

Charity Registration No. 00307425

Company Registration No. 00558147 (England and Wales)

**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

THURSDAY



\*A72RUYNK\*

A15

29/03/2018

#351

COMPANIES HOUSE

**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

---

<b>Governors</b>	F E Dunger (Chair) C E Chaplin-Rogers J E Hodgins C B R Howman J N Naismith A J Thould R P Hammond E Hattersley S Watson G W P Barber J C McGuinness	(Appointed 9 March 2017) (Appointed 9 March 2017) (Appointed 23 November 2017) (Appointed 23 November 2017)
<b>Headmaster</b>	S J Bailey	
<b>Bursar</b>	C H P Gillow	
<b>Charity number</b>	00307425	
<b>Company number</b>	00558147	
<b>Registered office</b>	Twyford School High Street Twyford Winchester Hampshire SO21 1NW	
<b>Auditor</b>	Fiander Tovell Limited Stag Gates House 63/64 The Avenue Southampton Hampshire SO17 1XS	
<b>Bankers</b>	Barclays Bank PLC 50 Jewry Street Winchester Hampshire SO23 8RG	
<b>Solicitors</b>	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS	

---

**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**CONTENTS**

---

	<b>Page</b>
Governors' report	1 - 4
Independent auditor's report	5 - 6
Statement of financial activities	7
Balance sheet	8
Statement of cash flows	9
Notes to the accounts	10 - 22

---

**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**INTRODUCTION**

The Governors of Twyford School present their Report and Financial Statements for the year ended 31 August 2017.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Articles of Association, the Companies Act 2006 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 (FRS102) (effective 1 January 2015)."

**STATEMENT OF GOVERNORS' RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENTS**

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

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**CHARITABLE STATUS**

The Company is a registered charity, registered number 00307425.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The charity is a company limited by guarantee, company number 00558147. The objects are set out in the Articles of Association 8 June 2017 (superseding the Memorandum and Articles of Association dated 2 December 1955 as amended by Special Resolution on 21 November 2003, 8 December 2006 and 29 January 2009 respectively).

The members of the Governing Body during the year, who are directors of the company for the purposes of the Companies Act 2006 and trustees of the charity for the purposes of the Charities Act 2011, are disclosed on the Legal and Administrative information of the Governors' Report. The Governors give of

# **TWYFORD SCHOOL**

## **(A COMPANY LIMITED BY GUARANTEE)**

### **GOVERNORS' REPORT**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

---

their time to the School gratuitously. Governors may reclaim expenses under the terms of the Articles of Association.

The Governors are from a variety of professional backgrounds and skills including education, finance, property and law. The Board of Governors considers that it has the necessary combination of skills to be able to establish the general policies of the School, to monitor the effective performance of the Headmaster and Bursar and for the prudent management of the Charity.

The Articles of Association of the charitable company contain provisions which enable the Board to seek new Governors who may have relevant skills and experience and can devote time, wholly unpaid, to the affairs of the Charity and School. The Board aims to achieve an appropriate balance of skills, age and gender so that all aspects of the School are represented on the Governing Body. New Governors are supported by appropriate induction material and an initial briefing by the Chairman and Bursar. An on-going programme of training is in place for all Governors.

The Governing Body delegates responsibility for day to day management, within the Scheme of Governance and other policies and budgets set, to the Headmaster and Bursar. However, Governors are also available to assist the School's Senior Management Team with appropriate involvement in issues such as child protection, boarding, health and safety, building contract tendering, early years provision, financial matters and to meet the Staff periodically. The Board is also supported by professional advisers and independent auditors.

The School is subject to inspection by the Independent Schools' Inspectorate.

### **OBJECTIVES AND ACTIVITIES**

#### **Objects**

The objectives of the charitable company are to advance education by the provision in the United Kingdom of a day and/or boarding school or schools for boys and girls and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

Twyford School is a preparatory day and boarding school for boys and girls and currently educates boys and girls from three to thirteen years old.

#### **Education Policy**

Twyford School is a co-educational family-orientated school with the emphasis on good manners, high personal values and caring for others. As a Church of England school, Twyford welcomes and respects families from other faiths.

Competition and choice from other good schools offers a constant stimulus to quality, value and efficiency. Outdoor pursuits have been developed with each year group enjoying a residential trip away from the School as part of their broader education. Families unable to pay their fees have been assisted by a small number of bursaries.

#### **Public Benefit**

We have referred to the advice contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set.

The School provides bursaries up to 100% bursaries of fees for children of parents in financial hardship. The main beneficiaries are current pupils. In the shorter term, the majority of pupils pass on to senior schools which are also academic charities, thus benefiting from Twyford's mission as a preparatory school so that pupils can gain maximum benefit in their final school years.

The School undertakes educational activities for the community and joint lessons have been held with Twyford St Mary's Primary School and other local schools. The School also benefits the community by providing access to its facilities to local schools and charitable sports associations.

**TWYFORD SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
GOVERNORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**STRATEGIC REPORT**

**Achievements and Performance**

Year 8 pupils continue to meet success securing entries to senior schools as well as a number of scholarships. In music, sport and drama the School was both active and successful, with productions for audiences for every year group from Year 4 to Year 8 enjoyed by all, musicians performing in concerts for soloists, the Wind Band, Orchestra, and Jazz Band and sport being characterised by a very busy fixture list.

Our community is made up of staff and pupils, but also of our parents. They have continued to support the school very strongly, and the Governors and staff are most appreciative of the Twyford Parents Association (TPA) Committee and all those who have given their time, energy and expertise to such ventures as Twyford's Got Talent, Twyford Fireworks, and the Extravaganza. Through the generosity of the parent body we make a range of improvements for the benefit of pupils. The Year Representatives do fantastic work in helping settle in new families. This is one of the important and effective parts of the TPA operation.

**Financial Review**

99% (99% in 2016) of our revenue expenses in the year and all of our capital expenditure were spent on education. Governance costs have been maintained at less than 1% of school operating costs and the Governors act on a pro bono basis. Fees paid by parents are calculated to recover these revenues and capital costs, taking one year with another. The overall surplus over revenue costs was £956,378 (2016 - £964,302). This has enabled the School to continue to fund its capital expenditure programme under the School's development plan, without recourse to borrowing.

The governors consider pupil numbers and fee income to be key performance indicators. The School roll averaged 411 (400) for 2016/17. Measures are being taken to maintain healthy pupil numbers in the long term. Educational fees were 2.5% higher than the prior year. The Board considers income levels to be adequate given the needs of the school.

In the opinion of the Governors the financial position of Twyford School remains sound.

**Reserves**

It is the Governors' policy to maintain reserves that will permit them to maintain and develop the School's facilities for the purpose of enhancing over time its ability to meet its long term charitable objectives. To that end, the Governors seek to ensure that there are sufficient reserves to afford reasonable protection to the charitable company in the context of current and anticipated commitments and exposure to external and/or internal risks. The Governors review the reserves position regularly.

The free reserves are monitored termly by reference to cash flows projected to the end of the academic year and then for a further five years, with the objective of scheduling major expenditure for the School as early as possible within the funds available. Sufficient current assets are held to meet the school's short term liabilities. Most of the unrestricted reserves are represented by fixed assets, especially the School's land and buildings, as shown on the balance sheet, financed by the charity's capital.

The specific objects of restricted funds are explained in the notes to the accounts and none of the restricted funds are limited by their objects. Surpluses are reinvested to improve the School's resources. The Governors' investment powers are governed by the School's Articles of Association. These permit funds to be invested in such investments, securities or property as may be thought prudently suitable to the charity's short and long term needs.

The level of free reserves at 31 August 2017 was £3,105,124 (2016: £1,982,931). This included an 'operational reserve' of £1 million which equates to approximately half a term's fees and a Capital Fund in preparation for further capital investment in future years. The Governors consider this position to be satisfactory.

**TWYFORD SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
GOVERNORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**Developments**

Development of the estate has continued with the addition of new facilities and improvement of existing facilities.

**Principal risks and uncertainties**

The significant risks to which the School is exposed fall into two categories – those macro risks which are largely outside its control and those which are at least to some extent within its operational control. The main external macro risks are derived from a potential fall in pupil numbers from a significant reduction in the affordability of private education due to the economic or political climate.

The School's principal financial instrument is cash. The credit risk associated with cash is limited as the counterparties have reasonable credit ratings. The School has maintained a positive cash position throughout the year and the exposure to liquidity risk is considered to be minimal.

The School is therefore as well protected from exposure to risk as is possible for a school of this size.

**Plans for future periods and strategic planning**

Our strategy remains to offer top class education and to continue to develop and upgrade our facilities. We will continue fundraising for further improvement in facilities and also to support the funding of places for children from poorer backgrounds. It remains the policy not to incur debt for new developments.

**OTHER MATTERS**

**Governors' Indemnity Insurance**

The School has purchased Governors' indemnity insurance through Marsh Insurance Brokers Limited to provide cover up to £2 million.

**Investment Powers**

The charity's investment powers are governed by the Memorandum of Association. This permits funds not immediately required to be invested in such securities and investments and in such a manner as may from time to time be determined.

**AUDITORS**

The auditors, Fiander Tovell Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board of Governors at its meeting on  
and signed on its behalf by:

19/02/18

F E Dunger  
Chair



**TWYFORD SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF TWYFORD SCHOOL**

---

**Opinion**

We have audited the accounts of Twyford School (the 'charitable company') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, 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 accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Governors are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 our audit:

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



**TWYFORD SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBERS OF TWYFORD SCHOOL**

---

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

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

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

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

**Responsibilities of Governors**

As explained more fully in the Statement of Governors' Responsibilities, the Governors' are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the 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 accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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



**Paul Meacher FCA (Senior Statutory Auditor)  
for and on behalf of Fiander Tovell Limited**

**Chartered Accountants  
Statutory Auditor**

**21 March 2018**

Stag Gates House  
63/64 The Avenue  
Southampton  
Hampshire  
SO17 1XS

**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

		2017	as restated 2016
	Notes	£	£
<b><u>Income and endowments from:</u></b>			
Donations and legacies	3	12,062	59,203
Charitable activities	4	6,750,924	6,514,032
Investments	5	14,419	14,890
Other income (non primary purpose)	6	20,507	13,270
<b>Total income and endowments</b>		<b>6,797,912</b>	<b>6,601,395</b>
<b><u>Expenditure on:</u></b>			
Charitable activities	7	5,839,349	5,634,833
Other	11	2,185	2,260
<b>Total resources expended</b>		<b>5,841,534</b>	<b>5,637,093</b>
<b>Net income for the year/ Net movement in funds</b>		<b>956,378</b>	<b>964,302</b>
<b>Fund balances at 1 September 2016</b>		<b>9,861,538</b>	<b>8,897,236</b>
<b>Fund balances at 31 August 2017</b>		<b>10,817,916</b>	<b>9,861,538</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

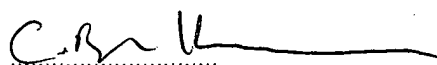
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

		2017		2016 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		7,712,792		7,668,607
<b>Current assets</b>					
Debtors	14	232,724		229,368	
Short term bank deposits		1,043,598		698,201	
Cash at bank and in hand		3,214,666		2,544,161	
		4,490,988		3,471,730	
<b>Creditors: amounts falling due within one year</b>	15	(1,164,064)		(1,081,499)	
<b>Net current assets</b>			3,326,924		2,390,231
<b>Total assets less current liabilities</b>			11,039,716		10,058,838
<b>Creditors: amounts falling due after more than one year</b>	16		(221,800)		(197,300)
<b>Net assets</b>			10,817,916		9,861,538
<b>Income funds</b>					
Unrestricted funds					
Designated funds	18	-		210,000	
General unrestricted funds		10,817,916		9,651,538	
			10,817,916		9,861,538
			10,817,916		9,861,538

The accounts were approved by the Governors on 19/02/18

  
F E Dunger (Chair)  
Trustee

  
C B R Howman  
Trustee

Company Registration No. 00558147

**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	24		1,357,682		1,435,958
<b>Investing activities</b>					
Purchase of tangible fixed assets		(356,199)		(208,405)	
Proceeds on disposal of tangible fixed assets		-		8,274	
Interest received		14,419		14,890	
<b>Net cash used in investing activities</b>			(341,780)		(185,241)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			1,015,902		1,250,717
Cash and cash equivalents at beginning of year			3,242,362		1,991,645
<b>Cash and cash equivalents at end of year</b>			<u>4,258,264</u>		<u>3,242,362</u>

**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1 Accounting policies**

**Charity information**

Twyford School is a charitable company limited by guarantee incorporated in England and Wales. The registered office is Twyford School, High Street, Twyford, Winchester, Hampshire, SO21 1NW.

**1.1 Accounting convention**

The accounts have been prepared in accordance with the charitable company's governing document, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

**1.2 Prior period error**

An adjustment has been made to correct errors that have been made in the depreciation charge relating to various assets included within the category of freehold property. Incorrect assessments have been made concerning residual values and expected economic useful lives resulting in an under charge of depreciation across a number of accounting periods.

A detailed review of the fixed asset register has been carried out resulting in an increase charge to the current period of £62,888. The prior period charge has been restated, resulting in an increased charge of £60,757. There has been a restatement of the prior period reducing the opening balance of freehold property by £253,993.

**1.3 Going concern**

At the time of approving the accounts, the Governors have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the Governors continue to adopt the going concern basis of accounting in preparing the accounts.

**1.4 Charitable funds**

Unrestricted funds are available for use at the discretion of the Governors in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the Governors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

**1.5 Incoming resources**

School fees receivable comprise unrestricted funds of gross termly fees receivable less allowances made. Amounts invoiced in advance are deferred and carried forward within creditors, whilst amounts due but not yet received in the year are shown within debtors.

Boarding and Tuition Fees are included within the Financial Statements on an accruals basis. Amounts invoiced in advance are deferred and carried forward within creditors and accruals, whilst amounts due but not yet received in the year are shown within debtors and prepayments.

**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1 Accounting policies**

**(Continued)**

Donations and gifts are included within income on a receivable basis.

Additional school activities and other income is included on a receivable basis.

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 trade discounts due.

Interest receivable on sums invested in bank deposit accounts is recorded gross. The Charity is not liable to tax on this income.

**1.6 Resources expended**

Resources expended are accounted for on an accruals basis. Irrecoverable VAT is included within the expenditure to which it relates.

Expenditure is analysed into such categories as to reasonably enable the user to gain an appreciation of the Charity's expenditure during the year.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include external audit, legal advice and costs linked to the strategic planning of future developments.

Liabilities are recognised within the financial statements in respect of all expenditure for which the entity has a measurable obligation, be it constructive or legal, at the balance sheet date. Any expenditure which is committed to, but not measurable at this time, is disclosed within the notes to the financial statements as a contingent liability.

**1.7 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property & improvements to property	equal instalments over 50, 25 and 4 years
Equipment	equal instalments over 4 years
Fixtures and fittings	equal instalments over 4 years
Motor vehicles	equal instalments over 4 years

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Freehold property is included in the accounts at historical cost. There is a continuing programme of maintenance to maintain the value of the property, and market value is considered to be in excess of net book value.

Tangible fixed assets are stated at cost, being purchase price, less accumulated depreciation. A lower limit of £1,000 applies to individual items that are capitalised.

**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1 Accounting policies**

**(Continued)**

**1.8 Impairment of fixed assets**

At each reporting end date, the charitable company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.10 Financial instruments**

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

**1.11 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

**1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1 Accounting policies**

**(Continued)**

The main pension fund relating to teachers is organised through the Department for Education and Skills. Although this is a defined benefit scheme it is, like other multi-employer Government schemes, accounted for as a defined contribution scheme, as it is not possible to identify the assets and liabilities of the scheme that are attributable to the School.

All other pension arrangements are defined contribution schemes where the assets of the schemes are held separately from those of the School in an independently administered fund.

In all cases the pension cost charge represents contributions payable by the School to the fund.

**1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

**2 Critical accounting estimates and judgements**

The charitable company has not been required to apply any critical accounting estimates or judgements about the carrying amount of assets and liabilities within the accounts.

**3 Donations and legacies**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Donations and gifts	12,062	59,203
	<u>          </u>	<u>          </u>

Donations were unrestricted in both the current year and the comparative period.



**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**4 Charitable activities**

	2017 £	2016 £
School fees receivable	6,548,176	6,276,405
Additional school activity	197,748	219,824
Ancillary income	5,000	17,803
	<u>6,750,924</u>	<u>6,514,032</u>

In both the current and prior year, this income is classified as unrestricted.

The entirety of the brought forward fees paid in advance of £678,644 (2016: £399,658) has been released to incoming resources during the year.

**5 Investments**

	2017 £	2016 £
Bank interest received	13,470	14,890
Interest receivable	949	-
	<u>14,419</u>	<u>14,890</u>

Investment income was unrestricted in both the current and comparative periods.

**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**6 Other income (non primary purpose)**

	2017	2016
	£	£
Net gain on disposal of tangible fixed assets	-	36
Other income	1,358	52
Rental and hiring	12,330	11,121
Solar Panels	6,819	2,061
	<u>20,507</u>	<u>13,270</u>

In both the current and prior year, this income is classified as unrestricted.

**7 Charitable activities**

	Teaching	Welfare	Premises	Support (see note 8)	Total 2017	Total 2016
	£	£	£	£	£	£
Staff costs	3,141,722	136,116	129,933	396,521	3,804,292	3,567,876
Depreciation	163,738	-	148,276	-	312,014	305,911
Other	482,101	381,219	682,941	105,634	1,651,895	1,656,403
	<u>3,787,561</u>	<u>517,335</u>	<u>961,150</u>	<u>502,155</u>	<u>5,768,201</u>	<u>5,530,190</u>
Share of governance costs (see note 8)	-	-	-	71,148	71,148	104,643
	<u>3,787,561</u>	<u>517,335</u>	<u>961,150</u>	<u>573,303</u>	<u>5,839,349</u>	<u>5,634,833</u>

In both the current and prior year, all expenditure is classified as unrestricted.

Operating lease rentals included within the above comprise £28,989 (2016: £24,223) in respect of plant and machinery and £26,900 (2016: £27,176) in respect of other assets.

**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**8 Governance costs**

	2017 £	2016 £	Basis of allocation
Audit fees of charitable company	10,200	10,200	Charitable activities
Audit fees of other advisory services	2,430	3,060	Charitable activities
Legal and professional	8,145	40,483	Charitable activities
Consultancy	50,373	50,900	Charitable activities
	<u>71,148</u>	<u>104,643</u>	

**Support costs**

	2017 £	2016 £	
Staff costs	396,521	386,592	Charitable activities
Other expenses	105,634	126,681	Charitable activities
	<u>502,155</u>	<u>513,273</u>	

**9 Governor costs**

No governor received remuneration within the year (2016: £Nil). No governors received reimbursed expenses during the current or prior year.

**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**10 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	<b>Total</b>		<b>Full time equivalents</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Teaching and support	85	81	70	68
Administration / miscellaneous	13	14	9	10
Grounds and maintenance	6	5	5	4
Domestic	5	7	2	1
Matron's department	5	5	3	4
	<u>114</u>	<u>112</u>	<u>89</u>	<u>87</u>

**Employment costs**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,148,520	3,002,585
Social security costs	305,383	257,321
Other pension costs	350,389	307,970
	<u>3,804,292</u>	<u>3,567,876</u>

The number of employees whose annual remuneration was £60,000 or more were:

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
£100,001 - £110,000 in the year	1	-
£90,001 - £100,000 in the year	-	1
£70,001 - £80,000 in the year	1	1
£60,001 - £70,000 in the year	1	-
	<u>1</u>	<u>1</u>

In addition pension contributions totaling £35,503 (2016: £18,824) were made in respect of the above employees.

**11 Other**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Financing costs	<u>2,185</u>	<u>2,260</u>

In both the current and prior year, other costs are classified as unrestricted.

**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**12 Tangible fixed assets**

	Freehold property & improvements to property	Assets under construction	Equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 September 2016	8,516,197	-	1,117,161	229,520	59,467	9,922,345
Additions	22,794	216,161	80,542	36,702	-	356,199
At 31 August 2017	8,538,991	216,161	1,197,703	266,222	59,467	10,278,544
<b>Depreciation and impairment</b>						
At 1 September 2016	1,152,071	-	919,095	123,105	59,467	2,253,738
Depreciation charged in the year	148,278	-	126,102	37,634	-	312,014
At 31 August 2017	1,300,349	-	1,045,197	160,739	59,467	2,565,752
<b>Carrying amount</b>						
At 31 August 2017	7,238,642	216,161	152,506	105,483	-	7,712,792
At 31 August 2016	7,364,126	-	198,066	106,415	-	7,668,607

**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

<b>13 Financial instruments</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	4,377,047	3,316,726
	<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	526,758	511,984
	<u>          </u>	<u>          </u>
<b>14 Debtors</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	24,238	3,738
Other debtors	10,099	4,227
Prepayments and accrued income	198,387	221,403
	<u>          </u>	<u>          </u>
	232,724	229,368
	<u>          </u>	<u>          </u>
Impairment losses recognised on trade debtors totalled £13,693 (2016: £14,584).		
<b>15 Creditors: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	11,085	74,146
Trade creditors	264,383	145,140
Other creditors	21,011	14,100
Accruals and deferred income	867,585	848,113
	<u>          </u>	<u>          </u>
	1,164,064	1,081,499
	<u>          </u>	<u>          </u>
<b>16 Creditors: amounts falling due after more than one year</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other creditors	221,800	197,300
	<u>          </u>	<u>          </u>

Included in other creditors due after more than one year are returnable deposits to the amount of £150,200 (2016: £137,400) which are due after more than five years.

**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**17 Retirement benefit schemes**

**Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £318,779 (2016: £284,156) and at the year-end £nil (2016 - £nil) was accrued in respect of contributions to this scheme.

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

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

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016 and completed 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.

**Defined contribution schemes**

For support staff, £31,610 (2016: £23,814) was paid to separate defined contribution schemes, the IAPS Pension Scheme run by Scottish Widows and the People's Pension Scheme. All non-teaching staff are eligible to join these pension schemes. At the year end there were unpaid pension contributions of £11,085 (2016: £395).

**18 Designated funds**

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				
	Balance at 1 September 2016	Incoming resources	Resources expended	Transfers	Balance at 31 August 2017
	£	£	£	£	£
All weather Pitch	160,000	-	-	(160,000)	-
Emergency repair fund	50,000	-	-	(50,000)	-
	<u>210,000</u>	<u>-</u>	<u>-</u>	<u>(210,000)</u>	<u>-</u>

i) The All Weather Pitch fund is a fund set aside by the Governors for the replacement of the all-weather pitch surface.

**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**18 Designated funds** **(Continued)**

ii) The emergency repair fund was a fund set aside by the Governors in case funding is required for emergency repair work to the school.

During the year a transfer was made to unrestricted funds. The Governors believe the previous designated funds are adequately covered within the preventative and reactive maintenance budgets.

**19 Analysis of net assets between funds**

	<b>Total £</b>
Fund balances at 31 August 2017 are represented by:	
Tangible assets	7,712,792
Current assets/(liabilities)	3,326,924
Long term liabilities	(221,800)
	<u>10,817,916</u>

**20 Operating lease commitments**

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>Land and buildings 2017 £</b>	<b>2016 £</b>	<b>Other 2017 £</b>	<b>Other 2016 £</b>
Within one year	19,105	19,105	36,762	34,162
Between two and five years	76,420	76,420	63,645	94,558
In over five years	154,893	173,998	-	-
	<u>250,418</u>	<u>269,523</u>	<u>100,407</u>	<u>128,720</u>

**21 Capital commitments**

There were no capital expenditure commitments (2016: £nil) as at the balance sheet date.

**22 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel, is as follows.

	<b>2017 £</b>	<b>2016 £</b>
Aggregate compensation	<u>271,001</u>	<u>259,096</u>



**TWYFORD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**23 Control**

Twyford School is under the control of the Governors, as detailed in the Governors' Report.

<b>24 Cash generated from operations</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Surplus for the year	956,378	964,302
Adjustments for:		
Investment income recognised in statement of financial activities	(14,419)	(14,890)
Gain on disposal of tangible fixed assets	-	(36)
Depreciation and impairment of tangible fixed assets	312,014	305,911
Movements in working capital:		
(Increase)/decrease in stocks	-	2,088
(Increase) in debtors	(3,356)	(43,822)
Increase in creditors	107,065	222,405
<b>Cash generated from operations</b>	<b>1,357,682</b>	<b>1,435,958</b>