

THE WELSH SCHOOLS TRUST LTD

**REGISTERED CHARITY NUMBER 1167479
COMPANY LIMITED BY GUARANTEE NUMBER 04783466**

REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2021



The Welsh School Trust

Registered charity number 1167479
Company limited by guarantee number 04783466

Reference and Administrative Details

**Board of Trustees
 (Company Directors)**

Ms Glenys Roberts (Chair)
 Mrs. Ann Batey
 Miss Elin Hughes
 Ms M. Eiri Jones
 Mrs Angela Robinson
 Mr Ceredig Thomas (Vice-Chair)
 Mr Jonathan Wright
 Mrs. Margaret T. Jones - resigned 2 December 2021

Teaching staff

Lead Teacher & Class 1 teacher: Mr Tom Sugg (appointed September 2021)
 Class 2 teacher and SENDCo: Miss Lisa Medi Jones (appointed September 2021)

**/
 Registered Office**

73, Cornhill, London EC3V 3QQ

Correspondence address

Hanwell Community Centre, Wescott Crescent, London W7 1PD.

Independent Examiner

Thomas Ward FCA, Lonsdale Ward Limited, 5, Market Yard Mews
 194-204 Bermondsey Street, London SE1 3TQ

Insurance Brokers

Hayes Parsons, Colston Tower, Colston Street, Bristol BS1 4XE

**Bankers
 HSBC UK**

The Welsh Schools Trust Ltd.

Trustees' and Directors' Report 31/8/21

Purpose of the charity:

The London Welsh School (Ysgol Gymraeg Llundain) was established in 1958 by a group of parents to provide an education to children between the ages of 3 to 11 years old. The school is an Independent School with charitable status and registered as a company limited by guarantee. Its objective is to provide children with a bi-lingual education in Welsh and English by following the National Curriculum of Wales, and to nurture the children in the best of British values. The school operates on a non-selective basis and admits pupils without reference to ability or aptitude. The school's Fee Policy includes a dispensation process, so that no family is turned away on financial grounds. The Trustees therefore believe that the public benefit objectives of The Charity Commission's guidance are met.

Whilst aiming for the highest standards of academic education, the school's ethos is based on Christian principles, which provides the pupils with a sound moral compass and nurtures the children in the best of British values. The pupils are encouraged to aim for excellence in every endeavour, to develop an enquiring mind, and to acquire a love of learning and of the Welsh language.

Achievements and performance:

The school's academic performance is monitored by three Trustees who are members of the Curriculum and Standards Sub-committee. The group meets twice a term with the Lead Teacher to scrutinise and support the standard of teaching and learning from Early Years to Year 6. It monitors pupil attainment and progress, drawing on both formative and summative data. A summary of this information is provided for the Board's scrutiny. The Board is satisfied with the results.

The school, as all others, faced a challenging academic year of combining classroom and virtual teaching during the continuing pandemic lockdowns. On reopening of the schools, adhering to the strict Government protocols, combined with the constant vigilance and anxiety of a Covid 19 outbreak brought additional challenges which were well managed by the Staff. They worked extremely hard to bridge the achievement gap created by last year's disruption to education.

Throughout, the Board has worked diligently to support and advise the Lead Teacher and Staff. All six annual Board Meetings have taken place via Zoom webinar.

The long term impact of the pandemic is having a greater effect on the school this year with pupil recruitment for September 2021 down due to a range of reasons: limited marketing, PTFA fund raising opportunities and restrictions on running the mother and baby group Miri Mawr, to name but a few. However, the Welsh School is resilient and as we plan for the future we will work to our strengths to share our common goal which is to offer our pupils a sound, high quality bilingual education within a nurturing environment.

The pupils participate in a wide range of extra-curricular activities in London and Wales. These include attendance at an annual St. David's Day Service at The Palace of Westminster, competing at the Urdd National Eisteddfod, and a week's visit in July to the Urdd's recreational centre at Llangrannog.

Mrs Rachel King, Lead Teacher (from 2014) having taken maternity leave from the beginning of June 2020, gave notice that she would not be returning to her post. Mrs Sioned Rees Jones was appointed as maternity cover executive Lead teacher on a part time basis until the end of the 2020/2021 academic year. Miss Angharad Price joined as maternity cover Early Years teacher for Class 1 on 1st June 2020. Her post terminated and Miss Sioned Jones Class 2 teacher and KS2 Curriculum Leader left at the end of the 2020/2021 academic year. Mr Tom Sugg was appointed as Lead Teacher & Class 1 (Yrs 1,2 & 3) teacher and Miss Lisa Medi Jones as Class 2 teacher and SENDCo as of the start of the 2021/2022 Academic Year.

The Welsh Schools Trust Ltd.

Trustees' and Directors' Report 31/8/21 (continued)

Financial review:

The school's financial statements accompany this report. The Income and Expenditure account for the financial year to 31/8/21 resulted in a surplus of £21,718. This compares with a surplus of £34,608 for the financial year to 31/8/20.

The school's total income of £266,011 for the year ending 31/8/21 is derived from three sources. 42% of this income comes from parental fees and the London Borough of Ealing's (LBoE) contribution to nursery education. Another 34% of the income is derived from a grant received from the Welsh Government which is subject to a new application every year. The remaining 24% of income arises from donations from institutions and private individuals, including the Radnor Walk and Kings Cross Chapel Trusts, and the fundraising events of the school's Parents Teachers Friends Association (PTFA). The Trustees recognise that donation and bequest income is highly volatile and unpredictable, and it cannot be assumed that this level of donation income can be sustained in future years.

The five principal expense categories that account for 94% of the school expenses are staff salary, pension and training costs, rent for the school building payable to London Borough of Ealing, educational material, insurance and depreciation of fixed assets.

Management accounts are prepared three times a year by our accountants at the end of each term, the results of which are compared with a budget. Significant variances are investigated and explained.

The school has established a Designated Fund in the Balance Sheet of £55,000 to meet exceptional costs not normally incurred in the operation of the school or unexpected shortfalls of income. An example would be a serious fire forcing the closure of the school building, and the requirement to pay a premium for a short lease of an alternative building. The Trustees have discretion on what type of extraordinary situation would require these Reserves to be used, but the authority of all Board members would be required to release funds from the Designated Fund. Cash deposits meeting at least the value of the Designated Fund are held in HSBC Money Market accounts on a term of 3 or 6 months.

Thanks to donations from the PTFA and the Chapels a modest Diamond Jubilee Bursary Fund was set up during 2019/20 and added to during 2020/2021. This fund is ring fenced from the School's other funds. It has been established to provide financial assistance to pupils or families in need of support.

Financial outlook for 2021/22:

Based on a budget produced in May 2021, the outlook for the academic year 2021/22 does not look as positive as the last four years. The main reason for this is because of an anticipated drop in pupil numbers. The lockdown and further pandemic restrictions has resulted in very limited opportunity to market and organise functions to raise the profile of the school this year which has impacted on attracting new families. Our strategy for the next couple of years is to focus on increasing pupil numbers.

Although pupil numbers will reduce and there will be a reduction in total fee income there will be no corresponding decrease in costs. Our major costs are fixed and not dependent on the number of pupils.

We have been grateful in past years for the generous financial support of Trusts of Radnor Walk and Kings Cross Chapels, as well as the vigorous fundraising efforts of the school's PTFA. None of this financial support is guaranteed. In addition, this year's PTFA fundraising events have been curtailed to date by the Covid 19 pandemic. These uncertainties, has required the preparation of another cautious and prudent Budget for next year.

The Welsh Schools Trust Ltd.

Trustees' and Directors' Report 31/8/21 (continued)

Structure, Governance and Management

The Welsh Schools Trust Ltd. is a company limited by guarantee and a registered charity. The charity operates as a school known as The London Welsh School / Ysgol Gymraeg Llundain. The address of the school is Hanwell Community Centre, Wescott Crescent, London W7 1PD.

The school is regulated by Ofsted and is registered as a charity. The school is also incorporated as a company limited by guarantee. The affairs of the school are governed by a Board of Directors. The Directors of the company are also the Trustees of the charity. A list of names of the Trustees is provided in the Reference and Administrative Section above.

Board Membership remains stable. However, governance rules stipulate that the Chair of Governors should serve no more than two terms of three years and therefore, Mrs Margaret T. Jones stepped down as Chair at the end of the 2020/2021 academic year and resigned as a Director and Trustee on 1st December 2021. We thank her for all her hard work and her long term support of the school. Her successor is the previous Vice-Chair, Miss Glenys Roberts who has contributed widely to the work of the Governing Body since joining in 2016.

Appropriate training is given to Board members on a regular basis. Board meetings are held twice a term i.e. six times a year. Certain duties are delegated to Board sub-committees which meet on a more frequent basis. These sub-committees comprise of the Curriculum and Standards Sub-committee, the Finance Sub-committee, and the Risk Sub-committee.

The Board maintains a Risk Register which covers the key strategic, reputational, operational, regulatory and financial risks of the school. The Risk Register is reviewed annually, with risks being prioritised appropriately. Controls to mitigate the risks are included in the Register.

Appropriate risks are insured with Aviva through brokers Hayes Parsons, a Bristol based broker specialising in school insurance. The Aviva policy includes employers' liability cover for £10 million, and Public and Product liability for £10 million, as well as other insurable risks.

Jonathon Wright, who is the school's Data Protection Officer (DPO) reviews General Data Protection Regulations (GDPR) requirements and ensures that the school is compliant. No data breaches have been detected or reported by the school since the GDPR introduction in May 2018. All sensitive electronic school data is stored on the school's central data server. Paper based sensitive school data is appropriately marked and stored securely in locked filing cabinets. Information Technology Security is reviewed on a regular basis. All computers at the school have anti-virus protection installed (Kaspersky) and are protected with the latest anti-virus definitions and software. A Sonic Wall firewall is installed on the school network to prevent unauthorised access from the internet to school systems.

The school has a close relationship with the Parents Teachers Friends Association (PTFA) which is open to all parents, carers and friends to join. It organises fundraising events involving the school families and the wider local community. The school receives donations from the fundraising activities of the PTFA, which is shown as part of the school's donation income. PTFA is registered as a separate charity.

Trustee report approved by:



Glenys Roberts (Chair)

**Report of the Independent Examiner to the Trustees of
The Welsh School Trust Ltd**

I report on the accounts of The Welsh School Trust for the year ended 31st August 2021, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes, set out on pages 10 to 13.

This report is made solely to the Charity's Trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. My examination has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my examination, for this report, or for the opinions I have formed.

Respective responsibilities of Trustees and Examiner

The Charity's Trustees are responsible for the preparation of the accounts. The Charity's Trustees consider an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts under section 145 of the 2011 Act;
- To follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- To state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes a consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- a) which gives me reasonable cause to believe that, in any material respect, the requirements:
- to keep accounting records in accordance with section 145 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act
- have not been met; or
- b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

Thomas Ward

5, Market Yard Mews
194-204 Bermondsey Street
London SE1 3TQ

Thomas Ward FCA
Lonsdale Ward Limited
19TH May 2022

The Welsh School Trust
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 August 2021

		Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
	Notes		
Income from:			
Donations and legacies			
Grant received	3	109,964	99,993
Donations		63,644	70,248
Charitable activities			
Parental contributions		91,473	104,466
Sundry income		907	1,646
Investments			
Bank interest received		23	719
Total Income		<u>266,011</u>	<u>277,072</u>
Expenditure on:			
Charitable activities			
Educational materials		9,120	10,673
Support costs	4	235,173	231,791
Total Expenditure		<u>244,293</u>	<u>242,464</u>
Net Income		21,718	34,608
Total Funds Brought Forward		<u>118,746</u>	<u>84,138</u>
Total Funds Carried Forward at 31 August 2021		<u><u>140,464</u></u>	<u><u>118,746</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 10 to 13 form part of the financial statements.

The Welsh School Trust
Company registration number : 04783466

Balance Sheet as at 31 August 2021

	<u>Note</u>	<u>2021</u>		<u>2020</u>	
		£	£	£	£
Tangible Fixed Assets	7		1,488		361
Current Assets					
Cash at bank		149,255		172,689	
Debtors		130		6,119	
		<u>149,385</u>		<u>178,808</u>	
Creditors, amounts falling due within one year	8	(10,409)		(60,423)	
Net Current Assets			<u>138,976</u>		<u>118,385</u>
Net Assets		£	<u>140,464</u>	£	<u>118,746</u>
Unrestricted Funds					
General funds	9		61,464		49,746
Designated funds	9		79,000		69,000
		£	<u>140,464</u>	£	<u>118,746</u>

The company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its accounts for the year ended 31st August 2021 in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with the provisions of FRS 102 SORP.

Approved by the Board of Trustees on 19th May 2022
And signed on their behalf by:



Mrs A.E. Robinson
Director

The notes on pages 10 to 13 form part of the financial statements.

The Welsh School Trust Ltd
Statement of Cash Flows
For the year ending 31 August 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		£	£
Cash flows from operating activities:			
Net cash (used)/provided by Operating activities	11	(21,225)	72,824
Cash flows from investing activities			
Interest		23	719
Payments to acquire fixed assets		(2,232)	-
		<hr/>	<hr/>
Change in cash and cash equivalents In the reporting period		(23,434)	73,543
Cash and cash equivalents at the start of the reporting period		172,689	99,146
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		£ <u>149,255</u>	£ <u>172,689</u>

The Welsh School Trust

Notes to the Financial Statements For the year ended 31 August 2021

1. General information

The London Welsh School (Ysgol Gymraeg Llundain) is an Independent School with charitable status and registered as a company limited by guarantee, incorporated in England and Wales. Its objective is to provide children with a bi-lingual education in Welsh and English by following the National Curriculum of Wales, and to nurture the children in the best of British values. The charity is a public benefit entity. The address of its registered office is 73, Cornhill, London EC3V3QQ.

2. Summary of Significant Accounting Policies

(a) Basis of accounting

These 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), the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared under the historical cost convention. The principal accounting policies that have been applied to all periods presented in these financial statements are set out below.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the Charity. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

(b) Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Trustees have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the Charity becomes legally entitled to the income, it is probable that the income will be received, and the amount can be quantified with reasonable accuracy.

Income from government and other grants are recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is charged to the SOFA on an accruals basis.

The Welsh School Trust Ltd
Notes to the Financial Statements
For the year ended 31 August 2021

2. Accounting Policies (continued)

(e) **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less any residual value, of each asset evenly over its estimated useful life as follows:

Land and buildings	33% straight line
Equipment	33% straight line

(f) **Gifts in kind**

Gifts in kind are brought into account at their estimated market value at the time the relevant gifts are made.

(g) **Debtors**

School fee and other debtors are recognised at the settlement amount due less any impairment losses for bad or doubtful debts.

(h) **Creditors and provisions**

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(i) **Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

(j) **Pensions**

Contributions to defined contribution plans are expensed in the periods to which they relate.

(k) **Fund accounting**

The general funds of the School represent unrestricted funds expendable at the discretion of the Trustees in furtherance of the objects of the charity. Designated funds comprise unrestricted funds which have been set aside by the Trustees for a specific purpose.

3. Grants

	<u>2021</u>	<u>2020</u>
Welsh Government	90,000	90,000
London Borough of Ealing	19,964	9,993
	<u>£ 109,964</u>	<u>£ 99,993</u>

The Welsh School Trust Ltd
Notes to the Financial Statements
For the year ended 31 August 2021

4. Charitable expenditure – support costs

	<u>2021</u>	<u>2020</u>
Staff costs	183,696	178,605
Property costs	30,277	25,619
Administrative expenses	21,200	27,567
	<u>£ 235,173</u>	<u>£ 231,791</u>

Administrative expenses include an independent examiner's fee of £600 (2020 - £600).

5. Salaries

Staff costs		
Wages and salaries	155,470	150,875
Social Security Costs	7,730	8,229
Pension costs	20,496	20,301
	<u>£ 183,696</u>	<u>£ 178,605</u>

The average number of employees during the year was 8 (2020: 8), engaged in the management and operation of the school.

During the year no employee received emoluments above £60,000 (2020: Nil).

Key management is considered to be the Trustees. No trustees received any remuneration or were reimbursed for expenses incurred.

6. Taxation

The Trust is exempt from corporation tax on its charitable activities.

7. Fixed assets

	<u>Land and Buildings</u> £	<u>Equipment</u> £	<u>Total</u> £
Cost			
As at 1st September 2020	14,000	10,241	24,241
Additions	-	2,232	2,232
	<u>14,000</u>	<u>12,473</u>	<u>26,473</u>
At 31 st August 2021			
Depreciation			
As at 1st September 2020	14,000	9,880	23,880
Charge for the period	-	1,105	1,105
	<u>14,000</u>	<u>10,985</u>	<u>24,985</u>
As at 31 st August 2021			
Net book value			
As at 31 st August 2021	-	1,488	1,488
	<u>-</u>	<u>361</u>	<u>361</u>
As at 31 st August 2020			

The Welsh School Trust Ltd
Notes to the Financial Statements
For the year ended 31 August 2021

8. Creditors – amounts falling due within one year

	<u>2021</u>	<u>2020</u>
Trade creditors	-	1,500
Other taxation and social security payable	2,186	2,523
Accruals	8,223	21,400
Deferred income	-	35,000
	<u>£ 10,409</u>	<u>£ 60,423</u>

9. Summary of Funds

	<u>General Funds</u>	<u>Designated Funds</u>	<u>Total Funds</u>
As at 1 st September 2020	49,746	69,000	118,746
Surplus for the year	21,718	-	21,718
Transfer to designated fund	<u>(10,000)</u>	<u>10,000</u>	<u>-</u>
At 31 st August 2021	<u>61,464</u>	<u>79,000</u>	<u>140,464</u>

All funds are unrestricted. The Trustees have determined that there should be a designated fund set aside to meet exceptional costs not normally incurred in the operation of the school or unexpected shortfalls of income of £55,000 and a bursaries fund of £24,000 (including a 2021 transfer of £10,000) to meet the cost of bursaries in future years.

10. Lease commitments

The trust has annual commitments of £27,948 in respect of a lease on its property that has 4 years to run.

11. Notes to the cash flow statement

Reconciliation of net income to net cash inflow from operating activities:

	2021 £	2020 £
Net income	21,718	34,608
Bank interest receivable	(23)	(719)
Depreciation	1,105	8,079
Decrease / (Increase) in debtors	5,989	(6,119)
(Decrease) / Increase in creditors	<u>(50,014)</u>	<u>36,975</u>
Net cash (used) / provided by operating activities	<u>(21,225)</u>	<u>72,824</u>