

Company registration number: 1693887

Charity registration number: 286434

Rudolf Steiner School (South Devon) Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2017

Manningtons
Statutory auditor
39 High Street
Battle
East Sussex
TN33 0EE

WEDNESDAY



A09 *A771F14A* 30/05/2018 #270
COMPANIES HOUSE

Rudolf Steiner School (South Devon) Limited

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 5
Statement of Trustees' Responsibilities	6
Independent Auditors' Report	7 to 9
Statement of Financial Activities	10 to 11
Balance Sheet	12
Notes to the Financial Statements	13 to 23

Rudolf Steiner School (South Devon) Limited

Reference and Administrative Details

Trustees	Juliet Crittenden Edwina Ratcliffe (resigned 21 November 2017) Christopher Cooper Mark Drewell Jonathon Liddle (resigned 21 November 2017) Joshua Malkin (appointed 21 November 2017) Catherine Day (appointed 13 October 2017) Almut Woolard (appointed 21 November 2017) Jacqueline Bygrave (appointed 23 January 2018)
Secretary	Rosie O'Neill
Senior Management Team	School Leadership Team
Principal Office	Hood Manor Dartington Devon TQ9 6AB
Registered Office	Hood Manor Dartington Devon TQ9 6AB
	The charity is incorporated in England and Wales.
Company Registration Number	1693887
Charity Registration Number	286434
Solicitors	Michelmores LLP Education Team Exeter Woodwater House Pynes Hill Exeter EX2 5WR
Bankers	National Westminster Bank plc 9 Fore Street Totnes Devon TQ9 5YW
Auditor	Manningtons Statutory auditor 39 High Street Battle East Sussex TN33 0EE

Rudolf Steiner School (South Devon) Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017.

Objectives and activities

Objects and aims

The object for which the organisation is established is to promote and provide for the advancement of education of the public in the teachings of the late Dr. Rudolf Steiner.

In furtherance of its object the organisation operates the Rudolf Steiner School, South Devon (also known as the South Devon Steiner School), based at Hood Manor, Dartington. Its further activities include the organisation of cultural events, lectures and meetings and participation in similar activities with other Rudolf Steiner inspired organisations in the UK and abroad.

Public benefit

As a charity, the organisation provides public benefit through its core activity as a provider of education to students from Kindergarten level through to secondary education. In addition, it offers substantial bursary programmes allowing access to such education to students whose families would not otherwise be able to afford such an opportunity.

The school aims to be socially inclusive and to welcome families from a wide range of financial backgrounds. Bursaries amounting to approximately 20% of full fees were provided during the year under review.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

The year under review saw the school continue to deliver a quality educational experience to its students. This was achieved against a background of ongoing work to further develop the organisation's educational capacity, administrative effectiveness and financial strength. Progress was achieved on all three fronts.

As a result, the decision was made to extend the educational offering beyond the current class 10 to offer a full secondary education through to class 12. The first class 11 started in September 2017.

The School is now for the first time in its history able to offer a Steiner/Waldorf education from kindergarten right through to the end of secondary education.

The Hood Barn building, which was completed during the year, will be the focal point for the new College (classes 9 to 12).

At the start of the new school year the school had 237 pupils. This number increased to 240 by the summer term. In addition, the school continued to host visiting students from outside the UK with a total of 45 students attending the school during the year.

Behind the scenes, the process of improving the school's inspection readiness has been enthusiastically embraced by staff and is providing a strengthened platform for an ethos of continuous improvement

Rudolf Steiner School (South Devon) Limited

Trustees' Report

Financial review

Income for the year 2016/17 of £ 1,214,057 was in line with the previous year (£1,223,637). Rigorous cost control saw expenditure reduced to £ 1,126,594 (2015/16 £1,183,235). This combined with the benefits of ongoing work to recover historical debt resulted in a positive net income of £87,463 for the year (2015/16: £40,402).

The balance sheet strengthened during the year with net assets rising to £1,311,780 at year end (2016: £1,224,317). A particularly pleasing improvement was achieved in cash balances which at year end had increased to £191,152 (2016: £143,746).

At the year end there were no outstanding capital commitments.

Policy on reserves

The policy of the trustees remains at maintaining cash reserves within the accounts of between £100,000 and £150,000. Progress was made during the year towards this range and the work is ongoing. Unrestricted reserves, that is reserves not represented by fixed assets or designated and restricted funds, which are used for specific reasons, amounted to £54,333 at the end of the period under review (2016: £8,465).

Risks and going concern assessment

Risk assessment is an ongoing component of Trustee activity. The annual risk review process has not highlighted any specific new or unique risks for the charity. The risk profile is in line with any organisation offering education and all necessary steps are taken to ensure that appropriate mitigation and control structures are in place. They include comprehensive policies to guide every aspect of the organisations activities, effective management and performance systems and insurances (where appropriate).

In accordance with charity commission requirements, the Trustees have considered the question of the viability of the organisation as a going concern. They have concluded that it is, and highlight the following aspects:

- A quality educational offering which will be increasingly in demand given the wider context of the UK education system
- A solid foundation of fee-paying parents
- Good administration and financial systems and processes ensuring cost control and providing forward visibility.

Rudolf Steiner School (South Devon) Limited

Trustees' Report

Plans for future periods

Aims and key objectives for future periods

With the extension of the school to include a class 11 in 2017/18 and a class 12 the following year, the school is focussing on further improvements in the quality of its educational offering. A significant component of this is the full implementation of the Steiner School Certificate (SSC) as a fully accredited alternative to A Levels. The SSC represents global best practice in education and will afford students at the school the opportunity to receive a comprehensive education which equips them for the 21st century in a way that is not possible within the conventional UK educational system.

To strengthen the organisation's educational capacity, the Trustees appointed a new Education Manager in April 2018. This position, along with the business manager and Chair of College form a new School Leadership Team which acts as the focal point for operational leadership and management of the school. The trustees are pleased to report that early signs of the benefit of this enhanced capacity are encouraging.

Structure, governance and management

Nature of governing document

Rudolf Steiner School (South Devon) Limited (the organisation) is a company limited by guarantee. It is also registered as a charity with the Charity Commission. It is governed by its memorandum and articles of association (the Memorandum) which is available to view on the website www.southdevonsteinerschool.org.

Recruitment and appointment of trustees

Trustees are appointed by the members of the organisation (called members of the School Association) in accordance with the Memorandum.

Induction and training of trustees

New Trustees are on boarded through an induction process which includes a comprehensive process of briefings and visits, familiarisation with all relevant internal documents and policies and the Charity Commission guidelines for Trustees. They are also required to complete designated courses on matters ranging from safeguarding to data protection.

Arrangements for setting key management personnel remuneration

The trustees have agreed remuneration for key management roles according to levels of responsibility, experience and performance at relevant market rates capped, taking into account the geographical location. These salaries are reviewed as part of the annual review of performance and salaries across the school. Any trustee who is also a paid member of staff is excluded from the review process and any related decisions.

Rudolf Steiner School (South Devon) Limited

Trustees' Report

Organisational structure

The Trustees meet regularly to manage the organisation's affairs. The day to day running of the organisation is formally delegated to the School Management Team and there is regular reporting to the trustees. Underneath the School Leadership Team there is regular comprehensive reporting to the trustees. Underneath the School Leadership Team there are appropriate departmental structures and meetings which cover every aspect of the organisations activities.

The organisation continues to maintain active links with the Steiner Waldorf Schools Fellowship, with representatives attending national meetings and ensuring a continuous exchange of policies and inspiration. Trained advisors from the Fellowship regularly attend the school to monitor standards of teaching and discipline. More in depth monitoring is undertaken by the School's Inspection Service (SIS) every two to three years.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 29.5.18... and signed on its behalf by:



.....
Mark Drewell
Trustee

Rudolf Steiner School (South Devon) Limited

Statement of Trustees' Responsibilities


The trustees (who are also the directors of Rudolf Steiner School (South Devon) Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees 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.

Approved by the trustees of the charity on 29/5/18... and signed on its behalf by:


.....
Mark Drewell
Trustee

Rudolf Steiner School (South Devon) Limited

Independent Auditor's Report to the Members of Rudolf Steiner School (South Devon) Limited

Opinion

We have audited the financial statements of Rudolf Steiner School (South Devon) Limited (the 'charity') for the year ended 31 August 2017, which comprise the Statement of Financial Activities, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, 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 charity's trustees those matters we are required to state to them in an auditor's 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2017 and of its results for the year 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

Rudolf Steiner School (South Devon) Limited

Independent Auditor's Report to the Members of Rudolf Steiner School (South Devon) Limited

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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where 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 trustees 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 Statement of Trustees' Responsibilities [set out on page 6], the trustees 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.


As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Rudolf Steiner School (South Devon) Limited

Independent Auditor's Report to the Members of Rudolf Steiner School (South Devon) Limited

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Rowena T K Walsh (Senior Statutory Auditor)
For and on behalf of Manningtons, Statutory Auditor

39 High Street
Battle
East Sussex
TN33 0EE

Date: 29/05/18

Rudolf Steiner School (South Devon) Limited

Statement of Financial Activities for the Year Ended 31 August 2017 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £
Income and Endowments from:				
Donations and legacies	3	17,983	7,484	25,467
Charitable activities	4	1,172,675	-	1,172,675
Activities for generating funds	5	15,907	-	15,907
Investment income	6	8	-	8
Total Income		<u>1,206,573</u>	<u>7,484</u>	<u>1,214,057</u>
Expenditure on:				
Raising funds		(5,797)	-	(5,797)
Charitable activities	7	(1,200,860)	(3,358)	(1,204,218)
Historical bad debt provision unwinding	8	83,421	-	83,421
Total Expenditure		<u>(1,123,236)</u>	<u>(3,358)</u>	<u>(1,126,594)</u>
Net income		<u>83,337</u>	<u>4,126</u>	<u>87,463</u>
Net movement in funds		83,337	4,126	87,463
Reconciliation of funds				
Total funds brought forward		<u>1,073,304</u>	<u>151,013</u>	<u>1,224,317</u>
Total funds carried forward	21	<u>1,156,641</u>	<u>155,139</u>	<u>1,311,780</u>

Rudolf Steiner School (South Devon) Limited

Statement of Financial Activities for the Year Ended 31 August 2017 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2016 £
Income and Endowments from:				
Donations and legacies	3	25,840	41,206	67,046
Charitable activities	4	1,137,177	-	1,137,177
Activities for generating funds	5	19,213	-	19,213
Investment income	6	201	-	201
Total Income		1,182,431	41,206	1,223,637
Expenditure on:				
Raising funds		(3,599)	-	(3,599)
Charitable activities	7	(1,205,574)	(3,452)	(1,209,026)
Historical bad debt provision unwinding	8	29,390	-	29,390
Total Expenditure		(1,179,783)	(3,452)	(1,183,235)
Net income		2,648	37,754	40,402
Net movement in funds		2,648	37,754	40,402
Reconciliation of funds				
Total funds brought forward		1,070,656	113,259	1,183,915
Total funds carried forward	21	1,073,304	151,013	1,224,317

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

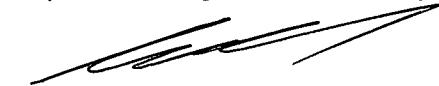
The funds breakdown for 2016 is shown in note 21.

Rudolf Steiner School (South Devon) Limited

**(Registration number: 1693887)
Balance Sheet as at 31 August 2017**

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	14	1,811,780	1,807,249
Current assets			
Debtors	15	165,058	186,682
Cash at bank and in hand		<u>191,152</u>	<u>143,746</u>
		356,210	330,428
Creditors: Amounts falling due within one year	16	<u>(348,162)</u>	<u>(367,529)</u>
Net current assets/(liabilities)		<u>8,048</u>	<u>(37,101)</u>
Total assets less current liabilities		1,819,828	1,770,148
Creditors: Amounts falling due after more than one year	17	<u>(508,048)</u>	<u>(545,831)</u>
Net assets		<u><u>1,311,780</u></u>	<u><u>1,224,317</u></u>
Funds of the charity:			
Restricted funds		155,139	151,013
Unrestricted income funds			
Unrestricted funds		<u>1,156,641</u>	<u>1,073,304</u>
Total funds	21	<u><u>1,311,780</u></u>	<u><u>1,224,317</u></u>

The financial statements on pages 10 to 23 were approved by the trustees, and authorised for issue on 24.5.18... and signed on their behalf by:



.....
Mark Drewell
Trustee

Rudolf Steiner School (South Devon) Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The date of transition to FRS 102 was 1 September 2015.

Basis of preparation

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

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Transition to FRS 102

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. No restatements are required as a result of the transition to FRS 102.

Judgements

Determination of whether there are indicators of impairment of the Charity's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Rudolf Steiner School (South Devon) Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

Key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The carrying amount is £1,811,780 (2016 -£1,807,249).

The recoverability of book debts is reviewed by management and a provision is made based on all the information available. The carrying amount is £548,562 (2016 -£631,982).

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Deferred income

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

- School fees are invoiced in advance of the next school year.
- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Expenditure

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

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

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

Rudolf Steiner School (South Devon) Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £200.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Freehold Interest in buildings	2% straight line basis
Furniture and equipment	10% - 20% straight line basis

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Rudolf Steiner School (South Devon) Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

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

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

3 Income from donations and legacies

	Unrestricted funds		
	General £	Restricted funds £	Total 2017 £
Donations and legacies;			
Appeals and Donations	17,983	7,484	25,467
	<u>17,983</u>	<u>7,484</u>	<u>25,467</u>
			<u>67,046</u>

4 Income from charitable activities

	Unrestricted funds		
	General £	Total 2017 £	Total 2016 £
Education	1,051,674	1,051,674	1,050,882
Summer school	83,472	83,472	47,950
Letting of non-investment property	21,074	21,074	18,482
Other	16,455	16,455	19,863
	<u>1,172,675</u>	<u>1,172,675</u>	<u>1,137,177</u>

Rudolf Steiner School (South Devon) Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

5 Activities for generating funds

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Events income;			
Fundraising events	15,907	15,907	19,213
	<u>15,907</u>	<u>15,907</u>	<u>19,213</u>

6 Investment income

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	8	8	201
	<u>8</u>	<u>8</u>	<u>201</u>

7 Expenditure on charitable activities

		Unrestricted funds	Restricted funds	Total 2017	Total 2016
	Note	General £	£	£	£
Education		240,093	-	240,093	263,116
Summer school		42,675	-	42,675	23,867
Letting of non-investment property		5,387	-	5,387	4,846
Depreciation, amortisation and other similar costs		49,858	3,358	53,216	56,884
Staff costs		855,727	-	855,727	851,073
Governance costs	9	7,120	-	7,120	9,240
		<u>1,200,860</u>	<u>3,358</u>	<u>1,204,218</u>	<u>1,209,026</u>

Rudolf Steiner School (South Devon) Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

8 Historical bad debt provision unwinding

	Unrestricted funds		
	General £	Total 2017 £	Total 2016 £
current year bad debt reduction	(83,421)	(83,421)	(29,390)
	<u>(83,421)</u>	<u>(83,421)</u>	<u>(29,390)</u>

The bad debt unwinding has occurred due to the school financial crisis in the financial year ended August 2014, where there were key personnel changes and free school status not being achieved, which then resulted in school fees not being paid or delayed. So in this year all the deferred fees and balances with no repayment period or a period over 3 years was provided for resulting in an unusual bad debt provision for the year of £249,428 (2013 - £69,473).

Due to the constant hard work of the school more and more old debts have been either paid in full or a repayment plan put in place, aswell as constant monitoring of trade debtors. Unfortunately there was a few debts which had to be written off in the year, as all revenues of recoverability have been exhausted, these are included within Note 7 'Charitable activities costs - education', £18,721 (2016 - £16,698).

The net bad debt position for the year end 31st August 2017 £64,700 (2016 - £12,692).

9 Analysis of governance and support costs

Governance costs

	Unrestricted funds		
	General £	Total 2017 £	Total 2016 £
Audit fees			
Audit of the financial statements	5,200	5,200	6,500
Accountancy	1,920	1,920	2,740
	<u>7,120</u>	<u>7,120</u>	<u>9,240</u>

Rudolf Steiner School (South Devon) Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

10 Net incoming/outgoing resources

Net incoming resources for the year include:

	2017 £	2016 £
Loss on disposal of fixed assets held for the charity's own use	501	8,276
Depreciation of fixed assets	<u>52,715</u>	<u>48,608</u>

11 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

12 Staff costs

The aggregate payroll costs were as follows:

	2017 £	2016 £
Staff costs during the year were:		
Wages and salaries	808,785	802,768
Social security costs	42,990	44,432
Pension costs	<u>3,952</u>	<u>3,873</u>
	<u>855,727</u>	<u>851,073</u>

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

	2017 No	2016 No
Charitable activities	<u>82</u>	<u>87</u>

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £120,539 (2016 - £106,857).

13 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Rudolf Steiner School (South Devon) Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

14 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 September 2016	2,156,753	262,906	2,419,659
Additions	54,649	3,097	57,746
Disposals	-	(72,030)	(72,030)
At 31 August 2017	<u>2,211,402</u>	<u>193,973</u>	<u>2,405,375</u>
Depreciation			
At 1 September 2016	380,871	231,539	612,410
Charge for the year	44,228	8,487	52,715
Eliminated on disposals	-	(71,530)	(71,530)
At 31 August 2017	<u>425,099</u>	<u>168,496</u>	<u>593,595</u>
Net book value			
At 31 August 2017	<u>1,786,303</u>	<u>25,477</u>	<u>1,811,780</u>
At 31 August 2016	<u>1,775,882</u>	<u>31,367</u>	<u>1,807,249</u>

15 Debtors

	2017 £	2016 £
Trade debtors	136,984	164,049
Prepayments	19,546	12,217
Other debtors	8,528	10,416
	<u>165,058</u>	<u>186,682</u>

16 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans	16,374	15,659
Trade creditors	219,413	259,548
Other loans	42,198	64,223
Other taxation and social security	10,693	10,816
Other creditors	46	203
Accruals	13,000	17,080
Deferred income	46,438	-
	<u>348,162</u>	<u>367,529</u>

Rudolf Steiner School (South Devon) Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

17 Creditors: amounts falling due after one year

	2017	2016
	£	£
Bank loans	404,653	421,027
Other loans	103,395	124,804
	<u>508,048</u>	<u>545,831</u>

Included in the creditors are the following amounts due after more than five years:

	2017	2016
	£	£
After more than five years by instalments	<u>373,095</u>	<u>396,147</u>

Bank loans and overdrafts after five years

The loan is secured by a 3rd legal charge over the freehold business property; Hood Manor. Interest charged on the loan for the year amounted to £20,734 (£21,702 -2016)

Other loans after five years

The loans are secured by a legal charge over the freehold business property; Hood Manor. Interest charged on the loan for the year amounted to £5,879 (£6,782 -2016)

18 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £3,952 (2016 - £3,873).

19 Commitments

Other financial commitments

During 2015 the Charity had entered into a 5 year non-cancellable hire lease commitment for photocopier rental at a rate of £1472 per annum.

The total amount of other financial commitments not provided in the financial statements was £5,152 (2016 - £6,623).

20 Contingent liabilities

A claim has been made against the school from a former employee on the basis of an alleged accident which was not reported and for which there are no witnesses and which is alleged to have occurred during school time within days of the employee handing-in his notice. The claim is currently being assessed by the school's insurers which have put the claimant to strict proof. The claim is for £25,000.

Rudolf Steiner School (South Devon) Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

21 Funds

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Balance at 31 August 2017 £
Unrestricted funds				
<i>General</i>				
General fund	1,073,304	1,206,573	(1,123,236)	1,156,641
Restricted funds				
Staff fund	217	1,500	-	1,717
Building appeal	98,333	4,599	(2,254)	100,678
Bike shed	5,842	-	(140)	5,702
Flat carpeting	1,204	-	(37)	1,167
Greenwood bridge	15,160	-	(313)	14,847
Music fund	596	-	(18)	578
Play area fund	5,160	165	(72)	5,253
Upper school development	24,501	1,220	(524)	25,197
Total restricted funds	151,013	7,484	(3,358)	155,139
Total funds	1,224,317	1,214,057	(1,126,594)	1,311,780
	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Balance at 31 August 2016 £
Unrestricted funds				
<i>General</i>				
General fund	1,070,656	1,182,431	(1,179,783)	1,073,304
Restricted funds				
Staff fund	217	-	-	217
Building appeal	99,927	556	(2,150)	98,333
Bike shed	5,982	-	(140)	5,842
Flat carpeting	1,241	-	(37)	1,204
Greenwood bridge	-	15,650	(490)	15,160
Music fund	612	-	(16)	596
Play area fund	5,280	-	(120)	5,160
Upper school development	-	25,000	(499)	24,501
Total restricted funds	113,259	41,206	(3,452)	151,013
Total funds	1,183,915	1,223,637	(1,183,235)	1,224,317

Rudolf Steiner School (South Devon) Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

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

The Staff fund is to provide financial assistance to staff in need, with school fees and other costs.

The Building appeal was launched to raise funds towards the cost of the new hall development. Depreciation on the assets financed from the fund is charged against the fund balance.

The other funds were launched to raise funds towards assets as implied in the fund name. Depreciation on the assets financed from the funds and the costs of generating the funds are charged against the fund balances.

22 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	1,656,857	154,923	1,811,780
Current assets	355,994	216	356,210
Current liabilities	(348,162)	-	(348,162)
Creditors over 1 year	(508,048)	-	(508,048)
Total net assets	<u>1,156,641</u>	<u>155,139</u>	<u>1,311,780</u>

23 Analysis of net funds

	At 1 September 2016 £	Cash flow £	At 31 August 2017 £
Cash at bank and in hand	143,746	47,406	191,152
Net debt	<u>143,746</u>	<u>47,406</u>	<u>191,152</u>

24 Related party transactions

During the year the charity made the following related party transactions:

School fees

The trustee Mark Drewell has children attending the school as pupils. Invoices for parental contributions have been raised at normal rates. At the balance sheet date the amount due to/from School fees was £Nil (2016 - £Nil).