

Hawkshead Grammar School Foundation

**Unaudited Financial Statements for the year ended
31 October 2018**

Charity Registration Number 1030002

Hawkshead Grammar School Foundation

Financial Statements

Year ended 31 October 2018

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Hawkshead Grammar School Foundation

Trustees' Annual Report

Year ended 31 October 2018

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 October 2018.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Hawkshead Grammar School Foundation
Charity registration number	1030002
Principal office	Scutcheon House Farm Far Sawrey Ambleside Cumbria LA22 0LQ

THE TRUSTEES

Judith Myers
Rev John Dixon
Claire Salisbury
Raymond Brown
Myles Sandys
Andrew Stoker
Ian Moulton
Roger Bonham

INDEPENDENT EXAMINER

Ian Thompson (FCA)
Saint & Co
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Foundation has 6 representative governors appointed by various local authorities and one by the Carlisle Diocese of the Church of England, and up to three cooptative governors appointed by the governing body. Appointments are for five years and are renewable. The governors normally meet twice a year (usually in October and April) to consider grant applications and to manage the affairs of the Foundation, including management and maintenance of the endowed properties. Decisions are made to ensure that funds are available to maintain the efficient running of the Foundation, with the goal of continued provision of educational grants.

Hawkshead Grammar School Foundation

Trustees' Annual Report *(continued)*

Year ended 31 October 2018

OBJECTIVES AND ACTIVITIES

Hawkshead Grammar School Foundation was set up by in 1585 by Edwin Sandys, then Archbishop of York, under Letters Patent from Queen Elizabeth I, for the purpose of running a boys Grammar School. It did so for over 300 years until the school closed in 1909. The Foundation now runs the school as a museum and continues to provide educational and vocational grants (known as Sandys Exhibitions) to young people from the Ancient Parish of Hawkshead. It also owns and lets various endowed properties in the village. These rents, income from its investments, and museum entrance fees, provide the main sources of income.

Applications for educational grants are received by the Governors throughout the year and are considered by them at or between meetings. Grants are made to young people between the ages of 16-25 studying at a recognised university, college, apprenticeship or similar educational facility. Full rules are available by writing to the Foundation or from its website www.hawksheadgrammar.org.uk. They must reapply for each year of their course, and in second and subsequent years must provide evidence of of satisfactory attendance and results from their previous year. This year two applications were received, and both were awarded.

ACHIEVEMENTS AND PERFORMANCE

The Foundation continued to run the Grammar School Museum which attracted approximately 5000 visitors. Group tours continue to be popular with overseas visitors. The museum runs at a loss but is supported by income from the rental properties and investments.

The governors regularly review the risks and opportunities faced by the Foundation and make plans accordingly. Management and maintenance of the rental properties requires ongoing review and expenditure. In 2017/18 the windows in one rental property were replaced; replacement of the windows in most of the other properties will be required in future years. With the ending of an agricultural tenancy the governors took the opportunity to remove the School House Barn from rental and re-let the associated land under a new agricultural lease. Consideration is being given to whether the School House Barn can be converted to a building suitable for housing the Hawkshead pre-school, augmenting the intake for Hawkshead Esthwaite Primary School and further supporting the Foundation's educational aims.

Hawkshead Grammar School Foundation

Trustees' Annual Report *(continued)*

Year ended 31 October 2018

FINANCIAL REVIEW

Income from the museum, investments and rental properties were similar to the previous year.

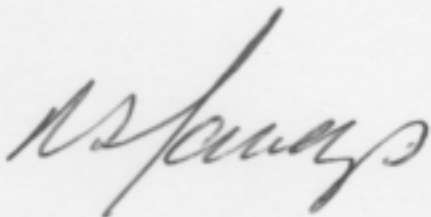
Expenditure was higher than the previous financial year, due to higher repair and maintenance costs for the rental properties, i.e. window replacements, and higher care-taking costs for the museum. Expenditure is expected to remain high due to necessary property maintenance. However, after a difficult tourist season in the village due to a key transport link being out of service (the Windermere Ferry), it was agreed that no increases should be made on rents due.

Investments made a loss of £6,918 versus a gain of £11,442 in the previous year.

Overall the charity ran a surplus of £9,580 in 2017/18, vs a surplus of £35,582 in 2016/17. Reserves increased to £383,428 from £373,848 in 2016/17.

The trustees' annual report was approved on 08-08-18 and signed on behalf of the board of trustees by:

Myles Sandys
Trustee



Hawkshead Grammar School Foundation

Independent Examiner's Report to the Trustees of Hawkshead Grammar School Foundation

Year ended 31 October 2018

I report to the trustees on my examination of the financial statements of Hawkshead Grammar School Foundation ('the charity') for the year ended 31 October 2018.

RESPONSIBILITIES AND BASIS OF REPORT

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

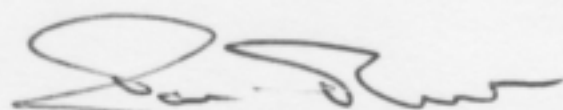
I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

INDEPENDENT EXAMINER'S STATEMENT

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Ian Thompson (FCA)
Independent Examiner

Saint & Co
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

15/8/19..... Date

Hawkshead Grammar School Foundation

Statement of Financial Activities

Year ended 31 October 2018

		2018		2017	
	Note	Unrestricted funds £	Endowment funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	4	174	–	174	217
Charitable activities	5	10,956	–	10,956	11,810
Other trading activities	6	897	–	897	1,056
Investment income	7	42,449	–	42,449	42,238
Total income		<u>54,476</u>	<u>–</u>	<u>54,476</u>	<u>55,321</u>
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	8	443	–	443	534
Endowment land and properties rental costs	9	7,995	–	7,995	3,492
Expenditure on charitable activities	10,11	29,540	–	29,540	27,155
Total expenditure		<u>37,978</u>	<u>–</u>	<u>37,978</u>	<u>31,181</u>
Net (losses)/gains on investments	12	(6,918)	–	(6,918)	11,442
Net income and net movement in funds		<u>9,580</u>	<u>–</u>	<u>9,580</u>	<u>35,582</u>
Reconciliation of funds					
Total funds brought forward		316,412	57,436	373,848	338,266
Total funds carried forward		<u>325,992</u>	<u>57,436</u>	<u>383,428</u>	<u>373,848</u>

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

The notes on pages 7 to 15 form part of these financial statements.

Hawkshead Grammar School Foundation

Statement of Financial Position

31 October 2018

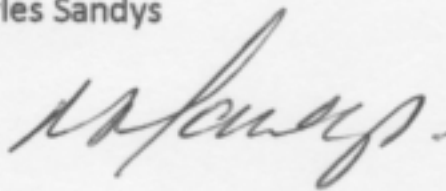
	Note	2018 £	2017 £
FIXED ASSETS			
Tangible fixed assets	16	57,436	57,436
Investments	17	154,254	161,172
		<u>211,690</u>	<u>218,608</u>
CURRENT ASSETS			
Stocks	18	287	520
Debtors	19	7,241	3,345
Cash at bank and in hand		167,409	156,457
		<u>174,937</u>	<u>160,322</u>
CREDITORS: amounts falling due within one year	20	<u>3,199</u>	<u>5,082</u>
NET CURRENT ASSETS		<u>171,738</u>	<u>155,240</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>383,428</u>	<u>373,848</u>
NET ASSETS		<u>383,428</u>	<u>373,848</u>
FUNDS OF THE CHARITY			
Endowment funds		57,436	57,436
Unrestricted funds		325,992	316,412
Total charity funds	21	<u>383,428</u>	<u>373,848</u>

These financial statements were approved by the board of trustees and authorised for issue on 8th Aug 2019, and are signed on behalf of the board by:

Ian Moulton



Myles Sandys



The notes on pages 7 to 15 form part of these financial statements.

Hawkshead Grammar School Foundation

Notes to the Financial Statements

Year ended 31 October 2018

1. GENERAL INFORMATION

The charity is a public benefit entity and a registered charity in England and Wales. The address of the principal office is Scutcheon House Farm, Far Sawrey, Ambleside, Cumbria LA22 0LQ. The Hawkshead Grammar School museum and library is situated at Main Street, Hawkshead, Cumbria LA22 0NT.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. ACCOUNTING POLICIES

Basis of preparation

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

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

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The original costs or gifted values of some of the endowment land and properties are not known, dating back many decades before modern accounting standards began. Some endowment assets are carried at nil cost and some carrying amounts reflect the cost of major restoration work only.

Fund accounting

Endowment funds, representing freehold land and properties stated at cost, are held for the benefit of the charity as capital funds. The lettings income and associated expenditure is unrestricted.

Hawkshead Grammar School Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

3. ACCOUNTING POLICIES *(continued)*

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured.

Resources expended

Expenses are recognised on an accruals basis.

Costs that are shared by the Museum and the Library are apportioned on an estimated area/consumption basis of 87.5% and 12.5% to the Museum and Library activities respectively. Governance costs are primarily associated with the charity's constitutional and statutory obligations.

Tangible assets

All tangible fixed assets are initially recorded at cost. No depreciation is charged on the freehold land and properties because they are maintained in such a state of repair that their estimated residual value is not less than their cost.

Some of the endowment land and properties are held for investment purposes, though there is no intention ever to sell them. The rental income is shown in investment income in the notes to the accounts. Under FRS102 investment property should initially be recorded at cost and then revalued at fair value at each reporting date. However, the trustees consider that a reliable measure of fair value is not available for any of the investment land and properties without undue cost or effort. Under FRS102 the investment land and properties are therefore carried as tangible assets at cost until it is expected that fair value will be reliably measurable on an on-going basis.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Stocks

Stocks are measured at the lower of cost and estimated selling price.

Hawkshead Grammar School Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

3. ACCOUNTING POLICIES *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted. Debt instruments are subsequently measured at amortised cost. Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure.

4. DONATIONS AND LEGACIES

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
DONATIONS				
Museum collections	174	174	217	217

5. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Museum admission fees	10,956	10,956	11,810	11,810

6. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Museum shop sales	897	897	1,056	1,056

Hawkshead Grammar School Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

7. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Income from listed investments	7,109	7,109	6,836	6,836
Bank interest receivable	148	148	41	41
Rental income from endowment land and properties	35,192	35,192	35,358	35,358
Wayleave	—	—	3	3
	<u>42,449</u>	<u>42,449</u>	<u>42,238</u>	<u>42,238</u>

8. COSTS OF OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Shop costs - opening stock	520	520	606	606
Shop costs - purchases	210	210	448	448
Shop costs - closing stock	(287)	(287)	(520)	(520)
	<u>443</u>	<u>443</u>	<u>534</u>	<u>534</u>

9. ENDOWMENT LAND AND PROPERTIES RENTAL COSTS

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Repairs and maintenance	5,412	5,412	1,763	1,763
Insurance	1,855	1,855	1,727	1,727
Legal fees	726	726	—	—
Sundry expenses	2	2	2	2
	<u>7,995</u>	<u>7,995</u>	<u>3,492</u>	<u>3,492</u>

10. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Museum	24,628	24,628	21,152	21,152
Library	2,412	2,412	2,547	2,547
Educational grants	1,000	1,000	2,000	2,000
Support costs	1,500	1,500	1,456	1,456
	<u>29,540</u>	<u>29,540</u>	<u>27,155</u>	<u>27,155</u>

See Note 11 for details of expenditure on charitable activities.

Hawkshead Grammar School Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

11. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly	Support costs	Total funds 2018	Total fund 2017
	£	£	£	£
Museum				
Wages and salaries	14,740	–	14,740	15,293
Rates and water	356	–	356	229
Light and heat	1,829	–	1,829	1,657
Repairs and maintenance	2,305	–	2,305	602
Insurance	1,738	–	1,738	1,775
Payroll fees	379	–	379	367
Care-taking and gardening	3,170	–	3,170	1,190
Bank charges	111	–	111	39
	<u>24,628</u>	<u>–</u>	<u>24,628</u>	<u>21,152</u>
Library				
Rates and water	12	–	12	17
Light and heat	261	–	261	237
Repairs and maintenance	99	–	99	121
Insurance	2,001	–	2,001	2,067
Care-taking and gardening	39	–	39	105
	<u>2,412</u>	<u>–</u>	<u>2,412</u>	<u>2,547</u>
Educational grants				
Grants payable	1,000	–	1,000	2,000
Support costs				
Accountancy & examination fees	–	1,500	1,500	1,456
	<u>28,040</u>	<u>1,500</u>	<u>29,540</u>	<u>27,155</u>

12. NET (LOSSES)/GAINS ON INVESTMENTS

	Unrestricted Funds	Total Funds 2018	Unrestricted Funds	Total Funds 2017
	£	£	£	£
(Losses)/gains on listed investments	<u>(6,918)</u>	<u>(6,918)</u>	<u>11,442</u>	<u>11,442</u>

Hawkshead Grammar School Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

13. INDEPENDENT EXAMINATION FEES

	2018	2017
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	1,500	1,456
Other financial services	379	367
	<u>1,879</u>	<u>1,823</u>

14. STAFF COSTS

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

	2018	2017
	£	£
Wages and salaries	<u>14,740</u>	<u>15,293</u>

The average head count of employees during the year was 1 (2017: 1). The average number of full-time equivalent employees during the year is analysed as follows:

	2018	2017
	No.	No.
Curator	<u>1</u>	<u>1</u>

No employee received employee benefits of more than £60,000 during the year (2017: Nil).

15. TRUSTEE REMUNERATION AND EXPENSES

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

16. TANGIBLE FIXED ASSETS

	Land and buildings £
Cost	
At 1 November 2017 and 31 October 2018	<u>57,436</u>
Depreciation	
At 1 November 2017 and 31 October 2018	<u>—</u>
Carrying amount	
At 31 October 2018	<u>57,436</u>
At 31 October 2017	<u>57,436</u>

Hawkshead Grammar School Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

17. INVESTMENTS

	Listed investments £
Cost or valuation	
At 1 November 2017	161,172
Additions	—
Fair value movements	<u>(6,918)</u>
At 31 October 2018	<u>154,254</u>
Impairment	
At 1 November 2017 and 31 October 2018	—
Carrying amount	
At 31 October 2018	<u>154,254</u>
At 31 October 2017	<u>161,172</u>

All investments shown above are held at valuation.

Financial assets held at fair value

The COIF Charities Investment Fund is measured at mid market / net asset value £32,139 (2017: £31,491) and the M&G Charifund is stated at the listed value £122,115 (2017: £129,681).

18. STOCKS

	2018 £	2017 £
Shop stock	<u>287</u>	<u>520</u>

19. DEBTORS

	2018 £	2017 £
Prepayments and accrued income	2,497	2,512
Rents receivable	<u>4,744</u>	<u>833</u>
	<u>7,241</u>	<u>3,345</u>

20. CREDITORS: amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	2,458	3,496
Social security and other taxes	146	339
Other creditors	<u>595</u>	<u>1,247</u>
	<u>3,199</u>	<u>5,082</u>

Hawkshead Grammar School Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

21. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	At 1 November 2017 £	Income £	Expenditure £	Gains and losses £	At 31 October 2018 £
General funds	316,412	54,476	(37,978)	(6,918)	325,992

	At 1 November 2016 £	Income £	Expenditure £	Gains and losses £	At 31 October 2017 £
General funds	280,830	55,321	(31,181)	11,442	316,412

Endowment funds

	At 1 November 2017 £	Income £	Expenditure £	Gains and losses £	At 31 October 2018 £
Museum Cottages, Old School House and Old School Cottage	8,826	-	-	-	8,826
Stable Barn, Agricultural Land & Field	18,499	-	-	-	18,499
Museum Building (including Library)	30,111	-	-	-	30,111
	<u>57,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,436</u>

	At 1 November 2016 £	Income £	Expenditure £	Gains and losses £	At 31 October 2017 £
Museum Cottages, Old School House and Old School Cottage	8,826	-	-	-	8,826
Stable Barn, Agricultural Land & Field	18,499	-	-	-	18,499
Museum Building (including Library)	30,111	-	-	-	30,111
	<u>57,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,436</u>

Hawkshead Grammar School Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Endowment Funds £	Total Funds 2018 £
Tangible fixed assets	–	57,436	57,436
Investments	154,254	–	154,254
Current assets	174,937	–	174,937
Creditors less than 1 year	(3,199)	–	(3,199)
Net assets	325,992	57,436	383,428

	Unrestricted Funds £	Endowment Funds £	Total Funds 2017 £
Tangible fixed assets	–	57,436	57,436
Investments	161,172	–	161,272
Current assets	160,322	–	160,322
Creditors less than 1 year	(5,082)	–	(5,082)
Net assets	316,412	57,436	373,848