

Hawkshead Grammar School Foundation

Unaudited Financial Statements for the year ended
31 October 2017

Charity Registration Number 1030002

Hawkshead Grammar School Foundation

Financial Statements

Year ended 31 October 2017

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Hawkshead Grammar School Foundation

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

Year ended 31 October 2017

I report to the trustee on my examination of the financial statements of Hawkshead Grammar School Foundation ('the charity') for the year ended 31 October 2017.

RESPONSIBILITIES AND BASIS OF REPORT

As the trustee 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

..... Date

Hawkshead Grammar School Foundation

Statement of Financial Activities

Year ended 31 October 2017

		2017			2016
	Note	Unrestricted funds £	Endowment funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	4	217	–	217	131
Charitable activities	5	12,866	–	12,866	11,166
Investment income	6	42,238	–	42,238	41,996
Total income		<u>55,321</u>	<u>–</u>	<u>55,321</u>	<u>53,293</u>
Expenditure					
Expenditure on charitable activities	7,8	31,181	–	31,181	29,045
Total expenditure		<u>31,181</u>	<u>–</u>	<u>31,181</u>	<u>29,045</u>
Net gains on investments	9	11,442	–	11,442	10,594
Net income and net movement in funds		<u>35,582</u>	<u>–</u>	<u>35,582</u>	<u>34,842</u>
Reconciliation of funds					
Total funds brought forward		280,830	57,436	338,266	303,424
Total funds carried forward		<u>316,412</u>	<u>57,436</u>	<u>373,848</u>	<u>338,266</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 4 to 11 form part of these financial statements.

Hawkshead Grammar School Foundation

Statement of Financial Position

31 October 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible fixed assets	13	57,436	57,436
Investments	14	161,172	149,730
		<u>218,608</u>	<u>207,166</u>
CURRENT ASSETS			
Stocks	15	520	606
Debtors	16	3,345	2,456
Cash at bank and in hand		156,457	134,927
		<u>160,322</u>	<u>137,989</u>
CREDITORS: amounts falling due within one year	17	<u>5,082</u>	<u>6,889</u>
NET CURRENT ASSETS		<u>155,240</u>	<u>131,100</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>373,848</u>	<u>338,266</u>
NET ASSETS		<u>373,848</u>	<u>338,266</u>
FUNDS OF THE CHARITY			
Endowment funds		57,436	57,436
Unrestricted funds		316,412	280,830
Total charity funds	18	<u>373,848</u>	<u>338,266</u>

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

.....
Governor

.....
Governor

The notes on pages 4 to 11 form part of these financial statements.

Hawkshead Grammar School Foundation

Notes to the Financial Statements

Year ended 31 October 2017

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 The Birches, Murley Moss Lane, Kendal, Cumbria LA9 7NL. 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.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 November 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 20.

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 2017

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 2017

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 2017 £	Unrestricted Funds £	Total Funds 2016 £
DONATIONS				
Museum collections	217	217	131	131

5. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Museum admission fees	11,810	11,810	10,160	10,160
Museum shop sales	1,056	1,056	1,006	1,006
	<u>12,866</u>	<u>12,866</u>	<u>11,166</u>	<u>11,166</u>

6. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Income from listed investments	6,836	6,836	6,526	6,526
Bank interest receivable	41	41	101	101
Rental income from endowment land and properties	35,358	35,358	35,366	35,366
Way-leave	3	3	3	3
	<u>42,238</u>	<u>42,238</u>	<u>41,996</u>	<u>41,996</u>

Hawkshead Grammar School Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

7. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Museum	21,686	21,686	20,124	20,124
Library	2,547	2,547	2,466	2,466
Letting of endowment properties	3,492	3,492	3,246	3,246
Educational grants	2,000	2,000	1,800	1,800
Support costs	1,456	1,456	1,409	1,409
	<u>31,181</u>	<u>31,181</u>	<u>29,045</u>	<u>29,045</u>

8. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Support costs £	Total funds 2017 £	Total fund 2016 £
Museum	21,686	–	21,686	20,124
Library	2,547	–	2,547	2,466
Letting of endowment properties	3,492	–	3,492	3,246
Educational grants	2,000	–	2,000	1,800
Governance costs	–	1,456	1,456	1,409
	<u>29,725</u>	<u>1,456</u>	<u>31,181</u>	<u>29,045</u>

See Note 21 for details of costs of charitable activities.

9. NET GAINS ON INVESTMENTS

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Gains/(losses) on listed investments	<u>11,442</u>	<u>11,442</u>	<u>10,594</u>	<u>10,594</u>

10. INDEPENDENT EXAMINATION FEES

	2017 £	2016 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	1,456	1,409
Other financial services	367	353
	<u>1,823</u>	<u>1,762</u>

Hawkshead Grammar School Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

11. STAFF COSTS

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

	2017	2016
	£	£
Wages and salaries	15,293	15,000
Social security costs	–	(219)
	<u>15,293</u>	<u>14,781</u>

The average head count of employees during the year was 1 (2016: 1). The average number of full-time equivalent employees during the year is analysed as follows:

	2017	2016
	No.	No.
Curator	<u>1</u>	<u>1</u>

No employee received employee benefits of more than £60,000 during the year (2016: Nil).

12. TRUSTEE REMUNERATION AND EXPENSES

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

13. TANGIBLE FIXED ASSETS

	Land and buildings £
Cost	
At 1 November 2016 and 31 October 2017	<u>57,436</u>
Depreciation	
At 1 November 2016 and 31 October 2017	<u>–</u>
Carrying amount	
At 31 October 2017	<u>57,436</u>
At 31 October 2016	<u>57,436</u>

Hawkshead Grammar School Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

14. INVESTMENTS

	Listed investments £
Cost or valuation	
At 1 November 2016	149,730
Additions	–
Fair value movements	11,442
At 31 October 2017	<u>161,172</u>
Impairment	
At 1 November 2016 and 31 October 2017	
Carrying amount	
At 31 October 2017	<u>161,172</u>
At 31 October 2016	<u>149,730</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 £31,491 (2016: £29,236) and the M&G Charifund is stated at the listed value £129,681 (2016: £120,494).

15. STOCKS

	2017 £	2016 £
Goods for sale	<u>520</u>	<u>606</u>

16. DEBTORS

	2017 £	2016 £
Prepayments and accrued income	2,512	2,456
Rents receivable	833	–
	<u>3,345</u>	<u>2,456</u>

17. CREDITORS: amounts falling due within one year

	2017 £	2016 £
Accruals and deferred income	3,496	3,842
Social security and other taxes	339	289
Other creditors	1,247	2,758
	<u>5,082</u>	<u>6,889</u>

Hawkshead Grammar School Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

18. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	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 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>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Endowment Funds £	Total Funds 2017 £	Total Funds 2016 £
Tangible fixed assets	–	57,436	57,436	57,436
Investments	161,172	–	161,172	149,730
Current assets	160,322	–	160,322	137,989
Creditors less than 1 year	(5,082)	–	(5,082)	(6,889)
Net assets	<u>316,412</u>	<u>57,436</u>	<u>373,848</u>	<u>338,266</u>

20. TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 1 November 2015.

No transitional adjustments were required in the retained funds or income or expenditure for the year.

Hawkshead Grammar School Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

21. DETAILS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	2017	2016
	£	£
Museum		
Opening stock	606	644
Purchases	448	449
Closing stock	(520)	(606)
Wages/salaries	15,293	15,000
Employer's NIC	–	(219)
Rates & water	229	214
Light & heat	1,657	902
Repairs & maintenance	602	725
Insurance	1,775	1,783
Payroll fees	367	353
Care-taking & gardening	1,190	879
Bank charges	39	–
	<u>21,686</u>	<u>20,124</u>
Library		
Rates & water	17	17
Light & heat	237	129
Repairs & maintenance	121	103
Insurance	2,067	2,091
Care-taking & gardening	105	126
	<u>2,547</u>	<u>2,466</u>
Letting of endowment properties		
Repairs & maintenance	1,763	1,540
Insurance	1,727	1,704
Sundry expenses	2	2
	<u>3,492</u>	<u>3,246</u>
Educational grants		
Grants paid	2,000	1,800
Governance costs		
Accountancy & examination fees	1,456	1,409
	<u>31,181</u>	<u>29,045</u>

Hawkshead Grammar School Foundation

Annual Report for Year Ended 31st October 2017

Charity Name and Number

Hawkshead Grammar School Foundation
Registered Charity Number 1030002

Correspondence Address

c/o The Birches Murley Moss Lane Kendal Cumbria LA9 7NL

Governors

Mr M Sandys Chairman
Mr R Bonham
Mr R Brown
Revd J Dixon
Mr I Moulton
Mrs J Myers
Mrs C Salisbury
Mr A Stoker

Clerk

Mr G Dent

Professional Advisers

Solicitors

Livingstons 9 Benson Street Ulverston Cumbria LA12 7AU

Accountants

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

Bankers

Santander Bridle Road Bootle L30 4GB

Website

www.hawksheadgrammar.org.uk

History, Objectives and Activities

Hawkshead Grammar School Foundation was set up in 1585 by EDWIN SANDYS, Archbishop of York, under Letters Patent from Queen Elizabeth 1, for the purpose of running a Grammar School for boys. It did so for over 300 years until it closed in 1909.

The Foundation now runs the old school building as a MUSEUM and continues to give GRANTS to local young people from the Ancient Parish of Hawkshead.

The Foundation also owns and lets various properties adjacent to the school building which helps provide income for the Foundation.

Management and Governance

The Governors meet during the year and discuss and agree what actions should be taken in connection with maintenance etc of the properties owned.

Decisions were made to ensure that funds were available to maintain the efficient running of The Foundation in order to continue with the provision of educational grants.

Procedures and Policy for the awarding of the Educational Grants

Applications for GRANTS are received by the Governors throughout the year and were considered by them, at or between meetings.

Grants are made to young people under the age of 25 studying at a recognised university, college, apprenticeship or similar educational facility.

Achievements and Performance

Income from the museum continued to grow from the previous year, but it was agreed that no increases should be made on rents due.

Expenditure was similar to the previous financial year, although it is anticipated to be higher in the current year due to ongoing property maintenance.

Accounts

The accounts and Independent Examiner's Report are submitted, as required as a PDF file, with the Annual Return.

G Dent
Clerk

21st August 2018