

COMPANY REGISTRATION NUMBER: 02435643
CHARITY REGISTRATION NUMBER: 803492

Grangewood Educational Association
Company Limited by Guarantee
Unaudited Financial Statements
31 August 2020

BURGESS HODGSON LLP

Chartered Accountants
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

Grangewood Educational Association

Company Limited by Guarantee

Financial Statements

Year ended 31 August 2020

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Grangewood Educational Association

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 August 2020

The directors, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 August 2020.

Reference and administrative details

Registered charity name Grangewood Educational Association

Charity registration number 803492

Company registration number 02435643

Principal office and registered office Grangewood Independent School
Chester Road
Forest Gate
London
E7 8QT

The directors Mr J Agyeman
Mr T Mpambawahle
Ms J E E Jarvis

Independent examiner Andrew Collyer
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

Grangewood Educational Association

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 August 2020

Structure, governance and management

The Charity is controlled by its Memorandum and Articles of Association and constitutes a limited company, limited by guarantee as defined by the Companies Act 2006.

The Council of Management, who were the trustees and directors who served throughout the year September 2019 - August 2020, were:

- Mr J. Agyeman (Chair)
- Ms J. Jarvis (Trustee / Director)
- Mr T. Mpambawahle (Trustee / Director)

The 3 year turnaround plan implemented by the new trustees have resulted in tangible results after the first year, as the deficit has been reduced by nearly 50%, our pupil numbers were increasing at a steady rate and income from non-core activities had also increased by over 30% until the mandated lockdown which halted progress.

Despite the unprecedented events of the global pandemic and resulting impact on the education of children and young people across the UK, the wellbeing, mental health and academic progress of our students has been paramount. However, the impact on household finances meant that a significant portion of our parents struggled during the Summer term and the trustees agreed to offer discounted fees to support the families during the difficult times.

Transitioning to online learning was also challenging for both our staff and parents alike, especially as some families did not have the required IT facilities to support remote learning, however a hybrid approach was implemented which enabled to continuous learning through by weekly engagement.

The support of our parents has been crucial during these challenging times, and their trust and belief in the Charity has been a great source of strength and encouragement.

The Trustees and Board of Governors for the period from the 1 September 2019 to 31 August 2020 were as follows:

- Mr J. Agyeman (Chair)
- Mr N. Gray (Retired Department Head at Independent School / former Trustee)
- Pastor D. Meade (Minister of local Baptist Church)
- Ms A. Green (Parent Governor & Physicist)
- Ms L. Bannis (Secondary teacher and head of department)
- Ms S. McDonald (Parent Governor & office administrator)
- Mr C. Berry (Psychotherapist and former director of a counselling charity)
- Mr Blankson (Teacher)
- Miss Francis (Teacher)
- Mr Roberts (Business Manager)
- Mrs Roberts (Head Teacher)

The trustees, governors, teachers and other staff remain committed to fulfilling the objectives of the charity, along with cultivating an environment where children can thrive in their educational attainment and holistic growth.

Due to the extraordinary level of commitment, devotion, hard-work and determination of all the people passionate about Grangewood Independent School, we have continued to make good progress in our recovery plan, considering the tumultuous and devastating actions of the previous trustees whose report to the Charity Commission stated categorically that "the charity's poor finances warranted the

Grangewood Educational Association

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Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 August 2020

Achievements and performance *(continued)*

immediate closure of the school by the 31 March 2018". Our deficit has been reduced by nearly 50% and our pupil numbers were increasing steadily until all schools were forced to close as a result of the national lockdown announcement at the end of March 2020.

Unfortunately, we were unable to sign a new lease with our landlord due to last minute changes in the heads of terms which were unfavourable to the trustees and the lease was rejected accordingly. We are currently "holding over our lease" and waiting for a hearing date from the courts who were engaged by the landlord. A date around summer 2021 is expected due to a backlog in the courts system caused by the Covid-19 Pandemic.

Vision & Mission Statement

Grangewood Independent School was founded in 1979, and is an independent, co-educational school that provides a unique and multi-faceted educational experience for children of all faiths, from two to eleven years old. 'The attainment of pupils of all ages and abilities including those with SEND or EAL, and those who are more able, is good. In the Early Years Foundation Stage (EYFS), the children reach the expected levels of development, and in many cases, exceed them. National and standardised assessments in English and mathematics show that the small cohorts of pupils achieved above average results. The small size of the school and the family atmosphere enable staff to know pupils well and ensure that pupils' individual needs are met. They make good progress because teachers have a good knowledge of their strengths and weaknesses; as a result, pupils are aware of their individual targets from the frequent feedback they receive. All parents who responded to the pre-inspection questionnaire said that the teaching enables their children to make good progress and develop skills for their future, and that their children's educational needs are met effectively' (Quote from last ISI Integrated Inspection of Grangewood Independent, May 2019).

The vision of Grangewood is to establish a truly caring community to act as an extended family engendering mutual standards and objectives to foster pleasure in all achievements: 'Unlocking Potential with Excellence as our Hallmark' thus inspiring success, developing excellence, forming character and nurturing diligence.

The School's educational provision contains values which mirror Christian truths and are in accordance with the Articles of Faith. We maintain that the principles of FAITH, GROWTH, INDUSTRY, CARE and DISCIPLINE should be promoted in every pupil.

Mission Statement

Grangewood Independent School was established to promote:

- FAITH - A faith in the Lord Jesus Christ in every pupil that will equip them emotionally, spiritually and socially to face all of life's challenges.
- GROWTH - Growth is fostered in pupils by providing increasing opportunities for accepting responsibility during their passage through the School. Pupils are given the opportunity to move into leadership roles in the academic, sporting, cultural or administrative aspects of the School.
- INDUSTRY - Industry is practiced through a challenging academic programme offered to pupils through the curriculum, the development of physical agility through sport and the promotion of creative and artistic abilities.
- CARE - Care is an essential part of Grangewood Independent. The School's pastoral programme reflects many of the traditional moral values and seeks to support the family unit and to teach Christian values.

Grangewood Educational Association

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Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 August 2020

Achievements and performance *(continued)*

- **DISCIPLINE** - Discipline is a valued ingredient at Grangewood. The standards are clearly defined through school culture and expressed in a policy that recognises the rights of every individual to feel safe, comfortable and free to achieve the highest levels of success in each part of the many facets of school life. The key to the maintenance of this environment at Grangewood is the development of self-discipline and an appreciation of others.

Organisational Structure

The Association is a registered charity with a Christian ethos and is managed by the Board of Trustees.

The Association wholly owns Grangewood Independent School. The school is managed by the Board of Governors who are appointed by the trustees of the association. The Governors are responsible for the day-to-day management of the school as prescribed in the governors' constitution and subject to the overview and approval of the trustees.

Objectives and activities

Our Aims:

The school is dedicated to the provision of quality primary education in a deprived area of East London.

- To promote and teach Christian values within the framework of a structured curriculum.
- To teach the values of social responsibility and respect for others thus improving the quality of good citizenship within the community.
- To provide a structured educational environment that will ensure that pupils develop their competence and skills (academic, artistic, linguistic, and musical) to the limit of their ability.
- To promote health and fitness of pupils by including physical exercise and organised sport activities both within the curriculum and in out-of-school events.

Our Objectives:

In setting out objectives and planning activities the Trustees and Governors have given due consideration to the Charities Commission's guidance on public benefit.

- To restrict class sizes to a maximum of 20 children per class thus enabling a high level of individual pastoral care and educational tuition.
- To enhance and improve before and after school care provision for children.
- To increase numbers of pupils on roll and by so doing increase income to a level which will allow some financial aid being offered to those families who cannot afford the going rate of fees charged.
- To increase our involvement in community regeneration activities.
- To allow use of our school premises for suitable community and/or charitable purposes.
- To continue collaboration with local councillors, local authority and partnerships to improve state education and social mobility.

Ethos, Strategy and Policies

Grangewood Independent is a school with a Christian ethos. It is a requirement that all Trustees, Governors and staff protect and enhance this ethos. Children from other faith backgrounds are welcome as pupils at Grangewood providing that their parents/guardians are aware of and accept our Christian ethos. All children will be given the same level of care and attention regardless of their faith, race, gender, or sexual orientation. The Board of Trustees have overall responsibility for ensuring that

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Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 August 2020

Achievements and performance *(continued)*

no school activities are in conflict with our published ethos.

Matters relating to operational procedures, methods and all other operational activities will be dealt with by the Board of Governors. Significant items agreed by Governors may be presented to the Trustees for approval at the discretion of the chairman of the governors.

Trustees and Governors will regularly review, plan and sanction where applicable the following:

- Curriculum content, teaching practices and performance and examination results
- Pre and post school day care provision
- Community projects in which we wish to participate
- Investments in the resources and infrastructure of the school
- Staff remuneration
- School fees adjustments and discounts
- Development of method for awarding bursaries when this becomes affordable
- School development and promotion plans.

Grangewood Educational Association is a charitable trust which seeks to benefit the community through the pursuit of its stated aims. Our fees are set at the minimum level needed to attract sufficient student numbers in an attempt to ensure the financial viability of Grangewood School and at a level that is consistent with our aim to provide a first-class education to both boys and girls of primary school age.

To admit a prospective pupil, we need to be satisfied that we will be able to educate and develop that pupil to the best of their potential and in line with the general standards achieved by their peers. To this end entrance interview and classroom assessments are undertaken to satisfy ourselves and parents that the child can cope with the pace of learning and benefit from the education that we provide. Gender, ethnicity, race, religion, disability, or economic status of parents/guardians do not form part of our assessment procedures.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination.

Grangewood Independent School is committed to safeguarding and promoting the welfare of its pupils. All staff and volunteers are expected to share this commitment and are helped through training and sound governance to actively play their part in protecting children from harm and promoting their welfare.

We are committed to providing a safe and secure environment for learning and have a zero-tolerance policy on all forms of bullying and anti-social behaviour. All staff and volunteers are committed to these principles.

We are accredited by the Independent School Association (ISA) and are inspected by the Independent Schools Inspectorate (ISI).

Access Policy

We are exploring new and innovative ways of offering access to the school to all the local community regardless of ability to pay. We have investigated supplementing the hours included in the Government funded Early Years Childcare scheme in every attempt to increase accessibility, as well as planning to spearhead projects which will benefit the community and generate sufficient surplus income to increase the number of bursaries available at the school.

In order to make it possible for as many lower income families as possible to benefit from the services of the school, we have elected to keep our base fee structure at a level which just recovers our total

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Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 August 2020

Achievements and performance *(continued)*

operating cost. Fee increases are measured to minimise any adverse impact on our current population and make the school less affordable to a number of families who currently support the school. Some of our parents already make personal sacrifices in order to meet the charges.

Risk Management

The Trustees understand the duty they have to identify and review the risks to which the Association is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

COVID-19:

Despite the unprecedented events of the global pandemic and resulting impact on the education of children and young people across the UK, the wellbeing, mental health and academic progress of our students has been paramount. Grangewood's pedagogy of small class sizes and individual learning meant that we were already in a very strong position to help our students transition back to the expected (or in some cases, accelerated) learning trajectory for their year group, following the initial lockdown from 23 March 2020 and 2019/20 summer term. Our curriculum was also reviewed to factor in any necessary adaptations, modifications and planning for extra support or intervention.

End of Key Stage Outcomes 2019/2020:

During 2019/20 our Reception data (Early Years Foundation Stage Profile data) was moderated by the Local Authority (Newham).

EYFS - Expected 100%	Exceeding 17%
KS1 - Expected 100%	Exceeding 100%
KS2 - Expected 100%	

The education on offer at Grangewood means that we are able to stretch the more able and guide our students to higher-than-expected progress, as well as successfully turning around children who transfer from other schools with behavioural or SEN needs.

Secondary School Transitions:

No students were entered for 11+ examinations or Common Entrance examinations. At the end of the academic year 2019/20 - 100% of Year Six students gained entry to their first choice, highly sought-after secondary school.

PE & Sport:

KS1 and KS2 pupils were able to participate in sporting competitions against other Newham school during the autumn term; however, due to COVID-19 restrictions, from February 2020 all such activities and events were cancelled.

Nursery Provision:

We continue to offer part-time two-year-old provision, flexible "30 hours of free childcare" for working parents of three- and four-year olds and increased wrap around care through our Extended Hours

Grangewood Educational Association

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Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 August 2020

Achievements and performance *(continued)*

Clubs, which have increased our accessibility for local families.

School Travel Plan:

The promotion of cycling, scooting and walking as healthy, environmentally friendly, and fun ways to get to school remain a central part of our School Travel Plan.

PSHE & Citizenship:

Our Year Five and Year Six students continue to participate in Newham's Faith in Schools project and support local primary school pupils in developing a better understanding of events such as Christmas and Easter. In the year 2019/20, we were only able to support the Christmas programme.

Whole school engagement with Newham's Policing Programme, moved from in-school visits to online, remote sessions with the older pupils.

Links:

ABA SEN Resource Unit for under 5's on site.

Students spent another year raising funds for Richard House Children's Hospice through Book Character Fund raising and non-uniform days. We have well established links with the local university. Work placement for NVQ candidates and GCSE pupils continue to be commonplace, as we support local colleges and secondary schools.

Financial review

The attached financial statements together with notes show the incoming and outgoing sources for the year and state of affairs at the Balance Sheet date. Net deficit for the year was £185,515 (2019 - net deficit of £373,805).

The principal source of income was school fees which represented around 63% of total incoming resources. Included in the remaining income was:

- £ 100,091 Furlough Payment
- £ 42,219 Rental Income
- £ 4,438 School Meals Income
- £ 3,618 Music Income

Application of Funds:

As an educational charity, the Association enjoys tax exemption on activities provided that these benefits are applied towards charitable aims. The Association also receives a reduction in business rates. The financial benefits of these exemptions are applied for educational purposes.

Grangewood Educational Association

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Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 August 2020

Financial review *(continued)*

Reserves Policy

The charity aims to maintain reserves of £370,000 to ensure sufficient funds to cover the rent and operational costs for two school terms.

Given the financial pressures that the school has recently experienced due the Covid-19 Pandemic, we have reduced the reserves policy down to £200,000 in order to allow us some flexibility to manage cashflow challenges.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

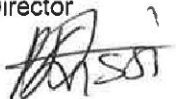
In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The trustees' annual report (incorporating the directors' report) and the strategic report were approved on 20-8-21 and signed on behalf of the board of trustees by:

Mr J Agyeman
Director



Mr T Mpambawahle
Director



Ms J E E Jarvis
Director



Grangewood Educational Association

Company Limited by Guarantee

Independent Examiner's Report to the Directors of Grangewood Educational Association *(continued)*

Year ended 31 August 2020

I report to the directors on my examination of the financial statements of Grangewood Educational Association ('the charity') for the year ended 31 August 2020.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

The accounts have been prepared on a going concern basis, however, as noted on page 13 there is a material uncertainty regarding going concern.

I note that the trustees are taking mitigating actions to improve performance but am unable to confirm whether this will be sufficient. I also note that if a basis other than going concern were to be used, this would not materially affect the value of the assets and liabilities in the financial statements. As such my opinion for the independent examiner's report remains unmodified.

I have completed my examination. I confirm that no other matters have come to my attention in connection with the examination giving me cause to believe:

- (1) accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those accounting records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

 25/08/2021

Andrew Collyer
Independent Examiner

Grangewood Educational Association

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Independent Examiner's Report to the Directors of Grangewood Educational Association *(continued)*

Year ended 31 August 2020

Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

Grangewood Educational Association

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Statement of Financial Activities (including income and expenditure account)

Year ended 31 August 2020

		2020	2019
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Donations and legacies	5	346,218	282,969
Total income		<u>346,218</u>	<u>282,969</u>
Expenditure			
Expenditure on raising funds:			
Costs of raising donations and legacies	6	254,196	322,023
Expenditure on charitable activities	7,8	276,350	333,253
Other expenditure	9	1,185	1,498
Total expenditure		<u>531,731</u>	<u>656,774</u>
Net expenditure and net movement in funds		<u>(185,513)</u>	<u>(373,805)</u>
Reconciliation of funds			
Total funds brought forward		396,254	770,059
Total funds carried forward		<u>210,741</u>	<u>396,254</u>

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

Grangewood Educational Association

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Statement of Financial Position

31 August 2020

	Note	2020 £	2019 £
Current assets			
Debtors	13	28,710	19,502
Cash at bank and in hand		236,374	405,527
		<u>265,084</u>	<u>425,029</u>
Creditors: amounts falling due within one year	14	54,343	28,775
Net current assets		<u>210,741</u>	<u>396,254</u>
Total assets less current liabilities		<u>210,741</u>	<u>396,254</u>
Net assets		<u>210,741</u>	<u>396,254</u>
Funds of the charity			
Unrestricted funds		210,741	396,254
Total charity funds	17	<u>210,741</u>	<u>396,254</u>

For the year ending 31 August 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on ~~20-8-2020~~, and are signed on behalf of the board by:

Mr J Agyeman
Director



Mr T Mpambawahle
Director



Ms J E E Jarvis
Director



The notes on pages 13 to 19 form part of these financial statements.

Grangewood Educational Association

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2020

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Grangewood Independent School, Chester Road, Forest Gate, London, E7 8QT.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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 Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The directors have considered going concern and assessed the possibility of cash running out as the historic data has shown the funds reducing year on year.

Based on their review they accept there is a material uncertainty on the charity's ability to continue however they are taking positive mitigating actions to generate the necessary reserves to prevent this from being the case.

These actions include:

Action 1:

Opening a SEND unit with capacity to accommodate up to 16 pupils with acute autistic needs requiring specialist 1-to-1 supervision and bespoke learning plans and styles. Should full capacity be achieved within the next 18 months, this will generate significant revenues.

Action 2:

Reducing the overheads of running the school by up to £20k per annum.

Action 3:

Supplementing and leveraging the school's staffing capabilities by using volunteers to cover non-core activities.

Action 4:

Working to secure a favourable long-term lease so that the school can be heavily marketed to prospective parents who may be concerned by the ongoing tenancy discussions with the landlord.

The accounts have been prepared on a going concern basis as the directors are confident the charity will be able to generate the funds necessary to continue to meet liabilities as they fall due.

Grangewood Educational Association

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the directors for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Grangewood Educational Association

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Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings - 20% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Grangewood Educational Association

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

3. Accounting policies *(continued)*

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Short term debtors and creditors are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account.

4. Limited by guarantee

The company is a private company limited by guarantee and has no share capital. Each member will undertake to contribute such amount as may be required (not exceeding £1) to the company's assets if it should be wound up, either whilst a member or within one year of ceasing to be a member.

5. Donations and legacies

	Total Funds 2020 £	Total Funds 2019 £
Donations		
Fees receivable	191,878	211,856
Donations	549	1,830
School meals	4,438	11,582
Grants		
Government grant income	100,091	—
Other donations and legacies		
Other income	49,262	57,701
	<u>346,218</u>	<u>282,969</u>

6. Costs of raising donations and legacies

	Total Funds 2020 £	Total Funds 2019 £
Costs of raising donations and legacies - Donations	<u>254,196</u>	<u>322,023</u>

Grangewood Educational Association

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

7. Expenditure on charitable activities by fund type

	Total Funds 2020 £	Total Funds 2019 £
Support costs	276,350	333,253

8. Expenditure on charitable activities by activity type

	Support costs £	Total funds 2020 £	Total fund 2019 £
Primary education	237,774	237,774	257,969
Governance costs	38,576	38,576	75,284
	<u>276,350</u>	<u>276,350</u>	<u>333,253</u>

9. Other expenditure

	Total Funds 2020 £	Total Funds 2019 £
Bank fees	<u>1,185</u>	<u>1,498</u>

10. Independent examination fees

	2020 £	2019 £
Fees payable to the independent examiner for: Independent examination of the financial statements	1,770	1,770

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020 £	2019 £
Wages and salaries	<u>317,603</u>	<u>344,902</u>

The average head count of employees during the year was 17 (2019: 19). The average number of full-time equivalent employees during the year is analysed as follows:

	2020 No.	2019 No.
Number of staff – direct	5	6
Number of staff – admin	1	1
	<u>6</u>	<u>17</u>

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

Grangewood Educational Association

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

12. Trustee remuneration and expenses

No remuneration was received by the trustees during the year (2019: nil).

13. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 September 2019 and 31 August 2020	<u>60,618</u>
Depreciation	
At 1 September 2019 and 31 August 2020	<u>60,618</u>
Carrying amount	
At 31 August 2020	<u>—</u>
At 31 August 2019	<u>—</u>

14. Debtors

	2020 £	2019 £
Trade debtors	7,477	6,665
Prepayments and accrued income	6,890	12,837
Other debtors	14,343	—
	<u>28,710</u>	<u>19,502</u>

15. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	14,659	5,630
Accruals and deferred income	25,313	4,255
Social security and other taxes	4,334	10,852
Other creditors	10,037	8,038
	<u>54,343</u>	<u>28,775</u>

16. Deferred income

	2020 £	2019 £
Amount deferred in year	<u>21,113</u>	<u>—</u>

Grangewood Educational Association

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

17. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2020 £	2019 £
Recognised in income from donations and legacies:		
Government grants income	<u>100,091</u>	<u>—</u>

18. Analysis of charitable funds

Unrestricted funds

	At 1 September 2019 £	Income £	Expenses £	At 31 August 2020 £
General funds	<u>396,254</u>	<u>346,218</u>	<u>(531,731)</u>	<u>210,741</u>

	At 1 September 2018 £	Income £	Expenses £	At 31 August 2019 £
General funds	<u>770,059</u>	<u>282,969</u>	<u>(656,774)</u>	<u>396,254</u>

Grangewood Educational Association

Company Limited by Guarantee

Management Information

Year ended 31 August 2020

The following pages do not form part of the financial statements.

Grangewood Educational Association

Company Limited by Guarantee

Detailed Statement of Financial Activities

Year ended 31 August 2020

	2020 £	2019 £
Income and endowments		
Donations and legacies		
Fees receivable	191,878	211,856
Donations	549	1,830
School meals	4,438	11,582
Government grant income	100,091	—
Other income	49,262	57,701
	<u>346,218</u>	<u>282,969</u>
Total income	<u>346,218</u>	<u>282,969</u>
Expenditure		
Costs of raising donations and legacies		
Wages and salaries	246,447	299,117
Education resources	1,622	6,106
Extra curricular activities	6,057	15,909
Staff training	70	891
	<u>254,196</u>	<u>322,023</u>
Expenditure on charitable activities		
Wages and salaries	71,156	45,785
Rent	94,842	115,000
Rates and water	13,393	13,270
Light and heat	15,271	20,264
Repairs and maintenance	718	6,496
Insurance	10,462	7,055
Other establishment	1,815	1,844
Subscriptions	3,589	6,428
Other motor/travel costs	2,456	1,754
Legal and professional fees, marketing & accountancy fees	39,071	84,029
Telephone	3,013	2,985
Other office costs	2,447	4,288
Bad debts written off	559	(8,699)
Catering	4,778	11,756
Website maintenance	12,205	19,776
School events	521	1,000
Sundry	54	222
	<u>276,350</u>	<u>333,253</u>
Other expenditure		
Bank fees	1,185	1,498
Total expenditure	<u>531,731</u>	<u>656,774</u>

Grangewood Educational Association
Company Limited by Guarantee
Detailed Statement of Financial Activities *(continued)*
Year ended 31 August 2020

	2020	2019
	£	£
Net expenditure	(185,513)	(373,805)

Grangewood Educational Association

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

Year ended 31 August 2020

	2020 £	2019 £
Costs of raising donations and legacies		
Costs of raising donations and legacies - Donations		
Teaching expenses - wages and salaries	246,447	299,117
Teaching expenses - education resources	1,622	6,106
Teaching expenses - extra curricular activities	6,057	15,909
Teaching expenses - staff training	70	891
	<u>254,196</u>	<u>322,023</u>
Costs of raising donations and legacies	<u>254,196</u>	<u>322,023</u>
Expenditure on charitable activities		
Primary education		
Support costs		
Support costs - wages and salaries	71,156	45,785
Support costs - rent	94,842	115,000
Support costs - rates & water	13,393	13,270
Support costs - light & heat	15,271	20,264
Support costs - repairs & maintenance	718	6,496
Support costs - insurance	10,462	7,055
Support costs - other establishment	1,815	1,844
Support costs - subscriptions	3,589	6,428
Support costs - motor/travel costs	2,456	1,754
Support costs - marketing	495	8,745
Support costs - telephone	3,013	2,985
Support costs - other office costs	2,447	4,288
Support costs - bad debts	559	(8,699)
Support costs - catering	4,778	11,756
Support costs - website maintenance	12,205	19,776
Support costs - school events	521	1,000
Support costs - sundry	54	222
	<u>237,774</u>	<u>257,969</u>
Governance costs		
Governance costs - accountancy fees	2,836	2,681
Governance costs - legal and other professional fees	33,970	65,957
Governance costs - independent examination fees	1,770	1,770
Governance costs - fines and penalties	—	4,876
	<u>38,576</u>	<u>75,284</u>
Expenditure on charitable activities	<u>276,350</u>	<u>333,253</u>

