

COMPANY REGISTRATION NUMBER: 01911659

CHARITY REGISTRATION NUMBER: 516999

Iona School Association
A Company Limited by Guarantee
Unaudited Financial Statements
31 August 2020

Iona School Association
A Company Limited by Guarantee
Financial Statements
Year ended 31 August 2020

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Iona School Association
A Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report)
Year ended 31 August 2020

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

Reference and administrative details

Registered charity name Iona School Association

Charity registration number 516999

Company registration number 01911659

Principal office and registered office 310 Sneinton Dale
Nottingham
NG3 7DN
England

The trustees

| | |
|---------------|--|
| D Yates | (Resigned 1 March 2020) (Served from 1 June 2020 to 1 January 2021) |
| E Worthington | (Resigned 11 August 2020) |
| R Perry | (Resigned 1 March 2020) |
| C Haddon | (Served from 29 February 2020 to 10 June 2020) |
| C Gregory | |
| M Taylor | |
| N Lipman | |
| M Hudson | (Appointed 5 November 2020) |
| J Jackson | (Resigned 30 June 2020) |

Post year end changes in trustees:
E Worthington resigned on 1 January 2021
M Hudson was appointed on 5 November 2020

Bankers Unity Trust Bank
9, Brindley Place
Birmingham
B1 2HB

Independent examiner Chetna Brandwood, FCCA
Dynamic Business Support Services Limited
15, Plains Farm Close
Nottingham
NG3 5RE

Iona School Association
A Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 31 August 2020

Structure, governance and management

The trustees (who are also the directors of the charity for the purpose of the Companies Act) present their annual report together with the financial statements of Iona School Association (Charity) for the year ended 31 August 2020. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provision of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Constitution

Iona School Association was incorporated as a limited company by guarantee on 7 May 1985 and is governed by its Memorandum and Articles of Association dated 1 April 1985. The school is also a registered charity in accordance with the provision of the Charities Act 2011.

The Iona school is a primary school with a Kindergarten and three combined classes, providing education based on the Steiner Waldorf principals.

Appointment and training of trustees

The school aims to maintain a wide skill range within the trustee body, giving it a fair and legitimate governing body. In addition, expert consultants are used where additional skills are sought and not currently contained within the governing body. For example, during educational and financial reviews.

When recruiting new trustees, they are generally sought from the following areas:

- The ex-parent body
- Professional bodies that have a link to the school, such as universities or businesses with a good understanding of the charity
- Retired teaching staff
- Any other areas that we deem suitable

The following areas are excluded from being a Trustee candidate:

- Parents of current pupils
- School staff

When a suitable candidate is found, this is presented to the school during a governance meeting. The candidate will be interviewed on suitability by at least two members of the trustee body and at least two members of the school College of teachers, with suitable safer recruitment training. If the candidate is agreeable, and is deemed suitable by the interview panel, then enhanced DBS checks are carried out before the candidate is accepted into the trustee body.

Trustees are usually sought to have experience in areas where there are skill gaps within the current body of trustees. Training is offered to trustees where gaps in knowledge exist. The school also has an in-depth trustee handbook, containing information both of the charities aims and objectives, and on the Steiner movement as a whole. This offers help in understanding collegiate decisions and good advice on trustee practices. Trustees are briefed of their legal obligations under charity and company law, and the content of the memorandum and articles of association.

Iona School Association

A Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2020

Trustees who have specific responsibilities, such as safeguarding, are sent on external training courses to enable them to make informed decisions.

All trustees give their time freely and no remuneration or expense are paid for the role.

Management

In addition to the Trustees, the school has a management team, the members of which are split between administrative functions and educational functions. The school management team meets on a weekly basis. The College of teachers also meet weekly to share and discuss educational matters.

Decision making

Trustees are kept informed of the decisions made by the College of teachers and school management, and attend College meetings at least once a term. Additionally, termly meetings are held with: The educational leads within the school to keep abreast of the performance of the teaching and pupil progression; The Business manager to review Health and Safety issues; and, The Designated Safeguarding Lead to review safeguarding issues. Monthly financial meetings are held with the school management.

School education policy is driven by the College of Teachers and ratified by the board of Trustees. The day-to-day management of the school is performed by the College of Teachers and the school administrators.

Risk management

The school has a stringent risk assessment and management strategy which comprises of: an annual review of the principal risks and uncertainty that the charity faces; continuous reviews of policies and procedures; ensuring that up to date legislation is always incorporated into policy and communicated to staff; and, strong implementation of procedures designed to minimise potential impact on the charity should those risks materialise.

Attention is focused on non-financial risks arising from health and safety matters. Robust procedures are in place, risk assessments are carried out regularly, and staff are all trained and inducted in correct procedure in health and safety matters.

Iona School Association

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2020

Objectives and activities

The objectives of the Iona School Association are the provision of education based on the Steiner Waldorf pedagogy, philosophy and curriculum, whilst also meeting the expectations of OFSTED, within the inner-city area of Nottingham. This places an emphasis on the development of the whole child, including the child's spiritual, physical, emotional and social well-being, as well as the child's academic progress.

The school caters for children from age 3 to 6 years within the Kindergarten, and aged 7 to 11 years within the main school. The school also operated a nursery, catering for ages from birth to 3.5. However, this was closed down in December 2019 as it was no longer sustainable due to changing regulations. This has freed up valuable resources and had a positive effect on the core focus within the school.

Activities for achieving objectives

The school focuses on providing outstanding education and support for all children. We continued to work towards gaining an OFSTED 'Good' rating at the next inspection. Clear action plans have been drawn up and followed to this end, and the Trustees were updated regularly (at least termly) on progress towards these objectives.

The latter half of this period has seen significant challenges with the Covid-19 pandemic, and new ways of working have been required, with the children learning from home during the periods of National Lockdown. The teachers and staff have adapted to on-line support of lessons and preparation of learning and activity packs. This has been well received from the parents and the school has managed to maintain pupil numbers throughout these challenging conditions. The Trustees have been impressed with the ways the school has adapted during this time and continued to meet the core objectives.

Fundraising has been difficult due to the period of lockdown. However, grants and donations have helped to address school building maintenance tasks, such as repairs to the school roof where needed. Commitment to the school from staff and parents continues to be strong, with working groups to discuss and drive forward the school development plans and school growth. Pupil recruitment has been a main focus to support the development plans. Again, this is an area of challenge due to the restrictions during lockdown, but new ways of supporting this activity have been implemented, such as on-line virtual tours, and more emphasis on on-line marketing. While pupil numbers have been lower than ideal during this period, great progress has been made to address this.

The school holds a number of other activities such as festivals, forest school on our land, public talks etc. However, these have been limited to the first half of this period due to the restrictions imposed by National Lockdown in the latter half.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2020

Achievements and performance

Review of activities

While this period has clearly had challenging conditions due to the effects of the pandemic and National Lockdown, as well as changes following the closure of the nursery, the Trustees have been impressed with the resilience, adaptability and dedication of the teachers and staff within the school. It has clearly been a strain on the workload of all involved. But despite this the school has continued to provide its core aims and objectives in providing an excellent education to its pupils, and received positive feedback from the children's parents.

Aims and achievements

The well-being of staff and children has always been a focus of the school, and this has been particularly evident during this period. Staff engage effectively with pupils, parents/carers, community and local services.

The quality of the education provided by the school continues to be high, as evidenced by regular monitoring of teaching and pupil progress and achievements. Pupils achieve well in reading and mathematics, with improvements noted following enhancements to the curriculum, and additional teaching methods introduced. The pupils gain a good knowledge of the environment through the holistic nature of the education. Teaching is effective, particularly strong in art, crafts, design and music, and good progression is seen in all subjects.

The school provides many opportunities to nurture, develop and stretch pupils' talents and interests. The curriculum and the schools wider work support pupils to be confident, resilient and develop strength of character. Pupils are articulate and cooperate well with each other and with adults. Leaders, staff and pupils create a positive environment in which bullying is not tolerated.

In the early years, children behave well, follow adults' instructions and are interested in learning. The children show high levels of engagement, are creative and imaginative with well-developed speaking and listening skills. Their artwork is of particular high quality. The SENDCO works closely with the early years in order to identify barriers early. RMT (rhythmic movement therapy) is used effectively to help address barriers when identified.

Safeguarding, ensuring both children and staff are safe, within school and elsewhere (such as online safety – of particular focus during lockdown, with online sessions being required), is strong, with all staff and trustees kept updated with best practices through training where necessary.

Health and safety has been a particular focus this period, with the challenges of the pandemic to the fore. Staff have ensured that the school can offer a safe, secure education, both within school and when preparing work for home education during lockdown. Strict measures of cleanliness and school organisation have been implemented to minimise risks while the children are on the school premises.

Great use has been made of the land the school owns to provide outdoor classrooms and lessons, weather permitting. The land provides an extensive garden area where the children can learn the valuable ecology of how food is grown and cultivated, as well as providing a fresh supply of organic food when in season. There is also a covered green woodworking area, pizza oven and an amphitheatre for outdoor lessons and performances. Never has this space been more valuable than during the pandemic, providing healthy and safe environment in which to learn.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2020

Financial review

Going concern

The on-going pandemic will inevitably impact the 2021 financial year, with additional lockdowns, and additional periods of school closure placing more strain on the school and its staff. Despite this, pupil retention has been good. While pupil numbers continue to be lower than ideal, there are real signs that the efforts put into pupil recruitment are starting to pay off.

The school has also been successful in pursuing historical bad debts, with extra measures being taken to reduce the incidents of bad debts in the future. Plans are also being put in place to reduce the risk of the defined benefit pension scheme on the school finances.

The Trustees conclude that they have a reasonable expectancy that the charity will have sufficient funds to continue for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

Financial review

The period has been challenging financially, with the nursery closure decreasing revenue, and the pandemic adding unexpected costs. Some staff were furloughed during lockdown where the absence of children within the school environment allowed, which helped mitigate those additional costs.

Despite the challenging conditions the Trustees are pleased to report that the school has generated an improved surplus of £14,076 (2019: £7,860) for the year, having an income of £504,873 and expenditure of £490,797. Despite having the reduced fee income and incurring bad debt, the surplus was achieved by a 20% reduction in overall expenditure whilst overall income reduced by 19% compared to last year. The trustees and senior management continue to focus on cost controls and pursuing the remaining bad debt, whilst exploring avenues to increase the income during these unusually difficult times.

Reserves policy

Unrestricted funds are available for use at the discretion of the Trustees in the furtherance of the general objectives of the charity. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes. The charity does not have any restricted funds.

While the accumulated reserves have not been needed within this period, it is possible that further prolonged restrictions caused by the pandemic may require use of some reserves in the future. However, it is anticipated that pupil numbers will rise significantly from its current level due to the measures being taken. Additionally, planned measures to reduce the unpredictable nature of the defined benefit pension payments will help with financial management and planning.

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

Total unrestricted fund held at the year-end amounted to £540,243 (2019: £526,167).

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2020

Key risks and uncertainties

The risks to the school include:

- Pupil numbers ideally should be around 100-120 to enable the school to flourish and grow. However, numbers are currently below this, placing strain on the finances making it ever more important to tightly control out-going costs. The impact of the pandemic has made recruitment and promotion of the school difficult. It should be noted that we have managed to maintain numbers through the pandemic despite the challenges faced, and new methods of promoting the school have shown optimism for increasing the pupil numbers going forward.
- Political decisions and the impact of OFSTED have placed a greater strain on resource in keeping a balance between the ethos of the education and the Steiner based curriculum as an independent school, and the mainstream OFSTED expectations. Extra resource has been added to the management side of the school to deal with the added administration workload.
- The unpredictable nature of the defined benefit pension scheme payments.

Plans for future periods

The Trustees will continue to focus on cost controls and pursuing the remaining bad debt, whilst exploring avenues to increase income. Pupil recruitment will be a primary focus. If a significant increase in pupil numbers can be achieved, plans will be put in place to convert to single year classes with the recruitment of additional teachers.

They will also continue to pursue the stabilisation of the defined benefit pension payments.

Iona School Association

A Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2020

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.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 26 May 2021 and signed on behalf of the board of trustees by:

M Taylor
Trustee

Iona School Association

A Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Iona School Association

Year ended 31 August 2020

I report to the trustees on my examination of the financial statements of Iona School Association ('the charity') for the year ended 31 August 2020.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

I have completed my examination. I confirm that no 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 charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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 financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Iona School Association

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Independent Examiner's Report to the Trustees of Iona School Association *(continued)*

Year ended 31 August 2020

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.

Chetna Brandwood, FCCA
Independent Examiner

Dynamic Business Support Services Limited
15, Plains Farm Close
Nottingham
NG3 5RE

26 May 2021

Iona School Association
A Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 31 August 2020

| | | 2020 | | 2019 |
|---|-------|----------------------------|------------------|------------------|
| | Note | Unrestricted funds £ | Total funds £ | Total funds £ |
| Income and endowments | | | | |
| Donations and legacies | 5 | 42,897 | 42,897 | 13,998 |
| Charitable activities | 6 | 426,091 | 426,091 | 576,934 |
| Other trading activities | 7 | 35,717 | 35,717 | 30,994 |
| Investment income | 9 | 168 | 168 | 444 |
| Total income | | <u>504,873</u> | <u>504,873</u> | <u>622,370</u> |
| Expenditure | | | | |
| Expenditure on raising funds: | | | | |
| Costs of raising donations and legacies | 10 | 992 | 992 | 3,892 |
| Expenditure on charitable activities | 11,12 | 489,805 | 489,805 | 608,731 |
| Total expenditure | | <u>490,797</u> | <u>490,797</u> | <u>612,623</u> |
| Unrealised net actuarial losses on defined benefit pension scheme | 14 | – | – | (1,887) |
| Net income and net movement in funds | | <u>14,076</u> | <u>14,076</u> | <u>7,860</u> |
| Reconciliation of funds | | | | |
| Total funds brought forward | | 526,167 | 526,167 | 518,307 |
| Total funds carried forward | | <u>540,243</u> | <u>540,243</u> | <u>526,167</u> |

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

The notes on pages 15 to 25 form part of these financial statements.

Iona School Association
A Company Limited by Guarantee
Statement of Financial Position
31 August 2020

| | Note | 2020 £ | 2019 £ |
|--|------|----------------|----------------|
| Fixed assets | | | |
| Tangible fixed assets | 19 | 775,315 | 781,159 |
| Current assets | | | |
| Debtors | 20 | 64,728 | 53,053 |
| Cash at bank and in hand | | 53,524 | 69,586 |
| | | <u>118,252</u> | <u>122,639</u> |
| Creditors: amounts falling due within one year | 21 | <u>67,419</u> | <u>48,142</u> |
| Net current assets | | <u>50,833</u> | <u>74,497</u> |
| Total assets less current liabilities | | 826,148 | 855,656 |
| Creditors: amounts falling due after more than one year | 22 | <u>30,042</u> | <u>35,489</u> |
| Net assets excluding defined benefit pension plan liability | | 796,106 | 820,167 |
| Defined benefit pension plan liability | 23 | <u>255,863</u> | <u>294,000</u> |
| Net assets including defined benefit pension plan liability | | <u>540,243</u> | <u>526,167</u> |
| Funds of the charity | | | |
| Unrestricted funds: | | | |
| Revaluation reserve | | 330,549 | 330,549 |
| Other unrestricted income funds | | <u>209,694</u> | <u>195,618</u> |
| Total unrestricted funds | | <u>540,243</u> | <u>526,167</u> |
| Total charity funds | 25 | <u>540,243</u> | <u>526,167</u> |

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

Directors' responsibilities:

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

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

The statement of financial position
continues on the following page.

The notes on pages 15 to 25 form part of these financial statements.

Iona School Association
A Company Limited by Guarantee
Statement of Financial Position *(continued)*
31 August 2020

These financial statements were approved by the board of trustees and authorised for issue on 26 May 2021, and are signed on behalf of the board by:

M Taylor
Trustee

The notes on pages 15 to 25 form part of these financial statements.

Iona School Association
A Company Limited by Guarantee
Statement of Cash Flows
Year ended 31 August 2020

| | 2020 £ | 2019 £ |
|---|-----------------|-----------------|
| Cash flows from operating activities | | |
| Net income | 14,076 | 7,860 |
| <i>Adjustments for:</i> | | |
| Depreciation of tangible fixed assets | 6,055 | 6,232 |
| Government grant income | (22,772) | – |
| Unrealised net actuarial losses on defined benefit pension scheme | – | 1,887 |
| Other interest receivable and similar income | (168) | (444) |
| Interest payable and similar charges | 1,347 | 2,099 |
| Defined benefit pension plan employer contributions | (38,137) | (23,521) |
| <i>Changes in:</i> | | |
| Trade and other debtors | (11,675) | (15,363) |
| Trade and other creditors | 19,369 | 9,020 |
| Cash generated from operations | (31,905) | (12,230) |
| Interest paid | (1,347) | (2,099) |
| Interest received | 168 | 444 |
| Net cash used in operating activities | <u>(33,084)</u> | <u>(13,885)</u> |
| Cash flows from investing activities | | |
| Purchase of tangible assets | (211) | – |
| Net cash used in investing activities | <u>(211)</u> | <u>–</u> |
| Cash flows from financing activities | | |
| Proceeds from borrowings | (5,539) | (9,914) |
| Government grant income | 22,772 | – |
| Net cash from/(used in) financing activities | <u>17,233</u> | <u>(9,914)</u> |
| Net decrease in cash and cash equivalents | (16,062) | (23,799) |
| Cash and cash equivalents at beginning of year | 69,586 | 93,385 |
| Cash and cash equivalents at end of year | <u>53,524</u> | <u>69,586</u> |

The notes on pages 15 to 25 form part of these financial statements.

Iona School Association
A Company Limited by Guarantee
Notes to the Financial Statements
Year ended 31 August 2020

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 310 Sneinton Dale, Nottingham, NG3 7DN, England.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

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

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

Going concern

The Trustees have given special consideration to the impact of on-going COVID-19 pandemic on the school. The charity has prepared financial projections taking into consideration the current economic climate, and its potential impact on the sources of income and related expenditure. The charity has cash resources and a long term loan provided by Triodos bank. The trustees have a reasonable expectation that the charitable company will have adequate resources to continue in operational existence for the foreseeable future. Therefore the financial statements have been prepared on the going concern basis.

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.

In preparing this accounts the directors have assumed that the funding plan for the closed defined benefit scheme deficit (detailed in note 23) will not change materially in the future and that the future surplus funds generated by the charity will be sufficient to meet the future funding requirements.

Iona School Association
A Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 August 2020

3. Accounting policies *(continued)*

Taxation

The trustees consider that the charity satisfies the test set out in Paragraph 1 Schedule 6 of the Finance Act 2010 for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation on income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation Chargeable Gains Act 1992, to the extent that such income and gains are applied exclusively to its charitable purpose. No tax charges have arisen in the company.

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 trustees for a particular future project or commitment.

There are no restricted funds.

Incoming resources

All income is 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.

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.

Iona School Association
A Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 August 2020

3. Accounting policies *(continued)*

Tangible assets

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

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

Depreciation

Freehold land is not depreciated. For the remaining assets, 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:

| | | |
|---------------------|---|------------------------------------|
| Freehold building | - | over 50 years straight-line basis |
| Plant and machinery | - | 15% and 25% reducing balance basis |

In the 2013 financial year the freehold land and buildings were valued by professional valuers at an open market value at amount of £800,000 on the assumption that consent for residential development would be granted. The trustees are not aware of any material changes since the last valuation. The trustees attributed a £250,000 of the revalued amount to the buildings, being a reasonable estimate of their value at that time. In 2015 the trustees commenced depreciating the freehold buildings. Under FRS102 the trustees have adopted the revalued amount as deemed cost.

Government grants

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

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

Iona School Association
A Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 August 2020

3. Accounting policies *(continued)*

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments.

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs and are subsequently measured at their settlement value with the exception of bank loan which is measured at amortised cost using the effective interest method.

Defined benefit plans

The company operates a defined benefit pension scheme. The scheme was closed to new members from December 2008. Contributions are recognised as an expense as they become payable and a defined net benefit pension asset or liability is accounted for in the statement of financial position in accordance with module 17 of the SORP.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Limited by guarantee

The charity is a company limited by guarantee and was formed on 7 May 1985. It is govern by a memorandum and articles of association. The members of the company are the trustees named on page1. The liability of the members in the event of the company being wound up is limited to a sum not exceeding £1.

5. Donations and legacies

| | Unrestricted Funds £ | Total Funds 2020 £ | Unrestricted Funds £ | Total Funds 2019 £ |
|-------------------------|----------------------------|-----------------------------------|----------------------------|--------------------------|
| Donations | | | | |
| Donations received | 20,125 | 20,125 | 13,998 | 13,998 |
| Grants | | | | |
| Government grant income | <u>22,772</u> | <u>22,772</u> | <u>—</u> | <u>—</u> |
| | <u>42,897</u> | <u>42,897</u> | <u>13,998</u> | <u>13,998</u> |

Grants received consist of a grant of £10,000 from the local council and funding of £12,772 for furloughing some of the charity's staff under the government's Coronavirus Job Retention Scheme.

Iona School Association
A Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

6. Charitable activities

| | Unrestricted Funds £ | Total Funds 2020 £ | Unrestricted Funds £ | Total Funds 2019 £ |
|--|----------------------------|-----------------------------------|----------------------------|--------------------------|
| Sale of goods/services as part of direct charitable activities | 426,091 | 426,091 | 576,934 | 576,934 |

7. Other trading activities

| | Unrestricted Funds £ | Total Funds 2020 £ | Unrestricted Funds £ | Total Funds 2019 £ |
|-----------------------|----------------------------|-----------------------------------|----------------------------|--------------------------|
| Fundraising events | 14,546 | 14,546 | 10,007 | 10,007 |
| Letting and licensing | 21,171 | 21,171 | 20,987 | 20,987 |
| | <u>35,717</u> | <u>35,717</u> | <u>30,994</u> | <u>30,994</u> |

8. The contribution of volunteers

The charity depends on the support of its volunteers, which is much appreciated. The charity does not have a formal group of volunteers. When required, normally for fund raising events, parents and well-wishers are invited to attend and help with activities.

9. Investment income

| | Unrestricted Funds £ | Total Funds 2020 £ | Unrestricted Funds £ | Total Funds 2019 £ |
|--------------------------|----------------------------|-----------------------------------|----------------------------|--------------------------|
| Bank interest receivable | 168 | 168 | 444 | 444 |

10. Costs of raising donations and legacies

| | Unrestricted Funds £ | Total Funds 2020 £ | Unrestricted Funds £ | Total Funds 2019 £ |
|---|----------------------------|-----------------------------------|----------------------------|--------------------------|
| Costs of raising donations and legacies - Donations | 992 | 992 | 3,892 | 3,892 |

11. Expenditure on charitable activities by fund type

| | Unrestricted Funds £ | Total Funds 2020 £ | Unrestricted Funds £ | Total Funds 2019 £ |
|------------------------|----------------------------|-----------------------------------|----------------------------|--------------------------|
| Provision of education | 334,704 | 334,704 | 440,145 | 440,145 |
| Support costs | 155,101 | 155,101 | 168,586 | 168,586 |
| | <u>489,805</u> | <u>489,805</u> | <u>608,731</u> | <u>608,731</u> |

Iona School Association
A Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

12. Expenditure on charitable activities by activity type

| | Activities undertaken directly | Support costs | Total funds 2020 | Total fund 2019 |
|------------------------|--------------------------------------|----------------|-----------------------------|--------------------|
| | £ | £ | £ | £ |
| Provision of education | <u>334,704</u> | <u>155,101</u> | <u>489,805</u> | <u>608,731</u> |

13. Analysis of support costs for provision of education

| | Provision of education | Total 2020 | Total 2019 |
|---------------------------------|---------------------------|-------------------|----------------|
| | £ | £ | £ |
| Staff costs | 47,762 | 47,762 | 50,740 |
| Premises | 13,618 | 13,618 | 11,294 |
| Communications and IT | 1,855 | 1,855 | 1,791 |
| General office | 10,605 | 10,605 | 10,441 |
| Finance costs | 1,347 | 1,347 | 2,099 |
| Governance costs | 1,000 | 1,000 | 1,000 |
| Repair and renewals | 5,876 | 5,876 | 26,325 |
| Light and heat | 15,171 | 15,171 | 18,777 |
| Content and liability insurance | 12,100 | 12,100 | 12,066 |
| Membership subscription | 5,389 | 5,389 | 9,238 |
| Travelling and conference | 1,536 | 1,536 | 1,530 |
| Health and safety | 1,938 | 1,938 | 1,392 |
| Bad debt | 5,001 | 5,001 | (1,984) |
| Cleaning expenses | 6,572 | 6,572 | 7,240 |
| Legal and professional | 19,276 | 19,276 | 10,405 |
| Depreciation | <u>6,055</u> | <u>6,055</u> | <u>6,232</u> |
| | <u>155,101</u> | <u>155,101</u> | <u>168,586</u> |

14. Unrealised net actuarial losses on defined benefit pension scheme

| | Unrestricted Funds | Total Funds 2020 | Unrestricted Funds | Total Funds 2019 |
|---|-----------------------|-----------------------------|-----------------------|---------------------|
| | £ | £ | £ | £ |
| Gains/(losses) on other investment assets | <u>—</u> | <u>—</u> | <u>(1,887)</u> | <u>(1,887)</u> |

15. Net income

Net income is stated after charging/(crediting):

| | 2020 | 2019 |
|---------------------------------------|-------------|------------|
| | £ | £ |
| Depreciation of tangible fixed assets | 6,055 | 6,232 |
| Operating lease rentals | <u>—</u> | <u>540</u> |

Iona School Association
A Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 August 2020

16. Independent examination fees

| | 2020 | 2019 |
|---|--------------|--------------|
| | £ | £ |
| Fees payable to the independent examiner for: | | |
| Independent examination of the financial statements | <u>1,000</u> | <u>1,000</u> |

17. Staff costs

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

| | 2020 | 2019 |
|---|----------------|----------------|
| | £ | £ |
| Wages and salaries | 345,879 | 426,572 |
| Social security costs | 16,613 | 23,866 |
| Employer contributions to pension plans | 7,018 | 8,863 |
| Other employee benefits | — | 3,276 |
| | <u>369,510</u> | <u>462,577</u> |

The average head count of employees during the year was 28 (2019: 28). The average number of full-time equivalent employees during the year is analysed as follows:

| | 2020 | 2019 |
|---|-------------|-----------|
| | No. | No. |
| Number of staff - charitable activities | 15 | 16 |
| Number of staff - management and administration | <u>3</u> | <u>3</u> |
| | <u>18</u> | <u>19</u> |

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

18. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees during the year. No trustees expenses have been incurred.

Iona School Association

A Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

19. Tangible fixed assets

| | Freehold property £ | Plant and machinery £ | Total £ |
|--------------------------|---------------------------|-----------------------------|--------------------|
| Cost | | | |
| At 1 September 2019 | 800,000 | 72,429 | 872,429 |
| Additions | – | 211 | 211 |
| At 31 August 2020 | <u>800,000</u> | <u>72,640</u> | <u>872,640</u> |
| Depreciation | | | |
| At 1 September 2019 | 25,000 | 66,270 | 91,270 |
| Charge for the year | 5,000 | 1,055 | 6,055 |
| At 31 August 2020 | <u>30,000</u> | <u>67,325</u> | <u>97,325</u> |
| Carrying amount | | | |
| At 31 August 2020 | <u>770,000</u> | <u>5,315</u> | <u>775,315</u> |
| At 31 August 2019 | <u>775,000</u> | <u>6,159</u> | <u>781,159</u> |

20. Debtors

| | 2020 | 2019 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Trade debtors | 61,144 | 49,528 |
| Prepayments and accrued income | 3,584 | 3,525 |
| | <u>64,728</u> | <u>53,053</u> |

21. Creditors: amounts falling due within one year

| | 2020 | 2019 |
|---------------------------------|---------------|---------------|
| | £ | £ |
| Bank loans and overdrafts | 5,441 | 5,533 |
| Trade creditors | 30,014 | 7,208 |
| Accruals and deferred income | 2,348 | 7,673 |
| Social security and other taxes | 3,239 | 3,334 |
| Other creditors | 26,377 | 24,394 |
| | <u>67,419</u> | <u>48,142</u> |

22. Creditors: amounts falling due after more than one year

| | 2020 | 2019 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Bank loans and overdrafts | <u>30,042</u> | <u>35,489</u> |

Iona School Association
A Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 August 2020

23. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £7,018 (2019: £8,863).

Defined benefit plans (Mercury Provident Pension Scheme)

Trustee of the scheme is responsible for the running of the scheme in accordance with the scheme's trust deed and rules.

The charity closed the scheme to new members from 31 December 2008.

In 2016 it was reported that due to administrative irregularities there was a risk that the Mercury Provident Pension Scheme (MPPS) would have to be wound up. During 2017 these irregularities were resolved with a new scheme trustee and the scheme is no longer at risk. An actuarial valuation of the scheme was completed on the 30 June 2020 and reviewed the scheme's position at the 31 August 2019. The report indicated that the Iona School Association's share of the MPPS was £294,000. The deficit continues to be funded by an annual contribution, currently of £29,076 (£2,423 per month) and on that basis the deficit is forecasted to be repaid by 2036. The annual contribution will increase by 5% per annum. The actuarial valuation will now be carried out every three years.

The statement of financial position net defined benefit liability is determined as follows:

| | 2020 | 2019 |
|--|------------------|------------------|
| | £ | £ |
| Present value of defined benefit obligations | (294,000) | (315,634) |
| Fair value of plan assets | <u>38,137</u> | <u>21,634</u> |
| | <u>(255,863)</u> | <u>(294,000)</u> |

Changes in the present value of the defined benefit obligations are as follows:

| | 2020 |
|---------------------|----------------|
| | £ |
| At 1 September 2019 | <u>294,000</u> |

Changes in the fair value of plan assets are as follows:

| | 2020 |
|---------------------------|---------------|
| | £ |
| Contributions by employer | <u>38,137</u> |

24. Government grants

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

| | 2020 | 2019 |
|---|---------------|----------|
| | £ | £ |
| Recognised in income from donations and legacies: | | |
| Government grants income | <u>22,772</u> | <u>—</u> |

Iona School Association
A Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

25. Analysis of charitable funds

Unrestricted funds

| | At 1 September 2019 £ | Income £ | Expenditure £ | Gains and losses £ | At 31 August 20 20 £ |
|---------------------|--------------------------------|----------------|------------------|--------------------------|-------------------------------|
| General funds | 195,618 | 504,873 | (490,797) | – | 209,694 |
| Revaluation reserve | 330,549 | – | – | – | 330,549 |
| | <u>526,167</u> | <u>504,873</u> | <u>(490,797)</u> | <u>–</u> | <u>540,243</u> |

| | At 1 September 2018 £ | Income £ | Expenditure £ | Gains and losses £ | At 31 August 20 19 £ |
|---------------------|--------------------------------|----------------|------------------|--------------------------|-------------------------------|
| General funds | 187,758 | 622,370 | (612,623) | (1,887) | 195,618 |
| Revaluation reserve | 330,549 | – | – | – | 330,549 |
| | <u>518,307</u> | <u>622,370</u> | <u>(612,623)</u> | <u>(1,887)</u> | <u>526,167</u> |

26. Analysis of net assets between funds

| | Unrestricted Funds £ | Total Funds 2020 £ |
|-------------------------------|----------------------------|--------------------------|
| Tangible fixed assets | 775,315 | 775,315 |
| Current assets | 118,252 | 118,252 |
| Creditors less than 1 year | (67,419) | (67,419) |
| Creditors greater than 1 year | (30,042) | (30,042) |
| Defined benefit pension | (255,863) | (255,863) |
| Net assets | <u>540,243</u> | <u>540,243</u> |

| | Unrestricted Funds £ | Total Funds 2019 £ |
|-------------------------------|----------------------------|--------------------------|
| Tangible fixed assets | 781,159 | 781,159 |
| Current assets | 122,639 | 122,639 |
| Creditors less than 1 year | (48,142) | (48,142) |
| Creditors greater than 1 year | (35,489) | (35,489) |
| Defined benefit pension | (294,000) | (294,000) |
| Net assets | <u>526,167</u> | <u>526,167</u> |

Iona School Association
A Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 August 2020

27. Analysis of changes in net debt

| | At 1 Sep 2019 | Cash flows | At 31 Aug 2020 |
|--------------------------|---------------|-----------------|-------------------|
| | £ | £ | £ |
| Cash at bank and in hand | <u>69,586</u> | <u>(16,062)</u> | <u>53,524</u> |

28. Controlling party

The charity is controlled by its trustees.