	82,101	54,471
	165,222	198,273

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	31,650	29,674
Taxation and social security	37,026	65,229
Other creditors and accruals	31,553	20,802
Deferred income - fees received in advance of term	316,643	258,189
Deposits from parents	11,012	10,993
	427,884	384,887

THE ELMS (COLWALL) LIMITED

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

9. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Fee deposits	<u>70,982</u>	<u>68,005</u>
	Fee deposits	
	2023	2022
	£	£
Repayable as follows:		
Due within one year	11,012	10,993
Due within 2-5 years	43,982	40,505
Due in more than 5 years	<u>27,000</u>	<u>27,000</u>
	<u>81,994</u>	<u>78,998</u>

Fee deposits represent amounts received on confirmation of a place. Monies will be repaid on leaving the School via a credit against the fee for the last term attended.

10. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

	Fixed Assets	Net Current Assets	Long term Liabilities	Total
	£	£	£	£
Current year movement				
Restricted Funds (note 11)	<u> </u>	49,601	-	49,601
Unrestricted Funds (note 12)	<u>2,889,042</u>	<u>651,617</u>	<u>(70,982)</u>	<u>3,469,677</u>
	<u>2,889,042</u>	<u>701,218</u>	<u>(70,982)</u>	<u>3,519,278</u>
Prior year movement				
Restricted Funds (note 11)	-	49,601	-	49,601
Unrestricted Funds (note 12)	<u>2,899,545</u>	<u>792,045</u>	<u>(68,005)</u>	<u>3,623,585</u>
	<u>2,899,545</u>	<u>841,646</u>	<u>(68,005)</u>	<u>3,673,186</u>

THE ELMS (COLWALL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

11 RESTRICTED FUNDS

	<i>Balance</i> 01/09/2022 £	<i>Incoming</i> <i>Resources</i> £	<i>Resources</i> <i>Expended</i> £	<i>Balance</i> 31/08/2023 £
Current year movement				
Grocers donation – bursary	49,601	23,310	(23,310)	49,601
Specialist learning support	-	57,902	(57,902)	-
	<u>49,601</u>	<u>81,212</u>	<u>(81,212)</u>	<u>49,601</u>
Prior year movement				
	<i>Balance</i> 01/09/2021 £	<i>Incoming</i> <i>Resources</i> £	<i>Resources</i> <i>Expended</i> £	<i>Balance</i> 31/08/2022 £
Grocers donation – bursary	49,601	13,310	(13,310)	49,601
Specialist learning support	-	42,659	(42,659)	-
	<u>49,601</u>	<u>55,969</u>	<u>(55,969)</u>	<u>49,601</u>

The Grocers Company provides annual financial support for an identified pupil throughout their stay at the school.

The local authority has granted funding in relation to specialist learning support to cover related expenses.

12 UNRESTRICTED FUNDS

Current year movement	<i>Balance</i> 1/09/2022 £	<i>Incoming</i> <i>Resources</i> £	<i>Resources</i> <i>Expended</i> £	<i>Transfers</i> £	<i>Balance</i> 31/08/2023 £
<i>General Reserve</i>	3,617,730	2,815,841	(2,969,749)	-	3,483,822
<i>Designated Fund</i>	5,855	-	-	-	5,855
	<u>3,623,585</u>	<u>2,815,841</u>	<u>(2,969,749)</u>	<u>-</u>	<u>3,469,677</u>

Unrestricted funds represent accumulated income from the school's activities and other sources that are available for the general purposes of the school.

Designated funds have been set aside during the year for the refurbish of the tennis courts within the school grounds.

THE ELMS (COLWALL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

Prior year movement	Balance 1/09/2021 £	Incoming Resources £	Resources Expended £	£	Balance 31/08/2022 £
General Reserve	3,410,617	3,202,319	(2,995,206)	-	3,617,730
Designated Fund	5,855	-	-	-	5,855
	<u>3,416,471</u>	<u>3,202,319</u>	<u>(2,995,206)</u>	<u>-</u>	<u>3,623,585</u>

13. PENSIONS

Teachers Pension Scheme:

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 TPS of £109,133 (2022: £241,517) and at the year-end £Nil (2022 - £nil) was accrued in respect of contributions to this 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 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.

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 following a public consultation in 2021 the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations were completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has indicated that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

THE ELMS (COLWALL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

Until the 2020 valuation is 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.

APTIS:

From 1st April 2023 the School has participated in the Aviva Pension Trust for Independent Schools (APTIS) for its teaching staff. The pension charge for the year includes contributions payable to APTIS of £98,643 (2022: £Nil) and at the year-end £Nil (2022 - £nil) was accrued in respect of contributions to this scheme.

Aviva Pension Trust for Independent Schools (APTIS) is a defined contributions pension scheme available for all member schools of the Independent Schools' Bursary Association (ISBA).

14. FINANCIAL INSTRUMENTS

	2023 £	2022 £
Financial assets		
Financial assets measured at amortised cost	<u>1,036,969</u>	<u>1,077,352</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>432,130</u>	<u>344,537</u>

Financial assets measured at amortised cost comprise of cash at bank, fee debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, deposits and fees in advance.

15. OPERATING LEASES

At 31 August 2023 the total of the School's future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts payable:		
Less than 1 year	31,371	7,499
Between 1 and 2 years	7,698	7,499
Between 2 and 5 years	<u>301</u>	<u>4,815</u>
	<u>39,370</u>	<u>19,814</u>

16. RELATED PARTIES TRANSACTIONS

A company which is owned by a relative of A Milliken, Director, was paid £1,608 (2022 - £2,811) for landscape services provided to the school. £Nil (2022 - £Nil) was owned to that company at 31 August 2023.

THE ELMS (COLWALL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

A company of which J Rose is a Director was paid £1,800 (2022- £Nil) for advisory services provided to the school. £Nil (2022 - £Nil) was owed to that company at 31 August 2023.

Five Trustees are parents of children who were in the school during the financial year.

The School had no other related party transactions during the financial year.

17. STATEMENT OF FINANCIAL ACTIVITIES – Comparative figures by fund-type

		<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total 2022 £</i>
	<i>Notes</i>			
INCOME FROM:				
Charitable activities				
School fees	2	2,346,370	-	2,346,370
Ancillary trading income	3	242,510	-	242,510
Investment income		1,280	-	1,280
Other trading activities	3	1,712	-	1,712
Government grant income	3	-	-	-
Local council funding		-	42,659	42,659
Donations		592,647	13,310	605,957
Profit on disposal of fixed assets		17,800	-	17,800
Total incoming resources		<u>3,202,319</u>	<u>55,969</u>	<u>3,258,288</u>
EXPENDITURE ON:				
Charitable activities				
Education and grant making		<u>2,995,206</u>	<u>55,969</u>	<u>3,051,175</u>
Total expenditure	5	<u>2,995,206</u>	<u>55,969</u>	<u>3,051,175</u>
Net movement on funds		207,113	-	207,113
Fund balances at 1 September 2021		<u>3,416,472</u>	<u>49,601</u>	<u>3,466,073</u>
Fund balances at 31 August 2022	11/12	<u>3,623,585</u>	<u>49,601</u>	<u>3,673,186</u>



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THE ELMS (COLWALL) LIMITED

England & Wales - Charity number 527252

Accounts

COMPANY NUMBER: 00843499
CHARITY NUMBER: 527252

THE ELMS (COLWALL) LIMITED
(a company limited by guarantee)

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2022

THE ELMS (COLWALL) LIMITED

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THE ELMS (COLWALL) LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2022

TRUSTEES	W S Townsend – Chairman (resigned 2 July 2022) J Rose – Chairman (appointed 18 July 2022) N Baldwin (appointed 13 July 2022) P J Bailey (resigned 4 July 2022) L Chenevix- Trench (resigned 3 July 2022) B Evans (appointed 20 July 2022) M Gilliat Smith D Graham (appointed 20 July 2022) A MacKinnon C Milne (resigned 4 July 2022) Lady S J Mcfarlane A Milliken L Redvers G Steele Bodger (resigned 12 July 2022) T W Stubbs (resigned 13 June 2022) P Thomas C Whitworth A G Wynn LVO (resigned 13 June 2022)
COMPANY SECRETARY	S Brandwood
CLERK TO THE TRUSTEES	S Brandwood
HEAD OF SCHOOL	C Hattam
COMPANY NUMBER	00843499
CHARITY NUMBER	527252
REGISTERED AND PRINCIPAL OFFICE	The Elms School Colwall Malvern Worcestershire WR13 6EF
AUDITOR	Crowe U.K. LLP Statutory Auditor 4 th Floor, St James House St James Square Cheltenham GL50 3PR
BANKERS	Lloyds Bank plc 8 High Town Hereford HR1 2AE
SOLICITORS	Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham GL50 1YD Whatley Weston & Fox 15 & 16 The Tything Worcester WR1 1HD

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

The members of the Governing Body of The Elms (Colwall) Limited present their Annual Report for the year ended 31 August 2022 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

DIRECTORS' REPORT

CONSTITUTION AND OBJECTS

The Elms (Colwall) Limited is a charitable company founded in 1614, charity registration number 527252, company registration number 00843499 incorporated on 30 March 1965 with the liability of its members limited to £1 by guarantee. The registered office and principal address of the company is at The Elms, Colwall, Malvern, Worcestershire, WR13 6EF.

The company is governed by its Articles of Association adopted on 18 November 2012.

AIMS AND OBJECTIVES

Aims

The object of the company, in accordance with its Articles of Association, is to seek to advance education of children up to and around the age of 13. In so doing this includes children of different levels of ability and requiring special educational needs achieved by fostering special talents from a variety of backgrounds and widening access to children whose parents cannot afford full fees.

Strategic Aim and Intended Effect

The school's strategic aim to reach its annual objective is the attainment of good academic levels whilst allowing pupils to benefit from an extra-curricular programme. This aims to draw out their abilities, to develop wider interests in life and to prepare them for a successful outcome at their chosen senior school.

Objectives for the Year

The Board's main objective continued to be to educate all the school's pupils to a high standard as in previous years, so that they will be fully able to benefit from their chosen school for the completion of their education in due course. Our strategy for achieving this is to maintain small class sizes with a high teacher-to-pupil ratio, tailoring our services as appropriate in each case to suit individual needs.

Principal Activity

The principal activity of The Elms (Colwall) Limited continues to be the provision of a boarding school. Additionally there is a nursery facility.

GOVERNANCE AND MANAGEMENT

Governing Body

The Directors of the company, who also act as governors of the school and trustees of the charity, are elected at the Annual General Meeting of the company. A matrix is used to monitor whether the Board contains a full range of desirable skills. One third of the Directors are required to retire by rotation every year and are eligible for re-election. As a policy it has been agreed that Directors should serve for a maximum of nine years after which they are ineligible for re-election for one year. Directors may be elected from current parents in the school. For the reporting period under review A Milliken, L Redvers James Rose, Dan Graham and Neil Baldwin are parents of children who were in the school during the financial year.

Trustees Induction and Training

The Governors are aware that new Trustees should undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other Trustees. Trustees are encouraged to attend external training events where these will facilitate the undertaking of their role.

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 AUGUST 2022

Organisational Management

The Directors meet as a Board at least three times a year to determine the general policy of the company and review its overall management and control, for which they are legally responsible. The Board is supported by Support and Monitoring Groups covering Education, Finance, Governance, Welfare and Health and Safety, Marketing, and Property which review practice in their respective fields, advise the Head and propose and review appropriate policies. The day to day running of the school is delegated to the Head and Bursar. They are also supported by their Senior Management Team and together this group are the key management personnel. Aspects of education, finance and welfare are subject to review by monitoring groups. Remuneration is set by the Board. The Head and Bursar attend all meetings of the Governing Body's Committees.

Employment policy

The School will endeavour to recruit the most suitable staff for any post to ensure the highest standards are maintained throughout the school, both teaching and support staff. It also pursues policies as an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Communications with staff continues throughout the year with whole school inset briefings and after school staff meetings.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Elms (Colwall) Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company 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 Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Trustees of the School at the date of approval of this report is aware, there is no relevant audit information of which the School's auditor is unaware. Each of the Trustees have each taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the School's auditor is aware of that information.

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 AUGUST 2022

STRATEGIC REPORT

MISSION STATEMENT

The school's mission is to provide the necessary education to enable each pupil to develop their individual talents in whatever sphere they might lie, to foster genuine self-confidence and to matriculate successfully to their chosen schools upon leaving and be confident members of the larger society and effective contributors to it.

Our Vision

Our vision is to help each pupil to realise they are truly unique and possess gifts and talents which gives them unlimited potential. We wish to create an educational foundation whereby throughout their lives our pupils will always be ambitious for self-improvement and so develop beyond their perceived potential.

Our Mission

The school's mission is to:

- To provide excellent teaching, learning and pastoral care
- To provide a wealth of opportunities both curricular and extra-curricular
- To encourage pupils to be the best they can be so that we help them to develop their untapped potential

STRATEGIES TO ACHIEVE THE PRIMARY OBJECTIVES

With effect from 1 August 2022, the Directors are actively involved in the implementation of a five year business that will run from 2022 to 2027 and which supersedes the prior development plan. The plan, the result of a new energy garnered from within the parent group and local community, is focused on delivering a well-funded and growing school, run with greater efficiency, that understands the market in which it is operating and is confident about its offer into that market. The Accounts covered in this report cover the previous strategy, and reflect a reorganisation of staff numbers, along with a recognition of the current infrastructure with market trends.

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the Year:

The school has again had a successful year, attaining excellent academic achievement with all pupils reaching their chosen schools for completion of their education. There was success for the school in its full range of sporting activities in competitions with other schools. Cultural and rural activities form an important part of the school's curriculum. Performing arts continue to provide excellent results with frequent concerts and drama productions. Additionally, the farm and rural studies activities are proving extremely popular with the pupils and their parents.

The school has been able to achieve its mission and these results by continuing to retain its high quality of teaching staff.

The Board's commitment to maintaining the school's excellence has been reinforced by the capital expenditure programme.

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 AUGUST 2022

Public Benefit

The school takes part in a wide variety of activities in order to carry out the school's aim for public benefit educating children in an environment not generally available to the state sector. The school has links with local state primary school and other local community organisations and provides its facilities free of charge, and engages in a wide range of other charitable work with the local community.

Means tested financial assistance is available and during the year grants and other awards in the form of bursaries and allowances were made out of unrestricted funds thereby increasing access to the school and thus reducing the annual fee income by £552,762 (2021 - £681,995).

The Directors, as the charity Trustees, confirm that they have complied with their duty in section 17 of the Charities Act 2011 to have regard to the public benefit guidance published by the Charity Commission for England and Wales.

FINANCIAL REVIEW

The results for the year which show a surplus of £207,113 (2021 – deficit £457,044) are set out in the Statement of Financial Activities on page 10.

Reserves Policy

According to the charities SORP definition, free reserves are calculated as total reserves excluding fixed assets, restricted and endowed funds. Using this definition, the Company would have free reserves of £718,185 (2021 - £377,067). These free reserves are within the parameters set by the Directors of retaining at least the estimated costs of running the charity for the forthcoming academic term and to meet immediate capital expenditure, thereby ensuring there are adequate resources in place to continue current operations.

Investment Policy

The school's surplus funds are invested at all times to obtain maximum protection and income at the same time being readily realisable to meet its commitments within acceptable levels of risk.

FUTURE PLANS

The school's development plan is subject to an annual review by the Governors and the future plans for the school include:

- ensuring that the school and grounds are a safe and attractive environment for pupils, staff and visitors alike;
- provision of a happy and secure pastoral environment, suitable for both day and boarding pupils in which all pupils are offered opportunities for leadership and service to others;
- providing a stimulating learning environment in which pupils can develop their academic potential in full;
- increasing the capability of the school to offer education to children whose parents are unable to afford full fees;
- providing an enjoyable and appropriately challenging environment within which members of staff may develop their careers;
- ensuring that the school plays a significant part in the life of the local community, sharing facilities and seeking local partnerships wherever possible.

These aims underpin development plans so that the school continues to enhance its ability to provide first class education.

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES (continued) YEAR ENDED 31 AUGUST 2022

RISK MANAGEMENT

The Governors have given consideration to the major risks to which the school is exposed. The Governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent school sector to be the principal risks faced by the School. Health and Safety is always a significant area for risk management. The Governing Body has ultimate responsibility for managing any risks faced by the school and has developed a Risk Management Plan. Detailed consideration of risks is delegated to the Welfare and Health and Safety committee which reports formally to the Governing Body. The structure of the committee comprises four members of the Governing Body assisted by senior management.

The risk management process and the resulting report identifies risks, assesses their impact and likelihood, and where necessary, recommends controls to mitigate and monitor those risks. The controls used by the school to minimise risk include:

- detailed terms of reference together with formal agenda;
- comprehensive budgeting and management accounting;
- established organizational structures and lines of reporting;
- formal written policies including clear authorization and approval levels;
- vetting procedures as required by law for the protection of the vulnerable.

The Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks.

Principal Risks and Uncertainties

The Governing Body has considered the effects of the additional staff costs due to the increase in Teachers Pension contributions and the removal of the second state pension in setting fee levels whilst remaining mindful of the effects of the economic situation in recent years.

Health and safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (including when away from the school premises on trips and expeditions). The risks associated with all activities are minimized by thorough planning and risk assessment.

The Governing Body is satisfied that for all major risks identified appropriate controls have been put in place and maintained to minimize those risks adequately. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

AUDITOR

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the re-appointment of Crowe U.K. as auditor to the School will be put to the Annual General Meeting.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006 (in accordance within the special provisions relating to small companies, subject to the small companies regime within Part 15 of the Companies Act 2006), was approved by the Trustees of The Elms (Colwall) Limited on 2ND December 2022 including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



J Rose
Chairman of the Trustees

THE ELMS (COLWALL) LIMITED

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Independent Auditor's Report to the Members of The Elms (Colwall) Limited

Opinion

We have audited the financial statements of The Elms (Colwall) Limited 'the charitable company' the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and income and expenditure, for the 31 August 2022 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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 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.

THE ELMS (COLWALL) LIMITED

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the Directors' report 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 Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their 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 trustees' report.

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

- adequate and proper accounting records have not been kept; 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 trustees

As explained more fully in the Trustees' responsibilities statement set out on page 3, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the completeness and accuracy of non-fee income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over fee discounts, reviewing regulatory correspondence with the Charity Commission, Independent

THE ELMS (COLWALL) LIMITED

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation, and Employment legislation

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.



Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor, St James House
St James Square
Cheltenham
GL50 3PR

6 December 2022

THE ELMS (COLWALL) LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
INCOME FROM:					
Charitable activities					
School fees	2	2,346,370	-	2,346,370	2,177,630
Ancillary trading income	3	242,510	-	242,510	188,089
Investment income		1,280	-	1,280	105
Other trading activities	3	1,712	-	1,712	1,693
Government grant income	3	-	-	-	42,368
Local council funding		-	42,659	42,659	-
Donations		592,647	13,310	605,957	75,310
Profit on disposal of fixed assets		17,800	-	17,800	-
Total incoming resources		3,202,319	55,969	3,258,288	2,485,195
EXPENDITURE ON:					
Charitable activities					
Education and grant making		2,995,206	55,969	3,051,175	2,942,239
Total expenditure	5	2,995,206	55,969	3,051,175	2,942,239
Net movement on funds		207,113	-	207,113	(457,044)
Fund balances at 1 September 2021		3,416,472	49,601	3,466,073	3,923,117
Fund balances at 31 August 2022	11/12	3,623,585	49,601	3,673,186	3,466,073

All amounts relate to continuing operations.

The Statement of Financial Activities contains all the gains and losses recognised in the current and preceding year.

The notes on pages 13 to 22 form part of these financial statements.

THE ELMS (COLWALL) LIMITED

BALANCE SHEET FOR THE YEAR ENDED 31 AUGUST 2022 COMPANY NUMBER: 00843499

	Notes	2022	2021
		£	£
FIXED ASSETS			
Tangible assets	6	2,899,545	3,039,405
CURRENT ASSETS			
Debtors	7	198,723	101,792
Cash at bank and in hand		<u>1,027,810</u>	<u>831,387</u>
		1,226,533	933,179
CREDITORS – amounts falling due within one year	8	<u>(384,887)</u>	<u>(438,106)</u>
NET CURRENT ASSETS		841,646	495,073
CREDITORS – amounts falling due after more than one year	9	<u>(68,005)</u>	<u>(68,405)</u>
TOTAL NET ASSETS	10	<u>3,673,186</u>	<u>3,466,073</u>
FUNDS			
Unrestricted funds	12	3,623,585	3,416,472
Restricted funds	11	<u>49,601</u>	<u>49,601</u>
TOTAL FUNDS	10	<u>3,673,186</u>	<u>3,466,073</u>

These financial statements have been prepared in accordance with the special provisions relating to the small companies regime within Part 15 of the Companies Act 2006 relating to small companies.

Approved and authorised for issue by the Trustees on 2nd December 2022 and signed on its behalf by:



J Rose
Chairman

The notes on pages 13 to 22 form part of these financial statements.

THE ELMS (COLWALL) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

	2022		2021
	£	£	£
Cash flows from operating activities:			
Net outgoings for the year		207,113	(457,044)
Adjustments for:			
Investment income and bank interest received		(1,280)	(105)
Profit on disposal of tangible fixed assets		(17,800)	-
Depreciation charge		145,540	138,285
(Increase) in debtors		(96,931)	(8,467)
(Decrease)/increase in creditors		(53,619)	103,023
Net cash from/(used) by operating activities		183,023	(224,308)
Cash flows from investing activities			
Payments for tangible fixed assets	(5,680)		(52,344)
Proceeds from sale of tangible fixed assets	17,800		-
Investment income and bank interest received	1,280		105
Net cash provided/(used) by investing activities		13,400	(52,239)
Change in cash and cash equivalents in the year		196,423	(276,547)
<i>Cash and cash equivalents at the beginning of the year</i>		831,387	1,107,934
Cash and cash equivalents at the end of the year		1,027,810	831,387
Analysis of cash and cash equivalents		2022	2021
		£	£
Cash at bank and in hand		1,027,810	831,387

Analysis of changes in net debt

	<i>At 1 September 2021</i>	Cash- flows £	At 31 August 2022
	£		£
Cash at bank and in hand	831,387	196,423	1,027,810

The notes on pages 13 to 22 form part of these financial statements.

THE ELMS (COLWALL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1. STATEMENT OF ACCOUNTING POLICIES

a) Charity Information

The Elms (Colwall) Limited is a registered charity with the Charities Commission England and Wales (charity number: 527252) and was incorporated as a private company limited by guarantee (company number: 00843499) on 30 March 1965. The address of its registered office is The Elms School, Colwall, Malvern, Worcestershire, WR13 6EF.

b) Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Elms (Colwall) Limited meets the definition of a public benefit entity under FRS 102.

c) Going Concern

The School has cash resources, that were significantly augmented by a successful fund-raising campaign in June 2022, and no requirement for external funding. The Trustees have reviewed the expected ongoing demand for places and cash flow forecasts, and have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

d) Fees and Other Income

Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

All other income is included in the Statement of Financial Activities when the School has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donation income is accounted for as and when entitlement arises and the amount can be reliably quantified.

Investment income from dividends and interest are accounted for in an accruals basis.

e) Government Grant

During the previous year, The Elms suspended certain functions in reaction to government directives aimed at reducing the spread of Covid-19 (coronavirus). This resulted in a number of staff being furloughed with their wages paid by the government. These wages are reflected in Notes 4 and 5 of the accounts. The repayment of their wages from the government is represented in unrestricted income in Note 3. The furlough scheme has not been utilised in the current year by The Elms and as a result not income has been recorded in the year.

During the current year, The Elms received grant funding from their local authority to support expenses incurred as well as a contribution towards fees for a pupil due to consideration for specialist learning support.

f) Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure is allocated to expense headings on a direct cost basis, with staff costs being allocated according to the estimated time spent by staff working in relevant departments. The irrecoverable element of VAT is included with the item of expense to which it relates.

THE ELMS (COLWALL) LIMITED

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

1. STATEMENT OF ACCOUNTING POLICIES (continued)

g) Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is not provided on freehold land. On other assets depreciation is provided on cost in equal annual instalments over the estimated economic lives of the assets. The rates of depreciation are as follows:

Freehold buildings	2% straight line or the expected remaining life of the building
Furniture, fixtures and equipment	10% or 20% straight line
Motor vehicles	25% straight line

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Repair, renovation and replacement expenditure is written off as expenditure in the statement of financial activities. Individual items costing less than £5,000 are written off as an expense as acquired.

h) Investments

Investments are measured at market value with any change recognised in the Statement of financial activities.

i) Debtors

Short term debtors are initially measured at transaction price, less any impairment.

j) Cash

Cash is represented by cash in hand and deposits with financial institutions.

k) Creditors

Short term creditors are initially measured at the transaction price.

l) Financial instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

m) Restricted Funds

Funds donated for purposes restricted by the wishes of the donor are taken to restricted funds, where these wishes are legally binding on the Trustees.

n) Recognition of Liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the School to the obligation.

o) Pension Schemes

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme, which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme. The School also contributes to personal pension schemes for non-teaching staff and these contributions are accrued accordingly.

p) Taxation

The School is a registered charity, and as such is entitled to certain tax exemptions on surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

THE ELMS (COLWALL) LIMITED

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

2. FEES RECEIVABLE

Income represents gross School fees invoiced less discounts and allowances.

	2022 £	2021 £
Gross School fees	2,885,822	2,834,315
Less: total scholarships, bursaries, grants and allowances:	<u>(552,762)</u>	<u>(681,995)</u>
	2,333,060	2,152,320
Add back: Bursaries and awards paid for by restricted funds	<u>13,310</u>	<u>25,310</u>
	<u>2,346,370</u>	<u>2,177,630</u>

3. OTHER INCOME

	2022 £	2021 £
Ancillary trading income		
Fee extras and school trips	238,215	185,721
Other trading income	<u>4,295</u>	<u>2,368</u>
	<u>242,510</u>	<u>188,089</u>

Non ancillary trading income

	2022 £	2021 £
Interest on overdue fees	604	-
Other income	<u>1,108</u>	<u>1,693</u>
	<u>1,712</u>	<u>1,693</u>

	2022 £	2021 £
Government grant income – furlough	<u>-</u>	<u>42,368</u>

4. STAFF COSTS

	2022 £	2021 £
Wages and salaries	1,590,596	1,542,958
Social security costs	154,904	143,606
Pension contributions	<u>269,531</u>	<u>240,740</u>
	<u>2,015,031</u>	<u>1,927,304</u>

The average number of the School's employees during the year calculated on average head count was 61 (2021 – 62).

THE ELMS (COLWALL) LIMITED

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

4. STAFF COSTS (continued)

The number of employees paid in excess of £60,000 during the year were as follows:

	2022	2021
	No.	No.
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1

Contributions to the Teachers' Pension Scheme were made for the benefit of one (2021 - one) higher paid employee. Payments made in the year for that member of staff into the Teachers' Pension Scheme totalled £29,888 (2021 - £20,837).

The Trustees received no remuneration in either year, and no expenses were paid on behalf of Trustees in either year.

During the year there was a redundancy or termination payments made which amounted to £7,500 (2021 - £22,391).

The remuneration of the Senior Management Team was:

	2022	2021
	£	£
Senior Management Team Remuneration	<u>563,643</u>	<u>557,585</u>

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs	Other	Depreciation	2022	2021
	£	£	£	Total	Total
				£	£
Charitable activities:					
Education	1,425,323	375,266	69,694	1,870,283	1,836,389
Welfare	234,709	163,202	-	397,911	381,552
Premises	145,490	138,891	75,846	360,227	373,029
Marketing and publicity	-	42,563	-	42,563	41,059
Support costs	209,509	157,372	-	366,881	284,900
Grants, awards and prizes	-	13,310	-	13,310	25,310
Total	<u>2,015,031</u>	<u>890,604</u>	<u>145,540</u>	<u>3,051,175</u>	<u>2,942,239</u>

	2022	2021
	£	£
Governance costs (included within support costs) comprise		
Auditor's remuneration – audit services	<u>9,500</u>	<u>8,500</u>

THE ELMS (COLWALL) LIMITED

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

6. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and Fittings £	Motor vehicles £	Total £
Cost				
<i>At 1 September 2021</i>	3,841,226	914,687	285,371	5,041,284
Additions	-	5,680	-	5,680
Disposal	-	-	(161,335)	(161,335)
At 31 August 2022	3,841,226	920,367	124,036	4,885,629
Depreciation				
<i>At 1 September 2021</i>	1,171,196	576,146	254,537	2,001,879
Charge for the year	75,846	56,470	13,224	145,540
Disposal	-	-	(161,335)	(161,335)
At 31 August 2022	1,247,042	632,616	106,246	1,986,084
Net book value				
At 31 August 2022	2,594,184	287,751	17,610	2,899,545
<i>At 31 August 2021</i>	<i>2,670,030</i>	<i>338,541</i>	<i>30,834</i>	<i>3,039,405</i>

7. DEBTORS

	2022 £	2021 £
Net School fee debtors	47,107	49,614
Other debtors	96,695	4,140
Prepayments and accrued income	54,471	48,038
	198,273	101,792

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	29,674	66,691
Taxation and social security	65,229	42,018
Other creditors and accruals	20,802	8,566
Deferred income - fees received in advance of term	258,189	309,831
Deposits from parents	10,993	11,000
	384,887	438,106

THE ELMS (COLWALL) LIMITED

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

9. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £	2021 £
Fee deposits	<u>68,005</u>	<u>68,405</u>
	Fee deposits	
	2022 £	2021 £
Repayable as follows:		
In one year or less, or on demand	10,993	11,000
Between one and two years	20,005	24,405
Between two and five years	28,000	20,000
Greater than five years	<u>20,000</u>	<u>24,000</u>
	<u>78,998</u>	<u>79,405</u>

Fee deposits represent amounts received on confirmation of a place. Monies will be repaid on leaving the School via a credit against the fee for the last term attended.

10. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

	Fixed Assets £	Net Current Assets £	Long term Liabilities £	Total £
Current year movement				
Restricted Funds (note 11)	-	49,601	-	49,601
Unrestricted Funds (note 12)	<u>2,899,545</u>	<u>792,045</u>	<u>(68,005)</u>	<u>3,623,585</u>
	<u>2,899,545</u>	<u>841,646</u>	<u>(68,005)</u>	<u>3,673,186</u>
	Fixed Assets £	Net Current Assets £	Long term Liabilities £	Total £
Prior year movement				
Restricted Funds (note 11)	-	49,601	-	49,601
Unrestricted Funds (note 12)	<u>3,039,405</u>	<u>445,472</u>	<u>(68,405)</u>	<u>3,416,472</u>
	<u>3,039,405</u>	<u>495,073</u>	<u>(68,405)</u>	<u>3,466,073</u>

THE ELMS (COLWALL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11 RESTRICTED FUNDS

Current year movement	<i>Balance 1/09/2021</i> £	Incoming Resources £	Resources Expended £	Balance 31/08/2022 £
Grocers donation – bursary	49,601	13,310	(13,310)	49,601
Specialist learning support	-	42,659	(42,659)	-
	<u>49,601</u>	<u>55,969</u>	<u>(55,969)</u>	<u>49,601</u>
Prior year movement	<i>Balance 1/09/2020</i> £	<i>Incoming Resources</i> £	<i>Resources Expended</i> £	<i>Balance 31/08/2021</i> £
Grocers donation – bursary	<u>49,601</u>	<u>25,310</u>	<u>(25,310)</u>	<u>49,601</u>

The Grocers Company provides annual financial support for an identified pupil throughout their stay at the school.

The local authority has granted funding in relation to specialist learning support to cover related expenses.

12 UNRESTRICTED FUNDS

Current year movement	<i>Balance 1/09/2021</i> £	Incoming Resources £	Resources Expended £	Transfers £	Balance 31/08/2022 £
<i>General Reserve</i>	3,410,617	3,202,319	(2,995,206)	-	3,617,730
<i>Designated Fund</i>	5,855	-	-	-	5,855
	<u>3,416,471</u>	<u>3,202,319</u>	<u>(2,995,206)</u>	<u>-</u>	<u>3,623,585</u>

Unrestricted funds represent accumulated income from the school's activities and other sources that are available for the general purposes of the school.

Designated funds have been set aside during the year for the refurbish of the tennis courts within the school grounds.

THE ELMS (COLWALL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

Prior year movement	Balance 1/09/2020 £	Incoming Resources £	Resources Expended £	Transfers £	Balance 31/08/2021 £
General Reserve	3,867,611	2,434,576	(2,891,620)	-	3,410,617
Designated Fund	5,855	-	-	-	5,855
	<u>4,873,516</u>	<u>2,434,576</u>	<u>(2,891,620)</u>	<u>-</u>	<u>3,416,472</u>

13. PENSIONS

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 TPS of £241,517 (2021: £223,563) and at the year-end £nil (2021 - £nil) was accrued in respect of contributions to this 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 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 judgment 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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

THE ELMS (COLWALL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

PENSIONS (CONTINUED)

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 a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is 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.

14. FINANCIAL INSTRUMENTS

	2022	20210
	£	£
Financial assets		
Financial assets measured at amortised cost	<u>1,077,352</u>	<u>885,141</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>78,998</u>	<u>79,405</u>

Financial assets measured at amortised cost comprise of cash at bank, fee debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, deposits and fees in advance.

15. OPERATING LEASES

At 31 August 2022 the total of the School's future minimum lease payments under non-cancellable operating leases was:

	2022	2021
	£	£
Amounts payable:		
Less than 1 year	7,499	1,785
Between 1 and 2 years	7,499	1,785
Between 2 and 5 years	<u>4,815</u>	<u>2,888</u>
	<u>19,814</u>	<u>6,458</u>

THE ELMS (COLWALL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

16. RELATED PARTIES TRANSACTIONS

A company which is owned by a relative of A Milliken, Director, was paid £2,811 (2021 - £17,675) for landscape services provided to the School. £Nil (2021 - £Nil) was owned to that company at 31 August 2022.

Five Trustees are parents of children who were in the school during the financial year.

The School had no other related party transactions during the financial year.

17. STATEMENT OF FINANCIAL ACTIVITIES – Comparative figures by fund-type

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total 2021 £</i>
INCOME FROM:			
Charitable activities			
School fees	2,177,630	-	2,177,630
Ancillary trading income	188,089	-	188,089
Investment income	105	-	105
Other trading activities	1,693	-	1,693
Government grant income	42,368	-	42,368
Donations	50,000	25,310	75,310
Total incoming resources	<u>2,459,885</u>	<u>25,310</u>	<u>2,485,195</u>
EXPENDITURE ON:			
Charitable activities			
Education and grant making	2,916,929	25,310	2,942,239
Total expenditure	<u>2,916,929</u>	<u>25,310</u>	<u>2,942,239</u>
Net outgoing funds from operations before investment gains and transfers	<u>(457,044)</u>	<u>-</u>	<u>(457,044)</u>

THE ELMS (COLWALL) LIMITED

England & Wales - Charity number 527252

Accounts

COMPANY NUMBER: 00843499
CHARITY NUMBER: 527252

THE ELMS (COLWALL) LIMITED
(a company limited by guarantee)

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2021

THE ELMS (COLWALL) LIMITED

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THE ELMS (COLWALL) LIMITED

**LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2021**

TRUSTEES	W S Townsend – Chairman (resigned 2 July 2022) J Rose – Chairman (appointed 18 July 2022) N Baldwin (appointed 13 July 2022) P J Bailey (resigned 4 July 2022) L Chenevix- Trench (resigned 3 July 2022) T Clive (resigned 29 November 2020) B Evans (appointed 20 July 2022) M Gilliat Smith D Graham (appointed 20 July 2022) T N Hone (resigned 29 November 2020) A MacKinnon C Milne (resigned 4 July 2022) Lady S J Mcfarlane A Milliken L Redvers (appointed 24 March 2021) G Steele Bodger (resigned 12 July 2022) T W Stubbs (resigned 13 June 2022) P Thomas C Whitworth A G Wynn LVO (resigned 13 June 2022)
COMPANY SECRETARY	S Brandwood
CLERK TO THE TRUSTEES	S Brandwood
HEAD OF SCHOOL	C Hattam
COMPANY NUMBER	00843499
CHARITY NUMBER	527252
REGISTERED AND PRINCIPAL OFFICE	The Elms School Colwall Malvern Worcestershire WR13 6EF
AUDITOR	Crowe U.K. LLP Statutory Auditor 4 th Floor, St James House St James Square Cheltenham GL50 3PR
BANKERS	Lloyds Bank plc 8 High Town Hereford HR1 2AE
SOLICITORS	Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham GL50 1YD Whatley Weston & Fox 15 & 16 The Tything Worcester WR1 1HD

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

The members of the Governing Body of The Elms (Colwall) Limited present their Annual Report for the year ended 31 August 2021 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

DIRECTORS' REPORT

CONSTITUTION AND OBJECTS

The Elms (Colwall) Limited is a charitable company founded in 1614, charity registration number 527252, company registration number 00843499 incorporated on 30 March 1965 with the liability of its members limited to £1 by guarantee. The registered office and principal address of the company is at The Elms, Colwall, Malvern, Worcestershire, WR13 6EF.

The company is governed by its Articles of Association adopted on 18 November 2012.

AIMS AND OBJECTIVES

Aims

The object of the company, in accordance with its Articles of Association, is to seek to advance education of children up to and around the age of 13. In so doing this includes children of different levels of ability and requiring special educational needs achieved by fostering special talents from a variety of backgrounds and widening access to children whose parents cannot afford full fees.

Strategic Aim and Intended Effect

The school's strategic aim to reach its annual objective is the attainment of good academic levels whilst allowing pupils to benefit from an extra-curricular programme. This aims to draw out their abilities, to develop wider interests in life and to prepare them for a successful outcome at their chosen senior school.

Objectives for the Year

The Board's main objective continued to be to educate all the school's pupils to a high standard as in previous years, so that they will be fully able to benefit from their chosen school for the completion of their education in due course. Our strategy for achieving this is to maintain small class sizes with a high teacher-to-pupil ratio, tailoring our services as appropriate in each case to suit individual needs.

Principal Activity

The principal activity of The Elms (Colwall) Limited continues to be the provision of a boarding school. Additionally there is a nursery facility.

GOVERNANCE AND MANAGEMENT

Governing Body

The Directors of the company, who also act as governors of the school and trustees of the charity, are elected at the Annual General Meeting of the company. A matrix is used to monitor whether the Board contains a full range of desirable skills. One third of the Directors are required to retire by rotation every year and are eligible for re-election. As a policy it has been agreed that Directors should serve for a maximum of nine years after which they are ineligible for re-election for one year. Directors may be elected from current parents in the school. For the reporting period under review, Mrs L Chenevix-Trench, A Milliken and L Redvers are parents of children who were in the school during the financial year.

Trustees Induction and Training

The Governors are aware that new Trustees should undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other Trustees. Trustees are encouraged to attend external training events where these will facilitate the undertaking of their role.

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 AUGUST 2021

Organisational Management

The Directors meet as a Board at least three times a year to determine the general policy of the company and review its overall management and control, for which they are legally responsible. The Board is supported by Support and Monitoring Groups covering Education, Finance, Governance, Welfare and Health and Safety, Marketing, and Property which review practice in their respective fields, advise the Head and propose and review appropriate policies. The day to day running of the school is delegated to the Head and Bursar. They are also supported by their Senior Management Team and together this group are the key management personnel. Aspects of education, finance and welfare are subject to review by monitoring groups. Remuneration is set by the Board. The Head and Bursar attend all meetings of the Governing Body's Committees.

Employment policy

The School will endeavour to recruit the most suitable staff for any post to ensure the highest standards are maintained throughout the school, both teaching and support staff. It also pursues policies as an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Communications with staff continues throughout the year with whole school inset briefings and after school staff meetings.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Elms (Colwall) Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company 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 Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Trustees of the School at the date of approval of this report is aware, there is no relevant audit information of which the School's auditor is unaware. Each of the Trustees have each taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the School's auditor is aware of that information.

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT

MISSION STATEMENT

The school's mission is to provide the necessary education to enable each pupil to develop their individual talents in whatever sphere they might lie, to foster genuine self-confidence and to matriculate successfully to their chosen schools upon leaving and be confident members of the larger society and effective contributors to it.

Our Vision

Our vision is to help each pupil to realise they are truly unique and possess gifts and talents which gives them unlimited potential. We wish to create an educational foundation whereby throughout their lives our pupils will always be ambitious for self-improvement and so develop beyond their perceived potential.

Our Mission

The school's mission is to:

- To provide excellent teaching, learning and pastoral care
- To provide a wealth of opportunities both curricular and extra-curricular
- To encourage pupils to be the best they can be so that we help them to develop their untapped potential

STRATEGIES TO ACHIEVE THE PRIMARY OBJECTIVES

With effect from 1 August 2022, the Directors are actively involved in the implementation of a five year business that will run from 2022 to 2027 and which supersedes the prior development plan. The plan, the result of a new energy garnered from within the parent group and local community, is focused on delivering a well-funded and growing school, run with greater efficiency, that understands the market in which it is operating and is confident about its offer into that market. The Accounts covered in this report cover the previous strategy, and reflect a reorganisation of staff numbers, along with a recognition of the current infrastructure with market trends.

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the Year:

The school has again had a successful year, attaining excellent academic achievement with all pupils reaching their chosen schools for completion of their education. There was success for the school in its full range of sporting activities in competitions with other schools. Cultural and rural activities form an important part of the school's curriculum. Performing arts continue to provide excellent results with frequent concerts and drama productions. Additionally, the farm and rural studies activities are proving extremely popular with the pupils and their parents.

The school has been able to achieve its mission and these results by continuing to retain its high quality of teaching staff.

The Board's commitment to maintaining the school's excellence has been reinforced by the capital expenditure programme.

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 AUGUST 2021

Public Benefit

The school takes part in a wide variety of activities in order to carry out the school's aim for public benefit educating children in an environment not generally available to the state sector. The school has links with local state primary school and other local community organisations and provides its facilities free of charge, and engages in a wide range of other charitable work with the local community.

Means tested financial assistance is available and during the year grants and other awards in the form of bursaries and allowances were made out of unrestricted funds thereby increasing access to the school and thus reducing the annual fee income by £681,995 (2020 - £756,597).

The Directors, as the charity Trustees, confirm that they have complied with their duty in section 17 of the Charities Act 2011 to have regard to the public benefit guidance published by the Charity Commission for England and Wales.

FINANCIAL REVIEW

The results for the year which show a deficit of £457,044 (2020 – deficit £557,950) are set out in the Statement of Financial Activities on page 10.

Covid-19 and the closure of the School site during the Spring Term led to a loss in income of about £60k in the form of reduced school fees and lost commercial income. This was mitigated in part by reduced costs and income from furlough grants.

Reserves Policy

According to the charities SORP definition, free reserves are calculated as total reserves excluding fixed assets, restricted and endowed funds. Using this definition, the Company would have free reserves of £377,067 (2020 - £748,170). These free reserves are within the parameters set by the Directors of retaining at least the estimated costs of running the charity for the forthcoming academic term and to meet immediate capital expenditure, thereby ensuring there are adequate resources in place to continue current operations.

Investment Policy

The school's surplus funds are invested at all times to obtain maximum protection and income at the same time being readily realisable to meet its commitments within acceptable levels of risk.

POST BALANCE SHEET EVENT AND IMPACT ON THE FUTURE

In April 2022, the then Trustees announced to the school that they would seek to wrap the Charity into the Charity that manages Malvern College. This intention never completed and, instead, the collective efforts of parents and alumni ensured the school's continuing independence, alongside a new business plan and a significant injection of new donor capital. New Governors and Chairman were appointed in July 2022 with the mandate from parents, staff and alumni to implement that business plan. The plan, with more than half of the required funding delivered at its inception, will deliver a confident independent prep school, with healthy pupil numbers, on its existing site and with its existing ethos.

FUTURE PLANS

The school's development plan is subject to an annual review by the Governors and the future plans for the school include:

- ensuring that the school and grounds are a safe and attractive environment for pupils, staff and visitors alike;
- provision of a happy and secure pastoral environment, suitable for both day and boarding pupils in which all pupils are offered opportunities for leadership and service to others;
- providing a stimulating learning environment in which pupils can develop their academic potential in full;
- increasing the capability of the school to offer education to children whose parents are unable to afford full fees;
- providing an enjoyable and appropriately challenging environment within which members of staff may develop their careers;
- ensuring that the school plays a significant part in the life of the local community, sharing facilities and seeking local partnerships wherever possible.

These aims underpin development plans so that the school continues to enhance its ability to provide first class education.

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES (continued) YEAR ENDED 31 AUGUST 2021

RISK MANAGEMENT

The Governors have given consideration to the major risks to which the school is exposed. The Governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent school sector to be the principal risks faced by the School. Health and Safety is always a significant area for risk management. The Governing Body has ultimate responsibility for managing any risks faced by the school and has developed a Risk Management Plan. Detailed consideration of risks is delegated to the Welfare and Health and Safety committee which reports formally to the Governing Body. The structure of the committee comprises four members of the Governing Body assisted by senior management.

The risk management process and the resulting report identifies risks, assesses their impact and likelihood, and where necessary, recommends controls to mitigate and monitor those risks. The controls used by the school to minimise risk include:

- detailed terms of reference together with formal agenda;
- comprehensive budgeting and management accounting;
- established organizational structures and lines of reporting;
- formal written policies including clear authorization and approval levels;
- vetting procedures as required by law for the protection of the vulnerable.

The Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks.

Principal Risks and Uncertainties

The Governing Body has considered the effects of the additional staff costs due to the increase in Teachers Pension contributions and the removal of the second state pension in setting fee levels whilst remaining mindful of the effects of the economic situation in recent years.

Health and safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (including when away from the school premises on trips and expeditions). The risks associated with all activities are minimized by thorough planning and risk assessment.

The Governing Body is satisfied that for all major risks identified appropriate controls have been put in place and maintained to minimize those risks adequately. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

AUDITOR

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the re-appointment of Crowe U.K. as auditor to the School will be put to the Annual General Meeting.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006 (in accordance within the special provisions relating to small companies, subject to the small companies regime within Part 15 of the Companies Act 2006), was approved by the Trustees of The Elms (Colwall) Limited on 22 August 2022 including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



J Rose
Chairman of the Trustees

THE ELMS (COLWALL) LIMITED

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Independent Auditor's Report to the Members of The Elms (Colwall) Limited

Opinion

We have audited the financial statements of The Elms (Colwall) Limited 'the charitable company' the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and income and expenditure, for the 31 August 2021 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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 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.

THE ELMS (COLWALL) LIMITED

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the Directors' report 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 Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their 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 trustees' report.

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

- adequate and proper accounting records have not been kept; 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 trustees

As explained more fully in the Trustees' responsibilities statement set out on page 3, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the completeness and accuracy of non-fee income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over non-fee income, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-

THE ELMS (COLWALL) LIMITED

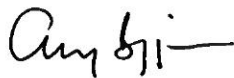
INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2021

compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.



Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor, St James House
St James Square
Cheltenham
GL50 3PR

22 August 2022

THE ELMS (COLWALL) LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
INCOME FROM:					
Charitable activities					
School fees	2	2,177,630	-	2,177,630	2,069,420
Ancillary trading income	3	188,089	-	188,089	170,861
Investment income		105	-	105	15,786
Other trading activities	3	1,693	-	1,693	2,352
Government grant income	3	42,368	-	42,368	150,116
Donations		50,000	25,310	75,310	15,310
Total incoming resources		2,459,885	25,310	2,485,195	2,423,845
EXPENDITURE ON:					
Charitable activities					
Education and grant making		2,916,929	25,310	2,942,239	2,975,583
Total expenditure	5	2,916,929	25,310	2,942,239	2,975,583
Net movement in funds from operations before investment losses		(457,044)	-	(457,044)	(551,738)
Losses on investments		-	-	-	(6,212)
Net movement on funds		(457,044)	-	(457,044)	(557,950)
Fund balances at 1 September 2020		3,873,516	49,601	3,923,117	4,481,067
Fund balances at 31 August 2021	11/12	3,416,472	49,601	3,466,073	3,923,117

All amounts relate to continuing operations.

The Statement of Financial Activities contains all the gains and losses recognised in the current and preceding year.

The notes on pages 13 to 22 form part of these financial statements.

THE ELMS (COLWALL) LIMITED**BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2021
COMPANY NUMBER: 00843499**

	Notes	2021	2020
		£	£
FIXED ASSETS			
Tangible assets	6	3,039,405	3,125,346
CURRENT ASSETS			
Debtors	7	101,792	93,325
Cash at bank and in hand		<u>831,387</u>	<u>1,107,934</u>
		933,179	1,201,259
CREDITORS – amounts falling due within one year	8	<u>(438,106)</u>	<u>(351,488)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		495,073	849,771
CREDITORS – amounts falling due after more than one year	9	<u>(68,405)</u>	<u>(52,000)</u>
TOTAL NET ASSETS	10	<u>3,466,073</u>	<u>3,923,117</u>
FUNDS			
Unrestricted funds	12	3,416,472	3,873,516
Restricted funds	11	<u>49,601</u>	<u>49,601</u>
TOTAL FUNDS	10	<u>3,466,073</u>	<u>3,923,117</u>

These financial statements have been prepared in accordance with the special provisions relating to the small companies regime within Part 15 of the Companies Act 2006 relating to small companies.

Approved and authorised for issue by the Trustees on 22 August 2022 and signed on its behalf by:



J Rose
Chairman

The notes on pages 13 to 22 form part of these financial statements.

THE ELMS (COLWALL) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

	2021	2020
	£	£
Cash flows from operating activities:		
Net outgoings for the year	(457,044)	(551,738)
Adjustments for:		
Investment income and bank interest received	(105)	(15,786)
Depreciation charges	138,285	151,226
(Increase)/decrease in debtors	(8,467)	63,934
Increase/(decrease) in creditors	103,023	(42,380)
Net cash used by operating activities	(224,308)	(394,744)
Cash flows from investing activities		
Payments for tangible fixed assets	(52,344)	(129,850)
Sale of investments	-	630,513
Investment income and bank interest received	105	15,786
Net cash provided by investing activities	(52,239)	516,449
Change in cash and cash equivalents in the year	276,547	121,705
<i>Cash and cash equivalents at the beginning of the year</i>	1,107,934	986,229
Cash and cash equivalents at the end of the year	831,387	1,107,934
Analysis of cash and cash equivalents	2021	2020
	£	£
Cash at bank and in hand	<u>831,387</u>	<u>1,107,934</u>

Analysis of changes in net debt

	At 1 September 2020	Cash- flows £	At 31 August 2021
	£		£
Cash at bank and in hand	<u>1,107,934</u>	<u>(276,547)</u>	<u>831,387</u>

The notes on pages 13 to 22 form part of these financial statements.

THE ELMS (COLWALL) LIMITED

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

1. STATEMENT OF ACCOUNTING POLICIES

a) Charity Information

The Elms (Colwall) Limited is a registered charity with the Charities Commission England and Wales (charity number: 527252) and was incorporated as a private company limited by guarantee (company number: 00843499) on 30 March 1965. The address of its registered office is The Elms School, Colwall, Malvern, Worcestershire, WR13 6EF.

b) Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Elms (Colwall) Limited meets the definition of a public benefit entity under FRS 102.

c) Going Concern

The School has cash resources, that were significantly augmented by a successful fund-raising campaign in June 2022, and no requirement for external funding. The Trustees have reviewed the expected ongoing demand for places and cash flow forecasts, and have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

d) Fees and Other Income

Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

All other income is included in the Statement of Financial Activities when the School has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donation income is accounted for as and when entitlement arises and the amount can be reliably quantified.

Investment income from dividends and interest are accounted for in an accruals basis.

e) Coronavirus Job Retention Scheme Grant

During the current year The Elms suspended certain functions in reaction to government directives aimed at reducing the spread of Covid-19 (coronavirus). This resulted in a number of staff being furloughed with their wages paid by the government. These wages are reflected in Notes 4 and 5 of the accounts. The repayment of their wages from the government is represented in unrestricted income in Note 3.

f) Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure is allocated to expense headings on a direct cost basis, with staff costs being allocated according to the estimated time spent by staff working in relevant departments. The irrecoverable element of VAT is included with the item of expense to which it relates.

THE ELMS (COLWALL) LIMITED

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

1. STATEMENT OF ACCOUNTING POLICIES (continued)

g) Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is not provided on freehold land. On other assets depreciation is provided on cost in equal annual instalments over the estimated economic lives of the assets. The rates of depreciation are as follows:

Freehold buildings	2% straight line or the expected remaining life of the building
Furniture, fixtures and equipment	10% or 20% straight line
Motor vehicles	25% straight line

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Repair, renovation and replacement expenditure is written off as expenditure in the statement of financial activities. Individual items costing less than £5,000 are written off as an expense as acquired.

h) Investments

Investments are measured at market value with any change recognised in the Statement of financial activities.

i) Debtors

Short term debtors are initially measured at transaction price, less any impairment.

j) Cash

Cash is represented by cash in hand and deposits with financial institutions.

k) Creditors

Short term creditors are initially measured at the transaction price.

l) Financial instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

m) Restricted Funds

Funds donated for purposes restricted by the wishes of the donor are taken to restricted funds, where these wishes are legally binding on the Trustees.

n) Recognition of Liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the School to the obligation.

o) Pension Schemes

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme, which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme. The School also contributes to personal pension schemes for non-teaching staff and these contributions are accrued accordingly.

p) Taxation

The School is a registered charity, and as such is entitled to certain tax exemptions on surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

THE ELMS (COLWALL) LIMITED

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

2. FEES RECEIVABLE

Income represents gross School fees invoiced less discounts and allowances.

	2021 £	2020 £
Gross School fees	2,834,315	2,810,707
Less: total scholarships, bursaries, grants and allowances:	<u>(681,995)</u>	<u>(756,597)</u>
	2,152,320	2,054,110
Add back: Bursaries and awards paid for by restricted funds	<u>25,310</u>	<u>15,310</u>
	<u>2,177,630</u>	<u>2,069,420</u>

3. OTHER INCOME

	2021 £	2020 £
Ancillary trading income		
Fee extras and school trips	185,721	169,029
Other trading income	<u>2,368</u>	<u>1,832</u>
	<u>188,089</u>	<u>170,861</u>

Non ancillary trading income

	2021 £	2020 £
Interest on overdue fees	-	994
Other income	<u>1,693</u>	<u>1,358</u>
	<u>1,693</u>	<u>2,352</u>

	2021 £	2020 £
Government grant income	<u>42,368</u>	<u>150,116</u>

4. STAFF COSTS

	2021 £	2020 £
Wages and salaries	1,542,958	1,567,235
Social security costs	143,606	147,334
Pension contributions	<u>240,740</u>	<u>267,573</u>
	<u>1,927,304</u>	<u>1,982,142</u>

The average number of the School's employees during the year calculated on average head count was 62 (2020 – 64).

THE ELMS (COLWALL) LIMITED

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

4. STAFF COSTS (continued)

The number of employees paid in excess of £60,000 during the year were as follows:

	2021	2020
	No.	No.
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1

Contributions to the Teachers' Pension Scheme were made for the benefit of one (2020 - two) higher paid employees. Payments made in the year for these members of staff into the Teachers' Pension Scheme totalled £20,837 (2020 – £34,447).

The Trustees received no remuneration in either year, and no expenses were paid on behalf of Trustees in either year.

During the year there was a redundancy or termination payments made which amounted to £22,391 (2020 – £Nil).

The remuneration of the Senior Management Team was:

	2021	2020
	£	£
Senior Management Team Remuneration	<u>557,585</u>	<u>496,466</u>

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs	Other	Depreciation	2021	2020
	£	£	£	Total	Total
				£	£
Charitable activities:					
Education	1,417,738	356,209	62,442	1,836,389	1,870,763
Welfare	206,105	175,447	-	381,552	401,088
Premises	123,477	173,709	75,843	373,029	363,139
Marketing and publicity	-	41,059	-	41,059	46,423
Support costs	179,984	104,916	-	284,900	278,860
Grants, awards and prizes	-	25,310	-	25,310	15,310
Total	<u>1,927,304</u>	<u>876,650</u>	<u>138,285</u>	<u>2,942,239</u>	<u>2,975,583</u>

	2021	2020
	£	£
Governance costs (included within support costs) comprise		
Auditor's remuneration – audit services	<u>8,500</u>	<u>8,100</u>

THE ELMS (COLWALL) LIMITED

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

6. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and Fittings £	Motor vehicles £	Total £
Cost				
<i>At 1 September 2020</i>	3,841,226	862,343	285,371	4,988,940
Additions	-	52,344	-	52,344
At 31 August 2021	3,841,226	914,687	285,371	5,041,284
Depreciation				
<i>At 1 September 2020</i>	1,095,350	527,631	240,613	1,863,594
Charge for the year	75,846	48,515	13,924	138,285
At 31 August 2021	1,171,196	576,146	254,537	2,001,879
Net book value				
At 31 August 2021	2,670,030	338,541	30,834	3,039,405
<i>At 31 August 2020</i>	2,745,876	334,712	44,758	3,125,346

7. DEBTORS

	2021 £	2020 £
Net School fee debtors	49,614	28,680
Other debtors	4,140	4,040
Prepayments and accrued income	48,038	60,605
	101,792	93,325

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	66,691	27,445
Taxation and social security	42,018	63,891
Other creditors and accruals	8,566	-
Deferred income - fees received in advance of term	309,831	244,302
Deposits from parents	11,000	15,850
	438,106	351,488

THE ELMS (COLWALL) LIMITED

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

9. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Fee deposits	<u>68,405</u>	<u>52,000</u>
	Fee deposits	
	2021 £	2020 £
Repayable as follows:		
In one year or less, or on demand	11,000	15,850
Between one and two years	24,405	9,000
Between two and five years	20,000	21,400
Greater than five years	<u>24,000</u>	<u>21,600</u>
	<u>79,405</u>	<u>67,850</u>

Fee deposits represent amounts received on confirmation of a place. Monies will be repaid on leaving the School via a credit against the fee for the last term attended.

10. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

	Fixed Assets £	Net Current Assets £	Long term Liabilities £	Total £
Current year movement				
Restricted Funds (note 11)	-	49,601	-	49,601
Unrestricted Funds (note 12)	<u>3,039,405</u>	<u>445,472</u>	<u>(68,405)</u>	<u>3,416,472</u>
	<u>3,039,405</u>	<u>495,073</u>	<u>(68,405)</u>	<u>3,466,073</u>
Prior year movement				
Restricted Funds (note 11)	-	49,601	-	49,601
Unrestricted Funds (note 12)	<u>3,125,347</u>	<u>800,170</u>	<u>(52,000)</u>	<u>3,873,517</u>
	<u>3,125,347</u>	<u>849,771</u>	<u>(52,000)</u>	<u>3,923,118</u>

THE ELMS (COLWALL) LIMITED

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

11 RESTRICTED FUNDS

Current year movement	<i>Balance 1/09/2020</i> £	Incoming Resources £	Resources Expended £	Balance 31/08/2021 £
Grocers donation – bursary	<u>49,601</u>	<u>25,310</u>	<u>(25,310)</u>	<u>49,601</u>
Prior year movement	<i>Balance 1/09/2019</i> £	<i>Incoming Resources</i> £	<i>Resources Expended</i> £	<i>Balance 31/08/2020</i> £
Grocers donation – bursary	<u>49,601</u>	<u>15,310</u>	<u>(15,310)</u>	<u>49,601</u>

The Grocers Company provides annual financial support for an identified pupil throughout their stay at the school.

12 UNRESTRICTED FUNDS

Current year movement	<i>Balance 1/09/2020</i> £	Incoming Resources £	Resources Expended £	Loss on Investments £	Balance 31/08/2021 £
<i>General Reserve</i>	3,867,661	2,434,576	(2,891,620)	-	3,410,617
<i>Designated Fund</i>	5,855	-	-	-	5,855
	<u>3,873,516</u>	<u>2,434,576</u>	<u>(2,891,620)</u>	<u>-</u>	<u>3,416,472</u>

Unrestricted funds represent accumulated income from the school's activities and other sources that are available for the general purposes of the school.

Designated funds have been set aside during the year for the refurbish of the tennis courts within the school grounds.

Prior year movement	<i>Balance 1/09/2019</i> £	<i>Incoming Resources</i> £	<i>Resources Expended</i> £	<i>Loss on Investments</i> £	<i>Balance 31/08/2020</i> £
<i>General Reserve</i>	4,425,611	2,408,535	(2,960,273)	(6,212)	3,867,661
<i>Designated Fund</i>	5,855	-	-	-	5,855
	<u>4,431,466</u>	<u>2,408,535</u>	<u>(2,960,273)</u>	<u>(6,212)</u>	<u>3,873,516</u>

13. PENSIONS

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 TPS of £223,563 (2020 - £239,240) and at the year-end £nil (2020 - £nil) was accrued in respect of contributions to this 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 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 judgment 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 a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

In view of the above rulings and decisions 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 ELMS (COLWALL) LIMITED

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

14. FINANCIAL INSTRUMENTS

	2021	2020
	£	£
Financial assets		
Financial assets measured at amortised cost	<u>885,141</u>	<u>1,140,649</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>79,405</u>	<u>67,850</u>

Financial assets measured at amortised cost comprise of cash at bank, fee debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, deposits and fees in advance.

15. OPERATING LEASES

At 31 August 2021 the total of the School's future minimum lease payments under non-cancellable operating leases was:

	2021	2020
	£	£
Amounts payable:		
Less than 1 year	1,785	1,233
Between 1 and 2 years	1,785	1,233
Between 2 and 5 years	<u>2,888</u>	<u>2,466</u>
	<u>6,458</u>	<u>4,932</u>

16. RELATED PARTIES TRANSACTIONS

A company which is owned by a relative of A Milliken, Director, was paid £17,675 (2020 - £2,998) for landscape services provided to the School. £Nil (2020 - £Nil) was owned to that company at 31 August 2021.

The School had no other related party transactions during the financial year.

THE ELMS (COLWALL) LIMITED

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

17. STATEMENT OF FINANCIAL ACTIVITIES – Comparative figures by fund-type

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total 2020 £</i>
INCOME FROM:			
Charitable activities			
School fees	2,069,420	-	2,069,420
Ancillary trading income	170,861	-	170,861
Investment income	15,786	-	15,786
Other trading activities	2,352	-	2,352
Government grant income	150,116	-	159,116
Donations	-	15,310	15,310
	<hr/>		
Total incoming resources	2,408,535	15,310	2,423,845
EXPENDITURE ON:			
Charitable activities			
Education and grant making	2,960,273	15,310	2,975,583
	<hr/>		
Total expenditure	2,960,273	15,310	2,975,583
	<hr/>		
Net outgoing funds from operations before investment gains and transfers	(551,738)	-	(551,738)
Losses on investments	(6,212)	-	(6,212)
	<hr/>		
NET MOVEMENT IN FUNDS	(557,950)	-	(557,950)
	<hr/>		

THE ELMS (COLWALL) LIMITED

England & Wales - Charity number 527252

Accounts

COMPANY NUMBER: 00843499
CHARITY NUMBER: 527252

THE ELMS (COLWALL) LIMITED
(a company limited by guarantee)

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2020

CHARITY COMMISSION
FIRST CONTACT

9 FEB 2021

ACCOUNTS
RECEIVED

THE ELMS (COLWALL) LIMITED

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FOR THE YEAR ENDED 31 AUGUST 2020**

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THE ELMS (COLWALL) LIMITED

**LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2020**

TRUSTEES	T N Hone – Chairman P J Bailey L Chenevix- Trench T Clive M Gilliat Smith D Holloway (Resigned 1 st December 2019) A MacKinnon Lady S J Mcfarlane A Milliken C Milne C Whitworth (Appointed 16 th June 2020) G Steele Bodger T W Stubbs P Thomas W S Townsend A G Wynn LVO
COMPANY SECRETARY	S Brandwood
CLERK TO THE TRUSTEES	S Brandwood
HEAD OF SCHOOL	C Hattam
COMPANY NUMBER	00843499
CHARITY NUMBER	527252
REGISTERED AND PRINCIPAL OFFICE	The Elms School Colwall Malvern Worcestershire WR13 6EF
AUDITOR	Crowe U.K. LLP Statutory Auditor Carrick House Lypiatt Road Cheltenham GL50 2QJ
BANKERS	Lloyds Bank plc 8 High Town Hereford HR1 2AE
SOLICITORS	Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham GL50 1YD Whatley Weston & Fox 15 & 16 The Tything Worcester WR1 1HD

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

The members of the Governing Body of The Elms (Colwall) Limited present their Annual Report for the year ended 31 August 2020 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

DIRECTORS' REPORT

CONSTITUTION AND OBJECTS

The Elms (Colwall) Limited is a charitable company founded in 1614, charity registration number 527252, company registration number 00843499 incorporated on 30 March 1965 with the liability of its members limited to £1 by guarantee. The registered office and principal address of the company is at The Elms, Colwall, Malvern, Worcestershire, WR13 6EF.

The company is governed by its Articles of Association adopted on 18 November 2012.

AIMS AND OBJECTIVES

Aims

The object of the company, in accordance with its Articles of Association, is to seek to advance education of children up to and around the age of 13. In so doing this includes children of different levels of ability and requiring special educational needs achieved by fostering special talents from a variety of backgrounds and widening access to children whose parents cannot afford full fees.

Strategic Aim and Intended Effect

The school's strategic aim to reach its annual objective is the attainment of good academic levels whilst allowing pupils to benefit from an extra-curricular programme. This aims to draw out their abilities, to develop wider interests in life and to prepare them for a successful outcome at their chosen senior school.

Objectives for the Year

The Board's main objective continued to be to educate all the school's pupils to a high standard as in previous years, so that they will be fully able to benefit from their chosen school for the completion of their education in due course. Our strategy for achieving this is to maintain small class sizes with a high teacher-to-pupil ratio, tailoring our services as appropriate in each case to suit individual needs.

Principal Activity

The principal activity of The Elms (Colwall) Limited continues to be the provision of a boarding school. Additionally there is a nursery facility.

GOVERNANCE AND MANAGEMENT

Governing Body

The Directors of the company, who also act as governors of the school and trustees of the charity, are elected at the Annual General Meeting of the company. A matrix is used to monitor whether the Board contains a full range of desirable skills. One third of the Directors are required to retire by rotation every year and are eligible for re-election. As a policy it has been agreed that Directors should serve for a maximum of nine years after which they are ineligible for re-election for one year. Directors may be elected from current parents in the school. Mrs L Chenevix-Trench, A Milliken are parents of children who were in the school during the year.

Trustees Induction and Training

The Governors are aware that new trustees should undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other trustees. Trustees are encouraged to attend external training events where these will facilitate the undertaking of their role.

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 AUGUST 2020

Organisational Management

The Directors meet as a Board at least three times a year to determine the general policy of the company and review its overall management and control, for which they are legally responsible. The Board is supported by Support and Monitoring Groups covering Education, Finance, Governance, Welfare and Health and Safety, Marketing, and Property which review practice in their respective fields, advise the Head and propose and review appropriate policies. The day to day running of the school is delegated to the Head and Bursar. They are also supported by their Senior Management Team and together this group are the key management personnel. Aspects of education, finance and welfare are subject to review by monitoring groups. Remuneration is set by the Board. The Head and Bursar attend all meetings of the Governing Body's Committees.

Employment policy

The School will endeavour to recruit the most suitable staff for any post to ensure the highest standards are maintained throughout the school, both teaching and support staff. It also pursues policies as an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Communications with staff continues throughout the year with whole school inset briefings and after school staff meetings.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Elms (Colwall) Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company 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 Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Trustees of the School at the date of approval of this report is aware, there is no relevant audit information of which the School's auditor is unaware. Each of the Trustees have each taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the School's auditor is aware of that information.

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT

MISSION STATEMENT

The school's mission is to provide the necessary education to enable each pupil to develop their individual talents in whatever sphere they might lie, to foster genuine self-confidence and to matriculate successfully to their chosen schools upon leaving and be confident members of the larger society and effective contributors to it.

Our Vision

Our vision is to help each pupil to realise they are truly unique and possess gifts and talents which gives them unlimited potential. We wish to create an educational foundation whereby throughout their lives our pupils will always be ambitious for self-improvement and so develop beyond their perceived potential.

Our Mission

The school's mission is to:

- To provide excellent teaching, learning and pastoral care
- To provide a wealth of opportunities both curricular and extra-curricular
- To encourage pupils to be the best they can be so that we help them to develop their untapped potential

STRATEGIES TO ACHIEVE THE PRIMARY OBJECTIVES

The Directors are actively involved in the implementation of a development plan charting the way forward for the school for the period to 2022. The plan encompasses all aspects of the organisation of the school and will ensure that the key objectives as reported for the current year continue to be achieved. The accounts reflect a reorganisation of staff numbers and a recognition of the current infrastructure with current market trends.

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the Year:

The school has again had a successful year, attaining excellent academic achievement with all pupils reaching their chosen schools for completion of their education. There was success for the school in its full range of sporting activities in competitions with other schools. Cultural and rural activities form an important part of the school's curriculum. Performing arts continue to provide excellent results with frequent concerts and drama productions. Additionally, the farm and rural studies activities are proving extremely popular with the pupils and their parents.

The school has been able to achieve its mission and these results by continuing to retain its high quality of teaching staff.

The Board's commitment to maintaining the school's excellence has been reinforced by the capital expenditure programme.

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 AUGUST 2020

Public Benefit

The school takes part in a wide variety of activities in order to carry out the school's aim for public benefit educating children in an environment not generally available to the state sector. The school has links with local state primary school and other local community organisations and provides its facilities free of charge, and engages in a wide range of other charitable work with the local community.

Means tested financial assistance is available and during the year grants and other awards in the form of bursaries and allowances were made out of unrestricted funds thereby increasing access to the school and thus reducing the annual fee income by £756,597 (2019 - £631,805).

The Directors, as the charity trustees, confirm that they have complied with their duty in section 17 of the Charities Act 2011 to have regard to the public benefit guidance published by the Charity Commission for England and Wales.

FINANCIAL REVIEW

The results for the year which show a deficit of £557,950 (2019 – deficit £309,392) are set out in the Statement of Financial Activities on page 9.

Covid-19 and the closure of the School site during the Summer Term led to a loss in income of about £300k in the form of reduced school fees and lost commercial income. This was mitigated in part by reduced costs and income from furlough grants.

Reserves Policy

According to the charities SORP definition, free reserves are calculated as total reserves excluding fixed assets, restricted and endowed funds. Using this definition, the Company would have free reserves of £743,165 (2019 - £648,018). These free reserves are within the parameters set by the Directors of retaining at least the estimated costs of running the charity for the forthcoming academic term and to meet immediate capital expenditure, thereby ensuring there are adequate resources in place to continue current operations.

Investment Policy

The school's surplus funds are invested at all times to obtain maximum protection and income at the same time being readily realisable to meet its commitments within acceptable levels of risk.

FUTURE PLANS

The school's development plan is subject to an annual review by the governors and the future plans for the school include:

- ensuring that the school and grounds are a safe and attractive environment for pupils, staff and visitors alike;
- provision of a happy and secure pastoral environment, suitable for both day and boarding pupils in which all pupils are offered opportunities for leadership and service to others;
- providing a stimulating learning environment in which pupils can develop their academic potential in full;
- increasing the capability of the school to offer education to children whose parents are unable to afford full fees;
- providing an enjoyable and appropriately challenging environment within which members of staff may develop their careers;
- ensuring that the school plays a significant part in the life of the local community, sharing facilities and seeking local partnerships wherever possible.

These aims underpin development plans so that the school continues to enhance its ability to provide first class education.

THE ELMS (COLWALL) LIMITED

ANNUAL REPORT OF THE TRUSTEES (continued) YEAR ENDED 31 AUGUST 2020

RISK MANAGEMENT

The Governors have given consideration to the major risks to which the school is exposed. The Governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent school sector to be the principal risks faced by the School. Health and Safety is always a significant area for risk management. The Governing Body has ultimate responsibility for managing any risks faced by the school and has developed a Risk Management Plan. Detailed consideration of risks is delegated to the Welfare and Health and Safety committee which reports formally to the Governing Body. The structure of the committee comprises four members of the Governing Body assisted by senior management.

The risk management process and the resulting report identifies risks, assesses their impact and likelihood, and where necessary, recommends controls to mitigate and monitor those risks. The controls used by the school to minimise risk include:

- detailed terms of reference together with formal agenda;
- comprehensive budgeting and management accounting;
- established organizational structures and lines of reporting;
- formal written policies including clear authorization and approval levels;
- vetting procedures as required by law for the protection of the vulnerable.

The Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks.

Principal Risks and Uncertainties

The Governing Body has considered the effects of the additional staff costs due to the increase in Teachers Pension contributions and the removal of the second state pension in setting fee levels whilst remaining mindful of the effects of the economic situation in recent years.

Health and safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (including when away from the school premises on trips and expeditions). The risks associated with all activities are minimized by thorough planning and risk assessment.

The Governing Body is satisfied that for all major risks identified appropriate controls have been put in place and maintained to minimize those risks adequately. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

The Governors consider the economic impact of COVID-19 and the uncertainty it has created for the independent sector to be the principal risk faced by the School.

AUDITOR

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the re-appointment of Crowe U.K. as auditor to the School will be put to the Annual General Meeting.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006 (in accordance with the special provisions relating to small companies, subject to the small companies regime within Part 15 of the Companies Act 2006), was approved by the Trustees of The Elms (Colwall) Limited on 29 November 2020 including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:

T N Horie
Chairman of the Trustees

THE ELMS (COLWALL) LIMITED

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2020

We have audited the financial statements of The Elms (Colwall) Limited for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report 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 trustees' report have been prepared in accordance with applicable legal requirements.

THE ELMS (COLWALL) LIMITED

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company 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 trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

Guy Biggin (Senior Statutory Auditor)

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Carrick House

Lypiatt Road

Cheltenham

GL50 2QJ

2 February 2021

THE ELMS (COLWALL) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
INCOME FROM:					
Charitable activities					
School fees	2	2,069,420	-	2,069,420	2,429,788
Ancillary trading income	3	170,861	-	170,861	299,097
Investment income		15,786	-	15,786	21,205
Other trading activities	3	2,352	-	2,352	2,108
Government grant income	3	150,116	-	150,116	-
Donations		-	15,310	15,310	13,310
Profit on disposal of fixed asset		-	-	-	149,850
Total incoming resources		2,408,535	15,310	2,423,845	2,915,358
EXPENDITURE ON:					
Charitable activities					
Education and grant making		2,960,273	15,310	2,975,583	3,265,351
Total expenditure	5	2,960,273	15,310	2,975,583	3,265,351
Net outgoing funds from operations before investment gains and transfers		(551,738)	-	(551,738)	(349,993)
(Losses)/gains on investments		(6,212)	-	(6,212)	40,601
NET MOVEMENT IN FUNDS		(557,950)	-	(557,950)	(309,392)
RECONCILIATION OF FUNDS:					
Fund balances at 1 September 2019		4,431,466	49,601	4,481,067	4,790,459
Fund balances at 31 August 2020	11	3,873,516	49,601	3,923,117	4,481,067

All amounts relate to continuing operations.

The Statement of Financial Activities contains all the gains and losses recognised in the current and preceding year.

The notes on pages 12 to 21 form part of these financial statements.

THE ELMS (COLWALL) LIMITED

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

	Notes	2020	2019
		£	£
FIXED ASSETS			
Tangible assets	7	3,125,346	3,146,723
Investments	6	-	<u>636,725</u>
		3,125,346	3,783,448
CURRENT ASSETS			
Debtors	8	93,325	157,259
Cash at bank and in hand		<u>1,107,934</u>	<u>986,229</u>
		1,201,259	1,143,488
CREDITORS – amounts falling due within one year	9	<u>(351,488)</u>	<u>(391,619)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		849,771	751,869
CREDITORS – amounts falling due after more than one year	10	<u>(52,000)</u>	<u>(54,250)</u>
TOTAL NET ASSETS	11	<u>3,923,117</u>	<u>4,481,067</u>
FUNDS			
Unrestricted funds	13	3,873,516	4,431,466
Restricted funds	12	<u>49,601</u>	<u>49,601</u>
TOTAL FUNDS	11	<u>3,923,117</u>	<u>4,481,067</u>

These financial statements have been prepared in accordance with the special provisions relating to the small companies regime within Part 15 of the Companies Act 2006 relating to small companies.

Approved and authorised for issue by the Trustees on 29 November 2020 and signed on its behalf by:

T N Hone
Chairman

The notes on pages 12 to 21 form part of these financial statements.

THE ELMS (COLWALL) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020**

	2020	2019
	£	£
Cash flows from operating activities:		
Net outgoings for the year	(551,738)	(349,994)
Adjustments for:		
Investment income and bank interest received	(15,786)	(21,205)
Depreciation charges	151,226	128,729
Profit on sale of tangible fixed assets	-	(149,850)
Decrease/(increase) in debtors	63,934	(49,204)
(Decrease)/increase in creditors	(42,380)	63,645
Net cash used by operating activities	(394,744)	(377,879)
Cash flows from investing activities		
Payments for tangible fixed assets	(129,850)	(120,192)
Proceeds on sale of tangible fixed assets	-	165,000
Sale of investments	630,513	-
Investment income and bank interest received	15,786	21,205
Net cash provided by investing activities	516,449	66,013
Change in cash and cash equivalents in the year	121,705	(311,866)
<i>Cash and cash equivalents at the beginning of the year</i>	986,229	1,298,095
Cash and cash equivalents at the end of the year	1,107,934	986,229
Analysis of cash and cash equivalents	2020	2019
	£	£
Cash at bank and in hand	<u>1,107,934</u>	<u>986,229</u>
Analysis of changes in net debt		
	<i>At 1</i>	Cash-
	<i>September</i>	flows
	<i>2019</i>	£
	£	At 31
Cash at bank and in hand	<u>986,229</u>	<u>1,107,934</u>

The notes on pages 12 to 22 form part of these financial statements.

THE ELMS (COLWALL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. STATEMENT OF ACCOUNTING POLICIES

a) **Charity Information**

The Elms (Colwall) Limited is a registered charity with the Charities Commission England and Wales (charity number: 527252) and was incorporated as a private company limited by guarantee (company number: 00843499) on 30 March 1965. The address of its registered office is The Elms School, Colwall, Malvern, Worcestershire, WR13 6EF.

b) **Basis of Preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Elms (Colwall) Limited meets the definition of a public benefit entity under FRS 102.

c) **Going Concern**

The School has cash resources and has no requirement for external funding. The Trustees have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

d) **Fees and Other Income**

Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

All other income is included in the Statement of Financial Activities when the School has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donation income is accounted for as and when entitlement arises and the amount can be reliably quantified.

Investment income from dividends and interest are accounted for in an accruals basis.

e) **Coronavirus Job Retention Scheme Grant**

During the current year The Elms suspended certain functions in reaction to government directives aimed at reducing the spread of Covid-19 (coronavirus). This resulted in a number of staff being furloughed with their wages paid by the government. These wages are reflected in Notes 4 and 5 of the accounts. The repayment of their wages from the government is represented in unrestricted income in Note 3.

f) **Expenditure**

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure is allocated to expense headings on a direct cost basis, with staff costs being allocated according to the estimated time spent by staff working in relevant departments. The irrecoverable element of VAT is included with the item of expense to which it relates.

THE ELMS (COLWALL) LIMITED

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

1. STATEMENT OF ACCOUNTING POLICIES (continued)

g) Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is not provided on freehold land. On other assets depreciation is provided on cost in equal annual instalments over the estimated economic lives of the assets. The rates of depreciation are as follows:

Freehold buildings	2% straight line or the expected remaining life of the building
Furniture, fixtures and equipment	10% or 20% straight line
Motor vehicles	25% straight line

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Repair, renovation and replacement expenditure is written off as expenditure in the statement of financial activities. Individual items costing less than £5,000 are written off as an expense as acquired.

h) Investments

Investments are measured at market value with any change recognised in the Statement of financial activities.

i) Debtors

Short term debtors are initially measured at transaction price, less any impairment.

j) Cash

Cash is represented by cash in hand and deposits with financial institutions.

k) Creditors

Short term creditors are initially measured at the transaction price.

l) Financial instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

m) Restricted Funds

Funds donated for purposes restricted by the wishes of the donor are taken to restricted funds, where these wishes are legally binding on the Trustees.

n) Recognition of Liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the School to the obligation.

o) Pension Schemes

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme, which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme. The School also contributes to personal pension schemes for non-teaching staff and these contributions are accrued accordingly.

p) Taxation

The School is a registered charity, and as such is entitled to certain tax exemptions on surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

THE ELMS (COLWALL) LIMITED

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

2. FEES RECEIVABLE

Income represents gross School fees invoiced less discounts and allowances.

	2020 £	2019 £
Gross School fees	2,810,707	3,048,283
Less: total scholarships, bursaries, grants and allowances:	(756,597)	(631,805)
	<u>2,054,110</u>	<u>2,416,478</u>
Add back: Bursaries and awards paid for by restricted funds	<u>15,310</u>	<u>13,310</u>
	<u>2,069,420</u>	<u>2,429,788</u>

3. OTHER INCOME

Ancillary trading income
Fee extras and school trips
Other trading income

	2020 £	2019 £
	169,029	261,295
	1,832	37,802
	<u>170,861</u>	<u>299,097</u>

Non ancillary trading income

Interest on overdue fees
Other income

	994	960
	1,358	1,148
	<u>2,352</u>	<u>2,108</u>

Government grant income

	<u>150,116</u>	<u>-</u>
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4. STAFF COSTS

Wages and salaries
Social security costs
Pension contributions

	2020 £	2019 £
	1,567,235	1,839,716
	147,334	154,351
	267,573	210,517
	<u>1,982,142</u>	<u>2,204,584</u>

The average number of the School's employees during the year calculated on average head count was 64 (2019 – 72).

THE ELMS (COLWALL) LIMITED

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

4. STAFF COSTS (continued)

The number of employees paid in excess of £60,000 during the year were as follows:

	2020 No.	2019 No.
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1

Contributions to the Teachers' Pension Scheme were made for the benefit of two (2019 - two) higher paid employees. Payments made in the year for these member of staff into the Teachers' Pension Scheme totalled £34,447 (2019 - £23,736).

The Trustees received no remuneration in either year, and no expenses were paid on behalf of Trustees in either year.

During the year there was a redundancy or termination payments made which amounted to £0 (2019 - £91,701).

The remuneration of the Senior Management Team was:

	2020 £	2019 £
Senior Management Team Remuneration	<u>496,466</u>	<u>560,112</u>

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £	Other £	Depreciation £	2020 Total £	2019 £
Charitable activities:					
Education	1,462,278	333,105	75,380	1,870,763	1,944,278
Welfare	226,776	174,312	-	401,088	530,983
Premises	116,376	170,917	75,846	363,139	480,293
Marketing and publicity	-	46,423	-	46,423	34,758
Support costs	176,712	102,148	-	278,860	261,729
Other trading	-	-	-	-	-
Grants, awards and prizes	-	15,310	-	15,310	13,310
Total	<u>1,982,142</u>	<u>822,215</u>	<u>151,226</u>	<u>2,975,583</u>	<u>3,265,351</u>

	2020 £	2019 £
Governance costs (included within support costs) comprise		
Auditor's remuneration – audit services	<u>7,800</u>	<u>7,800</u>

THE ELMS (COLWALL) LIMITED

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

6. INVESTMENTS	2020	2019
	£	£
At 1 September 2019	636,725	596,124
Disposals	(630,513)	-
(Decrease)/increase in market value	<u>(6,212)</u>	<u>40,601</u>
At 31 August 2020	<u>-</u>	<u>636,725</u>

The whole of investments consisted of shares held in COIF Charities Investment Fund units.

7. TANGIBLE FIXED ASSETS

	Land and buildings	Fixtures and Fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2019	3,841,226	770,256	247,609	4,859,091
Additions	-	92,087	37,762	129,849
At 31 August 2020	<u>3,841,226</u>	<u>862,343</u>	<u>285,371</u>	<u>4,988,940</u>
Depreciation				
At 1 September 2019	1,019,504	465,101	227,763	1,712,368
Charge for the year	75,846	62,530	12,850	151,226
At 31 August 2020	<u>1,095,350</u>	<u>527,631</u>	<u>240,613</u>	<u>1,863,594</u>
Net book value				
At 31 August 2020	<u>2,745,876</u>	<u>334,712</u>	<u>44,758</u>	<u>3,125,346</u>
At 31 August 2019	<u>2,821,722</u>	<u>305,155</u>	<u>19,846</u>	<u>3,146,723</u>

8. DEBTORS	2020	2019
	£	£
Net School fee debtors	28,680	46,823
Other debtors	4,040	39,976
Prepayments and accrued income	<u>60,605</u>	<u>70,460</u>
	<u>93,325</u>	<u>157,259</u>

Trade debtors are stated after impairment provisions totalling £20,000 (2019 - £nil).

THE ELMS (COLWALL) LIMITED

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

9. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	27,445	50,306
Taxation and social security	63,891	36,699
Other creditors and accruals	-	1,623
Deferred income - fees received in advance of term	244,302	289,148
Deposits from parents	15,850	13,843
	<u>351,488</u>	<u>391,619</u>

10. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Fee deposits	<u>52,000</u>	<u>54,250</u>

	Fee deposits	
	2020 £	2019 £
Repayable as follows:		
In one year or less, or on demand	15,850	13,843
Between one and two years	9,000	16,350
Between two and five years	21,400	22,950
Greater than five years	21,600	14,950
	<u>67,850</u>	<u>68,093</u>

Fee deposits represent amounts received on confirmation of a place. Monies will be repaid on leaving the School via a credit against the fee for the last term attended.

11. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

	Fixed Assets £	Net Current Assets £	Long term Liabilities £	Total £
Current year movement				
Restricted Funds (note 12)	-	49,601	-	49,601
Unrestricted Funds (note 13)	<u>3,125,347</u>	<u>800,170</u>	<u>(52,000)</u>	<u>3,873,517</u>
	<u>3,125,347</u>	<u>849,771</u>	<u>(52,000)</u>	<u>3,923,118</u>

THE ELMS (COLWALL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS (continued)

	<i>Fixed Assets</i> £	<i>Net Current Assets</i> £	<i>Long term Liabilities</i> £	<i>Total</i> £
Prior year movement				
Restricted Funds (note 12)	-	49,601	-	49,601
Unrestricted Funds (note 13)	<u>3,783,448</u>	<u>702,268</u>	<u>(54,250)</u>	<u>4,431,466</u>
	<u>3,783,448</u>	<u>751,869</u>	<u>(54,250)</u>	<u>4,481,067</u>

12 RESTRICTED FUNDS

	<i>Balance 01/09/2019</i> £	<i>Incoming Resources</i> £	<i>Resources Expended</i> £	<i>Balance 31/08/2020</i> £
Current year movement				
Grocers donation – bursary	<u>49,601</u>	<u>15,310</u>	<u>(15,310)</u>	<u>49,601</u>
Prior year movement				
	<i>Balance 01/09/2018</i> £	<i>Incoming Resources</i> £	<i>Resources Expended</i> £	<i>Balance 31/08/2019</i> £
Grocers donation – bursary	<u>49,601</u>	<u>13,310</u>	<u>(13,310)</u>	<u>49,601</u>

The Grocers Company provides annual financial support for an identified pupil throughout their stay at the school.

13. UNRESTRICTED FUNDS

	<i>Balance 01/09/2019</i> £	<i>Incoming Resources</i> £	<i>Resources Expended</i> £	<i>Loss on investments</i> £	<i>Balance 31/08/2020</i> £
Current year movement					
General Reserve	4,425,611	2,408,535	(2,960,273)	(6,212)	3,867,661
Designated Fund	5,855	-	-	-	5,855
	<u>4,431,466</u>	<u>2,408,535</u>	<u>(2,960,273)</u>	<u>6,212</u>	<u>3,873,516</u>

Unrestricted funds represent accumulated income from the school's activities and other sources that are available for the general purposes of the school.

Designated funds have been set aside during the year for the refurbish of the tennis courts within the school grounds.

THE ELMS (COLWALL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. UNRESTRICTED FUNDS (continued)

Prior year movement	Balance 01/09/2018 £	Incoming Resources £	Resources Expended £	Gain on investments £	Balance 31/08/2019 £
General Reserve	4,722,036	2,902,048	(3,252,041)	53,568	4,425,611
Designated Fund	5,855	-	-	-	5,855
	<u>4,727,891</u>	<u>2,902,048</u>	<u>(3,252,041)</u>	<u>53,568</u>	<u>4,431,466</u>

14. PENSIONS

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 TPS of £239,240 (2019 - £149,054) and at the year-end £nil (2019 - £nil) was accrued in respect of contributions to this 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 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 judgment 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 ELMS (COLWALL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. PENSIONS (continued)

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 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.

15. FINANCIAL INSTRUMENTS

	2020	2019
	£	£
Financial assets		
Financial assets measured at fair value	<u>-</u>	<u>636,725</u>
Financial assets measured at amortised cost	<u>1,140,649</u>	<u>1,073,027</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>67,850</u>	<u>69,715</u>

Financial assets measured at fair value comprise of investments

Financial assets measured at amortised cost comprise of fee debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, deposits and fees in advance.

16. OPERATING LEASES

At 31 August 2020 the total of the School's future minimum lease payments under non-cancellable operating leases was:

	2020	2019
	£	£
Amounts payable:		
Less than 1 year	1,233	1,233
Between 1 and 2 years	1,233	1,233
Between 2 and 5 years	<u>2,466</u>	<u>3,699</u>
	<u>4,932</u>	<u>6,165</u>

THE ELMS (COLWALL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. STATEMENT OF FINANCIAL ACTIVITIES – Comparative figures by fund-type8

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
INCOME FROM:				
Charitable activities				
School fees	2	2,429,788	-	2,429,788
Ancillary trading income	3	299,097	-	299,097
Investment income		21,205	-	21,205
Other trading activities	3	2,108	-	2,108
Donations		-	13,310	13,310
Profit on disposal of fixed asset		149,850	-	149,850
Total incoming resources		2,902,048	13,310	2,915,358
EXPENDITURE ON:				
Charitable activities				
Education and grant making		3,252,041	13,310	3,265,351
Trading activities		-	-	-
Total expenditure	5	3,252,041	13,310	3,265,351
Net outgoing funds from operations before investment gains and transfers		(349,993)	-	(349,993)
Gains on investments		40,601	-	40,601
Transfers between funds		12,967	(12,967)	-
NET MOVEMENT IN FUNDS		(296,425)	(12,967)	(309,392)