

Registered number: 02093340  
Charity number: 296491

**SIDCOT SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**



**SIDCOT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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**SIDCOT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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<b>Governors</b>	Tim Bond Rosemary Carr, Chair Andy Flint Christopher Hobbs Adam Matthews Tim Niblock Duncan Pittaway (resigned 31 August 2018) Sarah Moore Nick Pyatt Roger Starr (resigned 31 August 2018) Tessa Tyldesley (resigned 31 August 2018) Andrew Ward David Whiting Daniel Lloyd (appointed 1 September 2018) Jonathan Coates (appointed 1 September 2018) Victoria Hemming (appointed 1 September 2018)
<b>Company registered number</b>	02093340
<b>Charity registered number</b>	296491
<b>Registered office</b>	Sidcot School Oakridge Lane Winscombe North Somerset BS25 1PD
<b>Company secretary</b>	Steve Harris
<b>Headmaster</b>	Iain Kilpatrick
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
<b>Bankers</b>	Lloyds Bank plc Bath Street Cheddar BS27 3AB
<b>Solicitors</b>	Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham GL50 1YD

**SIDCOT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2018**

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The Governors, who are also the Directors of the School for the purpose of the Companies Act and Trustees for the purposes of the Charities Act (but hereinafter are referred to as Governors), present their annual report and the audited financial statements for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' Report and a Directors' Report under company law.

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2015), the Companies Act 2006 and subsequent regulations.

The School is registered as an educational charity (charity number 296491). The School was incorporated as a company limited by guarantee and not having a share capital on 26 January 1987. The School's Governors and the Executive Officers are listed on pages 1 and 3.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The earliest Trust Deed dates from 1809, the Trust being set up "for the purpose of establishing and supporting a School for the education of the children of persons being members of the Society of Friends (commonly called Quakers)". The School's objects are now set out in the Memorandum and Articles of Association, which date from 1987 and which provide for the operation of the School "in accordance with the principles of the Religious Society of Friends for the education of the children of members of Society of Friends and others". The articles were brought up to date in 2018.

**Group structure and relationships**

The School has two wholly owned non charitable subsidiary companies, Sidcot Leisure Activities Limited and Sidcot International Limited. A linked charitable trust, Sidcot School Trust, registered with the Charity Commission on 15 September 2006, has been created in order to hold the permanent endowment property of the School in accordance with a Charity Commission Scheme dated 19 July 2006.

**Recruitment and training of governors**

Sidcot General Meeting, a body which consists of representatives from 13 associated Area Meetings, appoints half of the Governors. The other half, including a former student nominated by Sidcotians, are appointed by the Board itself. The Articles provide that a majority of Board Members would be persons who were;

- (a) active in a Quaker Meeting or Organisation, or
- (b) in the discernment of the Quaker General Meeting's Nominations Committee, were of such a conviction that they would promote and uphold Quaker Values in the governance, management and life of Sidcot School.

The Nominations Committee of Sidcot General Meeting and the Board's Governance and Membership Committee take into account eligibility, personal competence, specialist skills and local availability.

New Governors are inducted into the workings of the School prior to the date of formal appointment. A Governor training programme is in place, including an annual training workshop run in conjunction with the other six Friends Schools in England and third party training as appropriate.

**Organisational structure and decision making**

The Board of Governors, as the Trustees of the Charity and as the Directors of the registered company, are legally responsible for the overall management and control of Sidcot School. They meet formally at least five times a year. During the year there was one Board Committee, the Governance and Membership Committee, which is chaired by Tim Bond and which met throughout the year as required. Governors are attached to a

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**GOVERNORS' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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specific Head of Faculty or Business Department, to provide a link to the Board. There were Governor members of working groups in the areas of Education, Finance, Pay Review, Digital Safety, and Marketing. There were also Governor representatives on the Health and Safety Committee.

Day to day management is delegated to the Senior Management Team, which, during the year, comprised:

Headmaster	Iain Kilpatrick*
Deputy Head	Matt Williams*
Director of Operations	Hilary Atkin*
Deputy Head Academic	Christian Hughes*
Head of Junior School	Claire Lilley*
Finance Director	Steve Harris
Director of Marketing & Admissions	Marina Jonas
Director, Centre of Peace and Global Studies	Adam Atkins (from March 2018)
IT Development Manager	James Russell
Project Development Director	Graham Jones
Assistant Head Teaching and Learning	Charlotte Resuggan
Assistant Head Coordination	Matthew Curtis-Dyke
Assistant Head Pastoral	Veronika Germain

\*Senior Leadership Team

**Risk management**

The Governors examine the major risks that the School faces each financial year when preparing and updating the development plan. The School has developed systems to monitor and control these risks to mitigate any impact that they may have in the future. A detailed risk register is reviewed on an annual basis by the Governors and senior management. This register covers the following areas of risk: strategic, operational, people, finance, governance, external and legal. The review process assesses the current level of risk in each area and highlights control measures, responsibility and how each process is monitored. Action plans are developed where a target risk level has been set which would reduce the current residual risk.

The key control measures in place at the School include:

- Comprehensive safeguarding procedures for the protection of children
- Detailed strategic planning, budgeting and management accounts
- A clear Health and Safety policy and an in depth risk assessment process
- Formal written policies and procedures covering all aspects of the School's work
- Clear authorisation and approval levels.

The key risk facing the School continues to be the effect of economic uncertainty in the run up to the withdrawal from the EU, and its worldwide political ramifications. In the opinion of the Governors, the School has established resources and review systems which, under normal conditions, should allow risks to be mitigated to an acceptable level in its day to day operations.

**OBJECTIVES AND ACTIVITIES**

**Policies and objectives**

In setting their objectives and planning their activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

The School endeavours to widen public access to the education that it offers, to optimise the use of its cultural and sporting facilities and to develop in its students an awareness of the social context of the all round education that they receive. The School makes its facilities available to a number of local groups and clubs and is mindful of its position as a thriving independent school in a rural location.

## **Aims**

Sidcot School's aim is to provide a first class independent education, encouraging individuals to believe in and explore their own potential. Its Quaker philosophy underpins all that it does and is fundamental to its existence. The School aims to provide a broad and liberal education across a wide range of subjects. Its students achieve excellence in many areas. The School encourages creativity and individuality and strongly believes that every child has immense potential to succeed in an environment relatively free of peer group pressure. The School places great emphasis on personal development in the broadest sense and aims to ensure its students leave Sidcot as tolerant, well balanced individuals who want to make a difference in the world.

## **STRATEGIC REPORT**

### **ACHIEVEMENTS AND PERFORMANCE**

#### **Review of activities**

The number of students on the roll at the end of the year under review was 589 (2017: 589).

In 2018 Sidcot students significantly exceeded the national average for A Level results with 39.7% of grades awarded A\* and A compared to a national average of 26.4%. At GCSE 89% of students achieved a minimum of 5 GCSEs graded A\*/9 to C/4, with 21.2% of grades awarded A\*/7 compared to a national average of 20.5%.

A total of 84% of applicants were successful in gaining a place at university, with 9% opting to take a gap year. Of our students going to university, 69% secured places at their first choice of institution.

At Sidcot, success is not measured solely by exam results and students are encouraged to explore their interests in an extremely supportive environment that enables them to succeed. All students participate in other aspects of life at the School, including sporting, extra curricular and community activities.

#### **Going concern**

After making appropriate enquiries, the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

#### **Public benefit**

Sidcot School has continued to provide access to its facilities to the local and wider community, with a considerable number of community groups making use of our swimming pool, sports facilities, arts centre and concert hall throughout the year.

In the Cullis Sports Centre we offer discounted rates to local Primary Schools, sports clubs and community groups. We have provided a central venue competition for the Weston and District Netball League and our all-weather pitch has been made available to local schools and community groups for 200 hours at no cost, and discounted rates offered to Winscombe Hockey club. We also provide land to Winscombe Rugby club for their pitches, and share the use of an all-weather rugby training area.

Our Arts Centre provides access to a number of local groups including choirs and orchestras. We host regular talks and seminars which are attended by members of the local community, and have also given access to local businesses to run events free of charge.

Several members of the Senior Management Team are Governors at local schools, and our Headmaster is the Chair of a recently formed Multi Academy Trust in Weston-super-Mare, which provides support and expertise to five primary schools in disadvantaged areas of the town to improve the life chances of their students.

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**GOVERNORS' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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Sidcot also offers students a broad range of volunteering experiences that serve those in our local area and equip students with the essential skills and values required when living and working within the wider community. These activities include gardening renovation, visiting elderly people, and community IT training.

**Bursaries and scholarships**

The Governors have approved a policy of using a proportion of the School's unrestricted funds each year to provide for bursaries and scholarships to support the education of a range of students, who might not otherwise be able to attend the School.

In 2018, 144 children were in receipt of bursaries and scholarships from the School ranging from 10% to 100% depending on need, circumstances and their parents' ability to pay.

Bursaries provide financial support to children whose families cannot afford private education and are open to all students at the School. Applications for bursaries are considered by a small committee, including two Governors, and awards made are based on the financial circumstances of the applicant. All bursaries are means tested and reviewed annually. This year, awards totalling in excess of £496,000 (2017: £559,000) of bursaries and scholarships were made.

The School is extremely grateful for the support it receives from the Sidcot Bursary Trust (SBT). The trust is independent of the School but was set up to provide assistance to parents of children who already attend the School and due to a change in circumstances need short term financial support to keep their child at Sidcot. In 2017/2018 the SBT provided over £27,000, supporting 6 children at an average of 29% of fees.

Scholarships are awarded for academic, arts, sports, and all-round ability, and may be supported by a means tested bursary.

**FINANCIAL REVIEW**

**Review of financial activities and results**

The results for the year and financial position of the School are as shown in the financial statements. The net incoming resources for the year were £350,402 (2017: £1,195,039) before taking into account bequests and donations of £232,726 (2017: £113,112).

Fee income after scholarships and bursaries decreased by (3.9)% to £9.7m (2017: 6.2% increase to £10.0m). Scholarships, bursaries, remissions and other grants made to pupils totalled £1,058,399 (2017: £1,145,562), which represents 9.9% of gross fee income (2017: 10.3%).

Resources expended increased 0.6% to £9.9m (2017: £9.9m).

**Investment policy and performance**

The School uses the investment management company Smith and Williamson to invest on their behalf in accordance with the School's investment policy. This policy reflects the School's ethical investment criteria with a balance between capital growth and income. Responsibility for monitoring performance rests with the Finance Director and the Governors. Investments returned a gain of 2.7% (2017: 11.6%) during the year.

This reflected a decrease in value of approximately 0.7% (2017: 7.7% - increase) and a revenue return of approximately 3.4% (2017: 3.9%). The Governors believe that the return was comparable with returns on similar investments and that it reflected the prevailing conditions on world markets.

### **Reserves policy**

The Governors consider that it is important that unrestricted reserves should be increased over the next 5 years in order to safeguard the long term future of the School. Sidcot School does not have large endowment funds, and therefore these reserves are required in order to increase the School's resilience and capacity to manage unforeseen circumstances in the future.

The School's unrestricted funds stood at £10.6m at year end, of which £13.1m was deployed as part of the School premises and equipment, with £0.8m of external funding being secured on the premises and equipment leaving negative free reserves of £1.7m.

The figure that the Governors monitor is unrestricted fixed asset investments. The target level of unrestricted fixed asset investments has been set at a level of £2.5m which represents 3 months' of future operating costs. Whilst this level is significantly higher than the current unrestricted fixed asset investments (£0.53m), the School's strategic plan illustrates that it should be possible to achieve these increases whilst continuing to improve our overall offer and maintain the investment that is required to continue to enhance facilities throughout the School. At the year end the School's total reserves were £11,997,483, of which £373,504 were endowment funds and £1,014,823 were restricted funds.

### **Restricted funds**

The School maintains a number of restricted funds. The William Norman Bequest was made for the purpose of funding a music bursary and the Mary Blaschko grant was given to fund a Sixth Form bursary. There are a number of other smaller bursary and prize funds.

### **PLANS FOR FUTURE PERIODS**

Future plans include the following:

- To continue to widen access to the School through the provision of means tested bursary support and a scholarship programme.
- To maintain high quality teaching and learning.
- To continue to review the academic curriculum and delivery and to maintain and improve current standards of academic achievement.
- To develop and implement plans for the continued development of the School campus.
- To continue to develop the School's ICT systems to support its teaching and learning objectives.
- To continue to widen access to the School's facilities, particularly the performing and creative arts and Sports centre.
- To continue to build links with the local and wider community, including local schools through integrated events.
- To collaborate with an overseas partner to develop plans to establish schools in China.

### **Pay Policy For Senior Staff**

The Governors consider that the Senior Leadership Team are the key management personnel of the School in charge of directing and controlling, running and operating the School on a day to day basis. The pay of senior staff is reviewed annually, along with all members of staff and pay rises are awarded in line with cost of living increases. The School has established pay scales that have been approved by the Board of Governors and remuneration for all members of staff, including senior staff, is set in accordance with these pay scales.

All Governors give their time freely and no Governor received remuneration for being a Governor in the year. Details of Governors' expenses and related party transactions are disclosed in the notes to the accounts.



**GOVERNORS' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF PEOPLE WITH DISABILITIES**

Employees have been consulted on issues of concern to them by means of regular staff meetings and have been kept informed on specific matters directly by management.

The School has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

In accordance with the School's Equal Opportunities Policy, the School has established fair employment practices.

Full details of these policies are available from the School's offices.

**GOVERNORS' RESPONSIBILITIES STATEMENT**

The Governors (who are also directors of Sidcot School for the purposes of company law) are responsible for preparing the Governors' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

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

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

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**SIDCOT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**DISCLOSURE OF INFORMATION TO AUDITORS**

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

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

**APPRECIATION**

The Governors continue to appreciate the support, both practical and financial, of existing and past parents, existing and past members of staff, former pupils of the School and other donors and benefactors. Their contributions enable the School to do far more than would be possible if all activities had to be financed from the School's fee and trading income.

**AUDITORS**

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

This report was approved by the Governors, on 1/12/18 and signed on their behalf by:



**Rosemary Carr**  
Chair of Governors

**SIDCOT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIDCOT SCHOOL**

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**OPINION**

We have audited the financial statements of Sidcot School (the 'School') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 Governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**SIDCOT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIDCOT SCHOOL**

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**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

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

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIDCOT SCHOOL**

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**USE OF OUR REPORT**

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

*Bishop Fleming LLP*

David Butler FCA DChA (Senior Statutory Auditor)

for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date: *21 Dec 2018*

**SIDCOT SCHOOL**  
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and legacies	2	205,431	27,295	-	232,726	113,112
Fee and other fee related income	3	9,614,677	-	-	9,614,677	10,042,239
Other trading activities	4	555,032	-	-	555,032	467,476
Investments	5	18,244	35,621	-	53,865	60,582
Other income	6	60,250	-	-	60,250	377,827
<b>TOTAL INCOME AND ENDOWMENTS</b>		<b>10,453,634</b>	<b>62,916</b>	<b>-</b>	<b>10,516,550</b>	<b>11,061,236</b>
<b>EXPENDITURE ON:</b>						
Raising funds:						
Trading activities		507,983	-	-	507,983	640,658
Finance costs		35,221	-	-	35,221	42,515
Charitable activities		9,321,000	58,633	-	9,379,633	9,178,737
<b>TOTAL EXPENDITURE</b>	7	<b>9,864,204</b>	<b>58,633</b>	<b>-</b>	<b>9,922,837</b>	<b>9,861,910</b>
<b>NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)</b>		<b>589,430</b>	<b>4,283</b>	<b>-</b>	<b>593,713</b>	<b>1,199,326</b>
Net gains/(losses) on investments	12	941	(11,526)	-	(10,585)	108,825
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>590,371</b>	<b>(7,243)</b>	<b>-</b>	<b>583,128</b>	<b>1,308,151</b>
Actuarial gains on defined benefit pension schemes	21	4,000	-	-	4,000	1,000
<b>NET MOVEMENT IN FUNDS</b>		<b>594,371</b>	<b>(7,243)</b>	<b>-</b>	<b>587,128</b>	<b>1,309,151</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		10,014,785	1,022,066	373,504	11,410,355	10,101,204
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>10,609,156</b>	<b>1,014,823</b>	<b>373,504</b>	<b>11,997,483</b>	<b>11,410,355</b>

The notes on pages 15 to 34 form part of these financial statements.

**SIDCOT SCHOOL**  
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**REGISTERED NUMBER: 02093340**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	11		13,098,406		11,938,771
Investments	12		1,521,818		1,532,404
			<u>14,620,224</u>		<u>13,471,175</u>
<b>CURRENT ASSETS</b>					
Debtors	13	315,818		313,359	
Cash at bank and in hand		1,878,451		2,926,181	
		<u>2,194,269</u>		<u>3,239,540</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	(3,428,891)		(3,742,894)	
<b>NET CURRENT LIABILITIES</b>			<u>(1,234,622)</u>		<u>(503,354)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>13,385,602</u>		<u>12,967,821</u>
<b>CREDITORS:</b> amounts falling due after more than one year	15		<u>(1,169,119)</u>		<u>(1,308,466)</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>12,216,483</u>		<u>11,659,355</u>
Defined benefit pension scheme deficit	21	(219,000)		(249,000)	
<b>TOTAL NET ASSETS</b>			<u><u>11,997,483</u></u>		<u><u>11,410,355</u></u>
<b>CHARITY FUNDS</b>					
Endowment funds	16		373,504		373,504
Restricted funds	16		1,014,823		1,022,066
Unrestricted funds	16		10,609,156		10,014,785
<b>TOTAL FUNDS</b>			<u><u>11,997,483</u></u>		<u><u>11,410,355</u></u>

The financial statements were approved and authorised for issue by the Governors on <sup>1/11/18</sup> and signed on their behalf, by:



**Rosemary Carr**  
**Chair of Governors**

The notes on pages 15 to 34 form part of these financial statements.

**SIDCOT SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	<u>809,851</u>	<u>1,353,645</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		53,865	60,582
Purchase of tangible fixed assets		(1,739,811)	(1,230,919)
Proceeds from sale of investments		366,801	367,322
Purchase of investments		(368,403)	(385,887)
<b>Net cash used in investing activities</b>		<u>(1,687,548)</u>	<u>(1,188,902)</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(123,800)	(120,160)
Repayments of finance leases		(46,233)	(42,337)
<b>Net cash used in financing activities</b>		<u>(170,033)</u>	<u>(162,497)</u>
<b>Change in cash and cash equivalents in the year</b>		<u>(1,047,730)</u>	<u>2,246</u>
Cash and cash equivalents brought forward		<u>2,926,181</u>	<u>2,923,935</u>
<b>Cash and cash equivalents carried forward</b>	19	<u><u>1,878,451</u></u>	<u><u>2,926,181</u></u>

The notes on pages 15 to 34 form part of these financial statements.



**SIDCOT SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

Sidcot School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**1.2 GOING CONCERN**

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the School to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements. The Governors conclude that it is appropriate to prepare accounts on the going concern basis for the year ended 31 August 2018.

**1.3 COMPANY STATUS**

The School is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the School being wound up, the liability in respect of the guarantee is limited to £10 per member of the School. The registered office is: Oakridge Lane, Winscombe, Somerset, BS25 1PD.

**1.4 FUND ACCOUNTING**

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

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

Investment income, gains and losses are allocated to the appropriate fund.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 INCOME**

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

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

Donated services or facilities are recognised when the School has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the School of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the School which is the amount the School would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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

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

**1.6 EXPENDITURE**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

Support costs are those costs incurred directly in support of expenditure on the objects of the School. Governance costs are those incurred in connection with administration of the School and compliance with constitutional and statutory requirements.

Expenditure on raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

**1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £500 are capitalised.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years straight line
Plant and machinery	-	10 - 20 years straight line
Fixtures and fittings	-	7 years straight line
Apparatus and equipment	-	4 years straight line
Computer equipment	-	4 years straight line

**1.8 INVESTMENTS**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities. All investment funds are managed by Smith and Williamson who manage the funds in line with the School's investment policy. Income from investments are used to support bursaries and scholarships.

**1.9 LEASING AND HIRE PURCHASE**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the School. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities incorporating Income and Expenditure Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.10 OPERATING LEASES**

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

**1.11 INTEREST RECEIVABLE**

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

**1.12 DEBTORS**

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

**1.13 CASH AT BANK AND IN HAND**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.14 LIABILITIES AND PROVISIONS**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the School anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

**1.15 FINANCIAL INSTRUMENTS**

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

**1.16 PENSIONS**

The School contributes to a defined contribution scheme for a member of non-teaching staff. The annual contributions payable are charged to the Statement of Financial Activities as they become payable.

The School contributes to the defined benefit scheme for teaching staff, the Teachers' Pension Scheme ("TPS"). This is a defined benefit scheme and the assets are held separately from those of the School.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The School participates in The Pensions Trust's Growth Plan (the Plan). This is a multi-employer pension plan, which is funded and is not contracted out of the State's scheme. The Plan's assets are co-mingled for investment purposes, and benefits are paid out of the total assets. It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS 102 represents interest cost and the actuarial remeasurement. Further details of the scheme are set out in note 21 and details of a contingent liability in respect of these contributions are set out in note 24.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.17 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Pensions Trust defined benefit deficit repayments depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions includes the discount rate. Any changes in these assumption, which are disclosed in note 20, will impact the carrying amount of the pension liability.

Critical areas of judgment:

The School obtains use of fixed assets as a lessee. The classification of such leases requires the School to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**2. DONATIONS AND LEGACIES**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Donations	73,436	27,295	100,731	80,755
Legacies	131,995	-	131,995	32,357
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	<b>205,431</b>	<b>27,295</b>	<b>232,726</b>	113,112
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	57,395	55,717	113,112	
	<hr/>	<hr/>	<hr/>	

**SIDCOT SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**3. FEE INCOME**

	2018 £	2017 £
<b>The School's fee income comprises</b>		
Gross fee income	10,664,559	11,128,120
Bursaries, scholarships and allowances	(1,058,399)	(1,145,562)
Other fee related income	8,517	12,774
	<u>9,614,677</u>	<u>9,995,332</u>
Add back: Scholarships, Grants etc paid for by Restricted Funds	38,871	46,907
	<u>9,653,548</u>	<u>10,042,239</u>
Total		

In the current year and prior year, all of the income from fees was unrestricted, except as stated above.

**4. OTHER TRADING ACTIVITIES**

	2018 £	2017 £
Merchandising and rental income	287,398	295,451
Income from Sports Centre, Arts Centre and Equestrian Centre	193,475	101,604
Other income	74,159	70,421
	<u>555,032</u>	<u>467,476</u>
Total 2017	<u>467,476</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	2018 £	2017 £
Income from investments	18,244	35,621	53,865	60,582
Total 2017	<u>23,924</u>	<u>36,658</u>	<u>60,582</u>	

**SIDCOT SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**6. OTHER INCOMING RESOURCES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Other income	60,250	-	-	60,250	47,827
Compensation	-	-	-	-	330,000
	<u>60,250</u>	<u>-</u>	<u>-</u>	<u>60,250</u>	<u>377,827</u>
Total 2017	<u>377,827</u>	<u>-</u>	<u>-</u>	<u>377,827</u>	

**7. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE**

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
<b>COSTS OF RAISING FUNDS:</b>					
Costs of raising funds	-	-	507,983	507,983	640,658
Finance costs	-	-	35,221	35,221	42,515
<b>CHARITABLE ACTIVITY:</b>					
Pension finance costs	-	-	3,000	3,000	3,000
Teaching costs	4,146,307	-	332,378	4,478,685	4,266,451
Domestic and welfare	1,194,830	-	502,157	1,696,987	1,599,812
Premises costs	262,527	-	880,826	1,143,353	1,465,076
Support costs	970,886	-	467,676	1,438,562	1,283,624
Depreciation	-	580,175	-	580,175	513,867
Grant making	-	-	38,871	38,871	46,907
	<u>6,574,550</u>	<u>580,175</u>	<u>2,768,112</u>	<u>9,922,837</u>	<u>9,861,910</u>
Total 2017	<u>6,130,626</u>	<u>513,867</u>	<u>3,217,417</u>	<u>9,861,910</u>	

**SIDCOT SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	580,176	513,687
Operating lease rentals	61,165	48,673
	<u>641,341</u>	<u>562,360</u>

During the year, no Governors received any remuneration (2017: £NIL).

During the year, no Governors received any benefits in kind (2017: £NIL).

During the year, Governors received reimbursement of expenses totalling £4,642 (2017: £5,769).

**9. AUDITORS' REMUNERATION**

	2018 £	2017 £
Fees payable to the School's auditor for the audit of the School's annual accounts	10,140	10,140
Fees payable to the School's auditor in respect of: Other services	15,770	14,307
	<u>25,910</u>	<u>24,447</u>



**SIDCOT SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**10. STAFF COSTS**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	5,437,749	5,082,198
Social security costs	487,725	456,494
Other pension costs (Note 21)	649,076	591,934
	<u>6,574,550</u>	<u>6,130,626</u>

Included in wages and salaries are redundancy and severance payments totalling £NIL (2017: £NIL), which have been funded out of unrestricted funds.

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

	2018 No.	2017 No.
Teaching	98	97
Domestic and maintenance	85	83
Administration and support	70	81
	<u>253</u>	<u>261</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teaching	80	78
Domestic and maintenance	51	46
Administration and support	21	25
	<u>152</u>	<u>149</u>

The number of higher paid employees was:

	2018 No.	2017 No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	1	0
In the band £110,001 - £120,000	0	1
In the band £120,001 - £130,000	1	0

The key management personnel of the School comprise the Governors (who do not receive remuneration) and the senior leadership team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the School was £444,898 (2017: £458,101).

**SIDCOT SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**11. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Apparatus and equipment £	Computer equipment £	Total £
<b>COST</b>						
At 1 September 2017	14,565,782	928,696	886,538	1,269,085	1,600,639	19,250,740
Additions	1,371,147	19,650	118,900	57,719	172,395	1,739,811
Disposals	-	(9,500)	-	-	(777,858)	(787,358)
At 31 August 2018	15,936,929	938,846	1,005,438	1,326,804	995,176	20,203,193
<b>DEPRECIATION</b>						
At 1 September 2017	3,469,913	650,072	759,034	1,215,101	1,217,849	7,311,969
Charge for the year	291,608	30,036	50,031	27,419	181,082	580,176
On disposals	-	(9,500)	-	-	(777,858)	(787,358)
At 31 August 2018	3,761,521	670,608	809,065	1,242,520	621,073	7,104,787
<b>NET BOOK VALUE</b>						
At 31 August 2018	12,175,408	268,238	196,373	84,284	374,103	13,098,406
At 31 August 2017	11,095,869	278,624	127,504	53,984	382,790	11,938,771

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Computer equipment	93,187	139,781

**12. FIXED ASSET INVESTMENTS**

	Listed investments £	Unlisted investments £	Other investments £	Total £
<b>MARKET VALUE</b>				
At 1 September 2017	1,504,272	101	28,031	1,532,404
Additions	368,403	-	-	368,403
Disposals	(366,801)	-	-	(366,801)
Cash movements	-	-	(12,188)	(12,188)
At 31 August 2018	1,505,874	101	15,843	1,521,818

**SIDCOT SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Holding</b>
Sidcot Leisure Activities Limited	100%
Sidcot International Limited	100%

The School is the beneficial owner of 100 ordinary shares of £1 each being the whole of the issued share capital of Sidcot Leisure Activities Limited, a company registered in England. The company did not trade during the current or previous year.

Sidcot International Limited was incorporated on 6 April 2017. The School is the 100% beneficiary and the company has not traded during the year.

**INVESTMENTS AT MARKET VALUE COMPRISE:**

	<b>UK</b>	<b>Overseas</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed interest, indexed linked and equities	1,106,789	399,085	1,505,874	1,504,272
Cash balances	15,843	-	15,843	28,031
Group	101	-	101	101
Total market value	<u>1,122,733</u>	<u>399,085</u>	<u>1,521,818</u>	<u>1,532,404</u>

**13. DEBTORS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Fee debtors	42,438	58,814
Amounts owed by group undertakings	4,383	4,383
Other debtors	39,111	53,358
Prepayments and accrued income	229,886	196,804
	<u>315,818</u>	<u>313,359</u>

**SIDCOT SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Bank loans	127,545	113,657
Fees received in advance	2,365,246	2,410,506
Net obligations under finance leases and hire purchase contracts	50,490	46,234
Trade creditors	325,619	326,765
Taxation and social security	120,403	124,242
Deposits	112,650	171,300
Other creditors	115,027	112,071
Accruals and deferred income	211,911	438,119
	<u>3,428,891</u>	<u>3,742,894</u>

**DEFERRED INCOME**

Deferred income at 1 September 2017	125,207
Resources deferred during the year	68,578
Amounts released from previous years	(125,207)
Deferred income at 31 August 2018	<u>68,578</u>

At the balance sheet date, the School was holding funds received in advance for trips and activities booked for the Autumn term 2018.

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018 £	2017 £
Bank loans	452,866	590,554
Net obligations under finance leases and hire purchase contracts	55,140	105,630
Deposits	661,113	612,282
	<u>1,169,119</u>	<u>1,308,466</u>

Included within the above are amounts falling due as follows:

	2018 £	2017 £
<b>BETWEEN ONE AND TWO YEARS</b>		
Bank loans	<u>131,338</u>	<u>127,544</u>
<b>BETWEEN TWO AND FIVE YEARS</b>		
Bank loans	<u>321,528</u>	<u>406,227</u>
<b>OVER FIVE YEARS</b>		
Bank loans	<u>-</u>	<u>56,783</u>

**SIDCOT SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

Creditors include amounts not wholly repayable within 5 years as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Repayable by instalments	-	56,783
	<u>          </u>	<u>          </u>

The bank loan, secured against freehold property, is repayable over 9.75 years to December 2022 at a fixed rate of 3%.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Between one and five years	55,140	105,630
	<u>          </u>	<u>          </u>

**SIDCOT SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**16. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>UNRESTRICTED FUNDS</b>						
General reserve	10,263,785	10,453,634	(9,861,204)	(29,000)	941	10,828,156
Pension reserve	(249,000)	-	(3,000)	29,000	4,000	(219,000)
	<u>10,014,785</u>	<u>10,453,634</u>	<u>(9,864,204)</u>	<u>-</u>	<u>4,941</u>	<u>10,609,156</u>
<b>ENDOWMENT FUNDS</b>						
Endowment Funds	<u>373,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>373,504</u>
<b>RESTRICTED FUNDS</b>						
William Norman bequest	414,834	14,642	(15,978)	-	(8,317)	405,181
Mary Blaschko grant	182,854	6,454	(7,043)	-	(3,666)	178,599
Named bursary and prize funds	255,778	9,028	(9,852)	-	(5,128)	249,826
Bewley Foundation	9,355	-	-	-	-	9,355
Cadbury Trust	1,588	12,000	(5,872)	-	-	7,716
McShane Legacy	155,730	5,497	(5,998)	-	(3,122)	152,107
Other restricted funds	1,927	15,295	(13,890)	-	8,707	12,039
	<u>1,022,066</u>	<u>62,916</u>	<u>(58,633)</u>	<u>-</u>	<u>(11,526)</u>	<u>1,014,823</u>
Total of funds	<u>11,410,355</u>	<u>10,516,550</u>	<u>(9,922,837)</u>	<u>-</u>	<u>(6,585)</u>	<u>11,997,483</u>

The William Norman bequest was made for the purpose of funding a music bursary.

The Mary Blaschko grant was given to fund a sixth form bursary.

The named bursary and prize funds are for the purpose of funding bursaries and prizes.

The Bewley Foundation donation was towards a language laboratory.

The donation from the Cadbury Trust in 2017 was used to hold a peace festival and for peace studies within the School.

The McShane Legacy was received for the music department.

Other restricted funds includes grants and donations received for specific purposes such as the purchase of Learning Pods and composting toilets.

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**16. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>GENERAL FUNDS</b>						
General reserve	9,079,934	10,968,861	(9,784,518)	(28,000)	27,508	10,263,785
Pension reserve	(275,000)	-	(3,000)	28,000	1,000	(249,000)
	<u>8,804,934</u>	<u>10,968,861</u>	<u>(9,787,518)</u>	<u>-</u>	<u>28,508</u>	<u>10,014,785</u>
Endowment Funds	<u>373,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>373,504</u>
<b>RESTRICTED FUNDS</b>						
William Norman bequest	385,622	15,068	(19,282)	-	33,426	414,834
Mary Blaschko grant	169,977	6,642	(8,499)	-	14,734	182,854
Named bursary and prize funds	213,049	34,008	(11,888)	-	20,609	255,778
Bewley Foundation	9,355	-	-	-	-	9,355
McShane Legacy	144,763	5,657	(7,238)	-	12,548	155,730
Cadbury Trust	-	20,000	(18,412)	-	-	1,588
Other restricted funds	-	11,000	(9,073)	-	-	1,927
	<u>922,766</u>	<u>92,375</u>	<u>(74,392)</u>	<u>-</u>	<u>81,317</u>	<u>1,022,066</u>
Total of funds	<u>10,101,204</u>	<u>11,061,236</u>	<u>(9,861,910)</u>	<u>-</u>	<u>109,825</u>	<u>11,410,355</u>

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

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £
Tangible fixed assets	12,724,902	-	373,504	13,098,406
Fixed asset investments	527,398	994,420	-	1,521,818
Current assets	2,173,866	20,403	-	2,194,269
Creditors due within one year	(3,428,891)	-	-	(3,428,891)
Creditors due in more than one year	(1,169,119)	-	-	(1,169,119)
Provisions for liabilities and charges	(219,000)	-	-	(219,000)
	<u>10,609,156</u>	<u>1,014,823</u>	<u>373,504</u>	<u>11,997,483</u>

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**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £
Tangible fixed assets	11,565,267	-	373,504	11,938,771
Fixed asset investments	527,422	1,004,982	-	1,532,404
Current assets	3,222,456	17,084	-	3,239,540
Creditors due within one year	(3,742,894)	-	-	(3,742,894)
Creditors due in more than one year	(1,308,466)	-	-	(1,308,466)
Provisions for liabilities and charges	(249,000)	-	-	(249,000)
	<u>10,014,785</u>	<u>1,022,066</u>	<u>373,504</u>	<u>11,410,355</u>

**18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	<b>583,128</b>	1,308,151
<b>Adjustment for:</b>		
Depreciation charges	<b>580,176</b>	513,687
Gains on investments	<b>12,187</b>	(108,826)
Dividends, interest and rents from investments	<b>(53,865)</b>	(60,582)
(Increase)/decrease in debtors	<b>(2,459)</b>	20,204
Decrease in creditors	<b>(283,316)</b>	(293,989)
Defined benefit pension scheme finance adjustments	<b>3,000</b>	3,000
Defined benefit pension scheme deficit repayments	<b>(29,000)</b>	(28,000)
<b>Net cash provided by operating activities</b>	<u><b>809,851</b></u>	<u>1,353,645</u>

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

	2018 £	2017 £
Cash in hand	<b>1,878,451</b>	2,926,181
<b>Total</b>	<u><b>1,878,451</b></u>	<u>2,926,181</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. CAPITAL COMMITMENTS**

At 31 August 2018 the School had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>58,388</u>	<u>894,384</u>

**21. PENSION COMMITMENTS**

**Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £483,769 (2017: £453,092) and at the year end £57,760 (2017: £57,619) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016 and completed in 2018, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

**The Pensions Trust Growth Plan**

The School participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the School to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m.

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**21. PENSION COMMITMENTS (continued)**

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £795m, liabilities of £926m, and a deficit of £132m.

To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

From 1 April 2016 to 30 September 2025: £12,945,440 per annum (payable monthly and increasing by 3% each on 1 April).

From 1 April 2016 to 30 September 2028: £54,560 per annum (payable monthly and increasing by 3% each on 1 April).

Unless a concession has been agreed with the Trustee the term to-30 September 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the School has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

**Present Values of Provision**

	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Present value of provision	219,000	249,000	275,000

**Reconciliation of Opening and Closing Provisions**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Provision at start of period	249,000	275,000
Unwinding of the discount factor (interest expense)	3,000	3,000
Deficit contribution paid	(29,000)	(28,000)
Remeasurements - impact of any change in assumptions	(4,000)	(1,000)
Provision at end of the period	219,000	249,000

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**21. PENSION COMMITMENTS (continued)**

**Income and Expenditure Impact**

	2018 £	2017 £
Interest expense	3,000	3,000
Remeasurements - impact of any change in assumptions	(4,000)	(1,000)

**Assumptions**

	2018 £	2017 £	2016 £
Rate of discount	1.68	1.20	1.08

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

**22. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the School's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	65,421	61,165
Between 1 and 5 years	70,184	111,203
After more than 5 years	-	3,134
Total	<u>135,605</u>	<u>175,502</u>

**23. FINANCE LEASES**

Minimum lease payments under hire purchase agreement fall due as follows:

	2018 £	2017 £
Within one year	50,490	46,234
1 - 2 years	55,140	50,490
2 - 5 years	-	55,140
	<u>105,630</u>	<u>151,864</u>

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**24. CONTINGENT LIABILITIES**

The School has a contingent liability which has not been provided for in these accounts in relation to the Pensions Trust Growth Plan described in note 21. This liability would crystallise only if the School withdrew from the Growth Plan or if the Plan was to be wound up with no participants.

The School continues to offer membership of the Plan to its employees and as at the balance sheet date there were 123 (2017: 123) active members of the Plan employed by the School. There is no current intention to leave the Plan and trigger the contingent liability.

The Pensions Trust has estimated that, if the School ceased to participate in the Plan as at 30 September 2018, the School would have to pay £615,234 (2017: £689,250) including Series 3 liabilities based on the financial position of the plan and the employers that, as at that date, were relevant employers.

**25. RELATED PARTY TRANSACTIONS**

A number of Governors have children who are pupils at the School; the appropriate level of fees is levied in respect of these pupils.

Governors' children are assessed for bursaries and scholarships on the same basis as all other pupils on an arms length basis. During the year, Governors received scholarships totalling £NIL (2017: £NIL).

**26. FINANCIAL INSTRUMENTS**

	2018 £	2017 £
Financial assets measured at fair value through income and expenditure	1,513,111	1,532,403
Financial assets measured at amortised cost	3,044,085	3,042,290
	<u>4,557,196</u>	<u>4,574,693</u>
Financial liabilities measured at amortised cost	<u>(1,154,933)</u>	<u>(1,495,752)</u>

Financial assets measured at fair value through income and expenditure comprise listed investments. The fair values of the assets and liabilities held at fair value through income and expenditure at the balance sheet date are determined using quoted prices.

Financial assets measured at amortised cost comprise of fee debtors, cash at bank, investments in subsidiaries and amounts owed by subsidiaries.

Financial liabilities measured at amortised cost comprise of trade creditors and accruals.