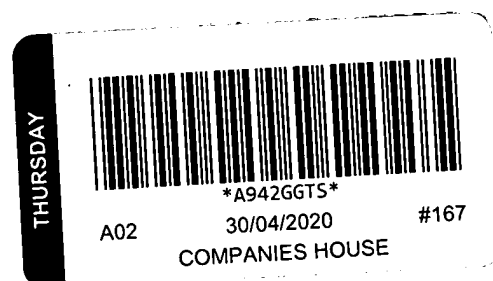


Registered number: 563845  
Charity number: 528411

**PACKWOOD HAUGH SCHOOL LIMITED**  
**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 JULY 2019**

  
**Whittingham Riddell**  
*chartered accountants*



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**PACKWOOD HAUGH SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**PACKWOOD HAUGH SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS  
FOR THE PERIOD ENDED 31 JULY 2019**

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**Governors**

Mr D R Stacey, Chair<sup>1</sup>  
Mr R C Morris, Vice Chair<sup>1</sup>  
Mr R Jebb  
Mr W A Johnston  
Mr J M Ollier FCA<sup>1</sup>  
Mrs H Brown  
Mrs F Schofield<sup>1</sup>  
Mr R Hackett  
Mr J R Davies<sup>1</sup>  
Mr M Humphreys  
Mr A Moreau  
Mr L Faulkner

<sup>1</sup> Member of the Finance and General Purpose Committee

**Company registered number**

563845

**Charity registered number**

528411

**Registered office**

Park Bank  
Ruyton X1 Towns  
Shrewsbury  
SY4 1HX

**Company secretary**

Mrs N M Shaw

**Independent auditors**

Whittingham Riddell LLP  
Chartered Accountants  
Belmont House  
Shrewsbury Business Park  
Shrewsbury  
Shropshire  
SY2 6LG

**Bankers**

Barclays Bank Plc  
44-46 Castle Street  
Shrewsbury  
SY1 2BU

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**PACKWOOD HAUGH SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS**  
**FOR THE PERIOD ENDED 31 JULY 2019**

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**Key Management Personnel**

Mr R Fox - Headmaster  
Mrs S Rigby - Deputy Headteacher  
Mr R Chambers - Deputy Headteacher  
Mrs N Shaw - Bursar & Clerk to the Governors

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**PACKWOOD HAUGH SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**GOVERNORS' REPORT**  
**FOR THE PERIOD ENDED 31 JULY 2019**

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The Governors, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements of Packwood Haugh School ("the School") for the period ended 31 July 2019.

The Governors' vision is that the School should become the outstanding prep school in the West Midlands and beyond. During the previous year, the Governors carried out a review to identify the necessary steps and the investment required in order to achieve this goal and as a result decided to seek out a strategic partner.

It was announced on 10 May 2019, that Packwood Haugh School would merge with Shrewsbury School and join the Shrewsbury School family of Schools.

The assets, liabilities and trading activities of Packwood Haugh School were transferred to Shrewsbury school on 1 August 2019. All Restricted and Designated funds within Packwood Haugh School at the date of transfer will be maintained within Shrewsbury School.

As a result, Packwood Haugh School, changed its accounting period end to 31 July 2019 and the current accounting period represents 11 months activity, compared to 12 months in the comparatives.

Packwood Haugh, under the Headship of Rob Fox, will retain its own identity, name, uniform and distinctiveness, whilst operating within Shrewsbury School family of schools.

The Governors' report is written in this context.

## **Objectives and Activities**

### **a. Policies and objectives**

The principal object of the School is to run an independent boarding and day Preparatory School for boys and girls aged from four to thirteen. The School covers all that is required by the National Curriculum Key Stages 1 and 2, and the first two years of Key Stage 3 and substantially more. It also focuses on providing pupils of all abilities with intellectual, physical, moral and spiritual growth.

The School aims for the highest quality of academic tuition and pastoral care and the development of wider sporting, artistic and social skills in all its pupils, while offering an environment in which each pupil can develop and fulfil their potential.

Scholarships and means tested bursaries are granted to those who would otherwise be unable to attend the School, and the School continues to cement its partnership with the community through the provision of sporting and cultural facilities, either free of charge or at cost.

### **b. Strategies for achieving objectives**

The School's strategy for achieving its objectives is to ensure that facilities and staff are maintained at the highest possible standard so as to maximise the fulfilment of the aims set out above.

The success of this strategy is measured by taking careful note of formal reports and other external perceptions of success, both immediate and in the ways in which the School's alumni meets its hopes for them in their subsequent careers. Sources include the reports of inspectors, the views of parents and guardians, feedback from former pupils and the Schools to which they proceed, and interested members of the public.

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**PACKWOOD HAUGH SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 JULY 2019**

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**c. Activities for achieving objectives**

The School principally provides education in Ruyton XI Towns to boys and girls aged between four and thirteen. This year, the School averaged 198 pupils, of whom 73 were boarders. At the end of the School year the number of boarders was 76, with total pupil numbers being over 200.

**d. Grant making policies**

This year, the value of scholarships and bursaries, including means tested bursaries made to pupils, exceeded £456,000 (2018: £440,000). This equates to 12% of gross fee income which the Governors have deemed an appropriate figure to distribute in this way. The Governors' policy is to make these awards in order to widen access to education to those who might be unable to pay for it, in line with the Charity Commission's "Public Benefit" requirements.

**e. Main activities undertaken to further the charity's purposes for the public benefit**

In recognising our responsibilities as a charity and in our response to the new demands of the Charities Act we have continued to record our 'public benefit' activities. Emphasis has been placed on means tested bursaries and the eligibility of candidates in line with public benefit testing, and the aim to widen the accessibility of the education on offer through the greater use of these bursaries. In addition, the link with St John's Primary School in the village of Ruyton XI Towns continues, with their occasional use of the sports hall and the theatre.

The School's public benefit register includes the education of pupils who would otherwise be educated through the state system as well as the role played by the School as a significant local employer. At present, we directly and indirectly employ in excess of 50 people from the village of Ruyton XI Towns. Less tangible, but nonetheless important, is the positive impact on the local economy created by the School in this rural area; in particular the local shops and the parish church. The parish Church receives substantial financial support from the School, along with donations from the parental congregation, and combined services with Packwood's choirs, musicians and readers all taking a very active role.

Packwood continues to develop a range of activities which provide educational (physical and learning) benefit to the local community. The villages of Ruyton XI Towns and Baschurch, as well as the local town of Oswestry, take advantage of suitable facilities and equipment such as the all weather playing surface, subject to the needs of the School. These are mainly used by organisations involved with children under 13. The School is limited by its location in how much it can do but, with the sports hall and other sports facilities, art and CDT facility together with the theatre, we are opening up further opportunities for cooperation and the sharing of the educational facilities with the local community. There are already many established community links, we have innovative staff and a reputation which will allow us to develop this role further in the advancement of education.

Throughout each year the children are also involved in fund raising activities for various local and national charities such as the local hospice and the Christmas shoebox appeal. We continue the links that have been established with a school in Cambodia, both staff and children are involved with this project.

The School has hosted a number of residential holiday and sporting camps during the year, focusing on our core age range of 8-14 years. These holiday lets have the sole purpose of raising funds to support the aims of the School.

In carrying out their duties, the Governors have due regard for the Charity Commission's revised guidance in respect of public benefit.

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**PACKWOOD HAUGH SCHOOL LIMITED**  
(A company limited by guarantee)

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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 JULY 2019**

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**Strategic report**

**Achievements and performance**

**a. Key financial performance indicators**

The School achieved an overall surplus for the year of £137,012 (2018: deficit of £160,645).

**b. Review of activities**

18 scholarships were awarded to senior schools, with a good mix of academic and extra curricular activity ones, maintaining the high standards achieved in recent years. In common entrance there was again 100% success with 95% A-C grades; these results accurately reflected the ability range of the top year pupils and are some of the best results on record. The list of senior school destinations (12 in total) continues to reflect the fact that Packwood is a School with national reach. Several children achieved national or regional recognition in music, fencing, swimming and numerous team sports and our riders continue to excel in all manner of competitions.

**c. Investment policy and performance**

The Barker Memorial Fund and Pease Watkin Fund were set up with the aim to provide financial assistance for boys and girls entering Packwood or going on to further education in accordance with the rules set out specifically in their funds.

The objectives of the School's investments in two trusts are to balance the current and future needs by maintaining (at least) the value of the investments in real terms, producing a consistent and sustainable amount to support the financial assistance and delivering these objectives within acceptable levels of risk.

The investment strategy and policy is monitored by the Trustees of the Funds, as is investment performance.

At the year-end, the Trust's long term investments, combining the securities and cash investments, totalled £182,565 (2018: £182,802). The overall total investment return was 4.86% (2018: 4.42%) over the year which reflected a satisfactory result in a difficult year for investing.

**Financial review**

**a. Going concern**

Packwood Haugh School transferred its assets, liabilities and business to Shrewsbury School on 1 August 2019. Therefore the Governors do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 23. The audit opinion is not modified in respect of this matter.

**b. Principal risks and uncertainties**

The Governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the School.

The Governors try to keep all fee rises to a minimum in the current times.

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**PACKWOOD HAUGH SCHOOL LIMITED**  
(A company limited by guarantee)

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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 JULY 2019**

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Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks. The level and breadth of activity at the School is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks for the School.

**c. Reserves policy**

The unrestricted reserves shown on the balance sheet are £4,443,843 (2018: £4,314,567). After deducting £4,653,322 (2018: £4,760,394) relating to fixed assets and £85,289 (2018: £85,119) relating to designated funds, there is currently a deficit of free reserves available of £294,768 (2018: deficit of £530,946). The School's policy is to build up the reserves by generating operating surpluses, so that sufficient money is available to invest in new infrastructure projects.

**Structure, governance and management**

**a. Constitution**

The School is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 29 March 1956.

The School is a registered charity number 528411.

**b. Method of appointment or election of Governors**

The management of the School is the responsibility of the Governors who are elected and co-opted under the terms of the Memorandum and Articles of Association.

**c. Policies adopted for the induction and training of Governors**

New Governors are inducted into the workings of the School, including policies and procedures, at a briefing by the Bursar and Headmaster. New Governors are also provided with training material and attend courses, appropriate to their role.

**d. Pay policy for senior staff**

The remuneration of key management personnel is set by the Board, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success.



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**PACKWOOD HAUGH SCHOOL LIMITED**  
(A company limited by guarantee)

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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 JULY 2019**

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**e. Organisational structure and decision making**

Members of the Board of Governors are also Directors and Trustees. They are responsible for the strategic and financial direction of the School and for policy making.

Packwood is an active member of the IAPS, ISBA and AGBIS for the promotion and maintenance of preparatory school standards generally.

Under their direction, strategic options are explored and policies are proposed by the Finance and General Purposes Committee. This comprises nominated Governors working with members of the School's Senior Management. The main purpose of the Finance and General Purposes Committee is to perform such work as will enable the Governors to curtail time spent on discussion of financial matters and other detail, so as to leave more time on the agenda for wider educational and strategic issues.

The Headmaster is responsible for the day to day management of the School and the Bursar is responsible for the financial and support functions of the School. The Headmaster, the Bursar, the two Deputy Heads and the director of studies make up the senior management team.

**f. Risk management**

The Governors have assessed the major risks to which the School is exposed, in particular those related to the operations and finances of the School, and are satisfied that systems and procedures are in place to manage our exposure to the major risks. The risk assessment is updated and considered by the Board on an ongoing basis.

The principle concern for the School is the welfare of pupils and staff. Additional to this is the need to retain the highest quality of staff, the highest standards of education and pastoral care throughout the school and maintaining pupil numbers. The current economic challenges faced by the country are an on-going concern.

**Plans for future periods**

**a. Future developments**

The School's three year development plan has been reviewed and updated by the Headmaster and his management team and has been approved by the Governing Body. Key projects completed this year have included the updating equipment in the kitchens, improving health & safety and installing a new dust extraction system in CDT, new fixtures and fittings for year 6 classrooms in the main school, new mattresses for areas of the boarding houses and improving the computer infrastructure on site.

Exciting plans are due to start at Packwood following the School's 125th anniversary last year. The new Headmaster, Mr Robert Fox, started in April 2019 and with his input, development of the science facilities at the School are imminent. An updated development plan in conjunction with masterplan will be done by the new Head in his first year and will be agreed by the Governing body in 2019/20 looking to the future.

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**PACKWOOD HAUGH SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 JULY 2019**

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**Governors' responsibilities statement**

The Governors (who are also directors of Packwood Haugh School for the purposes of company law) are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the 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 charitable company will continue in operation.


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

**Disclosure of information to auditors**

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Governors, on 14 October 2019 and signed on their behalf by:

  
.....  
Mr D R Stacey  
Governor

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**PACKWOOD HAUGH SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PACKWOOD HAUGH SCHOOL LIMITED**

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**Opinion**

We have audited the financial statements of Packwood Haugh School Limited (the 'School') for the period ended 31 July 2019 set out on pages 12 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2019 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter**

We draw your attention to Note 1.3 to the financial statements which explains that Packwood Haugh School transferred its assets, liabilities and business to Shrewsbury School on 1 August 2019. Therefore the Governors do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Notes 1.3 and 23. Our opinion is not modified in respect of this matter.

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**PACKWOOD HAUGH SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PACKWOOD HAUGH SCHOOL LIMITED**

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**Other Information**

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the charitable School for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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**PACKWOOD HAUGH SCHOOL LIMITED**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PACKWOOD HAUGH SCHOOL LIMITED**

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In preparing the financial statements, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

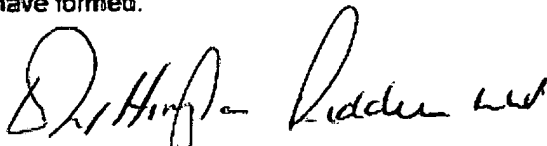
**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andy Malpass (Senior statutory auditor)

for and on behalf of

**Whittingham Riddell LLP**

Chartered Accountants  
Statutory Auditors

Belmont House  
Shrewsbury Business Park  
Shrewsbury  
Shropshire  
SY2 6LG  
23 October 2019

**PACKWOOD HAUGH SCHOOL LIMITED**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE PERIOD ENDED 31 JULY 2019**

|  | Note | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Total<br>funds<br>2019<br>£ | Total<br>funds<br>2018<br>£ |
|--|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>INCOME FROM:</b>  |      |                                    |                                  |                             |                             |
| Donations and legacies   | 2    | 170                                | 200                              | 370                         | 63,994                      |
| Charitable activities  | 3    | 3,783,130                          | (2,400)                          | 3,780,730                   | 3,486,201                   |
| Investments  | 5    | 606                                | 8,875                            | 9,481                       | 8,434                       |
| Other income   |      | 69,664                             | -                                | 69,664                      | 71,886                      |
| <b>TOTAL INCOME</b>  |      | <b>3,853,570</b>                   | <b>6,675</b>                     | <b>3,860,245</b>            | <b>3,630,515</b>            |
| <b>EXPENDITURE ON:</b>   |      |                                    |                                  |                             |                             |
| Raising funds  |      | 20,930                             | 599                              | 21,529                      | 22,590                      |
| Charitable activities  |      | 3,703,364                          | -                                | 3,703,364                   | 3,766,937                   |
| <b>TOTAL EXPENDITURE</b>   | 6    | <b>3,724,294</b>                   | <b>599</b>                       | <b>3,724,893</b>            | <b>3,789,527</b>            |
| <b>NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)</b>         |      |                                    |                                  |                             |                             |
| Net gains/(losses) on investments  | 10   | 129,276                            | 6,076                            | 135,352                     | (159,012)                   |
|  |      | -                                  | 1,660                            | 1,660                       | (1,633)                     |
| <b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b> |      | <b>129,276</b>                     | <b>7,736</b>                     | <b>137,012</b>              | <b>(160,645)</b>            |
| <b>NET MOVEMENT IN FUNDS</b>   |      | <b>129,276</b>                     | <b>7,736</b>                     | <b>137,012</b>              | <b>(160,645)</b>            |
| <b>RECONCILIATION OF FUNDS:</b>  |      |                                    |                                  |                             |                             |
| Total funds brought forward  |      | 4,314,567                          | 186,854                          | 4,501,421                   | 4,662,066                   |
| <b>TOTAL FUNDS CARRIED FORWARD</b>   |      | <b>4,443,843</b>                   | <b>194,590</b>                   | <b>4,638,433</b>            | <b>4,501,421</b>            |

The notes on pages 16 to 32 form part of these financial statements.

All income and expenditure is from continuing operations.

The Statement of Financial Activities incorporates all gains and losses recognised in the period.

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**PACKWOOD HAUGH SCHOOL LIMITED**  
(A company limited by guarantee)

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**SUMMARY INCOME AND EXPENDITURE ACCOUNT  
FOR THE PERIOD ENDED 31 JULY 2019**

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|   | Note      | Total<br>funds<br>2019<br>£ | Total<br>funds<br>2018<br>£ |
|---|-----------|-----------------------------|-----------------------------|
| <b>GROSS INCOME IN THE REPORTING PERIOD</b> |           | <b>3,861,905</b>            | <b>3,628,882</b>            |
| Less: Total expenditure                     |           | <b>3,724,893</b>            | <b>2,295</b>                |
| <b>NET INCOME FOR THE FINANCIAL YEAR</b>    | <b>16</b> | <b>137,012</b>              | <b>(160,645)</b>            |

The notes on pages 16 to 32 form part of these financial statements.

**PACKWOOD HAUGH SCHOOL LIMITED**  
(A company limited by guarantee)  
REGISTERED NUMBER: 563845

**BALANCE SHEET**  
**AS AT 31 JULY 2019**

|  | Note | £              | 31 July<br>2019<br>£ | £              | 31 August<br>2018<br>£ |
|--|------|----------------|----------------------|----------------|------------------------|
| <b>FIXED ASSETS</b>  |      |                |                      |                |                        |
| Tangible assets  | 9    |                | 4,653,322            |                | 4,760,391              |
| Investments  | 10   |                | 182,565              |                | 182,802                |
|  |      |                | <u>4,835,887</u>     |                | <u>4,943,193</u>       |
| <b>CURRENT ASSETS</b>  |      |                |                      |                |                        |
| Stocks   | 11   | 30,996         |                      | 39,300         |                        |
| Debtors  | 12   | 234,725        |                      | 258,052        |                        |
| Investments  | 13   | 12,022         |                      | 4,052          |                        |
| Cash at bank and in hand                                       |      | 421,987        |                      | 236,611        |                        |
|  |      | <u>699,730</u> |                      | <u>538,015</u> |                        |
| <b>CREDITORS: amounts falling due within one year</b>          | 14   | (799,784)      |                      | (928,382)      |                        |
| <b>NET CURRENT LIABILITIES</b>                                 |      |                | (100,054)            |                | (390,367)              |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |                | <u>4,735,833</u>     |                | <u>4,552,826</u>       |
| <b>CREDITORS: amounts falling due after more than one year</b> | 15   |                | (97,400)             |                | (51,405)               |
| <b>NET ASSETS</b>  |      |                | <u>4,638,433</u>     |                | <u>4,501,421</u>       |
| <b>CHARITY FUNDS</b>   |      |                |                      |                |                        |
| Restricted funds   | 16   | 194,590        |                      | 186,854        |                        |
| Unrestricted funds   | 16   | 4,443,843      |                      | 4,314,567      |                        |
| <b>TOTAL FUNDS</b>   |      |                | <u>4,638,433</u>     |                | <u>4,501,421</u>       |

The financial statements were approved and authorised for issue by the Governors on 14 October 2019 and signed on their behalf, by:

  
Mr D R Stacey

  
Mr R C Morris

The notes on pages 16 to 32 form part of these financial statements.



**PACKWOOD HAUGH SCHOOL LIMITED**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 JULY 2019**

|  | Note | 2019<br>£             | 2018<br>£             |
|--|------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>              |      |                       |                       |
| Net cash provided by operating activities                | 18   | <u>131,407</u>        | <u>137,979</u>        |
| <b>Cash flows from investing activities:</b>             |      |                       |                       |
| Purchase of tangible fixed assets                        |      | (48,301)              | (66,059)              |
| Movement in unlisted investments                         |      | (7,970)               | 5,955                 |
| Sale/(Purchase) of investments                           |      | <u>1,897</u>          | <u>(7,589)</u>        |
| <b>Net cash used in investing activities</b>             |      | <u>(54,374)</u>       | <u>(67,693)</u>       |
| <b>Change in cash and cash equivalents in the period</b> |      | <b>77,033</b>         | <b>70,286</b>         |
| Cash and cash equivalents brought forward                |      | <u>214,378</u>        | <u>144,092</u>        |
| <b>Cash and cash equivalents carried forward</b>         | 19   | <u><u>291,411</u></u> | <u><u>214,378</u></u> |

The notes on pages 16 to 32 form part of these financial statements.

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**PACKWOOD HAUGH SCHOOL LIMITED**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 JULY 2019**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Packwood Haugh 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.

**1.2 Company status**

The School is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the School being wound up, the liability in respect of the guarantee is limited to £1 per member of the School.

**1.3 Going concern**

As set out in note 23 on 1 August 2019, the assets, liabilities and business of Packwood Haugh School were transferred to Shrewsbury School at their carrying amounts on the merger of the two schools.

As the trading activities were transferred these financial statements have not been prepared on a going concern basis. No material adjustments arose as a result of ceasing to apply the going concern basis.

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**PACKWOOD HAUGH SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 JULY 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

All income is recognised once the School has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the School is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the School has been notified of the executor's intention to make a distribution. Where legacies have been notified to the School, or the School is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the School where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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**PACKWOOD HAUGH SCHOOL LIMITED**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 JULY 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the School and include project management carried out at Headquarters.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the School's educational operations, including support costs and costs relating to the governance of the School apportioned to charitable activities.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

|                       |   |                   |
|-----------------------|---|-------------------|
| Freehold property     | - | 2% straight line  |
| Motor vehicles        | - | 25% straight line |
| Fixtures and fittings | - | 10% straight line |
| Computer equipment    | - | 20% straight line |

**1.7 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

Gains/(losses) on investments, in the Statement of financial activities.

Gains and losses whether realised or unrealised, are combined and shown in the heading value cannot be measured reliably in which case it is measured at cost less impairment. Investment transaction cost and subsequently measured at fair value at the balance sheet date, unless fair Fixed asset investments are a form of financial instrument and are initially recognised at their

#### 1.1 Investments

|                       |   |                   |
|-----------------------|---|-------------------|
| Computer equipment    | - | 50% straight line |
| Fixtures and fittings | - | 10% straight line |
| Motor vehicles        | - | 55% straight line |
| Freehold property     | - | 5% straight line  |

following pages:

the cost of fixed assets, less their estimated residual value, over their expected useful lives on the Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

losses are recognised in the Statement of financial activities.

Value of fixed assets and their recoverable amounts are recognised as impairments. Impairment that the carrying value of any fixed asset may not be recoverable. Gains/losses between the carrying A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate

All assets costing more than £200 are capitalised.

#### 1.2 Tangible fixed assets and depreciation

to charitable activities:

operations, including support costs and costs relating to the governance of the School apportioned Charitable activities and Governance costs are costs incurred on the School's educational

trading activities that raise funds.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in

management carried out at Headquarters.

incurred directly in support of expenditure on the objects of the School and include project of disseminating information in support of the charitable activities. Support costs are those costs Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs

basis of time spent, and depreciation charges allocated on the basis of the asset's use.

activities on a basis consistent with the use of resources. Central staff costs are allocated on the and support costs which are not attributable to a single activity are apportioned between those activity are allocated directly to that activity. Shared costs which contribute to more than one activity including support costs involved in undertaking each activity. Direct costs attributable to a single activity. The costs of each activity are made up of the total of direct costs and shared costs, settlement and the amount of the obligation can be measured reliably. Expenditure is classified by benefit to a third party. It is probable that a transfer of economic benefits will be required in Expenditure is recognised once there is a legal or constructive obligation to transfer economic

#### 1.2 Expenditure

### 1 ACCOUNTING POLICIES (continued)

FOR THE PERIOD ENDED 31 JULY 2019  
NOTES TO THE FINANCIAL STATEMENTS

(A company limited by guarantee)

BACKWOOD HAVEN SCHOOL LIMITED

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**PACKWOOD HAUGH SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 JULY 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.8 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the School; this is normally upon notification of the interest paid or payable by the Bank.

**1.9 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**1.10 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.11 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.12 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.13 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the School anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.14 Financial instruments**

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.15 Pensions**

The School operates a defined contribution pension scheme and the pension charge represents the amounts payable by the School to the fund in respect of the period.

amounts payable by the School to the fund in respect of the period.

The School operates a defined contribution pension scheme and the pension charge represents the

#### 1.12 Pensions

surplus/deficit measured at amortised cost using the effective interest method.

surplus/deficit measured at their settlement value with the exception of bank loans which are instruments. Basic financial instruments are initially recognised at transaction value and the School only has financial assets and financial liabilities of a kind that qualify as basic financial

#### 1.14 Financial instruments

interest payable and similar charges.

rate that reflects the time specific to the liability. The unwinding of the discount is recognised within the provision is based on the present value of those amounts, discounted at the pre-tax discount amounts required to settle the obligation. Where the effect of the time value of money is material for the goods or services it must provide. Provisions are measured at the best estimate of the School anticipates it will pay to settle the debt or the amount it has received as advanced payments amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the event, it is probable that a transfer of economic benefit will be required in settlement, and the liabilities are recognised when there is an obligation at the balance sheet date as a result of a past

#### 1.13 Liabilities and provisions

account;

materially of three months or less from the date of acquisition or opening of the deposit or similar Cash at bank and in hand includes cash and short term highly liquid investments with a short

#### 1.15 Cash at Bank and in hand

prepayments are valued at the amount prepaid net of any trade discounts due.

Trade and other debtors are recognised at the settlement amount after any trade discount offered.

#### 1.11 Debtors

fixed and variable overheads.

operating and non-operating stocks. Cost includes all direct costs and an appropriate proportion of stocks are valued at the lower of cost and net realisable value after making due allowance for

#### 1.10 Stocks

basis over the lease term.

Rentals under operating leases are charged to the Statement of financial activities on a straight line

#### 1.9 Operating leases

regularly by the School, this is normally upon notification of the interest paid or payable by the bank.

interest on funds held on deposit is included when receivable and the amount can be measured

#### 1.8 Interest receivable

### 1 ACCOUNTING POLICIES (continued)

FOR THE PERIOD ENDED 31 JULY 2018  
NOTES TO THE FINANCIAL STATEMENTS

(A company limited by guarantee)

BACKWOOD HAUGH SCHOOL LIMITED

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**PACKWOOD HAUGH SCHOOL LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 JULY 2019**

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**1. ACCOUNTING POLICIES (continued)**

The School operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2012.

**1.16 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the School and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**1.17 Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**1.18 Prepaid Fees Scheme**

Parents may, subject to contractual terms and conditions, pay to the School tuition fees in advance. The money may be returned subject to specific conditions.

**2. INCOME FROM DONATIONS AND LEGACIES**

|                   | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Total<br>funds<br>2019<br>£ | Total<br>funds<br>2018<br>£ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations         | 170                                | 200                              | 370                         | 63,994                      |
| <i>Total 2018</i> | 62,694                             | 1,300                            | 63,994                      |                             |



|            | 2018         | 2017       | 2016   | 2015   |
|------------|--------------|------------|--------|--------|
| Total 2018 | £5,004       | £300       | £3,004 |        |
| Donations  | £110         | £300       | £310   | £3,004 |
|            | £            | £          | £      | £      |
|            | 2018         | 2018       | 2018   | 2018   |
|            | unrestricted | restricted | total  | total  |

## 5. INCOME FROM DONATIONS AND LEGACIES

The money may be returned subject to specific conditions.

Parents may, subject to contractual terms and conditions, pay to the School tuition fees in advance.

### 1.18 Proposed Fees Scheme

amounts of assets and liabilities within the next financial year are discussed below. and assumptions that have a significant risk of causing a material adjustment to the carrying estimates and assumptions will, by definition, seldom equal the related actual results. The estimates The School makes estimates and assumptions concerning the future. The resulting accounting

Critical accounting estimates and assumptions.

circumstances.

factors, including expectations of future events that are believed to be reasonable under the Estimates and judgments are continually evaluated and are based on historical experience and other

### 1.17 Critical accounting estimates and areas of judgment

fund is set out in the notes to the financial statements.

administering such funds are charged against the specific fund. The aim and use of each restricted donors of which have been raised by the School for particular purposes. The costs of raising and Restricted funds are funds which are to be used in accordance with specific restrictions imposed by purposes.

fulfilment of the general objectives of the School and which have not been designated for other General funds are unrestricted funds which are available for use at the discretion of the Governors in

### 1.16 Fund accounting

actuarial valuation dated 31 March 2015.

The School operates a defined benefits pension scheme and the pension charge is based on a full

## 1. ACCOUNTING POLICIES (continued)

FOR THE PERIOD ENDED 31 JULY 2018  
NOTES TO THE FINANCIAL STATEMENTS

(A company limited by guarantee)

BACKWOOD HAUGH SCHOOL LIMITED

**PACKWOOD HAUGH SCHOOL LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2019**

**3. INCOME FROM CHARITABLE ACTIVITIES**

|                          | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Total<br>funds<br>2019<br>£ | Total<br>funds<br>2018<br>£ |
|--------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| School fees - see note 4 | 3,342,401                          | (2,400)                          | 3,340,001                   | 3,106,378                   |
| Other educational income | 409,676                            | -                                | 409,676                     | 351,575                     |
| Shop income              | 31,053                             | -                                | 31,053                      | 28,248                      |
|                          | <u>3,783,130</u>                   | <u>(2,400)</u>                   | <u>3,780,730</u>            | <u>3,486,201</u>            |
| <i>Total 2018</i>        | <u>3,488,751</u>                   | <u>(2,550)</u>                   | <u>3,486,201</u>            |                             |

**4. CHARITABLE ACTIVITIES - SCHOOL FEES**

|                           | 2019<br>£        | 2018<br>£        |
|---------------------------|------------------|------------------|
| Gross fees                | 3,798,603        | 3,551,711        |
| Remissions - unrestricted | (456,202)        | (442,783)        |
| Remissions - restricted   | (2,400)          | (2,550)          |
| Total                     | <u>3,340,001</u> | <u>3,106,378</u> |

**5. INVESTMENT INCOME**

|                                    | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Total<br>funds<br>2019<br>£ | Total<br>funds<br>2018<br>£ |
|------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Investment income                  | -                                  | 8,875                            | 8,875                       | 8,083                       |
| Bank and other interest receivable | 606                                | -                                | 606                         | 351                         |
|                                    | <u>606</u>                         | <u>8,875</u>                     | <u>9,481</u>                | <u>8,434</u>                |
| <i>Total 2018</i>                  | <u>351</u>                         | <u>8,083</u>                     | <u>8,434</u>                |                             |

**PACKWOOD HAUGH SCHOOL LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2019**

**6. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE**

|                                      | Staff costs<br>2019<br>£ | Depreciation<br>2019<br>£ | Other costs<br>2019<br>£ | Total<br>2019<br>£ | Total<br>2018<br>£ |
|--------------------------------------|--------------------------|---------------------------|--------------------------|--------------------|--------------------|
| Trading expenses and other costs     | -                        | -                         | 20,930                   | 20,930             | 21,928             |
| Expenditure on investment management | -                        | -                         | 599                      | 599                | 662                |
| <b>Costs of raising funds</b>        | <b>-</b>                 | <b>-</b>                  | <b>21,529</b>            | <b>21,529</b>      | <b>22,590</b>      |
| Teaching                             | 1,758,012                | 15,595                    | 204,730                  | 1,978,337          | 2,107,864          |
| Welfare                              | 418,076                  | -                         | 230,646                  | 648,722            | 658,294            |
| Premises                             | 112,914                  | 135,986                   | 328,927                  | 577,827            | 581,002            |
| Support costs and governance         | 205,766                  | 3,789                     | 288,923                  | 498,478            | 419,777            |
| <b>Charitable activities</b>         | <b>2,494,768</b>         | <b>155,370</b>            | <b>1,053,226</b>         | <b>3,703,364</b>   | <b>3,766,937</b>   |
|                                      | <b>2,494,768</b>         | <b>155,370</b>            | <b>1,074,755</b>         | <b>3,724,893</b>   | <b>3,789,527</b>   |
| <b>Total 2018</b>                    | <b>2,610,338</b>         | <b>181,135</b>            | <b>998,054</b>           | <b>3,789,527</b>   |                    |

**Governance included in support costs:**

|   | 2019<br>£     | 2018<br>£     |
|---|---------------|---------------|
| Auditors' remuneration                        | 8,700         | 9,360         |
| Governors' costs                              | 1,868         | 2,240         |
| Liability insurance                           | 3,441         | 1,317         |
| Compliance costs                              | 1,216         | 1,768         |
| Auditors' remuneration for all other services | -             | 3,000         |
| <b>Total</b>                                  | <b>15,225</b> | <b>17,685</b> |

**PACKWOOD HAUGH SCHOOL LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2019**

**7. NET INCOME/(EXPENDITURE)**

This is stated after charging:

|  | 2019<br>£      | 2018<br>£      |
|--|----------------|----------------|
| Depreciation of tangible fixed assets:<br>- owned by the charity | <u>155,370</u> | <u>181,136</u> |

During the period, no Governors received any remuneration (2018 - £NIL).

During the period, no Governors received any benefits in kind (2018 - £NIL).

During the year, two Governors received reimbursement of expenses amounting to £1,216 (2018 - £591).

**8. STAFF COSTS**

Staff costs were as follows:

|                       | 2019<br>£        | 2018<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 2,091,008        | 2,162,719        |
| Social security costs | 165,708          | 182,371          |
| Other pension costs   | 238,052          | 265,248          |
|                       | <u>2,494,768</u> | <u>2,610,338</u> |

The average number of persons employed by the School during the year was as follows:

|                      | 2019<br>No. | 2018<br>No. |
|----------------------|-------------|-------------|
| Teachers             | 61          | 61          |
| Matrons              | 3           | 3           |
| Administration       | 6           | 5           |
| Grounds and Cleaning | 16          | 16          |
|                      | <u>86</u>   | <u>85</u>   |

The number of higher paid employees was:

|                                 | 2019<br>No. | 2018<br>No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000   | 2           | 2           |
| In the band £100,001 - £200,000 | 0           | 1           |

Aggregate employee benefits of key management personnel were £322,748 (2018: £352,847).

**PACKWOOD HAUGH SCHOOL LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2019**

**9. TANGIBLE FIXED ASSETS**

|                       | Freehold<br>property<br>£ | Motor<br>vehicles<br>£ | Fixtures and<br>fittings<br>£ | Computer<br>equipment<br>£ | Total<br>£ |
|-----------------------|---------------------------|------------------------|-------------------------------|----------------------------|------------|
| <b>Cost</b>           |                           |                        |                               |                            |            |
| At 1 September 2018   | 6,052,525                 | 126,846                | 1,726,249                     | 206,597                    | 8,112,217  |
| Additions             | -                         | 3,500                  | 25,077                        | 19,724                     | 48,301     |
| Disposals             | -                         | (16,031)               | -                             | -                          | (16,031)   |
| At 31 July 2019       | 6,052,525                 | 114,315                | 1,751,326                     | 226,321                    | 8,144,487  |
| <b>Depreciation</b>   |                           |                        |                               |                            |            |
| At 1 September 2018   | 1,583,743                 | 121,840                | 1,485,465                     | 160,778                    | 3,351,826  |
| Charge for the period | 91,804                    | 3,789                  | 44,182                        | 15,595                     | 155,370    |
| On disposals          | -                         | (16,031)               | -                             | -                          | (16,031)   |
| At 31 July 2019       | 1,675,547                 | 109,598                | 1,529,647                     | 176,373                    | 3,491,165  |
| <b>Net book value</b> |                           |                        |                               |                            |            |
| At 31 July 2019       | 4,376,978                 | 4,717                  | 221,679                       | 49,948                     | 4,653,322  |
| At 31 August 2018     | 4,468,782                 | 5,006                  | 240,784                       | 45,819                     | 4,760,391  |

Included in land and buildings is freehold land at cost of £1,066,603 (2018: £1,066,603) which is not depreciated.

**10. FIXED ASSET INVESTMENTS**

|                     | Listed<br>securities<br>£ |
|---------------------|---------------------------|
| <b>Market value</b> |                           |
| At 1 September 2018 | 182,802                   |
| Transfers           | (1,897)                   |
| Revaluations        | 1,660                     |
| At 31 July 2019     | 182,565                   |

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2019**

**10. FIXED ASSET INVESTMENTS (continued)**

Investments at market value comprise:

|                    | 31 July<br>2019<br>£ | 31 August<br>2018<br>£ |
|--------------------|----------------------|------------------------|
| Listed investments | 182,565              | 182,802                |

All the fixed asset investments are held in the UK.

**Material investments**

|   | 31 July<br>2019<br>£ | 31 August<br>2018<br>£ |
|---|----------------------|------------------------|
| M & G Investment Management Limited Charifund Inc | 155,542              | 154,960                |
|   | <u>155,542</u>       | <u>154,960</u>         |

**11. STOCKS**

|                                     | 31 July<br>2019<br>£ | 31 August<br>2018<br>£ |
|-------------------------------------|----------------------|------------------------|
| Raw materials                       | 11,695               | 13,399                 |
| Finished goods and goods for resale | 19,301               | 25,901                 |
|                                     | <u>30,996</u>        | <u>39,300</u>          |

**12. DEBTORS**

|                                | 31 July<br>2019<br>£ | 31 August<br>2018<br>£ |
|--------------------------------|----------------------|------------------------|
| Trade debtors                  | 171,640              | 128,985                |
| Prepayments and accrued income | 63,085               | 129,067                |
|                                | <u>234,725</u>       | <u>258,052</u>         |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. CURRENT ASSET INVESTMENTS**

|                             | <b>31 July<br/>2019<br/>£</b> | <b>31 August<br/>2018<br/>£</b> |
|-----------------------------|-------------------------------|---------------------------------|
| Unlisted investments - bank | <b>12,022</b>                 | <b>4,052</b>                    |

**14. CREDITORS: Amounts falling due within one year**

|                                    | <b>31 July<br/>2019<br/>£</b> | <b>31 August<br/>2018<br/>£</b> |
|------------------------------------|-------------------------------|---------------------------------|
| Bank loans and overdrafts          | <b>130,576</b>                | <b>22,233</b>                   |
| Prepaid fees scheme                | <b>85,728</b>                 | <b>88,672</b>                   |
| Trade creditors                    | <b>145,986</b>                | <b>174,793</b>                  |
| Payments received on account       | <b>164,919</b>                | <b>405,015</b>                  |
| Other taxation and social security | <b>44,722</b>                 | <b>43,114</b>                   |
| Other creditors                    | <b>122,308</b>                | <b>120,506</b>                  |
| Accruals and deferred income       | <b>105,545</b>                | <b>74,049</b>                   |
|                                    | <b>799,784</b>                | <b>928,382</b>                  |

The bank overdraft is secured by way of a charge dated 19th August 2009 on the land and buildings of the school.

**15. CREDITORS: Amounts falling due after more than one year**

|                     | <b>31 July<br/>2019<br/>£</b> | <b>31 August<br/>2018<br/>£</b> |
|---------------------|-------------------------------|---------------------------------|
| Prepaid fees scheme | <b>97,400</b>                 | <b>51,405</b>                   |

**Prepaid Fees Scheme**

Parents may, subject to contractual terms and conditions, pay to the school tuition fees in advance. The money may be returned, subject to specific conditions.

The balance represents the accrued liability under the contracts. The movements during the period were new contracts of £178,233, less amounts utilised in payment of fees to the school including interest charged of £135,182.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2019**

**16. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT PERIOD**

|  | Balance at<br>1<br>September<br>2018<br>£ | Income<br>£ | Expenditure<br>£ | Transfers<br>in/out<br>£ | Gains /<br>(Losses)<br>£ | Balance at<br>31 July<br>2019<br>£ |
|--|---|-------------|------------------|--------------------------|--------------------------|------------------------------------|
| <b>Designated funds</b>                          |   |             |                  |                          |                          |                                    |
| Designated funds:                                |   |             |                  |                          |                          |                                    |
| Fundraising Appeal Fund                          | 85,119                                    | 170         | -                | -                        | -                        | 85,289                             |
| <b>General funds</b>                             |   |             |                  |                          |                          |                                    |
| General Funds                                    | 4,229,448                                 | 3,853,400   | (3,724,294)      | -                        | -                        | 4,358,554                          |
| Total Unrestricted funds                         | 4,314,567                                 | 3,853,570   | (3,724,294)      | -                        | -                        | 4,443,843                          |
| <b>Restricted funds</b>                          |   |             |                  |                          |                          |                                    |
| Barker Memorial Trust -<br>Investments           | 134,022                                   | 5,360       | (441)            | (6,771)                  | 1,477                    | 133,647                            |
| Pease-Watkin Bursary<br>Trust Fund - Investments | 48,780                                    | 2,442       | (158)            | (2,326)                  | 183                      | 48,921                             |
| Barker Memorial Trust -<br>Bank                  | 1,199                                     | (335)       | -                | 6,732                    | -                        | 7,596                              |
| Pease-Watkin Bursary<br>Trust Fund - Bank        | 2,853                                     | (792)       | -                | 2,365                    | -                        | 4,426                              |
|  | 186,854                                   | 6,675       | (599)            | -                        | 1,660                    | 194,590                            |
| Total of funds                                   | 4,501,421                                 | 3,860,245   | (3,724,893)      | -                        | 1,660                    | 4,638,433                          |

**Unrestricted Funds**

Unrestricted funds represent accumulated income from the School's activities and other sources that are available for the general purposes of the School.

**Designated Funds**

The Fundraising Appeal fund related to income received towards the appeal to redevelop the School's science facilities in conjunction with the celebration of the School's 125th anniversary which was held in the prior year. Discussions regarding the redevelopment of the science facilities are ongoing. These funds will remain designated to this development project.

**Restricted Funds**

The restricted funds represent funds received under the Barker Memorial Trust and the Pease-Watkin Bursary Trust Fund. The funds are used for funding bursaries.



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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

|   | <i>Balance at<br/>1 September<br/>2017<br/>£</i> | <i>Income<br/>£</i> | <i>Expenditure<br/>£</i> | <i>Transfers<br/>in/out<br/>£</i> | <i>Gains /<br/>(Losses)<br/>£</i> | <i>Balance at<br/>31 August<br/>2018<br/>£</i> |
|---|--|---------------------|--------------------------|-----------------------------------|-----------------------------------|--|
| <b>Designated funds:</b>                      |  |                     |                          |                                   |                                   |  |
| Fundraising Appeal Fund                       | 22,425   | 62,694              | -                        | -                                 | -                                 | 85,119   |
| <b>General Funds - all funds</b>              | <u>4,453,725</u>                                 | <u>3,560,988</u>    | <u>(3,785,265)</u>       | <u>-</u>                          | <u>-</u>                          | <u>4,229,448</u>                               |
| <b>Restricted funds</b>                       |  |                     |                          |                                   |                                   |  |
| Barker Memorial Trust - Investments           | 130,372  | 4,922               | (441)                    | 329                               | (1,160)                           | 134,022  |
| Pease-Watkin Bursary Trust Fund - Investments | 46,474   | 2,130               | (221)                    | 870                               | (473)                             | 48,780   |
| Barker Memorial Trust - Bank                  | 2,951  | (1,423)             | -                        | (329)                             | -                                 | 1,199  |
| Pease-Watkin Bursary Trust Fund - Bank        | 6,119  | 1,204               | (3,600)                  | (870)                             | -                                 | 2,853  |
|   | <u>185,916</u>                                   | <u>6,833</u>        | <u>(4,262)</u>           | <u>-</u>                          | <u>(1,633)</u>                    | <u>186,854</u>                                 |

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 JULY 2019**

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD**

|                                     | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Total<br>funds<br>2019<br>£ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets               | 4,653,322                          | -                                | 4,653,322                   |
| Fixed asset investments             | -                                  | 182,565                          | 182,565                     |
| Current assets                      | 687,708                            | 12,022                           | 699,730                     |
| Creditors due within one year       | (799,784)                          | -                                | (799,784)                   |
| Creditors due in more than one year | (97,400)                           | -                                | (97,400)                    |
|                                     | <u>4,443,843</u>                   | <u>194,590</u>                   | <u>4,638,433</u>            |

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

|                                     | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets               | 4,760,394                          | -                                | 4,760,394                   |
| Fixed asset investments             | -                                  | 182,802                          | 182,802                     |
| Current assets                      | 533,963                            | 4,052                            | 538,015                     |
| Creditors due within one year       | (928,385)                          | -                                | (928,385)                   |
| Creditors due in more than one year | (51,405)                           | -                                | (51,405)                    |
|                                     | <u>4,314,567</u>                   | <u>186,854</u>                   | <u>4,501,421</u>            |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|  | 2019<br>£      | 2018<br>£      |
|--|----------------|----------------|
| Net income/(expenditure) for the year (as per Statement of Financial Activities) | 137,012        | (160,645)      |
| <b>Adjustment for:</b>   |                |                |
| Depreciation charges   | 155,370        | 181,136        |
| Movement in market value of investments  | (1,660)        | 1,633          |
| Decrease in stocks   | 8,304          | 3,464          |
| Decrease/(increase) in debtors   | 23,327         | (52,409)       |
| Increase in creditors  | 4,297          | 9,970          |
| Prepaid fees scheme - utilised   | (135,182)      | (121,556)      |
| Prepaid fees scheme - new monies introduced                                      | 178,233        | 79,366         |
| Increase / (decrease) in deferred income   | (238,294)      | 197,020        |
| <b>Net cash provided by operating activities</b>                                 | <b>131,407</b> | <b>137,979</b> |

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

|  | 2019<br>£      | 2018<br>£      |
|--|----------------|----------------|
| Cash in hand                           | 421,987        | 236,611        |
| Overdraft facility repayable on demand | (130,576)      | (22,233)       |
| <b>Total</b>                           | <b>291,411</b> | <b>214,378</b> |

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 JULY 2019**

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**20. PENSION COMMITMENTS**

**Teachers Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £183,664 (2018: £203,614) and at the period-end £26,529 (2018: £26,524) was accrued in respect of contributions to this scheme.

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

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**

Not less than every four years 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. PENSION COMMITMENTS (continued)**

**Other Pension Schemes**

The School also contributes to Group Personal Pension Scheme for the benefit of certain employees. The scheme is a defined contribution scheme administered by Scottish Widows. The pension cost charged in the accounts is the amount payable by the School during the period which amounted to £54,037 (2018: £61,635). Contributions totaling £7,013 (2018: £7,334) were payable to the fund at the balance sheet date and are included in creditors.

**21. OPERATING LEASE COMMITMENTS**

At 31 July 2019 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

|                         | 31 July<br>2019<br>£ | 31 August<br>2018<br>£ |
|-------------------------|----------------------|------------------------|
| <b>Amounts payable:</b> |                      |                        |
| Within 1 year           | 23,280               | 17,731                 |
| Between 1 and 5 years   | 54,564               | 55,224                 |
| After more than 5 years | 14,706               | 23,994                 |
|                         | <hr/>                | <hr/>                  |
| Total                   | 92,550               | 96,949                 |
|                         | <hr/>                | <hr/>                  |

**22. RELATED PARTY TRANSACTIONS**

None of the Governors had children at the School (2018: none) at 31 July 2019. There were no outstanding balances or fees paid in advance. These Governors received no remission of fees by virtue of their membership of the Governing Body.

**23. POST BALANCE SHEET EVENTS**

On 1 August 2019, the assets, liabilities and business of Packwood Haugh School were transferred to Shrewsbury School on the merger of the two schools. Additional information regarding the merger is contained in the Governors' report.

**24. CONTROLLING PARTY**

The School, having no share capital, is under the control of the Board of Governors, who are also the Trustees and the Directors of the School.