

Monkton Combe School
(a company limited by guarantee)

**Annual Report and Consolidated Financial Statements
for the year ended 31 August 2019**

Monkton Combe School

Annual Report and Consolidated Financial Statements for the year ended 31 August 2019

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Monkton Combe School

Governors

Chair	
Prof H Langton MSc BA (Hons) RNT RCNTRSCN RCN	ED, E
C Alexander MA (Oxon)*	F (Chair), EDC
Rev S Barnes MA.BA QTS (Hons) Cert BA. CPE	EDC (Chair)
R S Coates BA (Hons)	EDC
C B Fillingham	ED (Chair)
E S K Hubbard	F
A Lyttle (Appointed 15 March 2019)	EDC
J Perry Bpharm (Hons), MRPharmS, DipClinPharm	ED
R J Pringle BSc (Hons)	E, F, P (Chair)
A J Reid (Appointed 15 March 2019)	ED
D Rosser	EDC
E J Shaw	
M L S Thomas (Appointed 30 November 2018)	
M K Townsend BSc (Hons) (Resigned 29 November 2019)	ED, F
M R White (Appointed 29 November 2019)	
S B M Young BA FCA ACA	E (Chair), F, P

ED = member of Education Committee

E = member of Executive Committee

EDC = member of Estate Development Committee

F = member of Finance & General Purposes Committee

P = member of Partnership Committee

* Parent of pupil at School during the financial year

Monkton Combe School

Governors, Directors, Officers and Advisors for the year ended 31 August 2019

Principal

C Wheeler BA, PGCE

Bursar

T P Davies BA FCA DChA

Clerk to the Governors

S C Dormon BA MCIPD

Registered Office

Monkton Combe School
Monkton Combe
Bath BA2 7HG

Solicitors

Stone King LLP
13 Queen Square
Bath BA1 2HJ

Website

www.monktoncombeschool.com

Auditor

Crowe U.K. LLP
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire GL50 2QJ

Bankers

National Westminster Bank Plc
Bath BA1 1QF

Investment Managers

Baillie Gifford
Calton Square
1 Greenside Row
Edinburgh EH1 3AN

Monkton Combe School

Annual Report of the Governors for the year ended 31 August 2019

The Governors, who are the Directors of the School for the purpose of the Companies Act 2006, present their annual report, including the Directors' Report and Strategic Report, and the audited financial statements for the year ended 31 August 2019.

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the financial reporting standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

DIRECTORS' REPORT

Constitution and Objects

Monkton Combe School ("the School") is a registered charity (registered number: 1057185) and is incorporated under the Companies Act 2006 as a company limited by guarantee (registered number: 03228456). The address of the School is shown on page 3. The Company is governed by its Memorandum and Articles of Association dated 11 July 1996, as amended with the consent of the Charity Commission pursuant to Special Resolution of the Company dated 5 March 2001 and 30 November 2018.

The primary object of the School, as stated in the Memorandum of Association, is the promotion of education and the establishment and maintenance of an independent co-educational school combined with sound religious training within the evangelical Anglican tradition.

The information with respect to Governors, Directors, Officers and Advisors set out on pages 2 and 3 forms part of this report.

These financial statements also include the results of the School's wholly owned subsidiaries, Monkton Combe School Enterprises Limited and Monkton International Limited. This report and the consolidated financial statements for the year ended 31 August 2019 relate to the total activities of the legal entities combined.

Aims, Objectives and Activities

The School is for boarding and day pupils. The Senior School caters for 13-18 year olds; the Prep School caters for 7-13 year olds; and the Pre-Prep, including Nursery, for 2-7 year olds.

The School continues to provide full and varied academic and all-round education underpinned by the belief that Christian faith and principles are fundamental in facing life's challenges. It aims to develop in young people the pursuit of individual excellence and to instil moral discernment and a sense of service. The School seeks to be a well-ordered, balanced and caring community.

Each part has its own distinctive character but all share a common ethos, underpinned by the following key aims and objectives:

- To provide young people with an outstanding and stimulating academic environment, leading to preparation for later life, including preparation for entry into the best suited higher education courses to follow their school education.
- To provide young people with opportunities to develop their wider abilities to the maximum appropriate for their age through the School's provision of music, drama, sport, and other extra-curricular activities.
- To give pupils the best possible start in their personal development by fostering leadership, teamwork, communication, decision making and other skills.
- To give pupils an understanding of the views, experiences and beliefs of others – both in the UK and beyond – enabling pupils to be aware of and sympathetic to the diverse nature of contemporary society.
- To provide an environment in which every pupil is valued and nurtured and is able to grow in self-confidence and self-esteem, towards the goal of independence.

Monkton Combe School

Annual Report of the Governors (continued) for the year ended 31 August 2019

- To collaborate with parents to ensure consistency of expectations, care, and approach between school and home wherever possible.
- To equip pupils with a worldview that has integrity, both to give them a moral map and compass for their post-school life, and to connect their moral philosophy with their studies, their aspirations and their lifestyle. For many pupils this is a Christian view and a view that values service to others.
- Through the provision of bursaries, to enable a significant number of young people, particularly the children of clergy and missionary families, to have a stable and high quality all-round education, even when this is beyond the normal financial means of their parents.

The Governing body is mindful of the long standing need to provide public benefit and of the requirements of the Charities Act 2011. In the furtherance of these aims the Governing body as Charity Governors, have complied with the duty in S17 of the Charities Act 2011 to have due regard to the Charity Commissions' published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act. In this connection the Governors have monitored closely the guidance on public benefit produced by the Charity Commission together with its supplemental guidance on fee charging and confirms that they have complied with their duties to have due regard to this guidance. See further below.

In addition to its educational aims, the School aims to provide a clear and effective management structure, capable of taking timely decisions and allocating necessary resources appropriately, and to provide the necessary administrative and logistic infrastructure to meet the needs of both staff and pupils.

Governance and Management

Governing Body

The Governors, all of whom served throughout the year to 31 August 2019, except where otherwise disclosed, are listed on page 2. Under the revised Articles (adopted 30 November 2018) Governors can serve for up to three terms of four years.

Recruitment, Induction and Training of Governors

New Governors are recruited, elected and inducted using the following process:

- 1) The skills and experience required of any potential new candidates are identified and agreed.
- 2) The School utilises the services of a professional recruitment agent, as well as its current Governors and members of the Executive Leadership Team (ELT) to identify and nominate individuals to the Executive Committee for consideration.
- 3) The Executive Committee reviews the candidates' CVs/application forms and statements of faith and a decision is made in each case as to whether to proceed.
- 4) After an affirmative decision, prospective Governors are then invited to meet one or two current Governors and are also offered the opportunity for a tour of the School and to meet members of the ELT.
- 5) Details of the nominees are notified to the Board with a synopsis from the interviewing governors.
- 6) After the Board agree to proceed to appointment, a letter of appointment is sent inviting the candidate to become a Governor, together with a pack of information on the School and the responsibilities of Governors.
- 7) An induction programme, tailored to match each new Governor's needs, is then established, including the opportunity to shadow a teacher/pupil/other member of staff as appropriate and to attend training courses for new Governors.
- 8) Existing Governors are also offered the opportunity, periodically, to shadow a pupil/member of staff, as above, and to attend relevant training courses, summaries of which are then circulated to other Governors as part of a wider programme of Governor training. Speakers are also invited on occasions to address the governing body on topics of specific interest, and to deliver training in relevant areas, such as safeguarding.

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Annual Report of the Governors (continued) for the year ended 31 August 2019

Organisational Management

The Board of Governors, as the charity's Trustees, is legally responsible for the overall management and control of the School, and meets on a termly basis. Committees oversee specific areas of the School's operation. These Committees act under delegated authority and decisions outside that authority are ratified by the Board. The Executive and Finance and General Purposes Committees meet at least three times a year and the Education & Partnership Committees meet three times a year. The Estates Development Committee meets, as required, to review and advise on the School's property assets and ensure that the estate is being used and developed to best advantage to support core activities over the medium and longer term.

The Governors also acknowledge the Governance Code published by the Charity Commission in 2017. The Governors have due regard to this Code as well as information provided by the Association of Governing Bodies of Independent Schools (AGBIS) so as to ensure that the Board demonstrates best practice in relation to its governance processes.

Day to day management of the School is delegated to the Executive Leadership Team, which comprises:

Principal - Chris Wheeler

Vice Principal – James Goodman (appointed 1st September 2019)

Bursar - Tom Davies

Head of Prep - Martin Davis

Head of Pre-Prep - Catherine Winchcombe

Director of People – Laura Warner

Director of External Relations - Trevor Reid (resigned 14 December 2018)

Employment Policy

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs.

The School has been registered as a school with a religious character by the Department for Education. As such, for certain roles, the School is able to advertise for and appoint staff who have specific Evangelical Christian faith that is central to the ethos and tradition of the School. Notwithstanding this, the School values the individual contribution of people irrespective of sex, age, marital status, disability, sexual orientation, gender reassignment, race, colour, religion, ethnic or national origin.

Communication with employees continues through normal management channels in a variety of forms.

Since September 2018, the School has also been a Living Wage Employer, as certified by the Living Wage Foundation.

Arrangements for setting the remuneration of key management personnel

In assessing the appropriate remuneration payable to the School's key management personnel, the Governors draw upon the expertise of external professional advisors and the information available from benchmarking reports produced for the sector. For the purposes of this Annual Report, the School's key management personnel are considered to be the members of the ELT.

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Annual Report of the Governors (continued) for the year ended 31 August 2019

Statement of Governors' Responsibilities

The Governors (who are also directors of Monkton Combe School for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Governors is aware, at the date of approval of this report, there is no relevant audit information of which the charity's auditor is unaware. The Governors have taken all the steps that we should have taken as Governors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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Annual Report of the Governors (continued) for the year ended 31 August 2019

STRATEGIC REPORT

Our Vision:

Monkton inspires young people to become confident, kind and ambitious adults who live fulfilling lives.

Our Mission:

Monkton thinks differently. We start with a proactive pastoral environment to develop academically strong enthusiastic learners within a living Christian ethos.

Our Values:

Confidence, Integrity, Humility, Service.

Achievements and Performance

In order to achieve the School's objectives and to enable the continued pursuit of excellence, including the recruitment and retention of quality staff and pupils, the Governors agree an ongoing programme of capital improvement projects. Projects undertaken since September 2018 include:

- Completion of the refurbishment of School House (Boys Boarding House - Senior School)
- Completion of Hatton House improvements (Prep Boarding House)
- Morris Classrooms at the Prep School have been re-decorated and re-furbished.
- The Observatory at the Senior School has been refurbished
- New signage in line with School branding and updated campus maps across the School sites
- Updated security measures with most doors now requiring key cards to access the School buildings
- Re-surfaced netball/tennis courts at the Senior School
- Completion of Governor's Field car park and pedestrianisation of the School Quads at the Senior School
- Creation of outdoor education area in the Mill Field with an intern from A Rocha International helping with developing our environmental footprint.
- All minibuses have been upgraded to ensure that they are Euro 6 compliant
- There have been a number initiatives to reduce our carbon footprint including the purchase of two new energy efficient boilers at the Prep School the upgrading of the lights around the school with LEDs.

GCSEs - 2019

Nearly two thirds of grades (60%) were 7-9 (A-A*) and over three quarters were 6-9 (A*-B).

10% of pupils secured 5 or more grade 9s and two pupils each achieved 9 grade 9s; The Times reported that only 800 pupils across the UK achieved this accolade the previous year.

By subject, over 80% of pupils secured Grade 7-9 in Biology, English, History and Mandarin and an impressive 42% of pupils securing a Grade 9 in Art.

A Levels 2019

A level pupils achieved nearly three quarters of grades at A*-B (72%) as well as continuing the trend that has seen pupils achieve nearly 1 in 5 grades at A* over the last three years. The average UCAS score per pupil was 144 points which is equivalent to 3 A grades at A Level. We were also delighted to learn that one of our pupils received the top mark for AS level Geography in the world!

14 Monkton Prep pupils were awarded scholarships in academic, sport, drama and 'all round' mainly to MSS but also to Millfield.

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Annual Report of the Governors (continued) for the year ended 31 August 2019

Achievements and Performance - continued

In 2018 Monkton celebrated its 150th anniversary. The sesquicentennial year provided a rich and diverse year of information and events to celebrate this important milestone in the school's history. As well as Monkton celebrating 150 years, Clarendon which merged with Monkton in 1998 also celebrated 120 years since its foundation in 1898. The year concluded with an Anniversary Dinner to raise money for the Bursary Appeal, a lecture by Falklands veteran Simon Weston and a special 150th Carol Service at the Pavillion in Bath.

We have continued to welcome outstanding speakers for our lecture series throughout the year and these include Peter Harris from A Rocha, Lord Dr Hastings of Scarisbrook (Knight Lecture 2018), Jaz Ampaw-Farr, Diane Simpson and Ben McBean. Last year's Knight Lecture (2019) was given by OM Chris Anderson, curator of TED talks.

Recent co-curricular achievements include a National Champion at Intermediate Eventing, a World Cup Skeleton competitor, a GB rower, Somerset under 18 rugby players and members of the U17 England Hockey Performance Centre.

More than half of Year 9 completed their Bronze Duke of Edinburgh and 29 Sixth Form pupils achieved their Gold awards and we had two very strong teams competing in the Ten Tors challenge.

Nearly all of Year 9 and 10 and 75% of our Sixth Form compete in sports fixtures at the weekend and we have had individual sporting success with tennis players who have international ranking points, netballers playing for the junior Team Bath and regional sides, Bath Rugby development players, Somerset rugby players, and Wiltshire, Somerset and Gloucestershire male and female cricketers.

We have members of the National Youth Theatre and Bath Abbey choir including the Head Chorister and 44% of our pupil body play a musical instrument or take individual LAMDA lessons. Ten students took their Grade 8 last year, with two completing their Advanced certificate in their musical instrument. Two pupils also gained distinction in Grade 8 ballet. 29 students completed their gold Duke of Edinburgh award.

At the Prep School, sports continue to flourish and amongst the many successes were the U11 boys Hockey team, (County Champions) and the formation of the new girls rugby team who won the Sibford 7s tournament at the first time of asking. Drama performances have included Twelfth Night and The Winter's Tale as well as performances of Guys and Dolls and Alice. As always the pupils have shone at the Mid Somerset Festival with 4 first places ranging from news reading to solo acting. In music, pupils performed brilliantly at Mid Somerset with 9 firsts, 4 seconds and 2 third placings in various classes.

The School continues to provide outstanding pastoral provision - in October the third Wellbeing Day took place at the Senior School with all pupils off timetable to enjoy the events specially designed to help them relax and look after their mental health as well as their physical health. Year 9 enjoyed an Outdoor Learning day as an effective bonding exercise at the start of the Senior School career, and we were also pleased to welcome several speakers who were experts in keeping children safe online.

The launch of our new website in November 2019 followed a revolutionary new approach to communications through our social media platforms. Staff were trained how to use Twitter effectively as they all became digital curators and storytellers. This has been hugely popular with the parent body keeping them informed on a daily basis on the exploits of their children at school. The website has also received huge acclaim and recently won an award with a reviewer exclaiming "I want to dive into this website and live happily ever after in it".

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Annual Report of the Governors (continued) for the year ended 31 August 2019

Achievements and Performance - continued

In November 2019 the Senior School had its tri-annual Regulatory Compliance Inspection with inspectors commenting: 'Principles and values are actively promoted which facilitate the personal development of pupils as responsible, tolerant, law-abiding citizens'. It goes on to say: 'Arrangements are made to safeguard and promote the welfare of pupils by means that pay due regard to current statutory guidance; good behaviour is promoted; bullying is prevented so far as reasonably practicable; health and safety requirements are met, including those relating to fire safety; provision is made for first aid'.

We were pleased to be included in the 2020 Tatler Schools Guide concluding its review with "It's abundantly clear why parents are so keen on this deliberately small school: students leave as grounded and empathetic individuals, well-prepared for life beyond Monkton Combe".

We continue to value our relationships with the local community, and local residents use the School's facilities for various activities and events, such as concerts, Christian worship, weddings, sport and car parking. Regular meetings are held with representatives of the Parish Council. Further details of our public activities can be found under 'Public Benefit' below.

Plans for the Future

The School's strategic development and planning review is a live and dynamic exercise which focuses on educational improvements, business performance and estates development. Key points from each of these three areas are as follows:

Educational Improvements

- A community empowered by its growth mind-set, consistently evaluating and re-evaluating progress
- Market leading pastoral care, maintaining our role developing the cutting edge of pastorally led Christian education
- Academic development that consistently adds value underpinned by self-knowledge and learning principles

Business performance

- Well rewarded, effectively working, efficiently deployed, highly trained and sufficiently mobile staff supported by clear management structures and regular ongoing self-reflection and appraisal.

Estates development

- Regular investment to upgrade existing facilities and grow boarding capacity
- An overall ambition that all areas of the school inspire the delivery of our education and business plans

Public Benefit

Charity law requires that the School demonstrates public benefit for charitable purposes where this has hitherto been presumed. The School is committed to providing public benefit in accordance with the objects stated in the School's Memorandum and Articles of Association:

- the promotion of education and to establish or acquire and maintain a school or schools for the education of boys and girls combined with sound religious training on Protestant and Evangelical principles in accordance with the doctrines of the Church of England but so that each school shall be carried on as an educational charity.
- as an independent object to establish or acquire as a going concern and carry on or manage elsewhere any subsidiary affiliated or other schools for the education of boys and girls combined with sound religious training on Protestant and Evangelical principles but so that each school shall be carried on as an educational charity.

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Annual Report of the Governors (continued) for the year ended 31 August 2019

Therefore, our public benefit initiatives continue to be directed at the promotion of education, including the award of bursaries in cases of financial need, and may be summarised as follows:

1. Grant Making Policy

The Governors set aside a proportion of the School's unrestricted funds each year to provide for scholarships and bursaries to support the education of a range of pupils in which emphasis is placed on an assessment of financial means and ability to pay. This year the School awarded approximately £1.78m of scholarships, bursaries and other fee remissions.

a) Scholarships

Scholarships are awarded at the Senior and Prep Schools based on academic achievement and achievement in other specified fields, such as sports and music, in scholarship examinations set by the Schools. The value of the award may be further increased via application for a means tested bursary.

b) Bursaries

Bursaries provide financial support to pupils whose families cannot afford private education, including clergy and missionary families. Applications for bursaries are considered by the Bursar and Principal, on behalf of the Governors, and are awarded based on the financial circumstances of the applicant. All bursaries are means tested and reviewed annually. There is a small number of endowment and restricted funds which provide bursaries to enable pupils who meet certain specified criteria to come to Monkton who would otherwise be unable to do so, on financial grounds. A limited number of bursaries are also offered each year out of School funds, with the level of assistance offered being means tested and dependent on completion and assessment of a full confidential statement of financial circumstances. There is no fixed limit to the level of assistance provided in any single case, although the School monitors the total amount offered in any one year, taking account of the resources available. Priority is given to children of Clergy or missionaries in line with the School's objects or where special circumstances give rise to a particularly deserving case.

c) Other Fee Remissions

The School continues to offer fee remissions to a number of specific categories of pupils such as siblings, children of HM Forces personnel (in addition to the MOD's own Continuity of Education Allowance) and children of staff. The efficacy of these schemes for meeting their objectives is kept under regular review.

Other Public Benefit Initiatives

In addition to the award of bursaries, the School engages in many other activities that provide benefit to the public, within the School's objectives. The Governors attach great importance to the School's relationship with the local community and actively seek ways in which the School's facilities can be used for the public benefit, as seen by the creation of the new whole school role of Director of Strategic Partnerships to lead the School's efforts in this regard.

a) Activities aimed at inculcating a desire in our pupils to contribute to the wider community

In addition to the normal educational provision, the School aims to inculcate a desire in our pupils to contribute to the wider community. Activities that encourage Monkton pupils to be good citizens in support of Fundamental British Values and to give charitably in accordance with the School's published mission and values, hence providing both educational and public benefit, include:

- Various charity sales events - cake sales, bric a brac, car wash, sponsored walks/swims etc., with proceeds going to a variety of charities, both locally and overseas.
- All Chapel donations go to charity.
- Prep School musicians hold an annual concert for the elderly at Holy Trinity Combe Down Church.
- Prep School boarders hold a "neighbours' tea" and carol singing for the local community.

Monkton Combe School

Annual Report of the Governors (continued) for the year ended 31 August 2019

- Links have been developed with Bath Foodbank, particularly at Harvest time.
- There is a strong service element to the DofE Award Scheme which a number of Senior School pupils undertake.
- Pupil visits to the elderly as part of a community service programme.
- Pupils serve in charity shops and volunteer at local primary schools as part of the Community Service programme in Year 12.
- Pupils help with clearing pathways etc with the local National Trust as part of the school conservation group.
- Sale of firewood, apples, lavender etc. for charity, in conjunction with the pupil-led Sustainability at Monkton group.
- Proceeds from sales of lost property go to charity.
- George Bevan, Director of Music, has started a choir with members from the Genesis Trust.
- Prep pupils have been working with student at Three Ways School in Odd Down
- Pupils have been litter picking locally in Combe Down as part of a sustainability project

b) Activities enabling children and young people who are not pupils at Monkton to benefit from our facilities

Children and young people who are not pupils at the School have also been able to benefit from the School's facilities in the following ways:

- Minis and Muckers Holiday Camps and Theatre school, Swim Camp, Rookie lifeguarding courses plus other children's activity courses run through the school holidays.
- Swim School enables approx. 450 children a week to learn to swim or to improve their swimming skills. In addition to this, private swimming lessons and intensive swimming lessons are also available.
- Turtle tots also have the pool for baby swimming lessons.
- Local schools and other community group use: of pool - currently Combe Down Primary, St Julian's Wellow, Shoscombe Primary Swainswick Primary and Batheaston School hold lessons in our pool. Bath Pentathlon train in our pool.
- Combe Down Primary School also uses the Prep School playing fields and astro including using it for their Sports Day.
- Music centre is let out to a variety of local groups.
- Charities and Church Groups make use of the School facilities during the summer.
- English hockey courses are held at Monkton Prep.
- Birthday "pool parties" available to the local community.
- Three Ways School Sports Day has been held at Monkton Prep School this year
- The School funds an education for a child in care which is free at the point of delivery and supported by joint partnership between the school and her local authority.
- The School works with the Springboard charity to offer a full boarding position to one disadvantaged Year 9 pupil and one Year 12 pupil which is free at the point of delivery.
- The School, alongside the organisers of the Bath Festival, are delivering the 'Choir that can't sing' music initiative to five local maintained schools using Monkton staff and resources.

c) Other community use

The School's facilities are also made available for local residents in other ways such as:

- Sports club - around 500 active members from the local community.
- Personal fitness training and strength and conditioning coaching is also available.
- Local groups hire the Knight Sports Centre for a variety of activities such as circuit training, youth basketball, youth football, friends' five a side, Coerver football club (for children), and so on. Local groups also hire the cricket pitches and nets for matches and training; and the artificial turf pitches for hockey tournaments.

Monkton Combe School

Annual Report of the Governors (continued) for the year ended 31 August 2019

- Three local primary schools use the School's swimming pool at a greatly discounted rate.
- Team building days or meetings for local charities such as Julian House, The Gideons and Bluefriars are often hosted at the School
- Pilates and dance classes are held in the Clarke Swimming Centre.
- A room is let to a local physiotherapist, providing treatment to clients from all over the City.
- A local choir uses the Chapel at Senior School on a regular basis.
- Bath All Comers Orchestra use the hall at the Pre-Prep School.
- Local clubs are invited to participate in a series of rowing races and the School's "house regatta" is open to all as spectators. Rowing sessions for Old Monktonians have also been hosted at the School.
- Allowing the local community to use our car parking facilities for village events, thus reducing congestion on the village streets.
- The School has drawn up a mini-bus sharing agreement with Freshford primary school and St Michael's church which will enable them to use Monkton minibuses for trips and sports fixtures
- The School has sponsored the upgrade of a Freshford primary school go-kart in the national Goblin go-kart competition, as well as made an indoor space available to them for storing the karts during the winter.
- The School's performance spaces are used for free by Freshford primary school for their bi-annual Shakespeare performance.

d) Activities with other incidental benefits that are charitable

The School engages with a variety of other activities that, whilst not designed to be directly charitable, do have a positive benefit for the local area. Some examples are provided below.

- Food hygiene training by Palmer & Howell is provided both for pupils and for catering staff from other local schools.
- Monkton lectures are held regularly and are frequently open to parents and public, along with the School's own Sixth Form.
- A nurses' conference is hosted at Monkton once a year for local school nurses.
- Work experience opportunities are provided across both the School and sports club for local children/students.
- Induction and training of teachers and NQTs, reducing the cost to the state.
- Dyslexia and special needs provision at both Prep and Senior School.
- NVQ training courses are provided for Monkton employees, but allowing access to the training by other local employers by arrangement.
- The local community are invited to the School's drama productions.
- The School hosts events for the Bath taps into Science festival.
- Significant conservation and bat mitigation works have been undertaken on the School estate to protect the local environment.
- The School's in-house coaching course has been made available to head teachers from three local maintained schools
- The School has delivered five rowing experience weeks for a group of 60 year 5 pupils at Combe Down primary school, transporting pupils to our Salford Rowing centre and leading sessions.
- Local maintained schools such as Combe Down primary school hold their annual sports day using Monkton sports grounds, equipment and staff.

Monkton Combe School

Annual Report of the Governors (continued) for the year ended 31 August 2019

Financial Review

A summary of the financial results for the period is set out in the consolidated statement of financial activities on page 20 of the financial statements.

Fee income, after scholarships and bursaries, totalled £13,374,647 (2018 - £12,888,338). Scholarships, bursaries, remissions and other grants made to pupils amounted to £1,777,547 (2018 - £1,764,419). At 12% of gross fees, these remissions represent a significant investment by the School in meeting its charitable objectives and providing public benefit. Total incoming resources of £15,792,755 (2018 - £16,112,329) are after donations received of £273,416 (2018 - £1,090,476) and also after gains on disposal of fixed assets of £144,700 (2018 - £5,000). In the prior year the School received a single legacy donation in excess of £900k.

Total resources expended increased to £15,280,852 (2018 - £14,223,470).

With an overall increase in funds of £604,317 (2018 - £2,005,911), and effective management of the School's working capital, the Group balance sheet as at 31 August 2019 shows net current liabilities at £1,864,400 (2018 - £1,268,572) and an increase in total net asset balance to £23,233,782 from a prior year total of £22,629,465. Like many schools, the School ends the year with a net current liabilities figure.

The movement in fixed assets during the year are set out in Note 10 to the financial statements. The School spent £1,673,124 (2018 - £1,268,059) on fixed assets, including the refurbishment of pupil boarding accommodation.

Investment Policy

The School's investment strategy, policy and investment performance is monitored by the Finance & General Purposes Committee. The investments are managed within a strategy which targets long term capital growth from investments with a medium risk. In reviewing the performance of the investments during 2018/19, the Governors note that the capital gain of 3.9% on the prior year investment balance of £2,379,563 exceeds the 0.1% gain seen in the FTSE 100 during the same period. In 2019/20 the School will be reviewing its investment policies and funds to ensure that they remain appropriate to the long term needs of the School.

The investments and gains for the year can be analysed as follows:

	Value	Capital gain/(loss)
	£	£
<i>Baillie Gifford Managed Fund</i>	1,556,085	41,945
<i>Baillie Gifford Strategic Bond Fund</i>	965,781	50,469
<i>Cash held by Investment Manager</i>	2,176	-
Total	2,524,042	92,414

The School received investment income of £52,065 (2018 - £49,721) from these funds.

Reserves

At the balance sheet date, unrestricted funds of the Group totalled £21,523,507 (2018 - £20,733,394). Unrestricted funds are committed to the fixed assets which are the operating assets of the School. Notes 17 and 18 to the financial statements set out an analysis of the assets attributable to the various funds and a description of the funds.

The focus of the Governors in relation to the level of unrestricted reserves required is on working capital and liquidity. With a year-end cash figure of £1,891,128 (2018 - £2,658,829), unrestricted investments of £1,066,761 (2018 - £801,935) and access to an available overdraft facility of £400,000, the Governors are satisfied that the School has sufficient financing available to meet its working capital and investment requirements.

Monkton Combe School

Annual Report of the Governors (continued) for the year ended 31 August 2019

The School's reserves policy is to hold a minimum balance of £1.6m of liquid unrestricted funds (cash and investments) throughout the financial year. This level of funds has been determined through an assessment of the financial risks the School manages (including in relation to its borrowing and day to day operational requirements) and is a level which is regularly assessed by the Governors. As at the 31 August 2019 the School had met this target reserves level.

With regards to the restricted and endowment funds held by the School, these end the year at £1,768,212 and are principally held within the School's investment portfolio.

Fundraising

The School received £273,416 (2018 - £1,090,476) in income from donations, gifts and legacies during the year. The School is working to develop its latest fundraising strategy which will seek to generate in the region of £400,000 per annum. The finalisation of this strategy will be completed by the new Director of External Relations when they assume post later in the 2019/20 financial year.

With regards to the additional disclosures relating to fundraising which are required under the Charities (Protection and Social Investment) Act 2016, we report that:

- The School's fundraising activities are focussed primarily on those individuals and families closely connected to the School (eg: parents, alumni or other relations) and trust funds whose objectives are closely aligned to those of the School.
- In addition to employees of the School's Development Team, the School also employs a consultant closely associated with the School to assist in our fundraising activities.
- We have not received any complaints regarding our fundraising activities.
- All staff involved with fundraising are asked to have due regard to the way in which they carry out fundraising activities associated with the School to ensure that we protect members of the public from behaviour which represents an unreasonable intrusion on a person's privacy; is unreasonably persistent or which places undue pressure on a person to give money or other property.
- The School's fundraising activities are overseen by the Governors through the Estates Development Committee. The Director of External Relations is line managed by the School's Principal.

Subsidiary Companies

Monkton Combe School Enterprises Ltd

The School's wholly-owned trading subsidiary, Monkton Combe School Enterprises Ltd, carries out non-charitable trading activities for the School. The company has made a gift aid payment of £103,212 (2018 - £19,565) to the School, thereby transferring all its taxable profits to the School. The School has made an interest-bearing loan to the subsidiary, secured on the assets of the subsidiary. This amounted to £311,500 (2018 - £311,500) at the period-end. The subsidiary also owed the School £103,212 at 31 August 2019 (2018 - £19,565).

Monkton International Ltd

The School is a 100% shareholder in this company set up to undertake the international strategy of Monkton Combe School. The company has made a gift aid payment of £40,397 (2018 - £nil) to the School, thereby transferring all its taxable profits to the School. The company was incorporated on 18th January 2017 and was dormant until 31st August 2018.

Risk Management

The Governors give consideration to the major risks to which the School and its subsidiary are exposed. Processes have been established to identify, evaluate and monitor major strategic, business and operational risks and to mitigate these where possible, and procedures and contingency plans are implemented to minimise any potential impact on the School and the Group should any of those risks materialise.

Monkton Combe School

Annual Report of the Governors (continued) for the year ended 31 August 2019

Principal Risks and Uncertainties

Through the above processes, the Governors are satisfied that the major risks identified have been, and are continuing to be, adequately addressed, with appropriate controls put in place to mitigate them and contingency plans where necessary. These risks include compliance with borrowing covenants and ensuring that the School addresses all of the requirements of Health & Safety legislation, employment law and its regulators, including the Independent Schools Inspectorate and Charity Commission.

Subsequent to the 31st August 2019 year end, the Governors recognise that the Covid-19 pandemic, declared by the WHO as a pandemic on 11th March 2020, poses a risk to the School, especially following the Government's instruction that all schools should close their buildings from Friday, 20th March 2020 for an indefinite period. The Governors have considered a range of possible scenarios relating to the impact of the pandemic and to date the School has undertaken a number of actions aimed at mitigating this risk. These include:

- Introducing a comprehensive on-line education provision so as to enable the School to continue to be able to deliver educational and pastoral support to its pupils to the fullest extent possible during any lockdown;
- Reviewing all financial commitments, including operating expenditure and capital commitments and, where possible and appropriate, cancelling or postponing these; and
- Performing detailed financial modelling for a period of at least 12 months from the date these financial statements are approved so as to provide reasonable assurance to Governors that the School remains a going concern and retains access to sufficient liquid resources. Given the risks and the financial modelling, the Governors believe the School has sufficient cash headroom from its cash reserves and banking facilities.

Auditors

A resolution to reappoint Crowe UK LLP as auditors to the School will be proposed at the annual general meeting.

Appreciation

The Governors continue to appreciate the support, both practical and financial, of existing and past parents, existing and past members of staff, and 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 and developments had to be financed solely from the School's fee and trading income.

Declaration

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of Monkton Combe School on 20th March 2020, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



Prof H Langton
Chair

Date:
7th May 2020

Monkton Combe School

Independent Auditor's Report to the Members of Monkton Combe School

Independent Auditor's Report to the Members of Monkton Combe School

Opinion

We have audited the financial statements of Monkton Combe School for the year ended 31 August 2019 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2019 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the 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 group's or 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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Monkton Combe School

Independent Auditor's Report to the Members of Monkton Combe School (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Governors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within 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:

- the parent company has not kept adequate accounting records; or
- the parent company 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 Governors

As explained more fully in the Governors' responsibilities statement set out on page 7, the Governors (who are also the directors of the charitable company 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 group's or 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.

Monkton Combe School

Independent Auditor's Report to the Members of Monkton Combe School (continued)

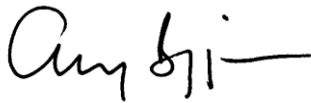
Auditor's responsibilities for the audit of the financial statements

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

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. This description forms part of our auditor's report.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Carrick House, Lypiatt Road

Cheltenham, Gloucestershire, GL50 2QJ

Dated: 13 May 2020

Monkton Combe School

Consolidated Statement of Financial Activities for the year ended 31 August 2019 (incorporating a Consolidated Income and Expenditure Account)

	Notes	Unrestricted funds £	Restricted funds £	Endowed Funds £	2019 £	2018 £
Income from:						
- Donations and Legacies						
Donations, gifts and legacies	2	200,079	73,337	-	273,416	1,090,476
- Other trading activities						
Trading income	5	754,095	-	-	754,095	672,642
Gain on disposal of fixed assets	4	144,700	-	-	144,700	5,000
Other incoming resources	4	299,859	-	-	299,859	430,893
- Investments						
Investment income	6	17,547	34,518	-	52,065	49,721
- Charitable Activities						
Fee income	3a	13,374,647	-	-	13,374,647	12,888,338
Other educational income	3b	893,973	-	-	893,973	975,259
Total income		15,684,900	107,855	-	15,792,755	16,112,329
Expenditure on:						
- Raising funds						
Marketing and Trading		939,664	-	-	939,664	867,112
Finance costs	9	91,244	-	-	91,244	122,402
- Charitable activities						
Costs of providing education		13,952,960	296,984	-	14,249,944	13,233,956
Total expenditure	7	14,983,868	296,984	-	15,280,852	14,223,470
Net income / (expenditure) before investment gains		701,032	(189,129)	-	511,903	1,888,859
Gain on investments	11	31,144	24,877	36,393	92,414	117,052
Net income / (expenditure)		732,176	(164,252)	36,393	604,317	2,005,911
Transfers between funds		-	-	-	-	-
Net movement in funds		732,176	(164,252)	36,393	604,317	2,005,911
Fund balances brought forward	17	20,733,394	958,992	937,079	22,629,465	20,623,554
Fund balances carried forward	17	21,465,570	794,740	973,472	23,233,782	22,629,465

The notes on pages 23 to 45 form part of these financial statements.

Monkton Combe School

Registered number 03228456

Balance Sheets as at 31 August 2019

		Group		School	
	Notes	2019 £	2018 £	2019 £	2018 £
Fixed assets					
Tangible assets	10	25,811,958	25,065,081	25,611,958	24,865,081
Investments	11	2,524,042	2,379,563	2,524,045	2,379,565
		28,336,000	27,444,644	28,136,003	27,244,646
Current assets					
Stocks	12	15,120	15,728	15,120	15,728
Debtors	13	1,114,497	1,213,605	1,531,209	1,512,741
Cash at bank and in hand		1,891,128	2,658,829	1,780,596	2,646,529
		3,020,745	3,888,162	3,326,925	4,174,998
Creditors: amounts falling due within one year	14	(4,885,145)	(5,156,734)	(4,878,178)	(5,130,120)
Net current liabilities		(1,864,400)	(1,268,572)	(1,551,253)	(955,122)
Total assets less current liabilities		26,471,600	26,176,072	26,584,750	26,289,524
Creditors: amounts falling due after one year	15	(3,237,818)	(3,546,607)	(3,237,818)	(3,546,607)
Net assets		23,233,782	22,629,465	23,346,932	22,742,917
Capital and reserves:	17				
Endowed reserves		973,472	937,079	973,472	937,079
Restricted reserves		794,740	958,992	794,740	958,992
Unrestricted funds		21,465,570	20,733,394	21,578,720	20,846,846
Total funds		23,233,782	22,629,465	23,346,932	22,742,917

The net movement in funds for the school were £604,015 (2018: £2,006,002).

The financial statements on pages 20 to 45 were approved and authorised for issue by the board of Governors and are signed on its behalf by:



C Alexander
Governor

Date: 7th May 2020

Monkton Combe School

Consolidated cash flow statement for the year ended 31 August 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	20	1,121,614	3,023,028
Cash flow from investing activities			
Interest received	4	6,099	9,605
Investment income received	6	52,065	49,721
Purchase of tangible fixed assets		(1,673,124)	(1,284,068)
Proceeds on sale of tangible fixed assets		174,700	5,000
Purchase of investments	11	(52,065)	(49,721)
Net cash used in investing activities		(1,492,325)	(1,269,463)
Cash flows from financing activities			
Loan repayments		(283,462)	(267,529)
Interest paid	9	(91,244)	(122,402)
Receipt of advanced fees		17,304	82,609
Release of advanced fees	16	(39,588)	(71,265)
Net cash used in financing activities		(396,990)	(378,587)
(Decrease) / increase in cash in the year		(767,701)	1,374,978
Cash and cash equivalents at the beginning of the period		2,658,829	1,283,851
Cash and cash equivalents at the end of the reporting period		1,891,128	2,658,829

Analysis of net debt		2019	2018
		£	£
Total debt (see note 15)		(3,507,786)	(3,791,248)
Net debt (total debt less cash and cash equivalents)		(1,616,658)	(1,132,419)

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019

1 Principal accounting policies

Legal status of the Charity

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. Monkton Combe School is registered in England & Wales with the Charity Commission (Reg No: 1057185) and with Companies House (Reg No: 03228456). The charitable company was incorporated on 11 July 1996 and has no share capital. The members of the company are the Governors named on page 2. In the event of the company being wound up, the liability in respect of the guarantee for each member is limited to £1. At the balance sheet date there were 15 members.

Registered and Principle Office

The registered and principle office of Monkton Combe School is: Monkton Combe School, Church Lane, Monkton Combe, Bath, BA2 7HG.

Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and 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 (FRS102) – effective 1 January 2015 (Charities SORP FRS 102).

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of listed investments.

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement with the consolidated financial statements.

Monkton Combe School meets the definition of a Public Benefit Entity under FRS 102.

Going concern

At the balance sheet date, the School held cash of £1,891,128 (2018: £2,658,829), unrestricted investments of £1,066,761 (2018: £801,935) and had access to an available overdraft facility of £400,000. The Governors have reviewed forecasts for a period ending twelve months from the date of approval of these financial statements. Most notably, the Governors have also considered the impact of the Covid-19 pandemic which is highlighted in the 'Principal Risks and Uncertainties' Section of the Governors Report. Following the completion of these reviews, the Governors are confident that the group will be able to satisfy its debts as they fall due and that sufficient action has and will be taken by the Group to help ensure there are no material uncertainties about the School's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

Basis of consolidation

The consolidated statement of financial activities, the consolidated balance sheet and the consolidated cash flow statement include the financial statements of the School and its subsidiary undertakings detailed on page 29 made up to 31 August 2019, consolidated on a line by line basis. Intra group transactions and profits are eliminated fully on consolidation.

No separate SOFA has been presented for the School alone as permitted by Section 408 of the Companies Act 2006 and SORP FRS 102. Net incoming resources includes £460,406 (2018: £1,986,345) attributable to the School which includes investment gains of £92,414 (2018: £117,052) and excludes gift aid income from subsidiary companies of £143,609 (2018: £19,657). The income for the School before investment gains was £15,521,223 (2018: £15,805,010) and the expenditure was £15,153,231 (2018: £13,935,717).

Significant Estimates and Judgements

In the application of the School's accounting policies, which are described in note 1, Governors are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

Principal accounting policies (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

Donations, legacies and gifts in kind

Donations and legacies are credited to revenue on a receivable basis as and when entitlement arises and the amount can be reliably measured and receipt is probable. Legacies are accounted for on receipt of correspondence from the personal representative indicating that payment of the legacy will be made. Gifts in kind are valued at a reasonable estimate of their value to the School. No amounts are included in the financial statements for services donated by volunteers.

Fees

Fee income represents gross fees, less scholarships, bursaries and other remissions for the provision of education including extra-curricular activities.

Investment & trading income

Income from the School's investments and trading operations are recognised on a receivable basis.

Advanced fees

The School offers parents the opportunity to pay for tuition fees in advance in accordance with a written contract. The amount received is invested until the fees for each School term are charged against the remaining balance and taken to income.

Final term deposits

Final term deposits are deposits placed when pupils join the School which are offset against fees and disbursements due for the last term each pupil attends. All deposits are treated as deferred income and classified as creditors.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to the activity in the year, by reference to staff time or other cost drivers as appropriate. Costs of generating funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of charitable activities.

Bursaries, grants and allowances payable

Grants from restricted funds are included as expenditure in the year for which the award is given. Bursaries and allowances from unrestricted funds towards School fees at the School are treated as a reduction in those fees.

Support costs

Support costs comprise direct costs, including staff which are all attributed to the costs of providing education.

Taxation

The School is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

Principal accounting policies (continued)

Governance costs

Governance costs include expenditure on governance of the School and compliance with constitutional and statutory requirements, and an appropriate apportionment of indirect costs.

Irrecoverable VAT

Any irrecoverable VAT is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, where appropriate.

Foreign currencies

Transactions in foreign currencies are recorded at the GBP rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the Balance Sheet date. All differences are taken to the Statement of Financial Activities.

Creditors

Creditors are recognised where the School has a present obligation which results from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or readily estimated.

Fund accounting

Unrestricted funds are available for use at the discretion of the Governors in furtherance of the general objectives of the School and have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the Governors for particular 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.

Endowment funds are funds for which the capital must be retained in accordance with the specific restrictions imposed by donors. The aim and use of each endowment fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

Pension costs

The School contributes to the Teacher's Superannuation Scheme at rates set by the Scheme Actuary and advised to the Governors by the Scheme Administrator. The scheme is a multi-employer defined benefit scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. Hence, contributions are charged in the year they are incurred as if they were to a defined contribution scheme as required by FRS 102. The School also contributes to a defined contribution scheme for non-teaching staff. Other than these annual costs, no other liabilities arise to the School in relation to pensions.

Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease terms.

Tangible fixed assets

Capitalisation and replacement

All tangible fixed assets are held at historic cost or deemed cost less depreciation. Assets with a cost below £500 are not capitalised. Certain inalienable assets donated to the School have been included on the Balance Sheet within Furniture & Plant at their 2000 valuation of £32,200, which is the best estimate of cost.

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

Principal accounting policies (continued)

Tangible fixed assets (continued)

Depreciation

Land is not depreciated. Depreciation of other assets is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. Fixed assets in the course of construction are not depreciated until they are brought into use. The principal annual rates used for this purpose on a straight line basis are:

Inalienable assets	Nil
Freehold land	Nil
Buildings	2%
Plant and equipment	10%
Furniture and fixtures and motor vehicles	20%
Computer equipment	33 ¹ / ₃ %
Rowing and sports equipment	25%

Investments

Investments in subsidiary undertakings are stated at cost, but are written down to their realisable value if it is considered that there has been a permanent diminution in their value.

Listed investments are included at closing mid-market value at the Balance Sheet date. Any realised and unrealised gains and losses on revaluation or disposals are shown in the Statement of Financial Activities.

Income from investments is included, together with the related tax credit, in the year in which it is received.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Debtors

Short term debtors are initially measured at transaction price, less any impairment.

Short-term bank deposits and cash

Short-term bank deposits and cash includes cash in hand, deposits held with banks and other highly liquid short-term deposits.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

Termination payments

Payments made to employees on termination of employment may be subject to PAYE and NICs depending on what the payment is for. The nature of the payment is determined by reviewing the employment contract and any other relevant documentation such as the staff handbook and any negotiations between the employee and the School and any compromise or settlement agreement.

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

2 Donations, gifts and legacies

Group	2019 £	2018 £
Individuals	77,074	157,944
Legacies	179,186	915,959
Charitable foundations	17,156	16,573
	273,416	1,090,476

3a Fee income

Group	2019 £	2018 £
Gross Fees	14,855,210	14,425,123
Less: scholarships, bursaries and other remissions granted	(1,777,547)	(1,764,419)
	13,077,663	12,660,704
Add back: scholarships, bursaries and other remissions granted, funded by restricted funds	296,984	227,634
	13,374,647	12,888,338

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

3b Other educational income

	2019	2018
	£	£
Registration fees	28,350	27,601
Occasional boarding	30,836	22,950
After school care	11,711	9,106
Prep activities	16,739	50,767
English as a second language	100,989	136,578
Learning support	89,932	112,843
Music	19,307	24,681
Instrument Hire	1,410	1,620
Fees in lieu of notice	69,837	25,068
Scholarship exam fees	2,920	2,080
Pupil insurances	80,864	91,725
Trips, activities and consumables	441,078	470,240
	893,973	975,259

4 Other income

	2019	2018
	£	£
Overdue account interest	6,099	9,605
Gain on disposal of fixed assets	144,700	5,000
Rent and lettings	83,576	72,055
Sundry income	210,184	349,233
	444,559	435,893

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

5 Trading income

The School owns the whole of the ordinary share capital, consisting of two ordinary shares of £1 each, of Monkton Combe School Enterprises Limited (company number: 03588426), whose principal activity is to carry out trading activities on behalf of the School.

The School also owns the whole of the ordinary share capital, consisting of one ordinary share of £1, of Monkton International Limited (company number: 10570416), whose principal activity is to carry out educational activities overseas on behalf of the School. The company was dormant for the year to 31 August 2018 and active in the year to 31 August 2019.

Both subsidiaries donate all of their taxable profits to the School each year by gift aid. The registered office of the subsidiaries is Monkton Combe School, Monkton Combe, Bath, BA2 7HG.

Trading income in the Statement of Financial Activities includes the results of the subsidiary companies, as well as the results of the School's own commercial department, as shown below:

Group	Subsidiary companies	School trading	Consolidation adjustments	2019	2018
	£	£	£	£	£
Income	271,230	482,865	-	754,095	672,642
Expenditure	(127,621)	(430,198)	(143,609)	(701,428)	(473,733)
Charitable contribution	(143,609)	-	143,609	-	-
Retained surplus for the year	-	52,667	-	52,667	198,909

The assets and liabilities of Monkton Combe School Enterprises Limited are as follows:

	2019 £	2018 £
Aggregate assets	409,293	244,529
Aggregate liabilities	(522,444)	(357,680)
Net liabilities	(113,151)	(113,151)

The assets and liabilities of Monkton International Limited are as follows:

	2019 £	2018 £
Aggregate assets	89,990	1
Aggregate liabilities	(89,990)	-
Net liabilities	-	1

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

6 Investment income

	2019	2018
	£	£
Interest on investments	52,065	49,721

7 Analysis of expenditure

(a) Total Expenditure

	Staff costs	Other costs	Depreciation	2019	2018
	£	£	£	£	£
Cost of generating funds:					
Trading	356,288	342,391	2,749	701,428	493,298
Finance costs	-	91,244	-	91,244	122,402
Marketing & publicity	62,556	175,680	-	238,236	373,814
	418,844	609,315	2,749	1,030,908	989,514
Charitable activities:					
Costs of providing education					
Teaching	5,297,631	1,534,374	528,784	7,360,789	7,501,439
Welfare	1,318,548	1,031,701	71,544	2,421,793	2,157,204
Premises	741,683	1,090,996	293,170	2,125,849	2,024,369
Support costs & Governance	604,246	1,737,267	-	2,341,513	1,550,944
	7,962,108	5,394,338	893,498	14,249,944	13,233,956
Total expenditure	8,380,952	6,003,653	896,247	15,280,852	14,223,470

(b) Governance included in support costs

	2019	2018
	£	£
Governors expenses	17,775	4,080
Bursary governance cost apportionment	61,008	57,215
Auditor's remuneration – audit services	36,600	24,020
Auditor's remuneration – non audit services	11,040	7,925
	126,423	93,240

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

8 Employee information

Group	2019 Number	2018 Number
The average headcount of employees, excluding Directors, but including part-time staff employed by the Group during the year was:		
Education	133	131
Support	112	106
Catering *	17	-
Fundraising	1	1
Marketing and publicity	5	3
Trading activities	39	33
	307	274

* The catering staff were brought in-house from April 2019. The catering function at the School was previously outsourced.

Group	2019 £	2018 £
Staff costs		
Wages and salaries	6,987,611	6,120,067
Social security costs	660,902	576,392
Pension costs	732,439	713,887
	8,380,952	7,410,346

During the year there were termination payments made to two (2018: three) employees which amounted to £7,100 (2018: £18,746). There was £nil outstanding at the year-end (2018: £nil).

The number of employees whose emoluments exceeded £60,000 was:

Group	2019 Number	2018 Number
£60,001 - £70,000	1	4
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
£120,001 - £130,000	-	1
£140,001 - £150,000	1	-

Aggregate remuneration and benefits of the 6 (2018: 5) key management personnel totalled £556,869 (2018: £474,155). This relates to the Principal, Bursar, Prep School Head, Pre-Prep Head, Director of External Relations and Director of People (2018: Principal, Bursar, Prep School Head, Pre-Prep Head and Director of External Relations).

No Governors received any remuneration from the Group during the period. Ten Governors received reimbursement totalling £4,485 (2018: £1,396) for travel expenses.

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

9 Financing costs

Group	2019	2018
	£	£
Interest payable and similar charges		
Discount on fees in advance	17,335	17,421
On bank overdrafts and bank loans	73,909	104,981
	91,244	122,402

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

10 Tangible fixed assets

Group	Freehold land £	Buildings £	Furniture and plant £	Assets under construction £	Total £
Cost or valuation					
At 31 August 2018	275,000	28,602,996	4,798,657	809,742	34,486,395
Additions	-	14,810	660,618	997,696	1,673,124
Transfers	-	564,244	-	(564,244)	-
Disposals	-	-	(51,849)	-	(51,849)
At 31 August 2019	275,000	29,182,050	5,407,426	1,243,194	36,107,670
Depreciation					
At 31 August 2018	-	5,417,608	4,003,706	-	9,421,314
Charge in year	-	582,216	314,031	-	896,247
Disposals	-	-	(21,849)	-	(21,849)
At 31 August 2019	-	5,999,824	4,295,888	-	10,295,712
Net book amount					
At 31 August 2019	275,000	23,182,226	1,111,538	1,243,194	25,811,958
At 31 August 2018	275,000	23,185,388	794,951	809,742	25,065,081

School	Freehold land £	Buildings £	Furniture and plant £	Assets under construction £	Total £
Cost or valuation					
At 31 August 2018	75,000	28,486,144	4,772,439	809,742	34,143,325
Additions	-	14,810	660,618	997,696	1,673,124
Transfers	-	564,244	-	(564,244)	-
Disposals	-	-	(51,849)	-	(51,849)
At 31 August 2019	75,000	29,065,198	5,381,208	1,243,194	35,764,600
Depreciation					
At 31 August 2018	-	5,300,756	3,977,488	-	9,278,244
Charge in year	-	582,216	314,031	-	896,247
Disposals	-	-	(21,849)	-	(21,849)
At 31 August 2019	-	5,882,972	4,269,670	-	10,152,642
Net book value					
At 31 August 2019	75,000	23,182,226	1,111,538	1,243,194	25,611,958
At 31 August 2018	75,000	23,185,388	794,951	809,742	24,865,081

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

10 Tangible fixed assets (continued)

- a) The net book value of assets acquired under finance leases at 31 August 2019 was £60,568 (2018: £nil).

11 Fixed asset investments

Group	Listed investments
	£
Market Value	
At 1 September 2018	2,379,563
Additions	52,065
Disposal	-
Revaluation gains	92,414
Net book value	
At 31 August 2019	2,524,042
Net book value	
At 31 August 2018	2,379,563

School	Listed investments	Investment in subsidiaries	Total
	£	£	£
Market Value			
At 1 September 2018	2,379,563	2	2,379,565
Additions	52,065	1	52,066
Disposal	-	-	-
Revaluation gains	92,414	-	92,414
Net book value			
At 31 August 2019	2,524,042	3	2,524,045
Net book value			
At 31 August 2018	2,379,563	2	2,379,565

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

11 Fixed asset investments (continued)

All investments are stated at their market value at 31 August 2019. The historical cost of the listed investments at 31 August 2019 was £1,183,003 (2018: £1,130,938) for the Group and £1,183,003 (2018: £1,130,938) for the School. 61.7% (2018: 63.6%) of the market value of investments held in both the Group and the School are in Baillie Gifford Managed Fund B Income. The remaining 38.3% (2018: 36.3%) of the investments is held in the Baillie Gifford Strategic Bond Fund B Income. All investments are held in the United Kingdom.

For details of the subsidiary companies see note 5.

12 Stocks

	Group		School	
	2019 £	2018 £	2019 £	2018 £
Catering, stationery and consumables	15,120	15,728	15,120	15,728

13 Debtors

	Group		School	
	2019 £	2018 £	2019 £	2018 £
Debtors: amounts falling due after more than one year				
Loan to subsidiary	-	-	311,500	311,500
Debtors: amounts falling due within one year				
Fee debtors	269,567	240,344	269,567	240,344
Trade debtors	285,391	229,650	104,724	200,523
Amounts due from subsidiary and associated undertakings	-	-	285,879	19,565
Other debtors and prepayments	559,539	743,611	559,539	740,809
	1,114,497	1,213,605	1,531,209	1,512,741

Fees invoiced in advance are shown within creditors and amounts previously invoiced but not received by the Balance Sheet date are shown above as fee debtors. The bad debt provision on fee debtors was £42,559 (2018: £78,163).

The loan to the subsidiary is repayable on demand and bears interest at 6% per annum. Monkton Combe School has confirmed that repayment will not be sought within one year.

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

14 Creditors: amounts falling due within one year

	Group		School	
	2019 £	2018 £	2019 £	2018 £
Bank loan (see note 15)	288,344	291,102	288,344	291,102
Fees received in advance (see note 16)	45,390	39,589	45,390	39,589
Trade creditors	743,144	662,634	739,101	637,447
Taxation and social security	182,013	142,686	174,905	142,686
Pension contributions due	96,271	90,192	96,271	90,192
Amounts owed to subsidiary and associated undertakings	-	-	8,084	25,187
Other creditors	1,115,035	914,816	1,115,035	908,414
Accruals and deferred income (see note 14a)	2,414,948	3,015,715	2,411,048	2,995,503
	4,885,145	5,156,734	4,878,178	5,130,120

14a Deferred income

	£
Brought forward	2,284,913
Utilised in year	(2,284,913)
Newly deferred	2,145,107
Carried forward	2,145,107

15 Creditors: amounts falling due after more than one year

	Group		School	
	2019 £	2018 £	2019 £	2018 £
Fees received in advance (see note 16)	18,376	46,461	18,376	46,461
Bank loan (see below)	3,219,442	3,500,146	3,219,442	3,500,146
	3,237,818	3,546,607	3,237,818	3,546,607

The bank loans and overdraft are secured by way of legal charges over several of the School properties. The loans are repayable in equal monthly instalments, until dates between 2022 and 2028. Interest is payable on the loans at a fixed rate of 1% per annum above base rate for loans expiring in 2028 and at a fixed rate of 1.8% per annum above base rate for loans expiring in 2022. The net book value over which security is held is £23,182,226 (2018: £23,185,388).

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

15 Creditors: amounts falling due after more than one year (continued)

Maturity of loans

Group and School	2019 £	2018 £
In 1 year or less, or on demand	288,344	291,102
In more than 1 year, but not more than 2 years	294,448	296,528
In more than 2 years, but not more than five years	2,238,196	2,402,686
In more than five years	686,798	800,932
	3,507,786	3,791,248
Included in creditors; amounts falling due within one year	288,344	291,102
Included in creditors; amounts falling due after more than one year	3,219,442	3,500,146

16 Advanced fees

Parents may pay to the School up to the equivalent of seven years' tuition fees in advance. Such payments may be returned, subject to specific conditions, on the receipt of one term's notice. Assuming pupils remain in the advance fees payment scheme, payments will be applied to offset fees as follows:

Group and School	2019 £	2018 £
Greater than 5 years	-	-
Within 2 to 5 years	-	18,375
Within 1 to 2 years	18,376	28,086
Within more than 1 year	18,376	46,461
Within 1 year	45,390	39,589
	63,766	86,050

Advance fees due within one year are included in note 14, which also includes other fee income paid in advance of future years.

The balance represents the accrued liability under the contracts.

The capital movements during the period were:

Group and School	2019 £
As at 1 September 2018	86,050
New contracts	-
Amounts accrued to contracts	17,304
Amounts utilised in payment of fees to the School	(39,588)
Amounts refunded to parents	-
As at 31 August 2019	63,766

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

17 Funds

Group	Balance 1 Sept 2018 £	Income £	Expenditure £	Investment Gains/ (Losses) £	Balance 31 August 2019 £
Permanent endowment funds					
Butler endowment	254,666	-	-	9,890	264,556
Governor's Bursary Fund	78,698	-	-	3,056	81,754
Other scholarship and bursary endowments	603,715	-	-	23,447	627,162
	937,079	-	-	36,393	973,472
Restricted funds					
Butler income	35,985	6,245	(19,315)	1,179	24,094
Other scholarship and bursary income funds	713,007	86,210	(277,669)	23,370	544,918
Equestrian Centre	-	10,400	-	-	10,400
Mount Pleasant Quarry fund	200,000	-	-	-	200,000
School Cricket Fund	10,000	-	-	328	10,328
Performing Arts Centre	-	4,000	-	-	4,000
Blueprint Developments	-	1,000	-	-	1,000
	958,992	107,855	(296,984)	24,877	794,740
Unrestricted funds					
Trading subsidiary companies	(113,153)	271,230	(271,230)	-	(113,153)
Other unrestricted funds: School	20,846,547	15,557,279	(14,856,247)	31,144	21,578,723
Charitable contribution: elimination	-	(143,609)	143,609	-	-
	20,733,394	15,684,900	(14,983,868)	31,144	21,465,570
Total funds	22,629,465	15,792,755	(15,280,852)	92,414	23,233,782

The reserves relating to the School amount to £23,346,932 (2018: £22,742,917).

The above funds are those of the Group.

The permanent endowment arose from gifts which are invested such that the income arising can finance the award of bursaries and scholarships to children attending the School. The income generated from such investments is recognised within the relevant restricted fund attached to the endowment.

The restricted funds were gifted to the School for the purposes detailed above.

The unrestricted funds of the School exceed the Group unrestricted funds due to the provision for the net liabilities of the trading subsidiary.

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

17a Comparative Funds (continued)

Group	Balance 1 Sept 2017 £	Income £	Expenditure £	Transfers, Investment Gains/ (Losses) £	Balance 31 August 2018 £
Permanent endowment funds					
Butler endowment	247,802	-	-	6,864	254,666
Governor's Bursary Fund	80,424	-	-	(1,726)	78,698
Other scholarship and bursary endowments	571,397	-	-	32,318	603,715
	899,623	-	-	37,456	937,079
Restricted funds					
Butler income	78,026	6,184	(52,605)	4,380	35,985
Other scholarship and bursary income funds	811,924	28,776	(171,305)	43,612	713,007
Governor's Bursary Fund	2,388	1,336	(3,724)	-	-
Mount Pleasant Quarry fund*	200,000	-	-	-	200,000
Other Specific	113,586	-	-	(103,586)	10,000
	1,205,924	36,296	(227,634)	(55,594)	958,992
Unrestricted funds					
Trading subsidiary company	(113,153)	-	-	-	(113,153)
Other unrestricted funds	18,631,160	16,076,033	(13,995,836)	135,189	20,846,547
	18,518,007	16,076,033	(13,995,836)	135,189	20,733,394
Total funds	20,623,554	16,112,329	(14,223,470)	117,052	22,629,465

The reserves relating to the School amount to £22,742,917 (2017: £20,736,915).

The above funds are those of the Group.

The permanent endowment arose from gifts which are invested such that the income arising can finance the award of bursaries and scholarships to children attending the School. The income generated from such investments is recognised within the relevant restricted fund attached to the endowment.

The restricted funds were gifted to the School for the purposes detailed above. The transfer balance of £103,586 seen under the 'Other specific' restricted funds resulted from a review of the restricted funds performed during the financial year. This review identified that these funds had previously been spent on the purposes for which they were donated to the School and as a result, the Governors approved a transfer of this balance to unrestricted funds.

The unrestricted funds of the School exceed the Group unrestricted funds due to the provision for the net liabilities of the trading subsidiary.

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

18 Allocation of the Group's net assets

The net assets are held for the various funds as follows:

	Tangible fixed assets	Investments	Net current assets/(liabilities)	Long term (liabilities)	Total 2019
	£	£	£	£	£
Endowment funds	-	973,472	-	-	973,472
Restricted funds	200,000	483,809	110,931	-	794,740
Unrestricted funds	25,611,958	1,066,761	(1,975,331)	(3,237,818)	21,465,570
At 31 August 2019	25,811,958	2,524,042	(1,864,400)	(3,237,818)	23,233,782

18a Comparative Allocation of the Group's net assets

	Tangible fixed assets	Investments	Net current assets/(liabilities)	Long term (liabilities)	Total 2018
	£	£	£	£	£
Endowment funds	-	937,079	-	-	937,079
Restricted funds	200,000	640,549	118,443	-	958,992
Unrestricted funds	24,865,081	801,935	(1,387,015)	(3,546,607)	20,733,394
At 31 August 2018	25,065,081	2,379,563	(1,268,572)	(3,546,607)	22,629,465

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

19 Pensions 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 £518,589 (2018: £511,527) and at the year-end £66,526 (2018: £41,663) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). 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 by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud / Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud / Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

Other Schemes

Certain non-academic staff are members of the School's Pension Scheme, which is a money purchase scheme administered by a private pensions company to which contributions are paid as they become due. The pension cost charge for the period payable by the School in respect of non-academic staff was £213,850 (2018: £194,151). The balance outstanding at the year-end was £29,745 (2018: £24,154).

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

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

	2019	2018
	£	£
Net income for the reporting period		
(as per the statement of financial activities)	604,317	2,005,911
Adjustments for:		
Gain on investments	(92,414)	(117,051)
Interest payable	91,244	122,402
Investment income	(52,065)	(49,721)
Interest receivable	(6,099)	(9,605)
Profit on disposal of fixed assets	(144,700)	(5,000)
Depreciation of tangible fixed assets	896,247	896,216
(Decrease) / Increase in stocks	(608)	2,332
Decrease / (Increase) in debtors	99,108	(223,557)
(Decrease) / Increase in creditors	(273,416)	401,101
Net cash provided by operating activities	1,121,614	3,023,028

21 Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	1,891,128	2,658,829

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

22 Operating leases

At 31 August the Group had future minimum lease payments under non-cancellable operating leases as follows:

Group and School	2019	2018
	£	£
Expiry date:		
Less than one year	141,694	95,987
Between one and two years	64,939	49,253
Between two and five years	116,448	62,526
Greater than five years	6,681	2,200
	329,762	209,966

The amount expensed during the year was £81,913 (2018: £105,756).

23 Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors and fee debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate with the resulting gain or loss being charged to the SOFA.

Group	2019	2018
	£	£
Financial assets measured at amortised cost	3,005,625	3,872,434
Financial assets measured at fair value	2,524,042	2,379,563
Financial liabilities measured at amortised cost	5,795,843	5,713,000

School	2019	2018
	£	£
Financial assets measured at amortised cost	3,311,805	4,159,270
Financial assets measured at fair value	2,524,045	2,379,565
Financial liabilities measured at amortised cost	5,795,984	5,686,385

Impairment losses charged to financial assets measured at amortised cost in the year amounted to £42,560 (2018: £89,673).

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

24 Related party transactions

Monkton Combe Enterprises Limited is a wholly owned subsidiary undertaking of Monkton Combe School Limited. The company's primary object is to carry on business as a general commercial company. This is primarily the management of functions and events held on the site of Monkton Combe School. The company gifted its taxable profit to the School of £103,212 (2018: £19,565) which includes a management charge payable to the School of £6,070 (2018: £nil). At the year-end, the School owed Monkton Combe Enterprises Limited £8,084 in relation to end of year academic prize giving events and sports centre costs (2018: £25,187). Conversely, the company owed the School £93,196 for catering costs and audit fees incurred during the year.

Monkton International Limited was incorporated on 18th January 2017 and was dormant until 31st August 2018. The company is a wholly owned subsidiary undertaking of Monkton Combe School Limited. The company's primary object is to carry out overseas educational activities. The company gifted its taxable profit to the School of £40,397 (2018: £nil). At the year-end, Monkton International Limited owed the school £34,592 in relation to legal and professional fees incurred as part of the company's start-up.

During the year the School paid £4,709 (2018: £4,859) to Mind.World Ltd in which C Alexander, a Governor, is a shareholder. A balance of £8,550 (2018: £8,322) was due to the company at the year end. Also during the year, the School paid £32,254 (2018: £26,143) to N Alexander – the brother of C Alexander – for consultancy work associated with the refurbishment of the School's boarding houses. The work is agreed by Governors each year.

25 Capital Commitments

At the Balance Sheet date, the School was committed to pay £309,400 in relation to the value of refurbishment work executed and of materials and goods in relation to one of the School's boarding houses.

26 Post Balance Sheet events

On 14th January 2020, a property owned by the School in Monkton Combe was sold for £810,000. The property was purchased in 2008 for £703,000 and has remained in the financial statements at this value. The profit on sale of the property - being the difference between the net book value and the net sale proceeds - was £250,000.

On 10th February 2020, the Governors passed a Resolution agreeing to accept a company loan of £1,925,000 from National Westminster Bank Plc. The purpose of the loan is to refinance the existing bank loan - detailed in note 15 – which was due to be repaid in 2022. The new loan is to be repaid in 2030 at a fixed rate of 2.98% per annum and the amount of the final capital instalment at the end of the fixed rate period is estimated to be £747,600.

Monkton Combe School

Notes to the financial statements for the year ended 31 August 2019 (continued)

27 Comparative SOFA

	Notes	Unrestricted funds £	Restricted funds £	Endowed Funds £	2018 £
Income from:					
- Donations and Legacies					
Donations, gifts and legacies	2	1,090,476	-	-	1,090,476
- Other trading activities					
Trading income	5	672,642	-	-	672,642
Gain on disposal of fixed assets	4	5,000	-	-	5,000
Other incoming resources	4	430,893	-	-	430,893
- Investments					
Investment income	6	13,425	36,296	-	49,721
- Charitable Activities					
Fee income	3a	12,888,338	-	-	12,888,338
Other educational income	3b	975,259	-	-	975,259
Total income		16,076,033	36,296	-	16,112,329
Expenditure on:					
- Raising funds					
Marketing and Trading		867,112	-	-	867,112
Finance costs	9	122,402	-	-	122,402
- Charitable activities					
Costs of providing education		13,006,322	227,634	-	13,233,956
Total expenditure	7	13,995,836	227,634	-	14,223,470
Net income / (expenditure) before transfers and investment gains					
		2,080,197	(191,338)	-	1,888,859
Transfers between funds		103,585	(103,585)	-	-
Gain / (losses) on investments	11	31,605	47,991	37,456	117,052
Net movement in funds for the year					
		2,215,387	(246,932)	37,456	2,005,911
Fund balances brought forward at 1 September 2017	17	18,518,007	1,205,924	899,623	20,623,554
Fund balances carried forward at 31 August 2018	17	20,733,394	958,992	937,079	22,629,465