

COMPANY REGISTRATION NUMBER: 02435643

CHARITY REGISTRATION NUMBER: 803492

Grangewood Educational Association

Company Limited by Guarantee

Unaudited Financial Statements

31 August 2022

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 2022

	Page
Trustees' annual report (incorporating the directors' report)	1
Independent examiner's report to the directors	10
Statement of financial activities (including income and expenditure account)	12
Statement of financial position	13
Statement of cash flows	14
Notes to the financial statements	15
The following pages do not form part of the financial statements	
Detailed statement of financial activities	25
Notes to the detailed statement of financial activities	27

Grangewood Educational Association

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 August 2022

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 2022.

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 2022

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 2011.

The Council of Management, who were the trustees and directors who served throughout the year September 2021 - August 2022, 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 had resulted in tangible improvements in the charity's finances after the first year, as the annual deficit had been reduced by nearly 50%, our pupil numbers were increasing at a steady rate and income from non-core activities had also increased significantly.

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 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 1st September 2021 to 31 August 2022 were as follows:

- Mr J. Agyeman (Chair)
- 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 Blankson (Teacher)
- Mr Roberts (School 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 immediate closure of the school by the 31 March 2018". Our deficit has been reduced, our pupil numbers are increasing steadily along with our income.

We signed a new lease with our landlord for a duration of 10 years from the 1st September 2021. An agreement which reassures our parents of our commitment to the charity and its beneficiaries.

Grangewood Educational Association

Company Limited by Guarantee

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

Year ended 31 August 2022

Structure, governance and management *(continued)*

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.
- 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.

Grangewood Educational Association

Company Limited by Guarantee

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

Year ended 31 August 2022

Structure, governance and management *(continued)*

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.

Grangewood Educational Association

Company Limited by Guarantee

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

Year ended 31 August 2022

Objectives and activities *(continued)*

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 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).

Grangewood Educational Association

Company Limited by Guarantee

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

Year ended 31 August 2022

Objectives and activities *(continued)*

Access Policy

We are exploring new and innovative ways of offering access to the school to all of 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 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.

End of Key Stage Outcomes 2021/2022:

During 2021/22 our Reception data (Early Years Foundation Stage Profile data) was moderated by the Local Authority (Newham).

EYFS - Emerging 15%	Expected 85%	(Exceeding 50%)
KS1 - Emerging 0%	Expected 100%	(Exceeding 66%)
KS2 - Working towards 25%	Expected 75%	(Exceeding 0%)

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:

Grangewood Educational Association

Company Limited by Guarantee

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

Year ended 31 August 2022

(continued)

At the end of the academic year 2021/22 - 100% of Year Six students gained entry to their first choice, highly sought-after secondary school.

PE & Sport:

All students, from Nursery to Year Six, continued to enjoy the wide array of in-house sports, games, dance and P.E. opportunities available at Grangewood.

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 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 2021/22, a video presentation was prepared by our students and presented in several local primary schools to support their Christmas programme.

SEN Resource Provision:

Since November 2020, we have introduced a specialist resource provision for children with autism, with qualified and highly trained staff. Our provision provides a 1:1 individualised education for up to 16 pupils, using precise teaching methodology, which documents the number of skills learned each week, and regularly analyses the data to facilitate continual pupil progress.

Links:

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

Students spent another year raising funds for local charities through Book Character Fund raising and non-uniform days.

We have well established links with local universities.

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 £130,493 (2021 - net deficit for the year was £182,757).

The principal source of income was school fees which represented around 91% of total incoming resources. Included in the remaining income was:

Grangewood Educational Association

Company Limited by Guarantee

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

Year ended 31 August 2022

(continued)

- £ 31,729 Rental Income
- £ 7,788 School Meals Income
- £ 1,450 Music Income
- £ 35,192 SEN Income
- £ 21,944 Furlough Payments
- £ 5,000 London Borough of Newham Grant (Covid-19 related)

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.

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. However, given the financial pressures that the school has recently experienced due to the Covid-19 Pandemic, we have reduced the reserves down to £200,000 in order to allow us some flexibility to manage cashflow challenges. This target is currently not being met but plans are in place to turn this around and improve the position going forward.

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.

Grangewood Educational Association

Company Limited by Guarantee

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

Year ended 31 August 2022

The trustees' annual report (incorporating the directors' report) and the strategic report were approved on 29/10/23... and signed on behalf of the board of trustees by:

Mr J Agyeman
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

Year ended 31 August 2022

I report to the directors on my examination of the financial statements of Grangewood Educational Association ('the charity') for the year ended 31 August 2022.

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 2016 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 qualified 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.

Grangewood Educational Association

Company Limited by Guarantee

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

Year ended 31 August 2022

The accounts have been prepared on a going concern basis, however, as noted on page 16 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 to recover the negative funds position and ensure liabilities are met as they fall due. 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 matters, other than the material uncertainty in respect of going concern, 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.



Andrew Collyer
Independent Examiner

Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

31/10/23

Grangewood Educational Association

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 August 2022

		2022		2021
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	5	612,042	612,042	326,427
Total income		<u>612,042</u>	<u>612,042</u>	<u>326,427</u>
Expenditure				
Expenditure on raising funds:				
Costs of raising donations and legacies	6	206,182	206,182	200,110
Expenditure on charitable activities	7,8	535,222	535,222	307,800
Other expenditure	10	1,131	1,131	1,274
Total expenditure		<u>742,535</u>	<u>742,535</u>	<u>509,184</u>
Net expenditure and net movement in funds		<u>(130,493)</u>	<u>(130,493)</u>	<u>(182,757)</u>
Reconciliation of funds				
Total funds brought forward		27,984	27,984	210,741
Total funds carried forward		<u>(102,509)</u>	<u>(102,509)</u>	<u>27,984</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

Company Limited by Guarantee

Statement of Financial Position

31 August 2022

	Note	2022 £	2021 £
Current assets			
Debtors	15	23,391	31,329
Cash at bank and in hand		<u>2,518</u>	<u>126,689</u>
		25,909	158,018
Creditors: amounts falling due within one year	16	<u>128,418</u>	<u>130,034</u>
Net current liabilities		(102,509)	27,984
Total assets less current liabilities		<u>(102,509)</u>	<u>27,984</u>
Net liabilities		<u>(102,509)</u>	<u>27,984</u>
Funds of the charity			
Unrestricted funds		<u>(102,509)</u>	<u>27,984</u>
Total charity funds	19	<u>(102,509)</u>	<u>27,984</u>

For the year ending 31 August 2022 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 29.10.23 and are signed on behalf of the board by:

Mr J Agyeman
Director



Ms J E E Jarvis
Director



Grangewood Educational Association

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 August 2022

	2022 £	2021 £
Cash flows from operating activities		
Net expenditure	(130,493)	(182,757)
<i>Adjustments for:</i>		
<i>Changes in:</i>		
Trade and other debtors	7,938	(2,619)
Trade and other creditors	(1,616)	75,691
Cash generated from operations	(124,171)	(109,685)
Net cash used in operating activities	(124,171)	(109,685)
Cash flows from financing activities		
Net decrease in cash and cash equivalents	(124,171)	(109,685)
Cash and cash equivalents at beginning of year	126,689	236,374
Cash and cash equivalents at end of year	2,518	126,689

The notes on pages 15 to 23 form part of these financial statements.

Grangewood Educational Association

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2022

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.

Grangewood Educational Association

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

3. Accounting policies *(continued)*

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:

The School has opened 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. We currently have 11 pupils, with 2 more expected to start in the coming months.

Action 2:

The School has reduced the overheads of running the school to offset the increase in energy prices.

Action 3:

Supplementing and leveraging the school's staffing capabilities by using volunteers to cover non-core activities has saved approximately £18k per year.

Action 4:

The School has secured a 10 year lease so that the the school can be heavily marketed to prospective parents who may be concerned by the ongoing tenancy discussions with the landlord.

The directors and staff continue to look at where income can be generated and costs can be reduced to ensure that the School is a going concern. The accounts have been prepared on a going concern basis as the directors believe the charity will be able to generate the funds necessary to continue to meet liabilities as they fall due.

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.

Grangewood Educational Association

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

3. Accounting policies *(continued)*

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

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

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.

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.

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.

Grangewood Educational Association

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2022

3. Accounting policies (continued)

Government grants (continued)

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

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Donations				
Fees receivable	556,858	556,858	285,449	285,449
Donations	641	641	1,122	1,122
School meals	7,788	7,788	1,619	1,619
Grants				
Government grant income	5,000	5,000	11,806	11,806
Other donations and legacies				
Other income	41,755	41,755	26,431	26,431
	<u>612,042</u>	<u>612,042</u>	<u>326,427</u>	<u>326,427</u>

6. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Costs of raising donations and legacies				
- Donations	<u>206,182</u>	<u>206,182</u>	<u>200,110</u>	<u>200,110</u>

Grangewood Educational Association

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

7. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2022	Unrestricted Funds	Total Funds 2021
	£	£	£	£
Support costs	<u>535,222</u>	<u>535,222</u>	<u>307,800</u>	<u>307,800</u>

8. Expenditure on charitable activities by activity type

	Support costs	Total funds 2022	Total fund 2021
	£	£	£
Activity type 1	427,669	427,669	247,048
Governance costs	<u>107,553</u>	<u>107,553</u>	<u>60,752</u>
	<u>535,222</u>	<u>535,222</u>	<u>307,800</u>

9. Analysis of support costs

	Analysis of support costs activity 1	Total 2022	Total 2021
	£	£	£
Staff costs	174,366	174,366	84,835
Premises	174,478	174,478	127,940
Communications and IT	16,566	16,566	16,236
General office	17,609	17,609	7,328
Governance costs	107,553	107,553	60,752
Other costs	<u>44,650</u>	<u>44,650</u>	<u>10,709</u>
	<u>535,222</u>	<u>535,222</u>	<u>307,800</u>

10. Other expenditure

	Unrestricted Funds	Total Funds 2022	Unrestricted Funds	Total Funds 2021
	£	£	£	£
Bank fees	<u>1,131</u>	<u>1,131</u>	<u>1,274</u>	<u>1,274</u>

11. Independent examination fees

	2022	2021
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,475</u>	<u>1,475</u>

Grangewood Educational Association

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

12. Staff costs

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

	2022	2021
	£	£
Wages and salaries	<u>370,314</u>	<u>278,757</u>

The average head count of employees during the year was 16 (2021: 16). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	2021
	No.	No.
Number of full time staff	<u>16</u>	<u>16</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

13. Trustee remuneration and expenses

No remuneration was received by the trustees during the year (2021: nil).

14. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 September 2021 and 31 August 2022	<u>60,618</u>
Depreciation	
At 1 September 2021 and 31 August 2022	<u>60,618</u>
Carrying amount	
At 31 August 2022	<u>—</u>
At 31 August 2021	<u>—</u>

15. Debtors

	2022	2021
	£	£
Trade debtors	16,502	24,440
Prepayments and accrued income	<u>6,889</u>	<u>6,889</u>
	<u>23,391</u>	<u>31,329</u>

Grangewood Educational Association

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

16. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	61,827	69,260
Accruals and deferred income	12,827	48,809
Social security and other taxes	1,821	4,698
Other creditors	51,943	7,267
	<u>128,418</u>	<u>130,034</u>

17. Deferred income

	2022	2021
	£	£
At 1 September 2021	44,609	21,113
Amount released to income	(44,609)	(21,113)
Amount deferred in year	8,627	44,609
At 31 August 2022	<u>8,627</u>	<u>44,609</u>

18. Government grants

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

	2022	2021
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>5,000</u>	<u>11,806</u>

19. Analysis of charitable funds

Unrestricted funds

	At 1 September 2021	Income	Expenditure	At 31 August 20 22
	£	£	£	£
General funds	<u>27,984</u>	<u>612,042</u>	<u>(742,535)</u>	<u>(102,509)</u>

	At 1 September 2020	Income	Expenditure	At 31 August 20 21
	£	£	£	£
General funds	<u>210,741</u>	<u>326,427</u>	<u>(509,184)</u>	<u>27,984</u>

Grangewood Educational Association

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

20. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	£	£
Current assets	25,909	25,909
Creditors less than 1 year	(128,418)	(128,418)
Net liabilities	(102,509)	(102,509)

	Unrestricted Funds	Total Funds
	£	£
Current assets	158,018	158,018
Creditors less than 1 year	(130,034)	(130,034)
Net liabilities	27,984	27,984

21. Analysis of changes in net debt

	At 1 Sep 2021	Cash flows	At 31 Aug 2022
	£	£	£
Cash at bank and in hand	<u>126,689</u>	<u>(124,171)</u>	<u>2,518</u>

Grangewood Educational Association

Company Limited by Guarantee

Management Information

Year ended 31 August 2022

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 2022

	2022 £	2021 £
Income and endowments		
Donations and legacies		
Fees receivable	556,858	285,449
Donations	641	1,122
School meals	7,788	1,619
Government grant income	5,000	11,806
Other income	41,755	26,431
	<u>612,042</u>	<u>326,427</u>
Total income	<u>612,042</u>	<u>326,427</u>
Expenditure		
Costs of raising donations and legacies		
Wages and salaries	195,948	193,922
Education resources	1,662	1,902
Extra curricular activities	7,636	4,286
Staff training	936	-
	<u>206,182</u>	<u>200,110</u>
Expenditure on charitable activities		
Wages and salaries	174,366	84,835
Rent	130,366	62,917
Rates and water	13,869	13,891
Light and heat	24,594	15,735
Repairs and maintenance	177	394
Insurance	5,472	35,003
Other establishment	2,106	1,273
Other motor/travel costs	2,559	1,152
Legal and professional fees	107,553	60,752
Telephone	3,869	3,885
Other office costs	17,609	7,328
Catering	5,905	1,291
Website maintenance	12,697	12,351
School events	698	12
Sundry	33,382	6,981
	<u>535,222</u>	<u>307,800</u>
Other expenditure		
Bank fees	1,131	1,274
	<u>1,131</u>	<u>1,274</u>
Total expenditure	<u>742,535</u>	<u>509,184</u>

Grangewood Educational Association

Company Limited by Guarantee

Detailed Statement of Financial Activities *(continued)*

Year ended 31 August 2022

	2022	2021
	£	£
Net expenditure	<u>(130,493)</u>	<u>(182,757)</u>

Grangewood Educational Association

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

Year ended 31 August 2022

	2022 £	2021 £
Costs of raising donations and legacies		
Costs of raising donations and legacies - Donations		
Teaching expenses - wages and salaries	195,948	193,922
Teaching expenses - education resources	1,662	1,902
Teaching expenses - extra curricular activities	7,636	4,286
Teaching expenses - staff training	936	—
	<u>206,182</u>	<u>200,110</u>
Costs of raising donations and legacies	<u>206,182</u>	<u>200,110</u>
Expenditure on charitable activities		
Activity type 1		
Support costs		
Support costs - wages and salaries	174,366	84,835
Support costs - rent	130,366	62,917
Support costs - rates & water	13,869	13,891
Support costs - light & heat	24,594	15,735
Support costs - repairs & maintenance	177	394
Support costs - insurance	5,472	35,003
Support costs - other establishment	2,106	1,273
Support costs - motor/travel costs	2,559	1,152
Support costs - telephone	3,869	3,885
Support costs - other office costs	17,609	7,328
Support costs - catering	5,905	1,291
Support costs - website maintenance	12,697	12,351
Support costs - school events	698	12
Support costs - bad debts	33,382	6,981
	<u>427,669</u>	<u>247,048</u>
Governance costs		
Governance costs - accountancy fees	2,217	2,217
Governance costs - legal and other professional fees	103,861	57,060
Governance costs - independent examination fees	1,475	1,475
	<u>107,553</u>	<u>60,752</u>
Expenditure on charitable activities	<u>535,222</u>	<u>307,800</u>

