

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

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2022

THE ELMS (COLWALL) LIMITED

CONTENTS FOR THE YEAR ENDED 31 AUGUST 2022

| | Page |
|---|----------------|
| Legal and Administrative information | 1 |
| Annual Report of the Trustees | 2 - 6 |
| Independent Auditor's Report | 7 - 9 |
| Statement of Financial Activities | 10 |
| Balance Sheet | 11 |
| Cash Flow Statement | 12 |
| Notes to the Financial Statements | 13 - 22 |

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
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 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

| | | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total 2022 £ | Total 2021 £ |
|--|-------|------------------------------------|----------------------------------|--------------------|--------------------|
| | Notes | | | | |
| 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 | <u>1,027,810</u> | <u>831,387</u> | |
| Analysis of changes in net debt | | | |
| | <i>At 1</i> | Cash- | <i>At 31</i> |
| | <i>September</i> | flows | <i>August</i> |
| | <i>2021</i> | £ | <i>2022</i> |
| | £ | | £ |
| 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 no 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: | (552,762) | (681,995) |
| | 2,333,060 | 2,152,320 |
| Add back: Bursaries and awards paid for by restricted funds | 13,310 | 25,310 |
| | 2,346,370 | 2,177,630 |

3. OTHER INCOME

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

Non ancillary trading income

| | 2022 £ | 2021 £ |
|--------------------------|-----------|-----------|
| Interest on overdue fees | 604 | - |
| Other income | 1,108 | 1,693 |
| | 1,712 | 1,693 |

| | 2022 £ | 2021 £ |
|------------------------------------|-----------|-----------|
| Government grant income – furlough | - | 42,368 |

4. STAFF COSTS

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

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 No. | 2021 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 Total £ | 2021 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> |
| 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 | 49,601 | 25,310 | (25,310) | 49,601 |

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.

**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 | <u>2,916,929</u> | <u>25,310</u> | <u>2,942,239</u> |
| 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> |