

Registered number: 02093340
Charity number: 296491

SIDCOT SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

SIDCOT SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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**SIDCOT SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019**

Governors	Tim Bond (resigned 31 August 2019) Rosemary Carr, Chair Andy Flint Christopher Hobbs Adam Matthews Sarah Moore (resigned 31 August 2019) Tim Niblock Nick Pyatt Andrew Ward David Whiting (resigned 31 August 2019) Jonathan Coates Victoria Hemming
Company registered number	02093340
Charity registered number	296491
Registered office	Sidcot School Oakridge Lane Winscombe North Somerset BS25 1PD
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
Bankers	Lloyds Bank plc Bath Street Cheddar BS27 3AB
Solicitors	Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham GL50 1YD

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

**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Governors, who are also the Directors of the School for the purpose of the Companies Act and Trustees for the purposes of the Charities Act (but hereinafter are referred to as Governors), present their annual report and the audited financial statements for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' Report and a Directors' Report under company law.

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

The School is registered as an educational charity (charity number 296491). The School was incorporated as a company limited by guarantee and not having a share capital on 26 January 1987. The School's Governors and the Executive Officers are listed on pages 1 and 8.

OBJECTIVES AND ACTIVITIES

a. Policies and objectives

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

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

b. Aims

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

From an early age, Sidcot students experience a community where it is clear that independent thought is encouraged and curiosity is a way of life. We aim to educate the whole person, to equip our students with practical and personal skills alongside their academic qualifications. We use imaginative teaching methods to encourage students to see learning as an exciting creative journey in which everyone can take part; a journey that does not end when they leave school or higher education. We know we have succeeded when our young people go out into the world with an insatiable interest in all that life has to offer.

Sidcot students are encouraged to see school as a place to explore and experiment, to follow their instincts and develop their interests. They work together in small classes, in an atmosphere of optimism and enquiry. We are proud that former students are often described as people who can 'talk to anyone'. Lifelong friendships are made at Sidcot – and a lasting love of life.

Of course, what matters at school doesn't just happen in the classroom. Sidcot is set in a magnificent rural location and our students develop an understanding and respect for the natural world. They also have access to great facilities for sports, outdoor learning, arts, crafts, music and performance, as well as opportunities to work with community groups and charities, and to get involved with local business projects.

We nurture students into becoming authentic and insightful young people who are skilled in self-awareness and who value their emotional life. They are encouraged to take responsibility for their wellbeing and to value emotional intelligence. As a result they develop a confidence that is rooted in a deep understanding of who they

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

OBJECTIVES AND ACTIVITIES (CONTINUED)

are and what they value in the world. Every week the whole school joins together for a period of shared silent reflection in our 19th century Quaker Meeting House. Through this regular practice, students learn the benefits of calm in daily life.

During their time at the school students learn to express their own opinions and to listen with interest to the views of others. Everyone is encouraged to contribute to discussion and debate: not taking over and not opting out. In this way students develop an enthusiasm for collaboration and co-creation. In a truly international environment, their fellow students are often people whose stories are very different from their own: people from different backgrounds, different countries, races and religions, and people with different abilities. In this stimulating and diverse social environment, students live and learn together in an atmosphere of cheerful kindness and mutual respect.

STRATEGIC REPORT

Achievements and performance

a. Going concern

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

b. Public benefit

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

In the Sports Centre we offer discounted rates to local Primary Schools, sports clubs and community groups. We have provided a central venue competition for the Weston and District Netball League and our all weather pitch has been made available to local schools and community groups for 200 hours at no cost, and discounted rates offered to Winscombe Hockey club, and to local football clubs. We have supported community fitness initiatives with Bath Rugby and supported Winscombe Rugby club with their O2 Touch rugby programme. We also provide land to Winscombe Rugby club for their pitches, and share the use of an all-weather rugby training area.

Our Arts Centre provides access to a number of local groups including choirs and orchestras and we regularly host the Young Musician Rotary Competition and local Parish Council meetings. We also host regular talks and seminars which are attended by members of the local community, and have given access to local businesses to run events at discounted rates.

Our Careers and Progression Advisor attends a termly Careers Network at Priory Community School to discuss current initiatives and share information & good practice. This is attended by local schools & colleges in North Somerset. Sidcot's Head Librarian arranges author visits to the school for our students as well as a range of other local primary and middle schools.

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

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

**GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

STRATEGIC REPORT (CONTINUED)

Achievements and performance (CONTINUED)

also a Trustee of this MAT and sits on their Education strategy group, helping with the Academic reviews of the Primary Schools and acting as the safeguarding link Trustee. Another of Sidcot's Assistant Heads, is a trained Youth Mental Health First Aider and has trained four members of staff from the MAT schools. These trained staff are now disseminating that practice through the MAT schools and regularly attend the Safeguarding team meetings.

As a further part of the link with local schools, two plays and a variety of workshops, delivered by Sidcot Drama specialists have been taken out into a variety of the schools. The students from both schools then work together using a range of Sidcot's resources, including costumes, props and musical instruments, to produce high quality, aspirational work of their own. A further part of this Outreach work has been visits to a local SEN school where Sidcot students have performed and worked with students who have a wide range of learning, physical and emotional needs.

c. Bursaries and scholarships

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

In 2019, 163 children were in receipt of bursaries and scholarships from the School ranging from 10% to 100% depending on need, circumstances and their parents' ability to pay.

Bursaries provide financial support to children whose families cannot afford private education and are open to all students at the School. Applications for bursaries are considered by a small committee, including one Governor, and awards made are based on the financial circumstances of the applicant. All bursaries are means tested and reviewed annually. This year, awards totalling in excess of £665,000 (2018: £496,000) of bursaries and scholarships were made.

The School is extremely grateful for the support it receives from the Sidcot Bursary Trust (SBT). The trust is independent of the School but was set up to provide assistance to parents of children who already attend the School and due to a change in circumstances need short term financial support to keep their child at Sidcot. In 2018/2019 the SBT provided over £28,000, supporting 7 children at an average of 25% of fees.

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

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

STRATEGIC REPORT (CONTINUED)

Achievements and performance (CONTINUED)

d. Review of activities

The number of students on the roll at the end of the year under review was 596 (2018: 589).

The School has developed a reputation for shunning the 'exam factory' approach to education and instead it prides itself on developing a love for learning in its students. This offers a platform to achieve impressive results without the need for the stressful 'hot house' style of schooling.

Students at Sidcot School are celebrating an impressive set of GCSE results, once again significantly above the national average. Sidcot students achieved 39.1% of grades between 9 to 7 (equivalent to A* to A) with 87% of scores between 9 and 4 (equivalent to A* to C). This means Sidcot students nearly doubled the national average of 20.8% for grades 9 to 7.

This year's International Baccalaureate results saw our students posting some truly outstanding scores. The IB is an internationally renowned alternative to A Levels and this year Sidcot students achieved an average point score of 31.4. This maintains the School's place above the world average and puts Sidcot students in an extremely strong position to accept places at top universities. The IB allows students to study six subjects, alongside an extended essay, as well as taking part in voluntary activities.

Our A Level students achieved 19.3% A* to A and 62.1% A* to C. Nearly a quarter of our Yr13 students took the Extended Project Qualification, with 54% attaining an A* grade and 77% A* to C. At Sidcot we take a great deal of pride in supporting students to progress to employment or the next stage of their academic journey. Of those students going to university in 2019, 82% of applicants were successful in gaining a place at their first choice institution.

FINANCIAL REVIEW

a. Review of financial activities and results

The results for the year and financial position of the School are as shown in the financial statements. The net incoming resources for the year were £285,336 (2018: £354,402) before taking into account bequests and donations of £71,434 (2018: £232,726).

Fee income after scholarships and bursaries increased by 0.1% to £9.7m (2018: 3.9% decrease to £9.7m). Scholarships, bursaries, remissions and other grants made to pupils totalled £1,316,887 (2018: £1,058,399), which represents 12.0% of gross fee income (2018: 9.9%).

Resources expended increased 3.0% to £10.2m (2018: £9.9m).

b. Investment policy and performance

The School uses the investment management company Smith and Williamson to invest on their behalf in accordance with the School's investment policy. This policy reflects the School's ethical investment criteria with a balance between capital growth and income. Responsibility for monitoring performance rests with the Finance Director and the Governors. Investments returned a gain of 2.0% (2018: 2.1%) during the year.

This reflected a decrease in value of approximately 2.0% (2018: 1.3% decrease) and a revenue return of approximately 4.0% (2018: 3.4%). The Governors believe that the return was comparable with returns on similar investments and that it reflected the prevailing conditions on world markets.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

STRATEGIC REPORT (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

c. Reserves policy

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

The School's unrestricted funds stood at £10.9m at year end, of which £12.6m was deployed as part of the School premises and equipment, with £0.5m of external funding being secured on the premises and equipment leaving negative free reserves of £1.2m.

The figure that the Governors monitor is unrestricted fixed asset investments. The target level of unrestricted fixed asset investments has been set at a level of £2.5m which represents 3 months of future operating costs. Whilst this level is significantly higher than the current unrestricted fixed asset investments (£0.95m), the School's strategic plan illustrates that it should be possible to achieve these increases whilst continuing to improve our overall offer and maintain the investment that is required to continue to enhance facilities throughout the School. At the year end the School's total reserves were £12.4m, of which £0.4m were endowment funds and £1.1m were restricted funds.

d. Restricted funds

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Governing document

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

b. Group structure and relationships

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

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

c. Recruitment and training of governors

The Board's Governance and Membership Committee works in partnership with Sidcot Quaker General Meeting's Nomination Committee to identify and nominate prospective governors. The Articles provide that a majority of Board Members would be persons who were:

(a) active in a Quaker Meeting or Organisation, or

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

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

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

d. Pay policy for senior staff

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

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

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

e. Organisational structure and decision making

The Board of Governors, as the Trustees of the Charity and as the Directors of the registered company, are legally responsible for the overall management and control of Sidcot School. They meet formally at least five times a year. During this year there was one Board Committee, the Governance and Membership Committee, a which met throughout the year as required. Governors are attached to a specific Head of Faculty or Business Department, to provide a link to the Board. There were Governor members of committees and working groups in the areas of Education, Finance, Digital, Peace and Global Studies, Alumni and Development, International Development, Boarding Strategy and Marketing, and there were Governor representatives on the Health and Safety Committee.

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

Headmaster	-	Iain Kilpatrick*
Deputy Head	-	Matt Williams*(resigned 31 August 2019)
Director of Operations	-	Hilary Atkin*
Deputy Head Pastoral	-	Joanna Leite* (appointed 1 September 2019)
Deputy Head Academic	-	Christian Hughes*
Head of Junior School	-	Claire Lilley* (resigned 31 August 2019)
Finance Director	-	Steve Harris*
Director of Marketing & Admissions	-	Marina Jonas (resigned 6 May 2019)
Director of External Relations	-	Angela Dudley-Warde (appointed 29 April 2019)
Director, Centre of Peace and Global Studies	-	Adam Atkins (resigned 12 May 2019)
IT Development Director	-	James Russell
Assistant Head Teaching and Learning	-	Charlotte Resuggan
Assistant Head Co ordination	-	Matthew Curtis-Dyke
Assistant Head Pastoral	-	Veronika Germain
Assistant Head Upper School	-	Tom Ruddle (appointed 1 September 2019)

*Senior Leadership Team

f. Risk management

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

The key control measures in place at the School include:

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

The key risks facing the School include the effect of economic uncertainty associated with the UK's withdrawal from the EU, the possibility of significant threats to independent education following a change of Government, and the financial impact of the next valuation of the Teachers Pension Scheme. In the opinion of the Governors, the School has established resources and review systems which, under normal conditions, should allow risks to be mitigated to an acceptable level in its day-to-day operations.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Future developments

This School Improvement Plan has been drawn together by the Senior Management Team (SMT) and provides clear and purposeful evidence of working towards Sidcot's strategic goals over the next twelve-month period.

1. Within the Student Experience strategic theme we are being very deliberate about supporting our staff to deliver the best possible teaching to our students. School wide student achievement tracking and target setting is important in ensuring our students are making the very best progress. From this it is possible to identify those students who are not performing to the expected level at an early stage and implement appropriate interventions to support them to improve their outcomes. There are other initiatives also planned to consistently improve our Value-Added score (VA), at faculty, department and whole-school levels and also to deepen the use of the Sidcot Learning Wheel within everyday learning.

We have a number of initiatives underway to enhance our offer, particularly at Sixth Form, such as increased BTECs, accreditation for our Careers Service, extending the outdoor learning initiative and increasing the diversity of the extra-curricular activities we offer.

We are also planning to review and develop all aspects of the Sixth Form offer; this will include the plans for the development of the physical space for the Sixth Form.

2. The pastoral care of students is a high priority and there are a number of initiatives planned to provide continued focus on the Personal Development strategic theme. We plan to review the job descriptions of Tutors and Year Heads, seek feedback on the PHSE programmes to develop them where necessary and integrate pastoral targets into the professional development reviews. Wellbeing and Mental health also feature prominently in the plan with this area under constant development.

3. As part of our commitment to Community and Outreach theme, we plan to continue to develop the influence of Peace and Global Studies within our school community as well making it a distinctive feature of Sidcot to external stakeholders. Building on the previous Ashoka Incubator event, we plan to develop change and peace-making, using our Quaker values as the core framework. This will be integral to development of the bridging curriculum. We also plan to connect with other Quaker organisations across the world.

In the boarding community we plan to ensure that there is uniformity across the houses whilst retaining each house identity. We will be working on leveraging the attractiveness of boarding at Sidcot and looking for opportunities to develop our boarding offer further in the form of flexible and short-stay options.

4. We anticipate that the market for independent education will continue to be challenging, with extrinsic factors, most presently the uplift in Employers' contribution to the Teachers' Pension Scheme, placing strain on our business model. With this in mind, we have prioritised the following in the Business Development theme of the 2019/20 plan:

- Retention Strategy – an additional KPI has been added, through which student retention will be regularly reviewed by the SMT and reported to the Board.
- Fundraising – following the survey of donor attitudes produced in February 2019, we are developing a fundraising strategy that engages with a wider base of potential donors and integrates better with the communication and working of the existing Sidcot trusts (Bursary, Education and Buildings). We intend to launch a capital fundraising campaign to raise funds to help finance our plans to develop the Sixth Form Centre, Inner Quad and Trevelyan Library.
- International Recruitment – we have identified the challenges of recruiting international boarders in a market which is becoming ever more crowded. We will be introducing a recruitment strategy for international students that complements the one being successfully implemented for UK day students.
- In response to the gap in the market for short-stay, younger international boarders, we will be developing and implementing a new programme, called Junior Pathway, which we hope to be in a position to 'soft launch' during 2019/20.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Future developments (CONTINUED)

- International Development - We will continue to work closely with organisations overseas, with an aim to open a number of bilingual schools across the world over the next 5 years. Following the signing of Heads of Terms in February 2019, we anticipate moving to signing a Development and Operating Agreement with our Chinese partner by the end of 2019. This will clear the way for appointing a Head and supporting the opening of dual curriculum schools in China.

This School Improvement Plan represents one of the most ambitious in recent years, where we are balancing the need to consolidate existing initiatives with innovations that respond quickly to a changing and challenging market. However, there is a business imperative to develop as many strategic levers as possible to allow the best chances of prevailing in volatile and uncertain political and economic conditions.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the School and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in business.

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

Disclosure of information to auditors

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

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

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**GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Disclosure of information to auditors (CONTINUED)

Auditors

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

Approved by order of the members of the board of Governors on **30/11/19** and signed on their behalf by:



Rosemary Carr
Chair of Governors

SIDCOT SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIDCOT SCHOOL

OPINION

We have audited the financial statements of Sidcot School (the 'school') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIDCOT SCHOOL (CONTINUED)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the charitable 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIDCOT SCHOOL (CONTINUED)

USE OF OUR REPORT

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

Bishop Fleming LLP

David Butler FCA, DChA (Senior statutory auditor)
for and on behalf of

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date: *10 December 2019*

SIDCOT SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	4	-	71,434	-	71,434	232,726
Fees and other fee related income		9,666,938	-	-	9,666,938	9,614,677
Other trading activities	6	578,942	-	-	578,942	555,032
Investments	7	22,884	39,851	-	62,735	53,865
Other income	8	155,512	-	-	155,512	60,250
TOTAL INCOME AND ENDOWMENTS		10,424,276	111,285	-	10,535,561	10,516,550
EXPENDITURE ON:						
Raising funds:	9					
Trading activities		559,312	-	-	559,312	507,983
Finance costs		27,175	-	-	27,175	35,221
Charitable activities	10	9,493,884	135,524	-	9,629,408	9,379,633
TOTAL EXPENDITURE		10,080,371	135,524	-	10,215,895	9,922,837
Net gains on investments		368	30,736	-	31,104	(10,585)
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS		344,273	6,497	-	350,770	583,128
Actuarial gains on defined benefit pension schemes	24	6,000	-	-	6,000	4,000
NET MOVEMENT IN FUNDS		350,273	6,497	-	356,770	587,128
RECONCILIATION OF FUNDS:						
Total funds brought forward		10,609,156	1,014,823	373,504	11,997,483	11,410,355
Net movement in funds		350,273	6,497	-	356,770	587,128
TOTAL FUNDS CARRIED FORWARD		10,959,429	1,021,320	373,504	12,354,253	11,997,483

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 40 form part of these financial statements.

SIDCOT SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:02093340

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	13	12,614,012	13,098,406
Investments	14	1,552,922	1,521,818
		<u>14,166,934</u>	<u>14,620,224</u>
CURRENT ASSETS			
Debtors	15	370,643	315,818
Cash at bank and in hand		2,878,414	1,878,451
		<u>3,249,057</u>	<u>2,194,269</u>
Creditors: amounts falling due within one year	16	(3,859,868)	(3,428,891)
NET CURRENT LIABILITIES		<u>(610,811)</u>	<u>(1,234,622)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,556,123</u>	<u>13,385,602</u>
Creditors: amounts falling due after more than one year	17	(1,016,870)	(1,169,119)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>12,539,253</u>	<u>12,216,483</u>
Defined benefit pension scheme liability	24	(185,000)	(219,000)
TOTAL NET ASSETS		<u><u>12,354,253</u></u>	<u><u>11,997,483</u></u>
CHARITY FUNDS			
Endowment funds	18	373,504	373,504
Restricted funds	18	1,021,320	1,014,823
Unrestricted funds	18	10,959,429	10,609,156
TOTAL FUNDS		<u><u>12,354,253</u></u>	<u><u>11,997,483</u></u>

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors on 30/11/19 and signed on their behalf by:



Rosemary Carr
Chair of Governors

The notes on pages 18 to 40 form part of these financial statements.

SIDCOT SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used in operating activities	1,390,627	809,851
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interests and rents from investments	(62,735)	53,865
Proceeds from the sale of tangible fixed assets	415,000	-
Purchase of tangible fixed assets	(543,380)	(1,739,811)
Proceeds from sale of investments	341,245	366,801
Purchase of investments	(362,760)	(368,403)
NET CASH USED IN INVESTING ACTIVITIES	(212,630)	(1,687,548)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowing	(127,544)	(123,800)
Repayments of finance leases	(50,490)	(46,233)
NET CASH USED IN FINANCING ACTIVITIES	(178,034)	(170,033)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	999,963	(1,047,730)
Cash and cash equivalents at the beginning of the year	1,878,451	2,926,181
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,878,414	1,878,451

The notes on pages 18 to 40 form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. GENERAL INFORMATION

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

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

2.2 GOING CONCERN

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the School to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements. The Governors conclude that it is appropriate to prepare accounts on the going concern basis for the year ended 31 August 2019.

2.3 INCOME

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. ACCOUNTING POLICIES (continued)

2.4 EXPENDITURE

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

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

Expenditure on raising funds includes all expenditure incurred by the School to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the School's objectives, as well as any associated support costs.

2.5 INTEREST RECEIVABLE

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

2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

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

2.7 INVESTMENTS

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. ACCOUNTING POLICIES (continued)

2.8 DEBTORS

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

2.9 CASH AT BANK AND IN HAND

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

2.10 LIABILITIES

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the School anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.11 FINANCIAL INSTRUMENTS

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

2.12 FINANCE LEASES AND HIRE PURCHASE

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

2.13 OPERATING LEASES

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES (continued)

2.14 PENSIONS

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

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The School participates in The Pensions Trust's Growth Plan (the Plan). This is a multi-employer pension plan, which is funded and is not contracted out of the State's scheme. The Plan's assets are co-mingled for investment purposes, and benefits are paid out of the total assets. It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS 102 represents interest cost and the actuarial remeasurement. Further details of the scheme are set out in note 27 and details of a contingent liability in respect of these contributions are set out in note 26.

2.15 FUND ACCOUNTING

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

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

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

SIDCOT SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Pensions Trust defined benefit deficit repayments depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions includes the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability.

Critical areas of judgement:

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

4. DONATIONS AND LEGACIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	-	71,434	71,434	100,731
Legacies	-	-	-	131,995
Total donations and legacies	-	71,434	71,434	232,726
Total 2018	205,431	27,295	232,726	

SIDCOT SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. FEE INCOME

The School's fee income comprises

	2019 £	2018 £
Gross fee income	10,944,559	10,664,559
Bursaries, scholarships and allowances	(1,368,040)	(1,058,399)
Other fee related income	5,564	8,517
	<u>9,582,083</u>	<u>9,614,677</u>
Add back: Scholarships, Grants etc paid for by Restricted Funds	84,855	38,871
	<u>9,666,938</u>	<u>9,653,548</u>
Total	<u><u>9,666,938</u></u>	<u><u>9,653,548</u></u>

6. TRADING ACTIVITIES

Income from fundraising events

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Merchandising and rental income	281,678	281,678	287,398
Income from Sports Centre, Arts Centre and Equestrian Centre	217,621	217,621	193,475
Other income	79,643	79,643	74,159
	<u>578,942</u>	<u>578,942</u>	<u>555,032</u>
	<u><u>578,942</u></u>	<u><u>578,942</u></u>	<u><u>555,032</u></u>

SIDCOT SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

7. INVESTMENT INCOME

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from investments	22,884	39,851	62,735	53,865
Total 2018	18,244	35,621	53,865	

8. OTHER INCOMING RESOURCES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Other income	155,512	155,512	60,250

Other income includes a settlement for 2 Chestnuts, Winscombe for £103,690. The remaining balance is income from accommodation, extras and Easter reunion.

9. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Costs of raising voluntary income	559,312	559,312	507,983

FUNDRAISING TRADING EXPENSES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Fundraising finance costs	27,175	27,175	35,221

SIDCOT SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Teaching costs	4,660,617	36,323	4,696,940	4,478,685
Domestic and welfare	1,632,069	-	1,632,069	1,696,987
Premises costs	273,590	887,447	1,161,037	1,143,353
Other costs	980,521	498,439	1,478,960	1,438,562
Depreciation	639,465	-	639,465	580,175
Grant making	17,937	-	17,937	38,871
Pension cost	3,000	-	3,000	3,000
	<u>8,020,503</u>	<u>1,359,130</u>	<u>9,379,633</u>	
Total 2018				

11. AUDITORS' REMUNERATION

	2019 £	2018 £
Fees payable to the School's Auditor for the audit of the School's annual accounts	10,210	10,140
Fees payable to the School's Auditor in respect of: All non-audit services not included above	15,897	15,770

12. STAFF COSTS

	2019 £	2018 £
Wages and salaries	5,538,554	5,437,749
Social security costs	496,938	487,725
Contribution to defined contribution pension schemes	692,902	649,076
	<u>6,728,394</u>	<u>6,574,550</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. STAFF COSTS (CONTINUED)

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

	2019	2018
	No.	No.
Teaching	101	98
Domestic and maintenance	70	85
Administration and support	79	70
	250	253

The average headcount expressed as full-time equivalents was:

	2019	2018
	No.	No.
Teaching	84	80
Domestic and maintenance	47	51
Administration and support	23	21
	154	152

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019	2018
	No.	No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	1	-
In the band £120,001 - £130,000	1	1

The key management personnel of the School comprise the Governors (who do not receive remuneration) and the senior leadership team as listed on page 8. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the School was £436,201 (2018: £425,275).

During the year, no Governors received any remuneration or other benefits (2018: £Nil).

During the year ended 31 August 2019, Governor expenses of £3,485 were incurred (2018: £Nil).

SIDCOT SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

13. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Apparatus and equipment £	Computer equipment £	Total £
COST OR VALUATION						
At 1 September 2018	15,936,929	938,846	1,005,438	1,326,804	995,176	20,203,193
Additions	283,878	3,115	17,770	93,601	145,016	543,380
Disposals	(424,286)	-	-	-	-	(424,286)
At 31 August 2019	15,796,521	941,961	1,023,208	1,420,405	1,140,192	20,322,287
DEPRECIATION						
At 1 September 2018	3,761,521	670,608	809,065	1,242,520	621,073	7,104,787
Charge for the year	312,572	31,391	49,963	52,035	193,504	639,465
On disposals	(35,977)	-	-	-	-	(35,977)
At 31 August 2019	4,038,116	701,999	859,028	1,294,555	814,577	7,708,275
NET BOOK VALUE						
At 31 August 2019	11,758,405	239,962	164,180	125,850	325,615	12,614,012
At 31 August 2018	12,175,408	268,238	196,373	84,284	374,103	13,098,406

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

	2019 £	2018 £
Computer equipment	54,359	93,187

SIDCOT SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

14. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £	Listed investments £	Other fixed asset investments £	Total £
COST OR VALUATION				
At 1 September 2018	101	1,505,874	15,843	1,521,818
Additions	-	362,760	-	362,760
Disposals	-	(341,245)	-	(341,245)
Revaluations	-	17,407	-	17,407
Cash movements	-	-	(7,818)	(7,818)
AT 31 AUGUST 2019	101	1,544,796	8,025	1,552,922
NET BOOK VALUE				
AT 31 AUGUST 2019	101	1,544,796	8,025	1,552,922
<i>AT 31 AUGUST 2018</i>	<i>101</i>	<i>1,505,874</i>	<i>15,843</i>	<i>1,521,818</i>

PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the School:

Names	Holding
Sidcot Leisure Activities Limited	100%
Sidcot International Limited	100%

The School is the beneficial owner of 100 ordinary shares of £1 each being the whole of the issued share capital of Sidcot Leisure Activities Limited, a company registered in England. The company did not trade during the current or previous year. Sidcot International Limited was incorporated on 6 April 2017. The School is the 100% beneficiary and the company has not traded during the current or previous year.

SIDCOT SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

FIXED ASSET INVESTMENTS (CONTINUED)

INVESTMENTS AT MARKET VALUE COMPRISE:

	UK	Overseas	2019	2018
	£	£	£	£
Fixed interest, indexed linked and equities	1,130,257	414,539	1,544,796	1,505,874
Cash balances	8,025	-	8,025	15,843
Group	101	-	101	101
Total market value	1,138,383	414,539	1,552,922	1,521,818

15. DEBTORS

	2019	2018
	£	£
DUE WITHIN ONE YEAR		
Fee debtors	42,905	42,438
Amounts owed by group undertakings	4,383	4,383
Other debtors	61,573	39,111
Prepayments and accrued income	261,782	229,886
	370,643	315,818

SIDCOT SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank loans	131,318	127,545
Fees received in advance	2,756,478	2,365,246
Trade creditors	303,916	325,619
Taxation and social security	128,748	120,403
Obligations under finance lease and hire purchase contracts	55,140	50,490
Other creditors	237,718	227,677
Accruals and deferred income	246,550	211,911
	<u>3,859,868</u>	<u>3,428,891</u>

Deferred income

	2019
	£
Deferred income at 1 September 2018	68,578
Resources deferred during the year	43,664
Amounts released from previous years	(68,578)
Deferred income at 31 August 2019	<u>43,664</u>

At the balance sheet date the School was holding funds received in advance for trips and activities booked for the Autumn term 2019.

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17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Bank loans	321,549	452,866
Net obligations under finance lease and hire purchase contracts	-	55,140
Deposits	695,321	661,113
	<u>1,016,870</u>	<u>1,169,119</u>

Included within the above are amounts falling due as follows:

	2019	2018
	£	£
Between one and two years		
Bank loans	131,338	131,338
Between two and five years		
Bank loans	190,211	321,528
Over five years		
Bank loans	-	-

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

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

	2019	2018
	£	£
Between one and five years	<u>-</u>	<u>55,140</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General reserve	10,828,156	10,424,276	(10,077,371)	(31,000)	368	11,144,429
Pension reserve	(219,000)	-	(3,000)	31,000	6,000	(185,000)
	<u>10,609,156</u>	<u>10,424,276</u>	<u>(10,080,371)</u>	<u>-</u>	<u>6,368</u>	<u>10,959,429</u>
ENDOWMENT FUNDS						
Endowment Funds	<u>373,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>373,504</u>

Endowed capital represents the initial endowment of land and buildings to the School, together with certain other bequests and donations and is attributable to the linked charity Sidcot School Trust.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - CURRENT YEAR (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
RESTRICTED FUNDS						
William Norman bequest	405,181	16,381	(16,381)	-	12,634	417,815
Mary Blaschko grant	178,599	7,221	(7,221)	-	5,569	184,168
Named bursary and prize funds	249,826	10,100	(10,100)	-	7,790	257,616
Bewley Foundation	9,355	-	(9,355)	-	-	-
Cadbury Trust	7,716	10,000	(17,716)	-	-	-
McShane Legacy	152,107	6,149	(6,149)	-	4,743	156,850
Other restricted funds	12,039	61,434	(68,602)	-	-	4,871
	<u>1,014,823</u>	<u>111,285</u>	<u>(135,524)</u>	<u>-</u>	<u>30,736</u>	<u>1,021,320</u>
TOTAL OF FUNDS	<u>11,997,483</u>	<u>10,535,561</u>	<u>(10,215,895)</u>	<u>-</u>	<u>37,104</u>	<u>12,354,253</u>

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

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

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

The Bewley Foundation funds has now been spent on language facilities.

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

The McShane Legacy was received for the music department.

Other restricted funds includes grants and donations received for specific purposes such as bursaries, school trips, arts centre, development fund, the purchase of Learning Pods and composting toilets.

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Tangible fixed assets	12,240,508	-	373,504	12,614,012
Fixed asset investments	535,939	1,016,983	-	1,552,922
Current assets	3,244,720	4,337	-	3,249,057
Creditors due within one year	(3,859,868)	-	-	(3,859,868)
Creditors due in more than one year	(1,016,870)	-	-	(1,016,870)
Provisions for liabilities and charges	(185,000)	-	-	(185,000)
TOTAL	10,959,429	1,021,320	373,504	12,354,253

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	350,770	583,128
ADJUSTMENTS FOR:		
Depreciation charges	639,465	580,176
Gain on disposal of fixed assets	(26,691)	-
Gains/(losses) on investments	(9,589)	12,187
Dividends, interests and rents from investments	62,735	(53,865)
Increase in debtors	(54,825)	(2,459)
Increase/(decrease) in creditors	423,762	(283,316)
Defined benefit pension scheme finance adjustments	5,000	3,000
Defined benefit pension scheme deficit repayments	-	(29,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,390,627	809,851

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	2,878,414	1,878,451
TOTAL CASH AND CASH EQUIVALENTS	2,878,414	1,878,451

22. CONTINGENT LIABILITIES

The School has a contingent liability which has not been provided for in these accounts in relation to the Pensions Trust Growth Plan described in note 24. This liability would crystallise only if the School withdrew from the Growth Plan or if the Plan was to be wound up with no participants.

The School continues to offer membership of the Plan to its employees and as at the balance sheet date there were 123 (2018: 123) active members of the Plan employed by the School. There is no current intention to leave the Plan and trigger the contingent liability.

The Pensions Trust has estimated that, if the School ceased to participate in the Plan as at 30 September 2019, the School would have to pay £521,964 (2018: £615,234) including Series 3 liabilities based on the financial position of the plan and the employers that, as at that date, were relevant employers.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. CAPITAL COMMITMENTS

At 31 August 2019 the School had capital commitments as follows:

	2019 £	2018 £
Contracted for but not provided in these financial statements	<u>80,000</u>	<u>58,388</u>

24. PENSION COMMITMENTS

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £504,937 (2018: £483,769) and at the year-end £62,280 (2018: £57,760) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. PENSION COMMITMENTS (CONTINUED)

The Pensions Trust Growth Plan

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

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

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

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

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

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

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

Deficit contributions

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

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

Unless a concession has been agreed with the Trustee the term to 30 September 2025 applies. The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

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

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PENSION COMMITMENTS (CONTINUED)

Present Values of Provision

Reconciliation of Opening and Closing Provisions

	2019 £	2018 £
Provision at start of period	219,000	249,000
Unwinding of the discount factor (interest expense)	3,000	3,000
Deficit contribution paid	(31,000)	(29,000)
Remeasurements	(6,000)	(4,000)
Provision at end of the period	185,000	219,000

Income and Expenditure Impact

	2019 £	2018 £
Interest expense	3,000	3,000
Remeasurements	(6,000)	(4,000)

Assumptions

	2019 £	2018 £	2017 £
Rate of discount	0.97	1.68	1.20

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

25. OPERATING LEASE COMMITMENTS

At 31 August 2019 the School had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	49,711	65,421
Later than 1 year and not later than 5 years	46,426	70,184
	96,137	135,605

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26. FINANCE LEASE COMMITMENTS

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

	2019 £	2018 £
Not later than 1 year	55,140	50,490
Later than 1 year and not later than 5 years	-	55,140
	<u>55,140</u>	<u>105,630</u>

27. RELATED PARTY TRANSACTIONS

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

Governors' children are assessed for bursaries and scholarships on the same basis as all other pupils on an arms length basis. During the year, Governors received scholarships totalling £NIL (2018: £NIL).

28. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	1,552,922	1,513,111
Financial assets that are debt instruments measured at amortised cost	3,010,526	3,044,085
	<u>4,563,448</u>	<u>4,557,196</u>
	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(1,058,473)</u>	<u>(1,154,933)</u>

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

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

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