

**THE READ SCHOOL, DRAX  
ACCOUNTS  
FOR THE YEAR ENDED  
31 AUGUST 2018**

**Registered Charity Number: 529675**

**THE READ SCHOOL, DRAX  
REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 2018**

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## THE READ SCHOOL

### ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2018

The Board of Governors, as directors of the corporate trustee present their annual report for the year ended 31 August 2018 under the Charities Act 2011, together with the audited financial statements for the year.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published on 16 July 2014.

#### REFERENCE & ADMINISTRATION INFORMATION

The Read School is a registered charity (number 529675). The Charity's principal address is Main Road, Drax, Selby, North Yorkshire YO8 8NL.

#### GOVERNORS AND CHARITY TRUSTEE

The Governors are the directors of the corporate trustee, The Read School, Drax, Trustee Limited (company number 07236884). Those in office during the year and subsequently are:

			(1)	(2)	(3)	(4)	(5)
Mr C W Bayston	Vice Chair	c	/		/	/	/
Ms Z Bayston	Appointed 20 October 2016	c		/	/		
Mr I J Chilvers		c		/	/		
Mrs K Eady	Resigned 26 October 2016	c			/		
Mrs J Gosney	Resigned 26 January 2017	c		/			
Mr J P L Kelsey		c	/				
Mr R S Manock		c	/				
Mrs J Peake	Resigned 16 March 2017	c	/		/		
Mr T Evans	Appointed 31 March 2017	c		/			
Mr J S Priestley	Resigned 12 July 2016	c	/				
Mr D Ward		c	/				
Mr B Watt	Appointed 20 October 2016	c	/				
Mr P Watt	Chair	c	/		/	/	/

c Co-optative

r Representative

(1) Member of the Management and Finance and Development Sub-committee

(2) Member of the Safeguarding, Health & Education Sub-committee

(3) Member of the Foundation and Marketing Sub-committee

(4) Member of the Governors and PFA Sub-committee

(5) Member of the Senior Staff Selection Sub-committee

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**Key Management Personnel**

The Acting Head:	Mr M Voisey
Appointment of new Head of School	Mrs R A Ainley OXON
The Bursar	Mrs R M Harrison

**Advisors**

Bankers:	Barclays Bank Plc 1, 2 and 3 Parliament Street YORK North Yorkshire YO1 1XD
Solicitors:	Bond Dickinson St Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX
Stockbrokers:	Investec Quayside House Canal Wharf LEEDS LS11 5PU
Insurance Broker & Health and Safety Advisors:	Hettle Andrews Eleven Brindleyplace 2 Brunswick Square Brindleyplace Birmingham B1 2LP
Auditor:	Townends Accountants LLP Chartered Accountants and Statutory Auditors Carlisle Street GOOLE East Riding of Yorkshire DN14 5DX

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### **ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2018**

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document**

The Scheme for governing the charity was approved and published by the Charity Commission on 17 August 2010 under the power of the Charities Act 2011. The Read School, Drax, Trustee Limited (registered company 07236884), a company limited by guarantee, was incorporated on 27 April 2010 and was appointed as the Trustee of the School on 1 September 2010.

The school was originally formed in 1667 by Charles Reade. The Read School is a Registered Charity, Number 529675. The main premises and address of The Read School is Main Road, Drax, Selby, North Yorkshire, YO8 8NL, with a further site and school at Adamson House, Main Road, Drax.

### **Governing Body**

The Board of Governors comprise Co-optative Governors who serve for a term of five years and Representative Governors who serve for a three year term. The Co-optative Governors are appointed by the Board of Governors based on personal competences and specialist skills. Representative Governors are appointed by their respective organisation, although during the year none of the organisations eligible to provide a Representative Governor elected to provide one. All Governors are eligible for re-election upon the expiration of their term in office.

The activity of the Governing Body is carried out through meetings of the Full Board and the Sub-committees as shown above.

The Head and Bursar are in attendance at Full Board and at Sub-committee meetings.

The Assistant Head (Curriculum) and the Senior Designated Person for Safeguarding are in attendance at the Safeguarding, Health & Education Sub-committee. Other Sub-committees have 'ex-officio' members as appropriate.

### *Trustee Training*

New Governors are inducted into the Governing Body by the Chair of Governors. In house training is on-going and external training is undertaken as appropriate. The school is a member of AGBIS and training and support are provided through the association.

### *Organisational Management*

The Full Board of Governors meet at least four times per year. In order to ensure that the increasingly complex matters relating to legislation, regulation and compliance are correctly addressed and to ensure the efficient running of the school, the Board is split into a number of sub-committees which may include 'ex-officio' members. All sub-committees report and make recommendations to the Full Board.

The Management, Finance and Development Sub-committee examines proposed budgets, financial outcomes, including the annual audited accounts for the Charity and other financial planning data prior to consideration and approval by the Full Board of Governors. They also consider the strategic development of the school.

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The Safeguarding, Health and Safety Sub-committee and The Foundation and Marketing Sub-committee of the governing body usually meet at least four times per year to consider relevant matters.

The Senior Staff Selection Sub-committee meet as necessary.

The Governors meet with representatives of the Parents' & Friends' Association on a regular basis.

The day to day running of the School is delegated to the Head supported by the Bursar and other key management personnel. The Head and Bursar attend the meetings of the various committees along with the Deputy Head and Assistant Head (Curriculum) as appropriate.

The remuneration of key management personnel is set by the Board with the policy objective of rewarding them fairly and responsibly for their individual contributions to the school.

#### **Group Structure and Relationships**

The Charity has a wholly owned non-charitable subsidiary, The Read School Enterprises Limited, registration number 03567217, incorporated 18 May 1998, registered office The Read School, Drax, Selby, YO8 8NL. The non-paid directors of the company who served during the year are all directors of The Read School, Drax Trustee Limited during the year, namely:

Mr C W Bayston  
Mr J P L Kelsey  
Mr R S Manock  
Mr S Priestley (Resigned 12 July 2017)  
Mr D Ward  
Mr P Watt (appointed 08 August 2017)

The Read School Enterprises Limited was set up to manage letting of the School premises during holiday periods and the hiring of facilities to local groups, both cultural and sporting and all profits are donated to The Read School (registered charity number 529675)

#### **Principal Risks and Uncertainties**

The Board of Governors is responsible for the management of the risks faced by the School. Detailed examination of risks surrounding the principal areas of the school's operations, and consideration of the major risks that may arise in each of these areas is undertaken by the various sub-committees and by the Full Board whenever significant decisions are to be made.

The principal risks and uncertainties facing the school are considered to be the possible impact on numbers due to increasing competition from other independent schools and from a number of local state schools with good reputations for academic achievement; the increasing competition for high-quality staff, especially in the curriculum areas of maths and science, and the effects this can have on the level of remuneration and on succession planning; and the risk to reputational damage in the unlikely event of high profile legal action alleging lack of due care of pupils as vulnerable beneficiaries.

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In the opinion of the Governors, the school has established effective internal and external controls, procedures and review systems and effective safeguarding procedures and training which, under normal conditions, should allow the risks identified to be mitigated to an acceptable level in its day to day operations. The school seeks and acts on advice from qualified external consultants in the areas of Health and Safety, Fire Risk Assessment and Insurance.

**OBJECTS, PUBLIC BENEFIT AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES**

The object of the charity, in accordance with its Trust Deed, is the education of children up to the age of 18 years. In furthering this Object, the Governors, as directors of the corporate trustee of the charity, have complied with the duty in s. 17 (5) of the Charities Act 2011 to have due regard to the Charity Commission's published guidance concerning the operation of the Public Benefit requirement under that Act.

**Read School Aim, Values and Vision**

The Board's strategic aim in order to achieve its annual objective for public benefit as a charitable Independent School is to:

- Create a warm and welcoming school for pupils of all abilities and walks of life, with an inclusive ethos, honouring the legacy of the School's founder, Charles Reade
- Provide boys and girls, aged 3-18 with continuity of learning and the security of an education in one place
- Nurture a positive and passionate attitude to learning
- Develop well-rounded, resilient and aspirational young people who have the education, confidence, enablement, skills, attitudes and values to be able to achieve their full potential in their chosen careers and who make a positive contribution to society
- Aim to be the independent boarding and day school of choice in the area and offer excellent value for money to its parents

**Objectives for the Year**

The school's principal objectives for this year were:

- To maintain and enhance the academic achievements of our pupils
- To maintain and enhance the School's reputation and increase awareness of the School and our aim to be the school of choice for parents seeking an outstanding all-round and full education for their child.
- To build on collaborative arrangements with local schools to widen access to the facilities and education opportunities available at Read.

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### Strategies to Achieve the Year's Objectives

In order to maintain and enhance the academic achievements of our pupils and provide an outstanding all-round and full education for our pupils, we maintained a favourable staff: pupil ratio and continued to customize our teaching programme to meet the individual needs of our pupils.

Recruitment of new pupils remained a top priority and marketing efforts continued to recruit new pupils and build the profile of the school in the local area.

Primary outreach activities were again offered to local primary schools who visited Read for planned activities, including an annual drama production and two outreach days which offered a full programme of music, drama and creative arts. In addition to providing valuable educational experiences for all pupils concerned, the outreach events also served to raise the profile of Read School in the local area.

### Principal Activity and Income Sources

The Charity's principal activity continues to be the provision of a Day and Boarding School for pupils aged 3 to 18 years with boarding pupils accepted from 8 years old. As in previous years the charity's principal source of income has been school fees (pupil roll for the academic year 2017- 2018 was 168 pupils) while Read School Enterprises, a subsidiary company (the profits from which are donated to the Charity) is from letting of the school's facilities. Additional funds are generated from donations.

### Grant Making and Access-widening

Widening access to the School and ensuring that the School remains for *the public benefit* remains a key objective of the Governors. This is in accordance with the historical background and original altruistic aims of Charles Reade with the foundation of the School in 1667 and the School's period of operation as a Voluntary Aided Boys' Grammar School until 1967. While the School has limited funds at its disposal, the Governors continue to award scholarships, bursaries, special awards and other discounts to deserving pupils. Bursaries are awarded on a means-tested basis and scholarships are openly awarded on merit or special recommendation. As 2017 had marked the 350<sup>th</sup> anniversary of the foundation of the School, a number of special '350 Awards' had been granted which were still in place this year.

During the academic year 2017-2018 a total of 25 pupils were in receipt of bursaries and/or other special awards (2016-2017: 24). The number of pupils benefitting from other fee discounts, including staff and sibling discounts also amounted to 25.

The distribution of funds as a percentage of gross fees before discounts is: 3% scholarships (2017: 4.2%), special awards and other discounts (including those to assist families in financial need but in addition to the bursaries scheme) 6% (2017: 8%). Means-tested bursaries account for 4% (2017: 0.8%) of Gross Fees after allowing for other discounts.



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The School continues to make its facilities available to local schools, clubs and organizations. This is either at no charge (schools) or at rates which are below the commercially achievable (local clubs and organizations). A number of outreach activities were organized during the academic year 2017-2018 including invitations to pupils from state primary schools to attend specifically organized enrichment days and invitations to plays and other cultural events.

#### **Volunteers**

The School has an active Parents' and Friends' Association (PFA) which holds social, sporting and fund-raising events for the benefit of pupils and parents. The Alumni association, the Old Draxonians, is a major supporter of the School. The School is also generously supported by The Moloney Trust which provides funding for music and the performing arts.

The School continues to provide opportunities for some individuals to gain work experience as part of their requirements towards completing qualifications and a number of volunteers have helped with activities such as sport and language teaching.

### **REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

#### **Academic Performance**

Upper Sixth results in August 2018 saw an overall pass rate of 84.6% at grades A to E (95.6% in 2017). The number of A\* and A grades was 11.5% (17.8% in 2017) with those achieving A\* - C 50% (75.6% in 2017). The dip in results was attributed to a smaller Upper Sixth cohort of just 9 pupils of whom 6 were overseas students.

All pupils were enabled to move on to their choice of university, with one pupil taking a gap year to travel abroad and one pupil setting up his own IT business.

GCSE results for grades 9-5 (old grade range A\* to C) was 73.9% (84.3% in 2017). 84% of all grades were achieved on or above target giving us an average value -added score of 0.4 grade using CEM national data.

#### **ISI Inspection**

An Independent Schools Inspectorate Report was conducted in March 2018 at Read School. The Focused Compliance Inspection confirmed that the School meets all the statutory requirements. Regarding the Personal Development of pupils, the School was graded as Excellent and the following was noted:

*"Pupils display high levels of self-confidence, self-understanding and maturity for their age",*

The desire for Read School pupils to put back into the wider society is reflected in the judgment, *"pupils make an outstanding contribution to the School and the wider community, exemplified by the numerous charitable initiatives promoted by the School community."*

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Pupils' academic development was noted as 'Good'. Overall the report presented a very satisfactory assessment of the School in terms of both its educational quality and personal development and was well received by parents and staff.

#### **Sport**

Sport continues to be very successful in the School and most pupils from both Junior and Senior School participate fully and enjoy a good level of achievement, often achieving victories against much larger schools. All pupils from Junior School to Year 9 and most pupils in Key Stage 4 have at least 2 hours of timetabled sport / PE per week. Additionally, pupils have the opportunity to attend further coaching sessions after school and at weekends.

Fixtures against other independent schools are arranged in the main boys' and girls' sports on Saturdays and at other times during the school week. A new initiative has involved the scheduling of fixtures against some state schools in the local area. Senior School girls participated in a netball tour at Boreatton Park, Shropshire this year, with the 1st team reaching the semi-final.

Several pupils pursue sport to a very high level outside school, notable examples being a biathlon national finalist, a karting champion and a national shooting champion.

Over 15% of Read boys and girls play for either Goole or Selby Rugby clubs and a number of boys and girls also play in local football, hockey and netball clubs. The Read School Ladies Netball team, consisting of past and present pupils, staff and parents successfully competes in the York and District Netball League.

A sports camp held in the school holidays is now in its 10<sup>th</sup> year and regularly attracts large numbers of pupils from ages 6-14 from both the School and the local catchment area.

#### **Creative Arts**

Creative Arts remains one of the pillars of the School and all sections of the School produce theatrical performances and concerts. The School and staff choirs sing in school high days in Church while younger pupils enjoy singing at Sheffield Young Voices competition. This year the Junior School staged a production of *Charlie and the Chocolate Factory* while Senior School put on a production of the show *Annie*. Other performing arts events in school included a Talent Show, the Moloney Music Competition, an Evening of Music & Drama while a Harvest Festival held by our youngest pupils raised £430 for a local hospice.

The Creative Arts Department were responsible for organizing the highly successful Primary School Outreach event noted above, welcoming some 75 Year 5 children from local primary schools to spend the day on African-themed art and design technology, music, dance and drama workshops,

To commemorate Read's 350 year celebrations, the Creative Arts department also ran 4 competitions, including a STEM competition, cooking challenge which proved very popular within the school.

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### **ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2018**

Outside school a number of Read pupils participate in local choirs and dramatic societies and we have at least two pupils who regularly perform public concerts and write their own compositions with one further pupil earning a place in a West End production.

#### ***Educational Visits***

We continue to offer several visits abroad with a trip to the battlefields of Normandy taking place earlier in the year and a Ski Trip offered to pupils & parents in February.

Junior School children enjoyed a residential visit to the Hollowford Centre in the Peak District as well as trips to The National Space Centre, National Science & Media Museum, Danelaw and a local Sculpture Park during the year.

Pre-Prep children also participated in several visits and excursions including Doncaster Wildlife Park, The Deep, a visit to Santa and a Pirate Picnic.

The School's bi-annual adventurous World Challenge took place this year to the Indian Himalayas and 13 Year 11 and Sixth Form pupils participated in this after taking public examinations. In addition to a 140 km trek the pupils also undertook reconstruction work at an orphanage in an impoverished area.

#### ***Combined Cadet Force, D of E, Archbishop Young Leader's Award***

Pupils in Year 8 and above have the opportunity to participate in the Combined Cadet Force, both during the School timetable week and during adventurous camps and visits. We continued to run both Army and RAF sections, consisting of separate training programs with some joint activities such as 1<sup>st</sup> Aid and Heart Start Training.

This year 20 pupils collected Bronze Duke of Edinburgh Awards with all Year 9 pupils continuing to work towards their Bronze Award. 10 pupils earned their Silver Award and 2 achieved Gold

At Junior School level, all Years 5 & 6 children completed the Archbishop Young Leader's Award which involved a number of group projects and culminated in a community project with a local residential home, as well as raising money for three charities.

#### ***Business, Enterprise & STEM***

We again held a very successful careers fair supported by many local businesses which was also attended by pupils from a local secondary school, alongside our own pupils

Building on the altruistic history of the foundation of the School, philanthropy remains a core value at Read School and charitable donations were made this year to Children in Need, Water Aid, Cancer Research and various local charities, including a local hedgehog sanctuary.

Cross curricular educational opportunities were leveraged with a joint Business Studies and Design Technology visit to Jaguar Land Rover while several other combined science, technology, engineering and maths (STEM) visits took place throughout the year.

Upper 6th form business students achieved second place in an Enterprise competition in Hull

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and the business faculty continued to drive a number of enterprise projects around School, including the annual *Grow a Pound* competition.

GCSE and Sixth Form students participated in 'Science Live!' lectures at a local university and Key Stage 3 had STEM workshops at EDF and visits to a local Medical Museum as well as a tour of neighboring Drax Power Station.

***Other Enrichment Programs***

The School again promoted a number of other enrichment programs, including an active Gardening club which tends the school garden, providing fresh vegetables and salads year round.

Dance remains part of the curriculum for Junior School pupils and is also offered to all pupils as an after-school enrichment activity.

Equestrian teams were launched for both Senior and Junior Schools with pupils competing in number of local events under the Read School team banner.

During the summer holidays the School ran an inaugural Summer Programme which entertained over 42 children for 28 days with a variety of different activities from sports and horse riding to cooking and gardening, attracting over 30% of its pupils attending from outside the school.

***The School Council***

Read School Council pupils were again active in school, representing their Tutor Groups to drive through a number of initiatives to improve the pupil experience and ensure a strong pupil voice.

Read School was established in 1667 by Charles Reade and the current year marks 351 years of successful education provision. Following the retirement of outgoing Headmaster Dr John Sweetman, a new Head was appointed in July 2018, Mrs Ruth Ainley MA OXON, whose background combines both a career in international business management and languages teaching at Read School. The School embarked on a new era of refurbishment and rejuvenation with investments being made to the school infrastructure, including a new IT system, upgrades to the boarding house and conversion of the former Head's house to school offices and visitor centre.

A vigorous pupil recruitment campaign was launched during the summer months and pupil roll increased by 4% to 174 by September 2018, more than offsetting the 33 pupils leaving the school at the end of the 2017-2018 academic year.

The 351st Year Commemoration Day was held on Saturday 7th July. Professor David Boggett, Emeritus Professor at Kyoto Seika University and Pupil of Read School 1959-1966 has been invited as Guest Speaker and to conduct the prize giving.

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**Fundraising performance**

The PFA continues to provide very positive financial support to the school through its fund-raising activities. This money raised is invested in equipment and facilities to support pupil learning and development.

A total of £33,489 was donated during the year by the PFA, Draxonians' Association and legacies.

**Investment Performance**

The School has funds invested with the Charities Official Investment Fund (COIF) which have a value of £18,240 an increase of £3,779 on the previous year.

The school also has two small award funds invested with Charinco Common Investment Funds which show a year end value of £606 which is a £42 decrease on the previous year.

**Investment Policy**

Our investment portfolio is managed by our brokers on a discretionary basis and transactions are conducted by them without specific reference to the School; however, we are advised of the details of purchases and sales, and provided with regular reports on performance. The School does not have any mortgaged property or outstanding loans. The general policy of the Governors is that all development and refurbishment projects are funded with liquid cash or donations.

**FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The results show an overall decrease in the level of funds of £737,161. The unrestricted fund accounting deficit (before transfers between funds) of £549,223 is in line with budget expectations.

This year saw our continuing efforts to generate funding from our alumni and other patrons of the School, and these donations have allowed the School to continue with a programme of improvements to the School facilities.

The Governing Body regularly review the level and nature of the reserve funds of the School. They aim to have free reserves amounting to the average level of one term's fees however, given the need to invest in the School's infrastructure and refurbish or renew vital services and facilities, and bearing in mind the current pupil population of the school, this level of reserves is likely to be achieved gradually over a number of years.

Notwithstanding the above, the financial statements have been prepared on the going concern basis because of the ongoing support of a major benefactor. Please refer to note 1b of the financial statements.

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**FUTURE PLANS**

Whilst the Governors and managers of the School look back over the year confident that they achieved what was possible in the difficult financial climate, they understand that strict budgetary management will continue to be necessary whilst pupil numbers are rebuilt. The Governors have completed the appointment of a new Head of School to drive forward the admissions strategy. Pupil numbers have increased 4% by the end of the school year.

Approved by the Board of Governors of The Read School on 26 June 2019 and signed on its behalf by:

**P Watt**

Chair of the Governing Body

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**

The Governors, as Directors of the Corporate Trustee are responsible for the preparation in accordance with applicable law and United Kingdom Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of the resources for that period. In preparing these financial statements the Governors are required to:

- select the most suitable accounting policies and apply them consistently;
- observe the methods and principles set out in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2015 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF**  
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**31 AUGUST 2018**

**Opinion on financial statements**

We have audited the financial statements of The Read School, Drax (the 'Charity') for the year ended 31 August 2018, which comprise the Statement of Financial Activities, the Balance Sheet, the 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 FRS102 '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 Charity's affairs as at 31 August 2018 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with requirements of the Charities Act 2011.

**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 Charity 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

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

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

We have nothing to report in this regard.

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Charities Act 2011 required us to report to you if, in our opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

**Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees 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 they 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 trustees are responsible for assessing the Charity'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 trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

**Our 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: [\[www.frc.org.uk/auditorsresponsibilities\]](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity'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 Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....

**For and on behalf of**  
**Townends Accountants LLP**  
**Chartered Accountants & Statutory Auditor**

Carlisle Street  
 Goole  
 East Riding of Yorkshire  
 DN14 5DX



**THE READ SCHOOL, DRAX**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	2018 £
<b>INCOME FROM:</b>					
Donations	5	33,489	-	-	<b>33,489</b>
<b>Income from Charitable Activities</b>					
School fees receivable	2	2,238,108	-	-	<b>2,238,108</b>
Other ancillary trading income	3	72,029	-	-	<b>72,029</b>
Investment income	6	2,592	13	-	<b>2,605</b>
<b>Total income</b>		<b>2,346,218</b>	<b>13</b>	<b>-</b>	<b>2,346,231</b>
<b>EXPENDITURE ON:</b>					
<b>Charitable activities</b>					
School operating costs	7	2,900,713	1,860	185,919	<b>3,088,492</b>
<b>Costs of generating funds</b>					
School financing costs	7	(5,272)	-	1,871	<b>(3,401)</b>
<b>Total expenditure</b>		<b>2,895,441</b>	<b>1,860</b>	<b>187,790</b>	<b>3,085,091</b>
<b>Net income / (expenditure)</b>		<b>(549,223)</b>	<b>(1,847)</b>	<b>(187,790)</b>	<b>(738,860)</b>
Transfers between funds	19	<b>(5,860)</b>	-	<b>5,860</b>	-
<b>Other recognised gains / (losses)</b>					
Gains / (losses) on investments		-	-	<b>1,699</b>	<b>1,699</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(555,083)</b>	<b>(1,847)</b>	<b>(180,231)</b>	<b>(737,161)</b>
<b>RECONCILIATION OF FUNDS</b>					
Fund balances at 1 September 2017		(213,547)	47,659	1,862,959	<b>1,697,071</b>
<b>FUND BALANCES AT 31 AUGUST 2018</b>	15	<b>(768,630)</b>	<b>45,812</b>	<b>1,682,728</b>	<b>959,910</b>

**THE READ SCHOOL, DRAX**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	2017 £
<b>INCOME FROM:</b>					
Donations	5	66,192	-	-	66,192
<b>Income from Charitable Activities</b>					
School fees receivable	2	2,214,267	-	-	2,214,267
Other ancillary trading income	3	66,929	-	-	66,929
Investment income	6	5,351	173	-	5,524
<b>Total income</b>		<b>2,286,547</b>	<b>173</b>	<b>-</b>	<b>2,286,720</b>
<b>EXPENDITURE ON:</b>					
<b>Charitable activities</b>					
School operating costs	7	2,626,706	1,936	186,918	2,815,560
<b>Costs of generating funds</b>					
School financing costs	7	(323)	-	1,798	1,475
<b>Total expenditure</b>		<b>2,626,383</b>	<b>1,936</b>	<b>188,716</b>	<b>2,817,035</b>
<b>Net income / (expenditure)</b>		<b>(339,836)</b>	<b>(1,763)</b>	<b>(188,716)</b>	<b>(530,315)</b>
Transfers between funds	19	(283,146)		283,146	-
<b>Other recognised gains / (losses)</b>					
Gains / (losses) on investments		-	(25)	3,656	3,631
<b>NET MOVEMENT IN FUNDS</b>		<b>(622,982)</b>	<b>(1,788)</b>	<b>98,086</b>	<b>(526,684)</b>
<b>RECONCILIATION OF FUNDS</b>					
Fund balances at 1 September 2016		343,243	49,447	1,764,873	2,157,563
<b>FUND BALANCES AT 31 AUGUST 2017</b>	16	<b>(279,739)</b>	<b>47,659</b>	<b>1,862,959</b>	<b>1,630,879</b>

**THE READ SCHOOL, DRAX**  
**BALANCE SHEET AS AT 31 AUGUST 2018**

	Notes	2018	2017
		£	£
<b>FIXED ASSETS</b>			
Tangible fixed assets	11	1,708,729	1,816,652
Investments	12	18,846	78,421
		<u>1,727,575</u>	<u>1,895,073</u>
<b>CURRENT ASSETS</b>			
Stock		-	8,913
Debtors	13	522,766	561,905
Bank and cash balances		121,666	167,011
		<u>644,432</u>	<u>737,829</u>
<b>CREDITORS: due within one year</b>	14	<u>1,286,279</u>	<u>792,962</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(641,847)</u>	<u>(55,133)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,085,728</u>	<u>1,839,940</u>
<b>CREDITORS: due after more than one year</b>			
Other creditors		69,992	81,993
<b>PROVISIONS</b>			
Pension scheme deficit	16	55,826	60,876
<b>TOTAL NET ASSETS</b>		<u>959,910</u>	<u>1,697,071</u>
Endowed funds	15	1,682,728	1,862,959
Restricted funds	15	45,812	47,659
Unrestricted funds	15	(768,630)	(213,547)
<b>TOTAL FUNDS</b>		<u>959,910</u>	<u>1,697,071</u>

These financial statements were approved by the Board of Governors on and were signed on its behalf by

.....  
**P Watt**

**Chairman**

The notes on pages 20 to 32 form part of these accounts.

**THE READ SCHOOL, DRAX**  
**CASHFLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Notes	2018	2017
		£	£
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
<b>NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES</b>	<b>a</b>	<b>(20,026)</b>	<b>(244,797)</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>			
Investment income received		2,605	5,524
Payments for investments		(16,022)	(15,104)
Payments for tangible fixed assets		(90,362)	(283,146)
Proceeds from sale of investments		77,460	-
Proceeds from sale of fixed assets		1,000	17,421
<b>Net cash provided by / (used in) investing activities</b>		<b>(25,319)</b>	<b>(275,305)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD</b>		<b>(45,345)</b>	<b>(520,102)</b>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>			
Cash and cash equivalents as at 1 September 2017		167,011	687,113
Change in cash and cash equivalents in the reporting period		(45,345)	(520,102)
Cash and cash equivalents as at 31 August 2018	<b>b</b>	<b>121,666</b>	<b>167,011</b>

**NOTES TO THE CASH FLOW STATEMENT**

**a. Reconciliation of net income / (expenditure) to net cash flow from operating activities**

<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>(738,860)</b>	<b>(464,123)</b>
Investment income	(2,605)	(5,524)
(Surplus)/Loss on sale of investments	1,535	-
Depreciation charge	195,586	196,507
(Increase)/Decrease in stock	8,913	2,636
(Increase)/Decrease in debtors	39,139	(28,466)
Increase/(Decrease) in creditors	481,316	58,731
Increase/(Decrease) in provisions	(5,050)	(4,558)
	<b>718,834</b>	<b>219,326</b>
<b>Net cash provided by / (used in) operations</b>	<b>(20,026)</b>	<b>(244,797)</b>

**b. Analysis of cash and cash equivalents**

Cast at bank and in hand	121,666	167,011
Notice deposits (less than 3 months)	-	-
	<b>121,666</b>	<b>167,011</b>

**THE READ SCHOOL, DRAX**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**a. Basis of Preparation**

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applied from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Report Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

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

**b. Going Concern**

The financial statements have been prepared on the going concern basis, notwithstanding the excess of expenditure over income in the year and the net current liabilities position on 31 August 2018. The Charity's unrestricted funds were in deficit by £768,630 on 31 August 2018.

The Governors never the less consider it appropriate to continue to adopt the going concern basis in preparing the financial statements because of the ongoing financial support of a major benefactor.

The benefactor, one of the Charity Trustees, has made available loans of £514,930 to support cashflows during the year. The loans are interest free and repayable at the Charity's discretion when funds are available.

The benefactor has made further loans after the year end and has expressed his willingness to continue to support the School pending the outturn of a full strategic appraisal of all aspects of the School's performance.

The Governors are in the process of undertaking their strategic review, based on which the Governors have a reasonable expectation that the School will return to generating a surplus of income.

Having considered the funding facilities available to the School together with expected ongoing demand for places and the School's further projected cashflows, 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.

**THE READ SCHOOL, DRAX**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**c. Fees and Similar Earned Income**

Fees receivable and charges for services and use of premises are accounted for the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School. Fees received for education to be provided in future years are carried forward as deferred income.

**d. Investment Income**

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis.

**e. Donations, Legacies, Grants and Other Voluntary Income**

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Donations received for the general purposes of the charity are included as unrestricted funds. Donations restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Governors.

Donations required to be retained as capital in accordance with the donor's wishes are accounted for as "endowments" - permanent or expendable according to the nature of the restriction.

**f. Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates. All expenditure is accounted for on an accruals basis under the following headings:

Expenditure on charitable activities includes the costs of providing a day and boarding school and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Financing costs comprises investment management fees, bad debts and bank charges and interest.

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the charity and include governance cost, finance and office costs. Governance costs are those costs incurred in connection with the compliance with constitutional and statutory requirements of the charity.

**g. Teaching Costs**

Supplies of games equipment, books, stationery and sundry materials are written off in the Statement of Financial Activities when expenditure is incurred.

**h. Termination Benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The charity recognised termination benefits when it is demonstrably committed to either;

- a) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or
- b) providing termination benefits as a result of an offer made to encourage voluntary

**THE READ SCHOOL, DRAX**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

i. **Operating Lease Agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

j. **Tangible Fixed Assets**

Expenditure on freehold land and buildings, property improvements, furniture and equipment and motor vehicles costing more than £2,500 are capitalised and carried on the balance sheet at historical costs.

Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

As explained in note 10, inalienable and historic assets have not been capitalised or depreciated as no reliable value can be attributed.

k. **Depreciation**

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal instalments over their expected useful economic lives as follows:

Property improvements	-	over 15 years
Furniture and equipment	-	over 5 years
Motor vehicles	-	over 5 years
Buildings	-	over 50 years

l. **Investments**

Investments are included at market value as follows:-

Listed Investments at mid market prices on year end date.

Common Investment and charities Official Fund at Unit Bid Values on year end date.

Unrealised gains and loss on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to "ownership" of the underlying asset.

m. **Stock**

Stocks are included in the accounts at cost.

n. **Debtors**

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

o. **Cash at bank and in hand**

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

**THE READ SCHOOL, DRAX**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**p. Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**q. Financial instruments**

The charity 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 the settlement value.

**r. Fund Accounting**

The charitable trust funds of the School are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of the trust imposed by the donors or any appeal to which they may have responded. Endowment funds are permanent funds.

Unrestricted income belongs to the Schools corporate reserves, spendable at the discretion of the Governors either to further to Schools objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Restricted income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

Permanent endowment arises where a donor intends the gift to be retained permanently for use by the School or for its financial benefit.

**s. Pension Costs**

The charity contributes to the Teachers' Pension Defined Benefits Scheme - this scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Defined Benefits Scheme on a consistent and reasonable basis and therefore, as required by FRS 102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

The School also operates a scheme for non-teaching staff through the Independent Schools' Pension Scheme. Contributions paid in the year are charged in the Statement of Financial Activities as they become payable.

**2. SCHOOL FEES**

School fees receivable consist of:	<b>2018</b>	2017
	<b>£</b>	<b>£</b>
Gross fees	<b>2,138,188</b>	2,048,370
<u>Less:</u> Total bursaries	<b>(30,721)</b>	(19,225)
	<b>2,107,467</b>	2,029,145
 <u>Add:</u> Extras recoverable, examination fee income, registration fees, deposits forfeit and medical services	 <b>130,641</b>	 185,122
	<b>2,238,108</b>	2,214,267

All school fees in the current and previous year related to unrestricted funds.



**THE READ SCHOOL, DRAX**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

3.	<b>OTHER ANCILLARY TRADING INCOME</b>	<b>2018</b>	2017
		<b>£</b>	<b>£</b>
	UNRESTRICTED FUNDS		
	Moderating fees and income from Student/Returning Teachers	-	82
	Transport	<b>60,928</b>	62,385
	Other sundry income	<b>11,101</b>	4,462
		<b>72,029</b>	66,929

All other ancillary trading income in the previous year relates to unrestricted funds.

4.	<b>AUDITOR'S REMUNERATION</b>	<b>2018</b>	2017
		<b>£</b>	<b>£</b>
	Fees payable for the audit of the financial statements	<b>7,750</b>	7,750

5.	<b>DONATIONS</b>	<b>2018</b>	2017
		<b>£</b>	<b>£</b>
	UNRESTRICTED FUNDS		
	Read School Enterprises Limited	-	3,301
	Parents and Friends Association & Old Draxonians Association	-	32,584
	Others	<b>33,489</b>	30,307
		<b>33,489</b>	66,192

6.	<b>INVESTMENT INCOME</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	2017
		<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Active Saver Account Interest	(225)	-	(225)	2,526
	Income from Listed Investments	2,817	-	2,817	2,973
	Charities Official Investment Income	-	13	13	25
		<b>2,592</b>	<b>13</b>	<b>2,605</b>	5,524

All investments are within the UK. Of the total income from investments in the previous year £173 was restricted.

**THE READ SCHOOL, DRAX**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**7. ANALYSIS OF EXPENDITURE**

**a. Total expenditure**

	Staff costs (note 7) £	Depreciation (note 9) £	Other £	Total 2018 £
<b>Charitable activities</b>				
Teaching costs	1,785,099	-	179,937	1,965,036
Welfare costs	-	-	96,237	96,237
Premises	-	195,586	196,211	391,797
Support and governance costs (note 6b)	433,166	-	201,433	634,599
Grant, awards and prizes (note 6c)	-	-	823	823
<b>Total charitable expenditure</b>	<b>2,218,265</b>	<b>195,586</b>	<b>674,641</b>	<b>3,088,492</b>
<b>Costs of generating funds</b>				
Finance and other costs	-	-	(3,401)	(3,401)
<b>Total costs of generating funds</b>	<b>-</b>	<b>-</b>	<b>(3,401)</b>	<b>(3,401)</b>
<b>Total expended</b>	<b>2,218,265</b>	<b>195,586</b>	<b>671,240</b>	<b>3,085,091</b>
	Staff costs (note 7) £	Depreciation (note 10) £	Other £	Total 2017 £
<b>Charitable activities</b>				
Teaching costs	1,562,168	-	190,061	1,752,229
Welfare costs	-	-	87,787	87,787
Premises	-	196,507	160,365	356,872
Support and governance costs (note 6b)	450,678	-	166,946	617,624
Grant, awards and prizes (note 6c)	-	-	1,048	1,048
<b>Total charitable expenditure</b>	<b>2,012,846</b>	<b>196,507</b>	<b>606,207</b>	<b>2,815,560</b>
<b>Costs of generating funds</b>				
Finance and other costs	-	-	1,475	1,475
<b>Total costs of generating funds</b>	<b>-</b>	<b>-</b>	<b>1,475</b>	<b>1,475</b>
<b>Total expended</b>	<b>2,012,846</b>	<b>196,507</b>	<b>607,682</b>	<b>2,817,035</b>

Of the total expenditure in the year £1,860 was restricted (2017 : £1,936) and £187,790 related to endowment funds (2017 : £189,497).

**THE READ SCHOOL, DRAX**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**7. ANALYSIS OF EXPENDITURE (continued)**

	<b>2018</b>	2017
	<b>£</b>	£
<b>b. Support costs include the following:</b>		
Non-teaching/Non-teaching support salaries	<b>433,166</b>	450,678
Advertising and publicity	<b>51,408</b>	45,912
Telephone & Internet	<b>14,317</b>	13,565
Printing, copying, postage, stationery and newspapers	<b>16,190</b>	27,145
Auditor's remuneration	<b>5,900</b>	11,160
Other professional fees - restricted funds	<b>5,116</b>	7,343
Other professional fees - endowed funds	-	-
	<hr/>	<hr/>
<b>c. Grant, awards and prizes</b>		
From Unrestricted Funds:	<b>874</b>	1,023
From Restricted Funds:	<b>(51)</b>	25
	<hr/>	<hr/>
	<b>823</b>	1,048
	<hr/>	<hr/>

**8. STAFF COSTS**

The aggregate payroll costs for the year were as follows:

	<b>2018</b>	2017
	<b>£</b>	£
Wages and salaries	<b>1,885,764</b>	1,655,213
Social security costs	<b>144,059</b>	160,802
Pension contributions	<b>188,442</b>	196,831
	<hr/>	<hr/>
	<b>2,218,265</b>	2,012,846
	<hr/>	<hr/>

Termination payments were made in the year amounting to £227,400 (2017: £nil), of this £nil (2017: £nil) was outstanding at the year end date.

None of the Governors received any remuneration, expenses or other benefits from the School or any connected body.

The School considers that the key management personnel comprise the Trustees, the Head and the Bursar.

Aggregate employee benefits of key management personnel	<b>359,318</b>	<b>124,155</b>
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The number of employees whose total employee benefits excluding pension contributions earning over £60,000, classified within bands of £10,000 is as follows:

	<b>2018</b>	2017
£60,001 to £70,000	<b>2</b>	1
£70,001 to £80,000	<b>1</b>	-

Pension contributions relating to those staff earning over £60,000 totalled £11,922 in the current year (2017 : £7,999).

**THE READ SCHOOL, DRAX**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**8. STAFF COSTS (continued)**

The average number of the School's employees during the year calculated on a full time equivalent basis, was 63 (2017 :63)

	<b>2018 No.</b>	2017 No.
Teaching	<b>28</b>	28
Teaching support	<b>11</b>	11
Domestic	<b>14</b>	14
Grounds / Driving	<b>5</b>	5
Administration	<b>5</b>	5
	<b>63</b>	63

**9. PROFESSIONAL INDEMINITY AND GOVERNERS' LIABILITY INSURANCE**

The School is insured against claims for legal liability made in respect of any negligent act, errors or omission committed in good faith by trustees, governors and staff. The premium for this is £1,494 (£1,494.)

**10. TAXATION**

The School is a registered charity and as such is exempt from taxation on its income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied for charitable purposes.

**11. TANGIBLE FIXED ASSETS**

	<b>Freehold Land &amp; Buildings £</b>	<b>Property Improve- ments £</b>	<b>Furniture &amp; Equipment £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>COST</b>					
At 1 September 2017	1,001,501	3,168,919	398,733	18,156	<b>4,587,309</b>
Additions	-	5,860	84,502	-	<b>90,362</b>
Disposals	-	-	-	(9,120)	<b>(9,120)</b>
AT 31 August 2018	1,001,501	3,174,779	483,235	9,036	<b>4,668,551</b>
<b>DEPRECIATION</b>					
At 1 September 2017	282,373	2,081,670	393,672	12,942	<b>2,770,657</b>
Charge for year	18,825	169,005	6,067	1,689	<b>195,586</b>
On disposals	-	-	-	(6,421)	<b>(6,421)</b>
AT 31 August 2018	301,198	2,250,675	399,739	8,210	<b>2,959,822</b>
<b>NET BOOK VALUES</b>					
AT 31 August 2018	700,303	924,104	83,496	826	<b>1,708,729</b>
At 31 August 2017	719,128	1,087,249	5,061	5,214	<b>1,816,652</b>

**THE READ SCHOOL, DRAX**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**11. TANGIBLE FIXED ASSETS (continued)**

**Inalienable and Historic Assets**

In addition to the capitalised fixed assets held for the charity's own use, the school's main buildings dating back from 1904 and previous are held in trust.

As improvements and refurbishment costs are included in these accounts, the trustees are of the opinion that the cost of obtaining a suitable valuation of the original buildings outweighs the benefit of this information.

**12. INVESTMENTS**

		<b>2018</b>	2017
		<b>£</b>	£
Charities Official Investment Fund		<b>18,240</b>	14,461
Charinco Common Investment Funds	- Adept	<b>318</b>	340
	- Taylor	<b>288</b>	308
Listed investments		-	61,998
		<b>18,846</b>	77,107

Investments are stated at Market Value. The cost of the investments as at 31 August 2018 was £3,770 (2017 : £58,376). No acquisitions of investments were made in the year end investment disposal proceeds were £nil.

The following material investments are over 5% by value of the investment held:-

	<b>2018</b>	2017
	<b>Market</b>	Market
	<b>Value</b>	Value
	<b>£</b>	£
F&C Comm Prop Tst Ord GBP0.01	-	9,018
HCL Infrastructure Ord GBP0.0001	-	8,499
Jupiter UT Mngrs Strategic Bond	-	8,378
Aberdeen UT Mngrs WLD Growth & Income I Inc	-	12,897
GCP Infrastructure Ord GBP0.01	-	3,998
AXA Investment Man US Sht Dur High Yld BD Zi	-	4,804
Artemis Fd Mngrs, Income Institutional Inc	-	5,032
Schroeder Unit Tst, Asian Income L Inc	-	10,182
Charities Official Investment Fund	<b>18,240</b>	-

**13. DEBTORS**

	<b>2018</b>	2017
	<b>£</b>	£
School Fees	<b>437,245</b>	526,628
Other debtors	<b>68,306</b>	12,065
Prepayments	<b>17,215</b>	23,212
	<b>522,766</b>	561,905

All debtors are due within one year.

**THE READ SCHOOL, DRAX**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**14. CREDITORS: amounts falling due within one year**

	2018 £	2017 £
Fees invoiced in advance	591,084	682,475
Sundry creditors and accruals	180,265	110,487
Loans	514,930	-
	<b>1,286,279</b>	<b>792,962</b>

Loans are interest free and this is no fixed term. The loan shall be repaid in tranches, or as a single settlement, as and when the Governors of Read School determine that adequate financial reserves are available.

In the event that Read School closes and the assets are liquidated before the loan is fully repaid, then repayment of any outstanding loan would be required prior to final distribution of the remaining estate.

**Fees invoiced in advance reconciliation**

	2018 £	2017 £
Balance brought forward	682,475	687,366
Amount released to Statement of Financial Activities	(682,475)	(687,366)
Amount deferred in year	591,084	682,475
	<b>591,084</b>	<b>682,475</b>

**15. ANALYSIS OF MOVEMENT OF FUNDS**

	Balance at 31.08.2017 £	Incoming Resources £	Resources Expended £	Transfers £	Gains / (Losses) £	Balance at 31.08.2018 £
<b>Endowed Funds</b>						
Foundation Capital	1,862,959	-	(187,790)	5,860	1,699	1,682,728
<b>Restricted Funds</b>						
Scholarships	39,381	-	-	-	-	39,381
Prize Funds	624	13	51	-	-	688
Gifts (Restricted)	7,654	-	(1,911)	-	-	5,743
	<b>47,659</b>	<b>13</b>	<b>(1,860)</b>	<b>-</b>	<b>-</b>	<b>45,812</b>
<b>Unrestricted Funds</b>						
General Reserve	(213,547)	2,346,218	(2,895,441)	(5,860)	-	(768,630)
	<b>(213,547)</b>	<b>2,346,218</b>	<b>(2,895,441)</b>	<b>(5,860)</b>	<b>-</b>	<b>(768,630)</b>
<b>Total Funds</b>	<b>1,697,071</b>	<b>2,346,231</b>	<b>(3,085,091)</b>	<b>-</b>	<b>1,699</b>	<b>959,910</b>

**THE READ SCHOOL, DRAX**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

15. **ANALYSIS OF MOVEMENT OF FUNDS (continued)**

	Balance at 01.08.2016 £	Incoming Resources £	Resources Expended £	Transfers £	Gains / (Losses) £	Balance at 31.08.2017 £
<b>Endowed Funds</b>						
Foundation Capital	1,764,873	-	(188,716)	283,146	3,656	1,862,959
<b>Restricted Funds</b>						
Scholarships	39,233	148	-	-	-	39,381
Prize Funds	649	25	(25)	-	(25)	624
Gifts (Restricted)	9,565	-	(1,911)	-	-	7,654
	49,447	173	(1,936)	-	(25)	47,659
<b>Unrestricted Funds</b>						
350 Anniversary Fund	140,684	-		(140,684)		-
General Reserve	202,559	2,352,739	(2,625,602)	(142,462)	-	(212,766)
	343,243	2,352,739	(2,625,602)	(283,146)	-	(212,766)
<b>Total Funds</b>	2,157,563	2,352,912	(2,816,254)	-	3,631	1,697,852

The School's funds are analysed under the following headings.

a. **ENDOWED FUNDS**

**Foundation Capital**

The foundation capital represents the original endowment as augmented by payments made towards improvements to land and buildings, out of unrestricted funds.

b. **RESTRICTED FUNDS**

**Scholarships**

The Hume Scholarship provides for a pupil who is the son/daughter of a past pupil who fulfils the criteria for scholarship assistance.

**Prize Funds**

There are two funds; the Adept Award and the Jonathan Taylor Award. Both awards have designated investments, the income from which is used to provide for an annual prize.

**Gift (restricted)**

A number of years ago, a donation was made to allow the school to invest in upgraded catering facilities. This fund shows the current value, after depreciation, of this gift.

c. **UNRESTRICTED FUNDS**

**General Reserve**

The General Reserve represents accumulated income from the School's activities and other sources that are available for the general purposes of the School.

**THE READ SCHOOL, DRAX**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**15. ANALYSIS OF MOVEMENT OF FUNDS (continued)**

	Endowed 2018 £	Restricted 2018 £	Unrestricted 2018 £	Total 2018 £
Tangible fixed assets	1,618,665	5,743	84,321	1,708,729
Investments	-	606	18,240	18,846
Net current assets	-	39,382	(166,299)	(126,917)
Long term liabilities	-	-	(584,922)	(584,922)
Provisions	-	-	(55,826)	(55,826)
	<b>1,618,665</b>	<b>45,731</b>	<b>(704,486)</b>	<b>959,910</b>

  

	Endowed 2017 £	Restricted 2017 £	Unrestricted 2017 £	Total 2017 £
Tangible fixed assets	1,798,723	7,654	10,275	1,816,652
Investments	62,808	623	14,990	78,421
Net current assets / (liabilities)	1,428	39,382	(95,943)	(55,133)
Long term liabilities	-	-	(81,993)	(81,993)
Provisions	-	-	(60,876)	(60,876)
	<b>1,862,959</b>	<b>47,659</b>	<b>(213,547)</b>	<b>1,697,071</b>

Under the requirements of the Charities (Accounts and Reports) Regulations 1995 the Governors are required to analyse the various types of funds. The main reason for this is to ensure that funds donated for a specific purpose are earmarked within the accounts. Funds have been donated and generated over a period of many years prior to this accounting requirement which was introduced in 1997. The Governors have therefore had to take the view as to the prudent allocation of total funds held at 31 August 1996.

**16. PENSION SCHEMES DEFICIT**

The School participates in the Teachers' Pension Scheme (England & Wales) ("the TPS") for its teaching staff, and The Independent Schools' Pension Scheme ("the ISPS") for its non-teaching staff. These are multi-employer defined benefits pension schemes and it is not possible or appropriate to consistently identify the liabilities of the TPS and the ISPS which are attributable to the School. Therefore the School accounts for the schemes as defined contribution schemes.

The ISPS scheme is subject to 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 School is potentially liable for other participating employer's 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 with an effective date of 30 September 2017. This actuarial valuation was certified on 27 December 2018 and showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

From 1 September 2019 to 30 April 2030:	£2,387,357 per annum (payable monthly and increasing by 3% on each 1 September)
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**THE READ SCHOOL, DRAX**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**16. PENSION SCHEMES DEFICIT (continued)**

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £110.0m, liabilities of £147.4m and a deficit of £37.4m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 September 2016 to 31 August 2029:      £2,341,000 per annum (payable monthly and increasing by 3% on each 1 September)

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

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

PRESENT VALUE OF PROVISION

	2018	2017	2016
	£	£	£
Present value of provision	55,826	60,876	65,434

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	2018	2017
	£	£
Provision at start of period	60,876	65,434
Unwinding of the discount factor (interest expense)	911	843
Deficit contribution paid	(4,723)	(4,585)
Remeasurements - impact of any change in assumptions	(1,238)	(816)
Provision at end of period	55,826	60,876

STATEMENT OF FINANCIAL ACTIVITIES IMPACT

	2018	2017
	£	£
Interest expense	911	843
Remeasurements - impact of any change in assumptions	(1,238)	(816)
Contributions paid in respect of future service	18,385	21,333
Costs recognised in the statement of financial activities	18,058	21,360

ASSUMPTIONS

	31.08.2018	31.08.2017	31.08.2016
	% per annum	% per annum	% per annum
Rate of discount	1.96	1.56	1.34

**THE READ SCHOOL, DRAX**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**16. PENSION SCHEMES DEFICIT (continued)**

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.

The following schedule details the deficit contributions agreed between the charity and the scheme at each year end period:

	31.08.2018	31.08.2017	31.08.2016
Year 1	4,865	4,723	4,585
Year 2	5,010	4,865	4,723
Year 3	5,161	5,010	4,865
Year 4	5,316	5,161	5,010
Year 5	5,475	5,316	5,161
Year 6	5,639	5,475	5,316
Year 7	5,808	5,639	5,475
Year 8	5,983	5,808	5,639
Year 9	6,162	5,983	5,808
Year 10	6,347	6,162	5,983
Year 11	6,538	6,347	6,162
Year 12	-	6,538	6,347
Year 13	-	-	6,538
Year 14	-	-	-
Year 15	-	-	-
Year 16	-	-	-
Year 17	-	-	-
Year 18	-	-	-
Year 19	-	-	-
Year 20	-	-	-

The charity must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the statement of financial activities i.e. the unwinding of the discount rates as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the charity's balance sheet liability.

**17. RELATED PARTY TRANSACTIONS**

Read School Enterprises Limited, a company controlled by the Trustees of the School, donated £nil to the School during the year.

During the year a company in which one of the Trustees is a director and shareholder made available a loan of £514,930 to the School. As at 31 August 2018 the balance outstanding on this loan is £514,930.

**18. CONTINGENT LIABILITY**

The Read School has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Independent Schools Pension Scheme based on the financial position of the scheme as at 30 September 2015. As of this date the estimated employer debt was £502,782.

**19. ENDOWED FUND**

During the year the school expended £5,860 of unrestricted funds on improvements to the fabric of the school. This sum is reflected with transfers between funds in the Statement of Financial Activities on page 16.