

**Chard School**

**Annual Report and Financial Statements  
Year Ended 31 August 2020**

Charity registration number: 310219

# Chard School

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# Chard School

## Trustee's Report

The trustee presents its annual report together with the financial statements of the charity for the year ended 31 August 2020.

### **Objectives and activities**

#### ***Objects and aims***

The object of the Charity is to provide and run a school in Chard for boys and girls within the local community and surrounding area.

The school is a small independent co-educational day school for 4-11 years old, situated in the historic Somerset town of Chard.

In setting out its objectives and the planning of activities the sole Trustee, Chard Independent School, has given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

#### ***Public benefit***

To ensure that Chard School continues to fulfil its charitable obligations to enable access to the school to children from all backgrounds, in addition to the assisted places for lower income families.

The Trustee actively seeks ways and means of supporting the school such as running an annual scholarship campaign and offering additional bursaries where necessary. The school accepts Early Years vouchers making its high quality early years education available to all.

The school opens its facilities to outside groups, for example, art, craft and music, ensuring that a range of local children are able to access Chard School. A commitment to fund-raising for charities, both at home and overseas, educates the children in the needs of others and directly benefits less privileged children.

### **Achievements and performance**

#### ***Impact of Coronavirus***

The spread of Coronavirus (Covid-19) across the world during 2020 has had a significant impact on Chard School during the academic year ending 31 August 2020 and beyond. The school continues to monitor the Government guidance regarding Coronavirus and updates its plans accordingly. The School was closed following the implementation of the UK Lockdown in March 2020 until a phased reopening began from 1st June 2020. The impact Coronavirus (Covid-19) on the school has not only been financial due to a fall in pupil numbers but has also restricted the possibility to go on school trips, play matches and less opportunities to raise money for charity.

# Chard School

## Trustee's Report

### ***Achievements***

The school is actively concerned in raising money for charity, especially local charities and other good causes, through fund raising events such as mufti-days, 'cakes at break', subscribing to the Bags2School scheme and collections at school events. The funds for the past year were given to the British Legion Poppy Appeal, The Church of the Good Shepherd, Children in Need, Chard Watch CIC and YoungMinds.

The school continues to forge links with other local schools. The sports teams played a number of fixtures both at home and away against both local preparatory school and state schools during the academic year. These fixtures included hockey, football, cross country, tag rugby, athletics, netball, rounders and cricket.

To expand the learning experience of all pupils, the school provides a number of popular after-school clubs including craft, hockey, multi sports, pirates, singing club, maths club, football, gymnastics, cross country, spinning club, tag rugby, cooking, karate, dance, chess, air fix, fencing, Chard Rock Band, juggling and gardening club.

Art work of pupils of all ages is regularly exhibited at many local art exhibitions and horticultural shows including the exhibition at the Meeting House in Ilminster, exhibitions at Chard Museum, Chard Library, Berenson's Solicitors and the Chard Horticultural Show.

Pupils go on school trips and visits to places of local interest and public facilities including Chard Museum, Forest School trips to the Magdalen Project or ROAM, Symes visit Sunnymede Residential Home each week, trips to Exeter Cathedral and the DSI, the Lyric Theatre in Bridport and a trip to a chocolate factory. Years 5 and 6 pupils attended a successful and engaging residential at Studland in Dorset where they experienced challenging outdoor activities including raft building, kayaking, orienteering, bush craft, beach combing and a visit to a local water park as well as learning how to light a campfire and playing a variety of wide games.

Pupils participate in many challenging stage productions involving drama, music and dance. Productions included the Pre-Prep Nativity play, the Christmas Carol Service, the Easter Musical led by Year 3 & 4 of Jonah. The school choir also took part in the Chard Museum Christmas Tree Festival and Carol Sang for the Rotary Association.

Music lessons are popular with pupils studying a wide range of musical instruments including piano, clarinet, flute, violin, recorder, guitar, ukulele, brass, drums as well as singing.

In 2020 Pupils in Year 6 left for Colyton Grammar School, Queen's College, St. John's Sidmouth, Woodroffe, Beaminster, Sherborne Preparatory School and Blundell's. A third of the Year 6 leavers were awarded places at Colyton Grammar School. Scholarships were awarded including an all-rounder scholarship to Blundell's. Two children were awarded scholarships to Sherborne Preparatory School including a sports scholarship and a sports and academic scholarship. Finally, two children were awarded scholarships to Queen's College Taunton including a musical scholarship and a sports scholarship.

# Chard School

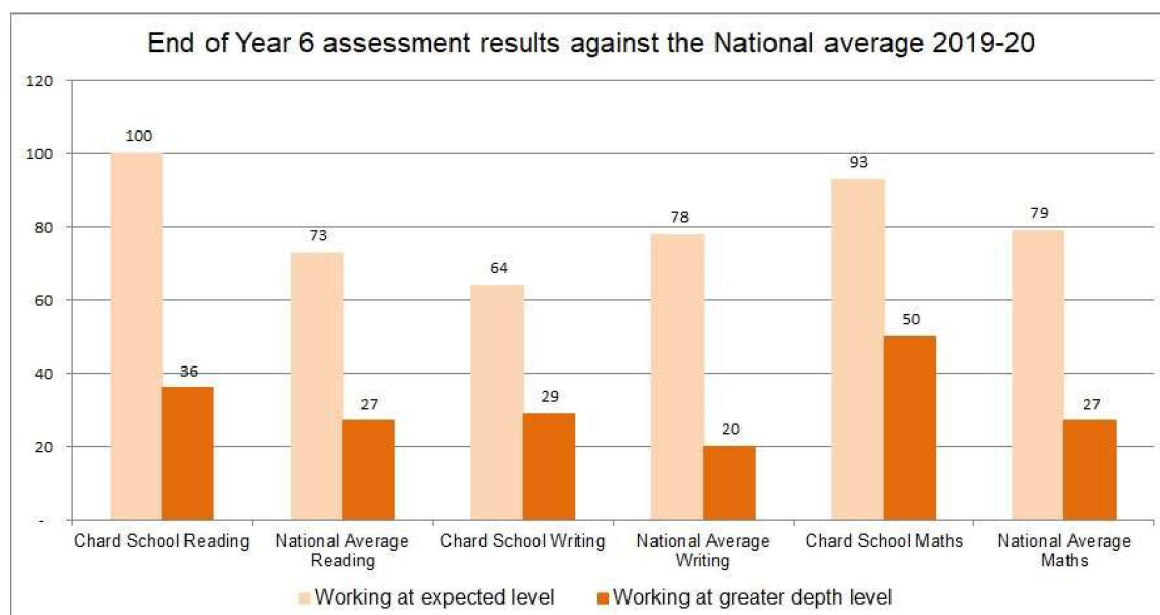
## Trustee's Report

### **Summative assessment**

The summative assessment that takes place at Chard School includes:

- NFER Cognitive ability tests (October: Year 3+)
- Reading and Spelling age assessments (September: Year 1 +)
- GL Assessment progress tests in Maths, English and Science (These normally take place in June but due to Coronavirus, the testing was delayed until October 2020: Year R +)
- GL Baseline assessment (September: Year R)

These results, alongside teacher assessment, are used to inform our decisions when assessing children during and at the end of each year. The results of these summative assessments are tracked and monitored at three separate points during the year, where decisions are made about each child's provision.



### **Financial review**

#### ***Policy on reserves and investments***

The Trustee aims to maintain sufficient free reserves in unrestricted funds to meet all income and expenditure fluctuations as they arise and, due to the uncertainty of income streams, to retain sufficient funds to enable the school to operate with reduced numbers for a period of at least one year without reducing its ability to accept additional pupils. Reserves are set at a level to cover fixed costs.

At year end, restricted reserves were £nil (2019 - £nil) and permanent endowment funds were £11,153 (2018 - £12,503). A description of reserves is provided in Note 18.

The charity does not currently hold any significant investment portfolios and the cash balance is retained to fund the ongoing charitable activities of the school.

# Chard School

## Trustee's Report

### Plans for future periods

#### ***Aims and key objectives for future periods***

Chard School has a rolling three year plan which is regularly reviewed and updated. The School is working towards having 100 children on roll, pupils on roll for summer 2020 stood at 76 but the impact of Coronavirus has taken a hit on pupil numbers since the first lockdown and the school is working hard to increase pupil numbers. The school attracts new pupils via word of mouth, scholarship campaigns, termly open days, outreach in the local community and running events of local children to attend. The School continues to develop robust accountability for the children's progress and has brought in an assessment platform to help monitor attainment. The School works hard to upkeep the fabric of the historic buildings of the School. A facilities manager is now in place to undertake minor repairs and refurbishment as funds allow. The school also has a rolling programme of investment in ICT which includes updating interactive screens for classrooms, pupil and staff laptops.

#### **Discounts on school fees**

As it is the School's policy to keep fees affordable for parents, family discounts are given on second and third children at the rates of 6% and 12% respectively per term. Staff discounts are given in respect of children of staff in full-time education that are not receiving government support through Early Years Funding. Assisted places have been awarded to lower income families. The total discounts and assisted places awarded over the financial year were 7.6% (2019 - 7.6%) of the total gross fee income.

#### **The Old Cerdics Association**

The Old Cerdics Association (former pupils) founded on 1st December 1929 continues to welcome both past and present pupils to its ranks. Staff employed at the school automatically become Honorary Members during their tenure at the school. In furthering its aims and objectives the Association takes an active interest in the school and is represented at all major school events. One of the Directors of the Trustee is an Old Cerdic.

#### **Old Cerdics Association Scholarship Fund**

The Old Cerdics Scholarship Fund is a charity linked to the school administered separately by Trustees appointed annually by the Association. It continues to support the school financially and during the year made a direct contribution of £1500 towards scholarships awarded by the school. At the discretion of the Head Teacher the Fund continued to make two termly awards of £75.00 each in the name of the Old Cerdics Academic Award and the Lawrence Powell Music Award to children in their final year at the school. These awards will be increased to £100 respectively for the academic year 2020/2021. The estimated value of the fund at 31st August 2020 stood at £30,029 compared with £28,317 for the previous year of which £28,151 (£26,553) was invested in equity linked COIF Charity Funds managed by CCLA Investment Management Limited. The balance was held on deposit with immediate access.

### **Structure, governance and management**

#### ***Nature of governing document***

Chard School was established under a Trust Deed dated 24 May 1971, and constitutes a unincorporated charity, as defined by Charity Commission scheme. It is a registered charity under the Charity Commission with the registration number 310219.

# Chard School

## Trustee's Report

### ***Recruitment and appointment of Directors***

The sole Trustee of Chard School is Chard Independent School (company registration number 08904859), a registered charity. Its Directors are appointed for a term of 5 years by resolution of the Board passed at a special meeting. On completion of a 5 year term, Directors may be re-appointed for a further 5 year term subject to the approval of the Board. New Directors may be appointed not more than 3 months before the term of an existing Director expires or should a Director resign, with effect from the date of expiry or resignation. The current provision is for a Board ideally consisting of not less than 8 and not more than 12 co-opted Directors. The Board are currently recruiting for additional members to join the board.

### ***Induction and training of the Directors of the Trustee***

All new Directors of the Trustee charity follow a pre-determined induction programme which is based on an adapted form of that used for paid staff. The induction process for newly appointed Directors comprises of an approach from the Chairman of the Board, followed by an offer to attend the next board meeting and a tour of the premises. A welcome pack is then provided including a brief history of the charity, a copy of various documents including latest board minutes, latest available accounts, trust deed (Chard School), memorandum and articles of association (Chard Independent School) and Charity Commissioner's guidance "The Essential Trustee". We are members of both AGBIS (The Association of Governing Bodies of Independent Schools) and IAPS (The Independent Association of Prep Schools) which both provide excellent training for our Directors.

### ***Organisational structure***

The Trustee takes decisions on all aspects of the school's activities. Its board meets regularly, meeting at least three times throughout the year to determine the general policy of the Charity and review its overall management and control, for which it is legally responsible. The work of implementing most of the Trustee's policies is carried out by various committees which meet as and when necessary.

The Trustee organises the number of pupils attending the school and the subjects taught. It appoints a head to control the internal running of the school, including choices of the teaching methods, arrangement of classes, teaching staff, school hours, management and discipline. The Head and Finance Officer act as key management personnel supported by other teaching members of the Senior Management Team. The remuneration of key management personnel is set by the Trustee with due recognition to the financial restrictions within the Charity.

### ***Major risks and management of those risks***

#### ***Decline in pupil numbers***

The key identified risk to the continued prosperity of the school has always been a decline in pupil numbers. The impact of coronavirus lockdowns have had a significant impact on pupil numbers both due to loss of existing pupils but also, the school has been unable to run toddler groups and to engage as much as usual with the local community. The school is increasing its online marketing efforts via social media and also in autumn 2020, a short professional film was made of the school to help it to attract more families whilst lockdowns have made it difficult to host open days.

Management of this risk is pro-active in terms of ensuring our provision remains of high quality, that pricing is appropriate and we do give concessions to those in need. As stated above, reserve policies continue to cater for continuation of the school's business on reduced numbers for a period of 12 months or more should that need ever arise. The school has made use of all available government support including the Coronavirus Job Retention Scheme (CJRS), local grants and has a bounce back loan. The School continues to hold a good level of cash reserves.

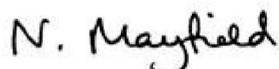
# Chard School

## Trustee's Report

### Reference and Administrative Details

|  |   |
|--|---|
| <b>Trustee</b>                               | Chard Independent School  |
| <b>Directors of Chard Independent School</b> | Mr E T Colgan<br>Mrs S M Dare<br>Mr M Ferland<br>Mr N Mayfield<br>Mr C Sowerbutts (resigned 21 November 2019)<br>Mrs E Sherman<br>Ms L Littlewood (resigned 14 December 2020)<br>Mr N Child (appointed 21 November 2019)<br>Mr T Moran (appointed 21 November 2019)<br>Mrs A Lightfoot (appointed 11 February 2021) |
| <b>Headteacher</b>                           | Mrs K Hill NPQH BAEd (Hons)   |
| <b>Principal Office</b>                      | Chard School<br>Fore Street<br>Chard<br>Somerset<br>TA20 1QA  |
| <b>Charity Registration Number</b>           | 310219  |
| <b>Independent Examiner</b>                  | PKF Francis Clark<br>Ground Floor<br>Blackbrook Gate 1<br>Blackbrook Business Park<br>Taunton<br>Somerset<br>TA1 2PX  |

The annual report was approved by the trustee of the charity on 23 March 2021 and signed on its behalf by:



.....  
Mr N Mayfield  
Director of Chard Independent School - the Trustee

# Chard School

## Statement of Trustee's Responsibilities

The trustee are responsible for preparing the trustee' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee 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 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 charity will continue in business.

The trustee are responsible for keeping proper accounting records that 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustee 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.

# Chard School

## Independent Examiner's Report to the trustees of Chard School

I report to the Trustees on my examination of the accounts of Chard School ("the charity") for the year ended 31 August 2020 which are set out on pages 9 to 24.

### Responsibilities and basis of report

As the trustee of the charity you are responsible for the preparation of the accounts in accordance with the requirement of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### Independent examiner's statement

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

- (1) accounting records were not kept as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



.....  
Nicholas Farrant BA MSc FCA  
PKF Francis Clark

Ground Floor  
Blackbrook Gate 1  
Blackbrook Business Park  
Taunton  
Somerset  
TA1 2PX

26 March 2021

# Chard School

## Statement of Financial Activities

Year Ended 31 August 2020

|                                    | Note | Unrestricted funds<br>£ | Endowment funds<br>£ | Total Unrestricted funds<br>2020<br>£ | Restricted Endowment funds<br>£ | Total 2019<br>£ |
|------------------------------------|------|-------------------------|----------------------|---------------------------------------|---------------------------------|-----------------|
| <b>Income and Endowments from:</b> |      |                         |                      |                                       |                                 |                 |
| Donations, grants and legacies     | 2    | 69,704                  | -                    | 69,704                                | -                               | 735             |
| Charitable activities              | 3    | 487,936                 | -                    | 487,936                               | -                               | 519,102         |
| Investment income                  | 4    | 60                      | -                    | 60                                    | -                               | 56              |
| Other income                       | 5    | 15,260                  | -                    | 15,260                                | -                               | 16,744          |
| Total Income                       |      | 572,960                 | -                    | 572,960                               | -                               | 536,637         |
| <b>Expenditure on:</b>             |      |                         |                      |                                       |                                 |                 |
| Charitable activities              | 6    | (546,614)               | (1,350)              | (547,964)                             | (5,000)                         | (521,907)       |
| Total Expenditure                  |      | (546,614)               | (1,350)              | (547,964)                             | (5,000)                         | (521,907)       |
| Losses on investment assets        |      | (38)                    | -                    | (38)                                  | -                               | 69              |
| Net movement in funds              |      | 26,308                  | (1,350)              | 24,958                                | (5,000)                         | 14,799          |
| <b>Reconciliation of funds</b>     |      |                         |                      |                                       |                                 |                 |
| Total funds brought forward        |      | 157,587                 | 12,503               | 170,090                               | 5,000                           | 155,291         |
| Total funds carried forward        | 18   | 183,895                 | 11,153               | 195,048                               | -                               | 170,090         |

All of the charity's activities derive from continuing operations during the above two periods.

# Chard School

## Balance Sheet

31 August 2020

|  | Note | 2020<br>£        | 2019<br>£        |
|--|------|------------------|------------------|
| <b>Fixed assets</b>  |      |                  |                  |
| Tangible assets  | 10   | 57,682           | 58,062           |
| Investments  | 11   | <u>1,663</u>     | <u>1,701</u>     |
|  |      | <u>59,345</u>    | <u>59,763</u>    |
| <b>Current assets</b>  |      |                  |                  |
| Debtors  | 12   | 142,838          | 168,903          |
| Cash at bank and in hand                                       |      | <u>221,515</u>   | <u>167,347</u>   |
|  |      | 364,353          | 336,250          |
| <b>Creditors: Amounts falling due within one year</b>          | 13   | <u>(23,586)</u>  | <u>(30,271)</u>  |
| <b>Net current assets</b>                                      |      | <u>340,767</u>   | <u>305,979</u>   |
| <b>Total assets less current liabilities</b>                   |      | 400,112          | 365,742          |
| <b>Creditors: Amounts falling due after more than one year</b> | 14   | (48,333)         | -                |
| Deferred income  | 15   | <u>(156,731)</u> | <u>(195,652)</u> |
| <b>Net assets</b>  |      | <u>195,048</u>   | <u>170,090</u>   |
| <b>Funds of the charity:</b>                                   |      |                  |                  |
| <b>Endowment funds</b>   |      | 11,153           | 12,503           |
| <b>Unrestricted income funds</b>                               |      |                  |                  |
| Unrestricted funds   |      | <u>183,895</u>   | <u>157,587</u>   |
| <b>Total funds</b>   | 18   | <u>195,048</u>   | <u>170,090</u>   |

The financial statements on pages 9 to 24 were approved by the trustee, and authorised for issue on 23 March 2021 and signed on its behalf by:

*N. Mayfield*

.....  
Mr N Mayfield  
Director of Chard Independent School - the Trustee

# Chard School

## Cash Flow Statement

Year Ended 31 August 2020

|  | Note | 2020<br>£             | 2019<br>£             |
|--|------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>          |      |                       |                       |
| Net cash income                                      |      | 24,958                | 14,799                |
| <b>Adjustments to cash flows from non-cash items</b> |      |                       |                       |
| Depreciation   |      | 2,952                 | 2,728                 |
| Investment income                                    | 4    | (60)                  | (56)                  |
| Revaluation of investments                           |      | 38                    | (69)                  |
|  |      | <u>27,888</u>         | <u>17,402</u>         |
| <b>Working capital adjustments</b>                   |      |                       |                       |
| Decrease/(increase) in debtors                       | 12   | 26,065                | (37,658)              |
| Decrease in creditors                                | 13   | (8,352)               | (7,100)               |
| (Decrease)/increase in deferred income               | 14   | <u>(38,921)</u>       | <u>40,623</u>         |
| Net cash flows from operating activities             |      | <u>6,680</u>          | <u>13,267</u>         |
| <b>Cash flows from investing activities</b>          |      |                       |                       |
| Interest receivable and similar income               | 4    | 60                    | 56                    |
| Purchase of tangible fixed assets                    | 10   | <u>(2,572)</u>        | <u>-</u>              |
| Net cash flows from investing activities             |      | (2,512)               | 56                    |
| <b>Cash flows from financing activities</b>          |      |                       |                       |
| Value of new loans obtained during the period        | 13   | <u>50,000</u>         | <u>-</u>              |
| Net increase in cash and cash equivalents            |      | 54,168                | 13,323                |
| Cash and cash equivalents at 1 September             |      | <u>167,347</u>        | <u>154,024</u>        |
| Cash and cash equivalents at 31 August               |      | <u><u>221,515</u></u> | <u><u>167,347</u></u> |

All of the cash flows are derived from continuing operations during the above two periods.

# Chard School

## Notes to the Financial Statements

Year Ended 31 August 2020

### 1 Accounting policies

#### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

#### **Basis of preparation**

Chard School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

#### **Going concern**

The Trustee and its directors have considered the funds of the Charity as at 31 August 2020 and at the date of approval of these financial statements. The senior management team of the school have prepared detailed business and action plans including projections extending beyond 12 months of the date of approval of these financial statements. On the basis of these plans, and having made all necessary inquiries, the Trustee and its directors are satisfied that the going concern basis of accounting remains appropriate.

In making this assessment the Trustee and its directors have given particular consideration as to the impact of the COVID-19 pandemic and, whilst recognising that there can be no certainty, the known impacts of these events on the Charity are described in the Trustee's Report.

#### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the Charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Fees consist of charges billed for the school year ending 31 August, less bursaries and allowances. Fees received in advance for education to be provided in future years are carried forward as deferred income.

#### ***Donations, grants and legacies***

Donations, grants and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

#### ***Grants receivable***

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

# Chard School

## Notes to the Financial Statements

### Year Ended 31 August 2020

#### **Deferred income**

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the Charity has unconditional entitlement.

#### **Investment income**

All investment income is treated as unrestricted even where it has arisen from endowment funds and is included in the statement of financial activities as soon as it is received by the charity.

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### **Charitable activities**

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Governance costs**

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements, including independent examination, strategic management and Trustee's meetings and reimbursed expenses.

#### **Tangible fixed assets**

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

| <b>Asset class</b> | <b>Depreciation method and rate</b>               |
|--------------------|---|
| Buildings          | 2% straight line for assets not fully depreciated |
| Office equipment   | 20% straight line                                 |

# Chard School

## Notes to the Financial Statements

Year Ended 31 August 2020

### **Fixed asset investments**

Fixed asset investments are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the charity.

### **Financial instruments**

#### ***Classification***

The charity holds the following financial instruments:

- Short term trade and other debtors and creditors; and
- Cash and bank balances.

All financial instruments are classified as basic.

#### ***Recognition and measurement***

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the charity's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

# Chard School

## Notes to the Financial Statements

Year Ended 31 August 2020

### Key sources of estimation uncertainty

In the application of the Charit's accounting policies, the Trustee and its directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods in the revision affects both current and future periods.

The key judgement that has a significant impact on the financial statement is in respect of going concern, as described above.

It is the view of the Trustee and its directors that there are no significant accounting estimates.

### 2 Income from donations and legacies

|                                   | Unrestricted<br>funds | Total<br>2020<br>£ | Total<br>2019<br>£ |
|-----------------------------------|-----------------------|--------------------|--------------------|
|                                   | General<br>£          |                    |                    |
| Donations and legacies;           |                       |                    |                    |
| Donations                         | 4,354                 | 4,354              | 735                |
| Grants, including capital grants; |                       |                    |                    |
| Small business grant fund         | 12,000                | 12,000             | -                  |
| Furlough grant                    | 53,350                | 53,350             | -                  |
|                                   | <u>69,704</u>         | <u>69,704</u>      | <u>735</u>         |

### 3 Income from charitable activities

|   | Unrestricted<br>funds | Total<br>2020<br>£ | Total<br>2019<br>£ |
|---|-----------------------|--------------------|--------------------|
|   | General<br>£          |                    |                    |
| Preparatory school fees                 | 312,671               | 312,671            | 338,202            |
| Pre-preparatory school fees             | 125,888               | 125,888            | 125,304            |
| Other educational charitable activities | 49,377                | 49,377             | 55,596             |
|   | <u>487,936</u>        | <u>487,936</u>     | <u>519,102</u>     |

# Chard School

## Notes to the Financial Statements

Year Ended 31 August 2020

### 4 Investment income

|   | Unrestricted<br>funds | Total<br>2020 | Total<br>2019 |
|---|-----------------------|---------------|---------------|
|   | General<br>£          | £             | £             |
| Interest receivable and similar income;<br>Interest receivable on bank deposits | 60                    | 60            | 56            |

### 5 Other income

|               | Unrestricted<br>funds | Total<br>2020 | Total<br>2019 |
|---------------|-----------------------|---------------|---------------|
|               | General<br>£          | £             | £             |
| Rental income | 15,260                | 15,260        | 16,744        |

### 6 Expenditure on charitable activities

|                        | Activity<br>undertaken<br>directly<br>£ | Activity<br>support costs<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|------------------------|---|--------------------------------|--------------------|--------------------|
| Educational activities | 506,633                                 | 41,316                         | 547,949            | 521,907            |

#### Support costs allocated to charitable activities

|                    | Governance<br>costs<br>£ | Insurance<br>costs<br>£ | Establishment<br>costs<br>£ | Other<br>support<br>costs<br>£ | Total<br>2020<br>£ |
|--------------------|--------------------------|-------------------------|-----------------------------|--------------------------------|--------------------|
| Charity activities | 10,453                   | 12,690                  | 12,769                      | 5,404                          | 41,316             |

£546,599 (2019 - £516,907) of the above expenditure was attributable to unrestricted funds and £1,350 (2019 - £5,000) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of £5,331 (2019 - £6,261) which relate directly to charitable activities. See note 7 for further details.

# Chard School

## Notes to the Financial Statements

Year Ended 31 August 2020

### 7 Analysis of governance and support costs

#### Governance costs

|   | Unrestricted funds | Total 2020   | Total 2019   |
|---|--------------------|--------------|--------------|
|   | General            | 2020         | 2019         |
|   | £                  | £            | £            |
| Independent examiner fees               |                    |              |              |
| Examination of the financial statements | 2,500              | 2,500        | 3,074        |
| Teachers pension review                 | 553                | 553          | 550          |
| Legal and professional fees             | 2,278              | 2,278        | 2,637        |
|   | <u>5,331</u>       | <u>5,331</u> | <u>6,261</u> |

### 8 Trustee remuneration and expenses

Neither the Trustee nor any of its directors have received any reimbursed expenses or any other benefits from the charity during the current or preceding year.

### 9 Staff costs

The aggregate payroll costs were as follows:

|  | 2020           | 2019           |
|--|----------------|----------------|
|  | £              | £              |
| <b>Staff costs during the year were:</b> |                |                |
| Wages and salaries                       | 348,076        | 337,828        |
| Social security costs                    | 21,044         | 22,407         |
| Pension costs                            | 61,356         | 41,388         |
| Other staff costs                        | 430            | 1,626          |
|  | <u>430,906</u> | <u>403,249</u> |

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

|   | 2020      | 2019      |
|---|-----------|-----------|
|   | No        | No        |
| Average number of employees during the year | <u>21</u> | <u>20</u> |

No employee received emoluments of more than £60,000 during the year (2019 - None).

The total employee benefits of the key management personnel of the charity were £137,755 (2019 - £128,826).

# Chard School

## Notes to the Financial Statements

Year Ended 31 August 2020

### 10 Tangible fixed assets

|                       | Land and<br>buildings<br>£ | Computer<br>equipment<br>£ | Total<br>£ |
|-----------------------|----------------------------|----------------------------|------------|
| <b>Cost</b>           |                            |                            |            |
| At 1 September 2019   | 115,843                    | 5,147                      | 120,990    |
| Additions             | -                          | 2,572                      | 2,572      |
| At 31 August 2020     | 115,843                    | 7,719                      | 123,562    |
| <b>Depreciation</b>   |                            |                            |            |
| At 1 September 2019   | 60,734                     | 2,194                      | 62,928     |
| Charge for the year   | 1,698                      | 1,254                      | 2,952      |
| At 31 August 2020     | 62,432                     | 3,448                      | 65,880     |
| <b>Net book value</b> |                            |                            |            |
| At 31 August 2020     | 53,411                     | 4,271                      | 57,682     |
| At 31 August 2019     | 55,109                     | 2,953                      | 58,062     |

Land and buildings consist of property improvements and other assets constructed on land adjacent to the properties. The school land and buildings were originally gifted to the school for educational use and have no original cost.

The market value of these assets is not reflected in the accounts, since it is not easily determined, due to the location and nature of these historic buildings. The most recent insurance value of the buildings, at 1 February 2018, including the science lab was £8,284,056. As the fair value of the buildings is not available, the Trustee also considers that there would be no benefit to the Charity to include the property at market valuation. Since the charity is responsible for keeping the original buildings in fit and useful condition in perpetuity, the costs of doing so are written off as and when incurred.

# Chard School

## Notes to the Financial Statements

Year Ended 31 August 2020

### 11 Fixed asset investments

|                       | Unlisted<br>investments<br>£ | Total<br>£   |
|-----------------------|------------------------------|--------------|
| <b>Valuation</b>      |                              |              |
| At 1 September 2019   | 1,701                        | 1,701        |
| Revaluation           | <u>(38)</u>                  | <u>(38)</u>  |
| At 31 August 2020     | <u>1,663</u>                 | <u>1,663</u> |
| <b>Net book value</b> |                              |              |
| At 31 August 2020     | <u>1,663</u>                 | <u>1,663</u> |
| At 31 August 2019     | <u>1,701</u>                 | <u>1,701</u> |

The original cost of the investments held at the balance sheet date was £1,570 (2019 - £1,570).

### 12 Debtors

|               | 2020<br>£      | 2019<br>£      |
|---------------|----------------|----------------|
| Trade debtors | 117,893        | 158,129        |
| Other debtors | 17,150         | 4,566          |
| Prepayments   | <u>7,795</u>   | <u>6,208</u>   |
|               | <u>142,838</u> | <u>168,903</u> |

### 13 Creditors: amounts falling due within one year

|                                    | 2020<br>£     | 2019<br>£     |
|------------------------------------|---------------|---------------|
| Trade creditors                    | 1,572         | 6,512         |
| Other loans                        | 1,667         | -             |
| Other taxation and social security | 4,649         | 5,516         |
| Other creditors                    | 13,198        | 13,413        |
| Accruals                           | <u>2,500</u>  | <u>4,830</u>  |
|                                    | <u>23,586</u> | <u>30,271</u> |

### 14 Creditors: amounts falling due after one year

|             | 2020<br>£     | 2019<br>£ |
|-------------|---------------|-----------|
| Other loans | <u>48,333</u> | <u>-</u>  |

# Chard School

## Notes to the Financial Statements

Year Ended 31 August 2020

### 15 Deferred income

|  | <b>2020</b>           |
|--|-----------------------|
|  | <b>£</b>              |
| Deferred income at 1 September 2019    | 195,652               |
| Resources deferred in the period       | 156,731               |
| Amounts released from previous periods | <u>(195,652)</u>      |
| Deferred income at 31 August 2020      | <u><u>156,731</u></u> |

The charity recognises deferred income in the accounts, when invoices are raised on the last day of the accounting period in question, that relates to the following Autumn term. As a result, these are removed from the incoming resources and the corresponding entry is included in deferred income.

### 16 Pension and other schemes

#### Defined contribution pension scheme

The charity's teaching staff belong to the Teachers' Pension Scheme. For non-teaching staff, the charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the schemes and amounted to £61,356 (2019 - £41,388).

#### Teachers' Pension Scheme

##### *Introduction*

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract. Teachers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

##### *Valuation of the Teachers' Pension Scheme*

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education in April 2019.

# **Chard School**

## **Notes to the Financial Statements**

### **Year Ended 31 August 2020**

The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department for Education agreed to pay a teacher pension employer contribution grant to cover the additional costs for state schools during the 2019-20 academic year and a further amount will be received to assist with additional costs in 2020-21.

A copy of the valuation report and supporting documentation is on the Teacher's Pension website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Charity has set out above the information available on the scheme.

### **17 Commitments**

#### **Capital commitments**

The total amount contracted for but not provided in the financial statements in respect of non-cancellable operating leases was £3,146 (2019 - £176).

# Chard School

## Notes to the Financial Statements

Year Ended 31 August 2020

### 18 Funds

|                             | Balance at<br>1<br>September<br>2019<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Other<br>recognised<br>gains<br>£               | Balance at<br>31 August<br>2020<br>£ |
|-----------------------------|---|----------------------------|----------------------------|---|--------------------------------------|
| <b>General</b>              |   |                            |                            |   |                                      |
| Unrestricted general funds  | 157,587                                   | 572,960                    | (546,614)                  | (38)  | 183,895                              |
| <b>Endowment funds</b>      |   |                            |                            |   |                                      |
| <b>Permanent</b>            |   |                            |                            |   |                                      |
| Endowment fund              | 12,503                                    | -                          | (1,350)                    | -   | 11,153                               |
| <b>Total funds</b>          | <u>170,090</u>                            | <u>572,960</u>             | <u>(547,964)</u>           | <u>(38)</u>                                     | <u>195,048</u>                       |
|                             | Balance at<br>1<br>September<br>2018<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Other<br>recognised<br>gains /<br>(losses)<br>£ | Balance at<br>31 August<br>2019<br>£ |
| <b>Unrestricted funds</b>   |   |                            |                            |   |                                      |
| <b>General</b>              |   |                            |                            |   |                                      |
| Unrestricted general funds  | 137,788                                   | 536,637                    | (516,907)                  | 69  | 157,587                              |
| <b>Restricted funds</b>     |   |                            |                            |   |                                      |
| Old Cerdic Association fund | 5,000                                     | -                          | (5,000)                    | -   | -                                    |
| <b>Endowment funds</b>      |   |                            |                            |   |                                      |
| <b>Permanent</b>            |   |                            |                            |   |                                      |
| Endowment fund              | 12,503                                    | -                          | -                          | -   | 12,503                               |
| <b>Total funds</b>          | <u>155,291</u>                            | <u>536,637</u>             | <u>(521,907)</u>           | <u>69</u>                                       | <u>170,090</u>                       |

The specific purposes for which the funds are to be applied are as follows:

#### Classroom Refurbishment Fund

In the year ended 31 August 2018, a donation was received from the Old Cerdics Association. This donation was intended to be used for renovation and refurbishments to three classrooms. The funds were fully utilised in the year ending 31 August 2019.

#### Endowment Fund

In the year ended 31 August 2015, an endowment was received from a former pupil of the school. It was the wish of this pupil that the income from the fund be used to further encourage and reward good citizenship, sportsmanship and character, as determined by the governing body of the school, hence why it is treated as an endowment fund. It is expected these funds will be used up over a period of several years.

# Chard School

## Notes to the Financial Statements

Year Ended 31 August 2020

### 19 Analysis of net assets between funds

|                         | <b>Unrestricted funds</b> | <b>Endowment funds</b> |                    |
|-------------------------|---------------------------|------------------------|--------------------|
|                         | <b>General funds</b>      | <b>Permanent funds</b> | <b>Total funds</b> |
|                         | <b>£</b>                  | <b>£</b>               | <b>£</b>           |
| Tangible fixed assets   | 57,682                    | -                      | 57,682             |
| Fixed asset investments | 1,663                     | -                      | 1,663              |
| Current assets          | 353,200                   | 11,153                 | 364,353            |
| Current liabilities     | (24,419)                  | -                      | (24,419)           |
| Non-current liabilities | (47,500)                  | -                      | (47,500)           |
| Deferred income         | (156,731)                 | -                      | (156,731)          |
| Total net assets        | 183,895                   | 11,153                 | 195,048            |

|                         | <b>Unrestricted funds</b> | <b>Endowment funds</b> |                    |
|-------------------------|---------------------------|------------------------|--------------------|
|                         | <b>General funds</b>      | <b>Permanent funds</b> | <b>Total funds</b> |
|                         | <b>£</b>                  | <b>£</b>               | <b>£</b>           |
| Tangible fixed assets   | 58,062                    | -                      | 58,062             |
| Fixed asset investments | 1,701                     | -                      | 1,701              |
| Current assets          | 323,747                   | 12,503                 | 336,250            |
| Current liabilities     | (30,271)                  | -                      | (30,271)           |
| Deferred income         | (195,652)                 | -                      | (195,652)          |
| Total net assets        | 157,587                   | 12,503                 | 170,090            |

# Chard School

## Notes to the Financial Statements

Year Ended 31 August 2020

### 20 Reconciliation of cash and cash equivalents

|                          | <b>At 1<br/>September<br/>2019<br/>£</b> | <b>Cash flow<br/>£</b> | <b>At 31 August<br/>2020<br/>£</b> |
|--------------------------|--|------------------------|------------------------------------|
| Cash at bank and in hand | 167,347                                  | 54,168                 | 221,515                            |
| Net cash held            | <u>167,347</u>                           | <u>54,168</u>          | <u>221,515</u>                     |

|                          | <b>At 1<br/>September<br/>2018<br/>£</b> | <b>Cash flow<br/>£</b> | <b>At 31 August<br/>2019<br/>£</b> |
|--------------------------|--|------------------------|------------------------------------|
| Cash at bank and in hand | 154,024                                  | 13,323                 | 167,347                            |
| Net cash held            | <u>154,024</u>                           | <u>13,323</u>          | <u>167,347</u>                     |

### 21 Related party transactions

There were no related party transactions in the year (2019 - none).

Transactions with the Trustee and its directors are disclosed in Note 9.