

Registered number: 03513962
Charity number: 1068532

BANCROFT'S SCHOOL

GOVERNORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

BANCROFT'S SCHOOL
(A Company Limited by Guarantee)

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GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

ADVISERS

Bankers:	Allied Irish Bank 26 Finsbury Square London EC2A 1DS	Barclays Bank 1-2 Trinity Way Chingford London E4 8TD
Auditors:	haysmacintyre 10 Queen Street Place London EC4R 1AG	
Solicitors:	Veale Wasborough Orchard Court Bristol BS1 5WS	
Investment Advisers:	Rathbones 8 Finsbury Circus London EC2M 7AZ	
Insurance Brokers:	Marsh Rockwood House Haywards Heath West Sussex RH16 3DU	

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GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The Governors present their annual report for the year ended 31st August 2018 under the Companies Act 2006 and confirm that they comply with the requirement of the Act and the Charities SORP 2015.

Governing Document

Bancroft's School is a charitable company registered on 19 February 1998, charity number 1068532, company number 3513962. The liability of the members is limited by guarantee. Francis Bancroft left all his personal estate to the Worshipful Company of Drapers to build Almshouses and a School. Bancroft's School was established pursuant to a licence granted under letters patent from George II on 5 July 1731, and founded in 1737 at Mile End, 1885 moved to Tottenham for two years before moving to the new school in Woodford in 1887. The trust has been amended in subsequent years. The latest amendments were in 1976, when the School reverted to full independent status and in 1998, when the School became a charitable company limited by guarantee.

Governing Body

The structure of the board is detailed on page 3, together with information on how the Directors are appointed.

Recruitment and Training of Directors

Nominative Directors are appointed at a meeting convened and held according to the ordinary practice of the appointing body. Co-optative Directors are appointed by the Board, after due consideration of the person's eligibility, personal competence, specialist knowledge and skills.

Directors attend external courses, as well as specific courses arranged by the School. Directors are encouraged to attend at least one of the AGBIS seminars once a year where they would have the opportunity of participating in discussions and exchanging views with Directors from other schools.

New Directors are offered a comprehensive induction program to enable them to familiarise themselves with the School and how it operates. This includes a tour of the School and meetings with various key personnel. The new Directors are also provided with a set of documents with relevant information for ease of reference.

Organisational Management

The Directors are legally responsible for the overall management and control of the School and meet four times a year. The Finance Committee generally meet two weeks before each meeting of the full Board to consider in detail finance and other matters delegated to them. The Estates Committee has been meeting as required to monitor the progress of maintenance, refurbishment and building projects and consider the reports of the specialist advisers. The Education Committee has oversight of the curriculum and related matters. The Preparatory Committee has oversight of the work of the Prep School. The Foundation Committee has oversight of matters relating to Bancroft's Foundation. All sub committees report to the main board.

The day to day management of the School is delegated to the Head and the Bursar, supported by the Senior Leadership Team, who together with the Governors are considered the Key Management Personnel. The Remuneration Committee determine the Head's salary, who in turn determines the salary of the Senior Leadership Team. The Governors are unremunerated.

Structure and Relationships

Bancroft's actively supports the attainment of the highest standards in the Independent Schools sector, through membership of the Headmasters' Conference, IAPS and networking with other schools for the evaluation of quality and performance improvement methods. We co-operate with local organisations and charities in our continuing efforts to allow public access to the education we can provide and to allow the use of our cultural and sporting facilities. In order to broaden the social awareness of pupils, links have been formed with local Secondary, Primary and Nursery schools, schools for the disabled and nursing homes. The School has local authority representation on its Board of Directors, through Directors appointed by Essex County Council (1) and London Borough of Redbridge (1).

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The School owns the entire issued share capital of Bancroft's Enterprises Ltd, the company through which external organisations can hire the School's facilities (predominantly the Sports Hall and Swimming Pool).

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Objects as set out in the Memorandum of Association are to advance the education of children and young people by the provision, in or near Woodford in Essex, of a preparatory and secondary school for boys and girls.

Aims and Intended Impact

The School aims to be a successful centre of excellence, consistently providing the highest academic standards and an educational experience enriched by a vibrant cultural environment which prepares pupils successfully to take their place in the next phase of their lives.

Pupils should emerge with confidence, self-motivation, mutual respect and a strong sense of social responsibility to become highly successful adults who make a difference to the 21st century world and the communities in which they live.

The continuing aim of the Directors is to have cognisance of the Charity Commission guidelines and improve the level of Public Benefit by ensuring that we focus on our charitable objectives.

Objectives for the Academic Year 2017/18

The focus this year has been to maintain the continuing high level of academic performance, providing access to the education and facilities provided by the School, combined with increasing the social awareness of pupils and their involvement in co-curricular activities.

Strategies to achieve the year's objectives

These included the continuous review of the academic syllabus to measure academic standards against external public examination and value added criteria, with added emphasis on sporting, adventurous training and social skills to develop the total learning experience of the pupils; continuing to encourage excellence by involvement in the Engineering Education Scheme, maths and science competitions to develop increased understanding and excellence in these subjects; increasing the emphasis on Arts through extending the curriculum; maintaining the expertise of staff by continuing staff development; increasing links with local primary and junior schools in the state maintained sector; increasing the established links with Queen Mary College, University of London and local Senior Schools to act as a centre of excellence within the community, as well as building on the recently created partnerships with the Drapers' Academy and the 'Success in Schools' project.

Principal activities of the year

The School's principal activity remains the operation of a co-educational day Preparatory School for pupils aged 7 – 11, and Senior School for pupils aged 11 - 18, educating them to a high standard and enabling them to participate in co-curricular activities, thus encouraging all pupils to fulfil their potential and form the base for life-long learning.

Grant making policy

A grant of £50,000 (2017: £50,000) towards scholarships is received from the Drapers' Company Charitable Trust. In addition the School is the sole beneficiary of the income, £110,886 (2017: £86,183) arising from the Francis Bancroft Trust, administered by the Drapers' Company subject to the agreement of the Charity Commission. The Bancroft's Foundation supported 14 scholars during the year. In addition the Governors' policy, in line with that of other independent schools, is to make awards on the basis of an individual's educational potential. These awards widen the access to the School. The School also awards bursaries, which are available to meet short term financial problems of parents, thus enabling pupils' education to continue. Additional sixth form scholarships are awarded to both internal and external candidates. Total grants from restricted funds were £189,472 (2017: £224,278) and from Free Reserves £1,530,576 (2017: £1,656,080).

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Volunteers

The Parents' Association is very active, organising fund raising and cultural events and raised in excess of £40,000. The Old Bancroftian Association ("OBA") provides Sixth Form Scholarships and administers the Educational Development Fund, which makes grants to leavers for qualifying purposes. It also has helped develop an extensive work experience network to provide placements for final year pupils. Additionally the OBA organises and carries out a program of interview training for the Upper Sixth Form. It has not been possible to quantify the considerable number of voluntary hours these organisations commit to the School. The Board takes this opportunity to say how much they appreciate their continuing and valuable support.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Academic

The School had another year of excellent results, as measured by performance in public examinations. At A2 36.2% of grades were awarded at A*, with 91.4% A*-B. 12 students moved on to Oxbridge and a total of 74% moving on to Russell Group universities. At GCSE 86.7% of grades awarded were 9-7/A*-A.

Thanks to the support of the Drapers' Company, the Francis Bancroft bequest, the Foundation, the OBA Sixth Form Scholarship Fund, the Felisiak Foundation, and BADFAS, the School is able to provide some financial support for 19% of its pupils.

Outside the classroom

Bancroft's pupils were able to take part in a wide range of trips and visits. More than 90 separate trips included cultural visits to France, Germany, Italy, Japan, Peru and Spain.

This has been another successful year for sport, we have continued to run four teams in several year groups competing against other schools, allowing many children to be involved. Across the year groups there have been a number of excellent Boys and Girls results at County level seeing progression to Regional finals in Hockey, Netball. Individually the School is proud to have the British Junior U18 Girls Powerlifting Champion amongst our pupils.

Drama continues to thrive with the Bancroft's Players performing at the Edinburgh Fringe with a production of Spring Awakening, the Senior production of The Winter's Tale, a Middle School production of Hamlet and Junior production of Wendy and Peter whilst the Prep School performed The Lion King.

The Music department has been busy with their London Chamber Orchestra project, a singers tour to Italy and a number of concerts throughout the year including the first performance of Chris Brummel's new work Winter written especially for the School.

PUBLIC BENEFIT

The School has always been rooted in the local community and provides support in a number of ways. The Governing Body continues to have due regard with respect to the Charity Act 2011 and to have due regard to the Charity Commission's general guidance on public benefit "Charities and Public Benefit" through the following activities.

Academic

Supporting curricular development and providing teacher CPD in local state schools, particularly in Maths, Latin and Economics. Providing access for state pupils to attend a range of academic lectures. Organising and hosting UKMT event for Redbridge; Primary Science fair; Roman Legio day. Hosting Oxbridge information events and providing interview practice for local schools. Shine programme for Primary schools in Walthamstow. National website resource for Chemistry.

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Outside the classroom

Organise regional Schools' Challenge Competition. Hosting the London Chamber Orchestra Music Junction North East Hub +Come and Play events for musicians. A new innovation for 2018 was our hosting the inaugural Bancroft's Universities Fair featuring 20 universities where Bancroft's pupils were joined by Year 12 students from Trinity, Woodbridge and Draper's Academy. Host Netball and Cricket festivals for Primary schools. Provide use of Swimming Pool for local primary schools. Share sporting facilities with Woodbridge School. Staff coach the Redbridge LYG Hockey squad. Local schools invited to plays and cultural events.

Community Service

Pupils coach swimming for Little Heath pupils and help run the Epping Forest PHAB club. Provide accommodation and facilities for NADFAS and local Neighbourhood Watch meetings. Host Cub and Scout events for the District. Pupils carry out range of Community placements helping the disabled, elderly, primary schools and charities. Staff serving as state school governors.

Local primary schools have access to the swimming pool at a nominal fee. In addition the pupils have raised £65,204 (2017: £30,470) which has been distributed to local and national charities.

Fund Raising Performance

The Bancroft's Foundation was established to raise funds to provide for means tested fee assistance thus enabling bright children, whose parents would not normally be able to afford the fees, to benefit from Bancroft's "Tradition of Excellence". Donations Received £163,848 (2017: £141,596), Donations Made + Administration Costs £107,318 (2017: £104,495).

In 2017 the School undertook fundraising activity to its supporters via direct mail, telephone, fundraising events and email in line with the Fundraising Code of Practice set by the Fundraising Regulator. The School did not work with any fundraising partners in 2018. The School is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practice. We did not receive any complaints about fundraising in 2018.

Risk Management

The Board of Directors is responsible for the management of risks possibly facing the School. A formal review of the risk management processes is regularly undertaken. The major risks identified by this process such as Fire, Health & Safety, Child Protection, Public Benefit, Management Succession and Data Protection have been mitigated to an acceptable level by internal control systems, insurance cover and other measures as appropriate.

The key controls used are:

- Formal agendas for all Committee and Board activity;
- Comprehensive strategic planning, budgets and management accounts;
- A strategic Cash Reserve Fund has been established from September 2015
- Established organisation and reporting procedures
- Formal written policies;
- Clear authorisation and approval levels;
- Health & Safety Committee;
- Regular Fire and Health & Safety audits;
- Vetting procedures as required by legislation for the protection of the vulnerable;
- Maintenance and monitoring risk register;
- Regular review of Policies.

The Directors, whilst recognising that systems can only provide reasonable but not absolute assurance, are satisfied, that the major risks have been identified and mitigated where necessary.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The School's net movement in unrestricted funds of £1,332,846 before transfers (2017: £1,288,010) and a £61,941 (2017: £132,469) in restricted funds were in line with expectations.

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Reserves

The level of reserves shown at 31 August 2018 was £18,029,913 (2017: £16,635,126), of which £1,750,477 (2017: £1,688,536) related to restricted funds and £16,279,436 (2017: £14,946,590) related to unrestricted funds.

The overall policy is to build up free reserves by means of annual operating surpluses to cover the current and future needs of the School. At present all unrestricted surpluses together with borrowings have been used to finance improvements to the School's buildings and facilities.

The School holds sufficient cash resources to meet day to day operating requirements.

Investment policy and objectives

There are no restrictions on the company's absolute powers of investment. The Board's Investment Policy for the Restricted Funds' Investments is to maximise the overall return through income and capital growth, relative to the School's taxation status as a charity, whilst bearing in mind the ongoing cash requirements of awards already made. It is appropriate for a proportion of these funds to be in cash deposits and available to meet any unforeseen expenditure. The School works with its Fund Manager to avoid investment in socially unacceptable sectors.

FUTURE PLANS

The key objectives within the current strategic plan are:

- To maintain small class sizes in the Preparatory and Lower School.
- To maintain the School roll in the Sixth Form.
- To provide a curriculum which is broad and balanced, preparing students for Higher Education whilst enriching their lives.
- To maintain high academic standards as measured by public examinations and independent value added criteria.
- To increase the range and quality of extracurricular opportunities.
- To widen access to the School through the provision of additional means tested scholarships.
- To continue strengthening links with local schools, sharing facilities and good practice.
- To form closer working relationships with our stakeholders, particularly the Old Bancroftian Association, Parents' Association and the Drapers' Company.
- To continue to develop relationships with Queen Mary, University of London thus further developing the School as a centre of excellence.
- To accumulate funds in a strategic Cash Reserve to cover the current and future needs of the School by means of annual operating surpluses.
- To expand Bancroft's School Foundation to act as the focus for future fund raising for Scholarships and Bursaries to widen access to talented children of all backgrounds.
- To continue to ensure that School facilities are maintained in the best condition and upgraded as required to meet new and enduring purposes.

ACCOUNTING AND REPORTING RESPONSIBILITIES

The purpose of this statement is to distinguish the Directors' responsibilities for the accounts from those of the auditors as stated in their report.

Company law requires the Directors to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the company and of its net income or expenditure for the year.

In preparing the accounts the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;

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- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy, the financial position of the company at any time, and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the company's corporate assets and those of its trust funds and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

PROVISION OF INFORMATION TO AUDITORS

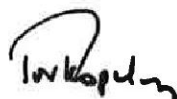
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

Messrs haysmacintyre have indicated their willingness to continue in office. The Designated Directors will propose a motion re-appointing them auditors at a meeting of the Company.

The Governors Report, incorporating the Strategic Report was approved by the Board of Directors at its meeting on 18th March 2019 and signed on its behalf by:



Professor P Kopelman MD, FRCP, FFPH FAcadMed Chairman

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AUDITORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the financial statements of Bancroft's School for the year ended 31 August 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement 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 of the parent charitable company's affairs as at 31 August 2018 and of the group's and parent charitable company's net movement in funds, including the 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 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.

Responsibilities of Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the Directors (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 Directors 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 Directors are responsible for assessing the group's and the parent 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 Directors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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.

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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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AUDITORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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 Directors are responsible for the other information. The other information comprises the information included in the Directors' Report. 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.

Opinions 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 Directors' Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.


Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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.


David Sewell (Senior Statutory Auditor)
For and on behalf of haysmacintyre, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

26 March 2019

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:					
Charitable activities:					
School fees receivable	8	17,251,038	10,000	17,261,038	16,078,083
Other educational income	8	186,761	-	186,761	176,105
Other trading activities:					
Trading company	4	77,593	-	77,593	102,399
Activities for generating funds	6	82,218	-	82,218	79,727
Investment income	7	5,662	28,033	33,695	30,337
Voluntary income	5	128,750	203,197	331,947	354,087
TOTAL INCOME		17,732,022	241,230	17,973,252	16,820,738
EXPENDITURE ON:					
Charitable activities	9	16,230,660	183,797	16,414,457	15,268,332
Raising funds:					
Trading expenses and other costs		85,745	-	85,745	77,942
Trading company		82,771	-	82,771	93,929
Investment manager's fees		-	5,675	5,675	5,423
TOTAL EXPENDITURE		16,399,176	189,472	16,588,648	15,445,626
NET INCOME BEFORE INVESTMENT GAINS & LOSSES		1,332,846	51,758	1,384,604	1,375,112
Unrealised investment gains		-	14,044	14,044	43,008
Realised investment gain/(loss)		-	(3,861)	(3,861)	2,359
NET MOVEMENT IN FUNDS FOR THE YEAR		1,332,846	61,941	1,394,787	1,420,479
Total funds at 1 September 2017		14,946,590	1,688,536	16,635,126	15,214,647
TOTAL FUNDS AT 31 AUGUST 2018		16,279,436	1,750,477	18,029,913	16,635,126

All activities relate to continuing operations.
The notes on pages 16 to 33 form part of these financial statements.

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REGISTERED NUMBER: 03513962

CONSOLIDATED AND COMPANY BALANCE SHEETS
AS AT 31 AUGUST 2018

	Note	2018 Group £	Company £	2017 Group £	Company £
FIXED ASSETS					
Tangible assets	13	19,227,482	19,227,482	18,873,752	18,873,752
Investments	14	698,497	698,597	676,747	676,847
		<u>19,925,979</u>	<u>19,926,079</u>	<u>19,550,499</u>	<u>19,550,599</u>
CURRENT ASSETS					
Stocks	15	39,662	39,662	38,398	38,398
Debtors	16	636,783	633,220	493,849	475,792
Bank		2,377,134	2,364,640	2,346,585	2,346,585
		<u>3,053,579</u>	<u>3,037,522</u>	<u>2,878,832</u>	<u>2,854,854</u>
CREDITORS: amounts falling due within one year	17	<u>(3,054,268)</u>	<u>(3,033,164)</u>	<u>(3,221,686)</u>	<u>(3,197,808)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(689)</u>	<u>4,358</u>	<u>(342,854)</u>	<u>(342,954)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>19,925,290</u>	<u>19,930,437</u>	<u>19,207,645</u>	<u>19,207,645</u>
CREDITORS: amounts falling due after more than one year	18	<u>(1,895,377)</u>	<u>(1,895,377)</u>	<u>(2,572,519)</u>	<u>(2,572,519)</u>
NET ASSETS		<u>18,029,913</u>	<u>18,035,060</u>	<u>16,635,126</u>	<u>16,635,126</u>
CHARITY FUNDS					
Restricted funds	19	1,750,477	1,750,477	1,688,536	1,688,536
Unrestricted funds	19	16,279,436	16,284,583	14,946,590	14,946,590
		<u>18,029,913</u>	<u>18,035,060</u>	<u>16,635,126</u>	<u>16,635,126</u>

The financial statements were approved by the Governors on 18 March 2019 and signed on their behalf, by:


Professor P Kopelman MD, Chairman

The notes on pages 15 to 32 form part of these financial statements.

The surplus of the Company only is £1,399,934 (2017: £1,420,479).

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**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Net cash flow from operating activities	21	1,795,567	2,180,543
Cash flows from investing activities	22	(1,146,993)	(1,019,151)
Net cash flow from financing activities	22	(835,688)	(792,605)
Bank overdraft	17	217,663	-
INCREASE IN CASH IN THE YEAR		30,549	368,787
		2018 £	2017 £
Cash and cash equivalents at the beginning of the year		2,346,585	1,977,796
Cash and cash equivalents at the end of the year		2,377,134	2,346,585
		30,549	368,787

The notes on pages 15 to 32 form part of these financial statements.

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

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 9.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

1.2 COMPANY STATUS

The School is a Public Benefit Entity registered as a charity in England and Wales and is a company limited by guarantee. The members of the company are the Directors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. It was incorporated on 19 February 1998 (company number 03513962) and registered as a charity on 10 March 1998 (charity number 1068532).

1.3 FEES AND SIMILAR INCOME

Fees receivable and charges for services and use of premises are accounted for in the year in which the service is provided. Fees receivable are gross fees, less scholarships and other allowances, but include contributions received from The Scholarship Fund, a Designated Fund.

The Scholarship Fund income received from The Drapers' Charitable Fund, Francis Bancroft Trust and other charities, including the Old Bancroftian Association, is used to support means tested Francis Bancroft Scholarships and is accounted for in the year for which the funds are provided.

1.4 DONATIONS AND BEQUESTS

Donations receivable for the general purposes of the School are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor would be taken to Restricted Funds where these wishes are legally binding on the Directors.

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

1.5 RESOURCES EXPENDED

Expenditure is accounted for on an accruals basis discounted to present value for longer term liabilities. 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 that activity in the year, either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included in the item of expense to which it relates.

1.6 SCHOOL LAND AND BUILDINGS AND EQUIPMENT

Capitalisation and replacement

The School land, together with the original buildings (which are all Grade 2 listed) and separate sports ground and buildings, are held in trust, at nil value, subject to an obligation to preserve them for educational use. These assets have not been revalued since the incorporation of the School as a company limited by guarantee in 1998. The original land and buildings have not been revalued as the costs involved would be onerous compared to the additional benefit derived by the users of the accounts in assessing the directors' stewardship of the assets. The Directors are responsible for keeping the original buildings in a fit and useful condition, the costs of doing so are written off as and when incurred.

Building improvement and extensions, furniture and equipment, additional to the assets at time of incorporation and costing more than £5,000 are capitalised and carried in the Balance sheet at historical cost.

Depreciation

The freehold school land is not depreciated. The original school buildings have to be maintained in good working order and are therefore considered to have an indefinite useful economic life. As such they are not depreciated, but annual impairment reviews have confirmed that their service potential remains undiminished. Depreciation of other assets is provided on a straight line basis at rates calculated to write off the excess cost, over estimated residual amount, evenly over the estimated useful economic lives of each class of asset, subject to annual review.

These rates are currently:

Freehold and long leasehold buildings	- 50 years
Furniture and equipment	- 5 years
Motor vehicles	- 5 years

Items costing less than £5,000 are written off as an expense as acquired.

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

1.7 INVESTMENTS

Listed investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Subsidiary undertakings

Investment in subsidiary is valued at cost less provision for impairment.

1.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete stocks. Cost includes all direct costs.

1.9 ACCEPTANCE DEPOSITS

On occasions parents choose not to send a pupil to the School after formally accepting a place. In such circumstances the acceptance deposit is withheld according to the School's terms and conditions.

1.10 ADVANCE FEE PAYMENTS

Parents may enter into a contract with the School to pay tuition fees in advance and by doing so they receive an agreed level of fees for the relevant year.

1.11 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the company 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 which have been raised by the company for particular purposes. The cost 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. The restricted fund monies are held in a separate designated bank account.

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

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

1.12 PENSIONS

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme, which are attributable to the School. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme.

The School also contributes to individual personal pension schemes for support staff, with six months service, at 10% of salary. The scheme is administered by Standard Life.

Contributions to both schemes are charged in the Statement of Financial Activity (SOFA) as they become payable in accordance with the rules of the schemes.

1.13 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

1.14 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.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies, Directors are required to make judgements, estimates, and assumptions about the carrying value 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.

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 Directors, 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.

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

3. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the SOFA includes those of the charity's wholly owned subsidiary, Bancroft's Enterprises Limited.

A summary of the financial activities undertaken by the charity is set out below:

	2018 £	2017 £
Gross income	17,845,628	16,726,808
Costs of generating funds	(91,420)	(83,363)
Expenditure on charitable activities	(16,364,457)	(15,268,333)
Realised and unrealised (losses)/gains on investments	10,183	45,367
	<u>1,399,934</u>	<u>1,420,479</u>
Net movement in funds		
Total funds brought forward	16,635,126	15,214,647
	<u>18,035,060</u>	<u>16,635,126</u>
Total funds carried forward		
	<u>18,035,060</u>	<u>16,635,126</u>
Represented by:		
Restricted funds	1,750,477	1,688,536
Unrestricted funds	16,284,583	14,946,590
	<u>18,035,060</u>	<u>16,635,126</u>
Total	<u>18,035,060</u>	<u>16,635,126</u>

BANCROFT'S SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

4. INCOME FROM TRADING COMPANY

The wholly owned trading subsidiary Bancroft's Enterprises Limited is incorporated in the United Kingdom. Bancroft's Enterprises Limited hires out the sports facilities owned by the School. The charity owns the entire share capital of £100 ordinary shares of £1 each. A summary of the trading results is shown below:

	2018 £	2017 £
Turnover – external	77,593	102,399
Cost of sales and administration costs - Bancroft's School	-	(8,473)
- external	(82,772)	(93,929)
Interest receivable	32	3
Net loss	(5,147)	-
The assets and liabilities of the subsidiary were:		
Current assets	65,711	69,329
Current liabilities	(70,758)	(69,229)
Total net (liabilities)/assets	(5,047)	100
Aggregate share capital and reserves	(5,047)	100

5. VOLUNTARY INCOME

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bancroft's Foundation	135,815	-	135,815	126,096
Drapers' Charitable Fund	50,000	-	50,000	50,000
Clarke Willmott Legacy	-	-	-	50,000
Francis Bancroft Trust	-	110,886	110,886	86,183
Old Bancroftian Association (VI Form Scholarship Trust)	17,382	-	17,382	24,485
Other donations	-	17,864	17,864	17,323
Voluntary income	203,197	128,750	331,947	354,087

The School is the sole beneficiary of the Francis Bancroft Trust, which is administered by the Drapers' Company.

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

6. ACTIVITIES FOR GENERATING FUNDS

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Trading income	-	82,218	82,218	79,727

Trading income relates to confectionary and sundry items.

7. INVESTMENT INCOME

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	25,421	-	25,421	11,580
Interest receivable	2,612	5,662	8,274	18,757
	<u>28,033</u>	<u>5,662</u>	<u>33,695</u>	<u>30,337</u>

8. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2018 £	Unrestricted Funds 2017 £
School Fees Receivable		
Gross fees	19,034,668	18,054,927
Less: Total scholarships and other allowances	(1,963,102)	(2,155,824)
Add: Bursaries funded from – restricted funds	189,472	178,980
	<u>17,261,038</u>	<u>16,078,083</u>
 Academic scholarships	 1,530,576	 1,656,080
Other Allowances	432,526	499,744
	<u>1,963,102</u>	<u>2,155,824</u>
 Other educational income		
Entrance and registration fees	47,420	52,520
Rents and lettings	32,487	30,325
Other incoming resources	106,854	93,260
	<u>186,761</u>	<u>176,105</u>

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FOR THE YEAR ENDED 31 AUGUST 2018**

9.	EXPENDITURE BY CHARITABLE ACTIVITY	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £	
	SUMMARY BY FUND TYPE					
	Teaching	-	10,062,033	10,062,033	9,845,984	
	Welfare	-	1,202,899	1,202,899	1,088,200	
	Premises	-	2,899,331	2,899,331	2,650,974	
	Support and administration	33,340	1,934,195	1,967,535	1,378,495	
	Grants and awards	150,457	-	150,457	141,026	
	Bank loan interest	-	132,202	132,202	163,653	
		<u>183,797</u>	<u>16,230,660</u>	<u>16,414,457</u>	<u>15,268,332</u>	
	SUMMARY BY EXPENDITURE TYPE					
		Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
	Teaching	8,980,584	-	1,081,449	10,062,033	9,845,984
	Welfare	543,512	-	659,387	1,202,899	1,088,200
	Premises	526,179	750,642	1,622,510	2,899,331	2,650,974
	Support and administration	1,256,353	-	711,182	1,967,535	1,378,495
	Grants and awards	-	-	150,457	150,457	141,026
	Bank loan interest	-	-	132,202	132,202	163,653
		<u>11,306,628</u>	<u>750,642</u>	<u>4,357,187</u>	<u>16,414,457</u>	<u>15,268,332</u>

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

10. GOVERNANCE COSTS INCLUDED IN SUPPORT AND ADMINISTRATION

	Restricted funds 2018 £	Unrestricted Funds 2018 £	Total funds 2018 £	Total funds 2017 £
Auditors remuneration (including VAT)	-	24,100	24,100	23,300

11. DIRECTORS' EMOLUMENTS AND INDEMNITY INSURANCE

The Directors, who are also the Governors and Trustees, received no remuneration during the year (2017: £nil).

The Directors were protected against claims of negligence and error with professional indemnity insurance, which has a limit of £5,000,000. The cost of the premium is included in the combined insurance premium and cannot be identified separately.

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

During the year, four Governors received reimbursement of expenses totalling £1,770 (2017 - £1,933).

12. STAFF COSTS

	2018 £	2017 £
Staff costs were as follows		
Payroll costs were:		
Teaching staff	8,980,584	8,748,046
Non-teaching staff	2,354,795	1,904,479
	<u>11,335,379</u>	<u>10,652,525</u>
Wages and salaries	8,841,630	8,321,828
Social security costs	977,429	898,688
Other pension costs	1,238,527	1,175,278
Medical & health Insurance	277,793	256,731
	<u>11,335,379</u>	<u>10,652,525</u>

Included above are staff costs in relation to trading costs of £28,751, (2017: £20,165). The balance of staff costs of £11,306,628 (2017: £10,632,359) are shown within Charitable Activity expenditure (shown in note 9).

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**NOTES TO THE FINANCIAL STATEMENTS
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12. STAFF COSTS (continued)

The average monthly number of employees during the year was as follows:

	2018 No.	2017 No.
Teaching	187	166
Support	66	62
	253	228

The number of higher paid employees was:

	2018 No.	2017 No.
In the band £60,001 - £70,000	12	12
In the band £70,001 - £80,000	5	4
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
In the band £140,001 - £150,000	1	1
	21	20

The number of higher paid employees belonging to pension schemes were as follows:

	2018 No	2017 No.
Defined Benefit Scheme	19	16
Defined Contribution Scheme	2	4
Total	21	20

The key Management Personnel in the School are the members of the Senior Leadership Team (SLT) and the Governing Body. The Governors are unremunerated and the total amount of remuneration, benefits (excluding those listed below) and pensions paid to the SLT was £988,472 (2017: £864,448).

In addition to the above payments and those contained in the bandings above, the School provides fee remissions to teaching and other staff as is normal in the Independent School's sector and accommodation to the Head who is entitled to accommodation by virtue of his role.

During the year there were redundancy and termination payments made which amounted to £nil (2017: £29,965). There was £nil outstanding at the year-end (2017: £nil).

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**NOTES TO THE FINANCIAL STATEMENTS
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13. TANGIBLE FIXED ASSETS

GROUP	Freehold property £	Motor vehicles £	Fixtures & fittings £	Total £
COST				
At 1 September 2017	23,541,416	106,969	1,306,084	24,954,469
Transfers	(156,097)	-	156,097	-
Additions	863,051	-	285,733	1,148,784
Disposals	(243,580)	-	-	(243,580)
At 31 August 2018	24,004,790	106,969	1,747,914	25,859,673
DEPRECIATION				
At 1 September 2017	5,149,600	14,173	916,944	6,080,717
Transfers	(13,411)	-	13,411	-
Charge for the year	558,720	22,640	169,282	750,642
Disposals	(199,168)	-	-	(199,168)
At 31 August 2018	5,495,741	36,813	1,099,637	6,632,191
NET BOOK VALUE				
At 31 August 2018	18,509,049	70,156	648,277	19,227,482
At 31 August 2017	18,391,817	92,796	389,140	18,873,752
COMPANY				
COST				
At 1 September 2017	23,541,416	106,969	1,306,084	24,954,469
Transfers	(156,097)	-	156,097	-
Additions	863,051	-	285,733	1,148,784
Disposals	(243,580)	-	-	(243,580)
At 31 August 2018	24,004,790	106,969	1,747,914	25,859,673
DEPRECIATION				
At 1 September 2017	5,149,600	14,173	916,944	6,080,717
Transfers	(13,411)	-	13,411	-
Charge for the year	558,720	22,640	169,282	750,642
Disposals	(199,168)	-	-	(199,168)
At 31 August 2018	5,495,741	36,813	1,099,637	6,632,191
NET BOOK VALUE				
At 31 August 2018	18,509,049	70,156	648,277	19,227,482
At 31 August 2017	18,391,817	92,796	389,140	18,873,752

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

14. INVESTMENTS	GROUP		COMPANY	
	2018 £	2017 £	2018 £	2017 £
At 1 September 2017	676,747	620,055	676,747	620,055
Additions	56,824	62,886	56,824	62,886
Disposals	(48,342)	(68,230)	(48,342)	(68,230)
Unrealised gain	14,044	43,008	14,044	43,008
	<u>699,273</u>	<u>657,717</u>	<u>699,273</u>	<u>657,717</u>
Movement in cash held within portfolio	(776)	19,028	(776)	19,028
At 31 August 2018	<u>698,497</u>	<u>676,747</u>	<u>698,497</u>	<u>676,747</u>
Historic cost	<u>556,366</u>	<u>540,176</u>	<u>556,336</u>	<u>540,176</u>
At market value				
Listed investments	698,497	676,747	698,497	676,747
Investment in Bancroft's Enterprises Limited	-	-	100	100
	<u>698,497</u>	<u>676,747</u>	<u>698,597</u>	<u>676,847</u>
15. STOCKS	GROUP		COMPANY	
	2018 £	2017 £	2018 £	2017 £
Stocks and finished goods for resale	<u>39,662</u>	<u>38,398</u>	<u>39,662</u>	<u>38,398</u>

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16. DEBTORS	GROUP		COMPANY	
	2018 £	2017 £	2018 £	2017 £
Fee debtors (less bad debt provision)	326,174	209,261	326,174	209,261
Amounts owed by subsidiary	-	-	49,655	45,351
Other debtors	310,609	284,588	257,391	221,180
	<u>636,783</u>	<u>493,849</u>	<u>633,220</u>	<u>475,792</u>
17. CREDITORS: amounts falling due within one year	GROUP		COMPANY	
	2018 £	2017 £	2018 £	2017 £
Bank loans	538,715	642,566	538,715	642,566
Bank overdraft	217,663	-	217,663	-
Payments received on account	1,237,181	1,142,429	1,237,181	1,142,429
Trade creditors	256,817	509,747	251,702	493,838
Social security and other taxes	1,440	4,608	-	-
Other creditors	235,276	285,903	235,276	285,903
Accruals and deferred income	567,176	636,433	552,627	633,072
	<u>3,054,268</u>	<u>3,221,686</u>	<u>3,033,164</u>	<u>3,197,808</u>
18. CREDITORS: amounts falling due after more than one year	GROUP		COMPANY	
	2018 £	2017 £	2018 £	2017 £
Bank loans	1,495,000	2,094,635	1,495,000	2,094,635
Deposits in advance	347,860	387,002	347,860	387,002
Fees in advance	52,517	90,882	52,517	90,882
	<u>1,895,377</u>	<u>2,572,519</u>	<u>1,895,377</u>	<u>2,572,519</u>

The bank loans represent unsecured development finance for completed building projects. The bank loans are repayable in instalments over varying lengths of time expiring between June 2018 and December 2022. The loans were based on varying interest rates from LIBOR + 0.8% to LIBOR + 1.9%, with some now being fixed via interest rate swaps at interest rates ranging from 1.3% to 6.6%.

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18. CREDITORS: amounts falling due after more than one year (continued)

Advance fees

Parents may enter into a contract to pay to the School up to the equivalent of 11 years tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the School, advance fees will be applied as follows:

	2018 £	2017 £
Within 2 to 5 years	-	54,715
Within 1 to 2 years	52,517	36,167
	<u>52,517</u>	<u>90,882</u>
Within 1 year	33,860	31,599
	<u>86,377</u>	<u>122,481</u>

The balance represents the accrued liability under the contracts. The movements during the year were:

	£
Balance at 31 August 2017	122,481
New contracts	-
	<u>122,481</u>
Amounts utilised in payment of fees	(36,104)
Balance at 31 August 2018	<u>86,377</u>

19. CHARITY FUNDS - 2018	Brought Forward £	Incoming resources £	Resources Expended £	Investment gains £	Carried Forward £
GENERAL FUNDS					
General Fund	14,946,590	17,732,022	(16,399,176)	-	16,279,436
Total Unrestricted funds	14,946,590	17,732,022	(16,399,176)	-	16,279,436
RESTRICTED FUNDS					
Bancroft's Foundation	1,563,764	163,848	(107,318)	10,183	1,630,477
Drapers' Charitable Fund	-	50,000	(50,000)	-	-
Old Bancroftian Association					
(VI Form Scholarship Trust)	-	17,382	(17,382)	-	-
Clark Willmott legacy	50,000	-	-	-	50,000
Other Bursaries	74,772	10,000	(14,772)	-	70,000
Total Restricted Funds	1,688,536	241,230	(189,472)	10,183	1,750,477
Total funds	16,635,126	17,973,252	(16,588,648)	10,183	18,029,913

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19. CHARITY FUNDS (continued)

CHARITY FUNDS - 2017

	Brought Forward £	Incoming resources £	Resources Expended £	Investment gains £	Carried Forward £
GENERAL FUNDS					
General Fund	13,658,580	16,554,656	(15,266,646)	-	14,946,590
Total Unrestricted funds	13,658,580	16,554,656	(15,266,646)	-	14,946,590
RESTRICTED FUNDS					
Bancroft's Foundation	1,481,296	141,596	(104,495)	45,367	1,563,764
Drapers' Charitable Fund	-	50,000	(50,000)	-	-
Old Bancroftian Association	-	-	-	-	-
(VI Form Scholarship Trust)	-	24,485	(24,485)	-	-
Clark Willmott legacy	-	50,000	-	-	50,000
Other Bursaries	74,772	-	-	-	74,772
Total Restricted Funds	1,556,068	266,081	(178,980)	45,367	1,688,536
Total funds	15,214,648	16,820,737	(15,445,626)	45,367	16,635,126

- 1) **Bancroft's Foundation**
This is a restricted fund used to provide means tested fee assistance
- 2) **Drapers' Charitable Fund**
This is a restricted fund used to provide fee assistance
- 3) **Old Bancroftian Association**
This is a restricted fund used to provide fee assistance
- 4) **Clark Willmott legacy**
This is a restricted fund to provide financial assistance for modern foreign language exchange programmes.
- 5) **Other Bursaries**
This is a restricted fund used to provide fee assistance

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**NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2018

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Tangible fixed assets	-	19,227,482	19,227,482	18,873,752
Investments	698,497	-	698,497	676,747
Current assets	1,051,980	2,001,599	3,053,579	2,878,832
Creditors due within one year	-	(3,054,268)	(3,054,268)	(3,221,686)
Creditors due in more than one year	-	(1,895,377)	(1,895,377)	(2,572,519)
	<u>1,750,477</u>	<u>16,279,436</u>	<u>18,029,913</u>	<u>16,635,126</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS – 2017

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Tangible fixed assets	-	18,873,752	18,873,752	18,355,622
Investments	676,747	-	676,747	620,155
Current assets	1,011,789	1,867,043	2,878,832	2,444,515
Creditors due within one year	-	(3,221,686)	(3,221,686)	(3,073,513)
Creditors due in more than one year	-	(2,572,519)	(2,572,519)	(3,132,131)
	<u>1,688,536</u>	<u>14,946,590</u>	<u>16,635,126</u>	<u>15,214,648</u>

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net incoming resources before revaluations	1,384,604	1,375,112
Returns on investments and servicing of finance	118,844	138,738
Depreciation of tangible fixed assets	750,641	514,610
(Decrease)/increase in stocks	(1,264)	(1,127)
Decrease/(increase) in debtors	(142,934)	(49,801)
Increase/(decrease) in creditors	(358,737)	203,011
Gains on disposal of fixed assets	44,413	-
NET CASH INFLOW FROM OPERATIONS	<u>1,795,567</u>	<u>2,180,543</u>

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22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT	2018 £	2017 £
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	8,242	18,577
Income from investments	10,791	11,580
Investment management charges	(5,675)	(5,423)
Purchase of tangible fixed assets	(1,148,784)	(1,032,740)
Purchase of listed investments	(56,824)	(62,886)
Sale of listed investments	44,481	70,589
Movement in cash investment	776	19,028
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,146,993)	(1,019,151)
 FINANCING		
Interest paid	(132,202)	(163,653)
Net Repayment of bank loans	(703,486)	(628,952)
NET CASH FLOW FROM FINANCING ACTIVITIES	(835,688)	(792,605)

23. FINANCIAL INSTRUMENTS	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Financial assets measured at amortised cost (a)	484,236	370,417	431,019	316,812
Financial assets measured at fair value (b)	698,497	676,747	698,497	676,747
Financial liabilities measured at amortised cost (c)	(2,926,185)	(4,010,735)	(2,921,070)	(3,994,826)

- (a) Financial assets include trade and fee debtors, staff loans, other debtors, accrued income and amounts due from subsidiary.
- (b) Financial assets held at fair value included assets held as investments
- (c) Financial liabilities include deposits, fees in advance, trade creditors, other creditors, bank loans and overdrafts.

Impairment losses charged to financial assets measured at amortised cost in the year amounted to £nil (2017: £nil).

24. CAPITAL COMMITMENTS

At 31 August 2018 the group and company had no capital commitments. (2017: Nil)

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

25. PENSION COMMITMENTS

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £985,696 (2017: £941,370).

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

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

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2017 and completed in 2018, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

The School also runs a money purchase scheme for qualifying support staff. The cost for the year represents the School's contributions to the scheme of £248,326 (2017: £234,924).

The School's contributions to the Bancroft's School PRE 1992/2000 Benefits Schemes in the year were £12,457 (2017: £12,490). Full provision is being made over the year to respective retirement dates, for this superannuation liability, which becomes payable when qualifying members of the teaching staff retire or leave.

26. OPERATING LEASE COMMITMENTS

At 31 August 2018 the Group minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
GROUP AND COMPANY	£	£
EXPIRY DATE:		
Less than 1 year	415,796	155,284
Between 1 and 5 years	222,447	149,860
	<u>638,243</u>	<u>305,144</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
INCOME FROM:			
Charitable activities:			
School fees receivable	16,078,083	-	16,078,083
Other educational income	176,105	-	176,105
Other trading activities:			
Trading company	102,399	-	102,399
Activities for generating funds	79,727	-	79,727
Investment income	14,836	15,501	30,337
Voluntary income	103,506	250,581	354,087
TOTAL INCOME	<u>16,554,656</u>	<u>266,082</u>	<u>16,820,738</u>
EXPENDITURE ON:			
Charitable activities	15,094,775	173,557	15,268,332
Raising funds:			
Trading expenses and other costs	77,942	-	77,942
Trading company	93,929	-	93,929
Investment manager's fees	-	5,423	5,423
TOTAL EXPENDITURE	<u>15,266,646</u>	<u>178,980</u>	<u>15,445,626</u>
NET INCOME BEFORE INVESTMENT GAINS & LOSSES	1,288,010	87,102	1,375,112
Unrealised investment gains	-	43,008	43,008
Realised investment gain/(loss)	-	2,359	2,359
NET MOVEMENT IN FUNDS FOR THE YEAR	1,288,010	132,469	1,420,479
Total funds at 1 September 2016	13,658,580	1,556,067	15,214,647
TOTAL FUNDS AT 31 AUGUST 2017	<u>14,946,590</u>	<u>1,688,536</u>	<u>16,635,126</u>