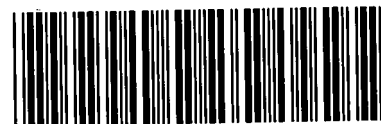


Charity Registration No. 00307425
Company Registration No: 00558147 (England and Wales)

TWYFORD SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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TWYFORD SCHOOL
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TWYFORD SCHOOL
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Governors

F E Dunger (Chair)	
C E Chaplin-Rogers	
J E Hodgins	(resigned 21 June 2018)
C B R Howman	
M J Le May	(resigned 23 November 2017)
J N Naismith	
A J Thould	(resigned 21 June 2018)
R P Hammond	
E Hattersley	
S Watson	
G W P Barber	(appointed 23 November 2017)
J C McGuinness	(appointed 23 November 2017)
R E Ritchie	(appointed 20 September 2018)

Headmaster

S J Bailey

Bursar

C H P Gillow

Charity number

00307425

Company number

00558147

Registered office

Twyford School
High Street
Twyford
Winchester
Hampshire
SO21 1NW

Auditors

Crowe U.K. LLP
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Bankers

Barclays Bank plc
50 Jewry Street
Winchester
Hampshire
SO23 8RG

Solicitors

Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5WS

TWYFORD SCHOOL
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

INTRODUCTION

The Governors of Twyford School present their Report and Financial Statements for the year ended 31 August 2018.

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

TWYFORD SCHOOL
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

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 also benefits the community by providing access to its facilities to local schools and charitable sports associations.

TWYFORD SCHOOL
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT
Achievements and Performance

Academic progress of pupils continues to be very pleasing, with all candidates successful in passing into their senior schools in Year 8. A significant number of pupils have again gained academic, sports, music, art and drama scholarships and exhibitions. Our leaving Year 8 pupils all were successful in gaining entry to their schools of choice. This year, we sent pupils to: Bradfield College, Bryanston School, Canford School, Godolphin School, King Edward VI School, Lord Wandsworth College, Marlborough College, Portsmouth Grammar School, Radley College, Sherborne School, Sherborne Girls' School, St Edward's School, Oxford, St Mary's School, Calne, Queen Mary's School, Thirsk, St Swithun's School, Wellington College, Whitgift School, and Winchester College. Our leavers won 17 Scholarships. Academic Scholarships were won to: St Swithun's School, Godolphin School, Portsmouth Grammar School and King Edward VI School.

Music Scholarships were won to: Portsmouth Grammar School and Lord Wandsworth College. An Art Scholarship was won to Sherborne Girls' School. A Drama Scholarship was won to St Edward's School, Oxford. Sports Scholarships were won to: Bradfield College, Canford School, King Edward VI School, Lord Wandsworth College, Queen Mary's School, Thirsk, St Swithun's School, Sherborne Girls' School, Wellington College and Winchester College.

Pupils have enjoyed participating in sport, music and drama in large numbers. We have held 18 music concerts during the past year. Pupils play in Orchestra, Wind Band, Jazz Band, String Quartet, Saxophone Quintet, Recorder Group, and sing in Senior or Junior Choir. There are over individual 300 music lessons each week, on 22 instruments, taken by our 20 visiting and permanent instrumental music teachers. 126 music grade exams have been taken, ranging from Prep Test to Grade 7. All year groups from Year 3 to Year 8 have put on dramatic performances in the course of the academic year.

In areas outside the classroom our pupils have been busy and some have excelled. During the year we have played 807 sports fixtures against 34 other schools, in 12 different sports. 38 children have played for either District or County sports teams. Importantly, every pupil in the Prep School has represented the School in sports teams during the year.

Our School is very much part of the local community, both of Twyford village and, more broadly, of Winchester. As such, we have continued to participate in many aspects of community life as well as providing opportunities for others to join us at the School. We continue to support Twyford St Mary's C of E Primary School with free use of our swimming pool, and opportunities for their pupils to join our own pupils on days when we have visiting authors and artists. At times, our minibuses have been made available to Twyford St Mary's to assist in their transportation to specific events nearby.

Twyford School is closely allied with our local parish church, St Mary's, where we hold our Carol Services, concerts and participate in other community events. Our Director of Music is a regular organist at the weekly services. This period has seen the completion of a parish commemorative book, published to remember those Twyford residents who died serving in the First World War. Two members of staff at the School were part of a team of researchers who each wrote about individuals on the parish War Memorial.

The parent body remain very supportive, both through their presence at school functions and their own commitment to organising a number of key activities and events through the Twyford Parents' Association. The Twyford Parents' Association support the School through organisation of a number of major events through the year, including Introductory Drinks for new parents, Fireworks Night, Christmas Fair, Summer Extravaganza, Twyford's Got Talent and discos for each year group from Year 3 to Year 8. Much of their activity is aimed at bringing the community together and raising some funds for small projects in School, but there is also a charitable fundraising element to all the major events.

Effective governance ensures that pupils receive outstanding teaching, with excellent resources available for pupils.

TWYFORD SCHOOL
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

Financial Review

99% (99% in 2017) 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 £860,754 (2017 £956,378). 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 for 2017/18. Measures are being taken to maintain healthy pupil numbers in the long term. Educational fees were 3% 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 2018 was £3,956,405 (2017: £3,105,124). 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
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

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.

Fundraising performance

Donations and legacies totalled £46.4k (2017: £12k). For this year, the performance of current fundraising, on costs of £19k, was a ratio of 41% against the £46.4k unrestricted voluntary income raised.

All fundraising activities for the School are carried out by School staff with assistance from the parents and pupils with the running of specific fundraising events. The School does not use professional fundraisers or have any commercial participators. All fundraising activities are managed by the internal staff, monitored by the bursar, with overall oversight by the members of the governing body.

No complaints relating to fundraising activities have been received by the School during this financial period. However, the School has in place procedures that would be followed in the event of a complaint being received with the initial response being the responsibility of the bursar. Any continuing issues would then be passed to the governing body to determine what further action might be required.

The School does not currently subscribe to any specific fundraising standards or schemes for fundraising regulation but considers that it has set appropriate standards for the operation and management of its fundraising activities. In particular, the School considers that its processes and controls should ensure that vulnerable people and other members of the public are protected from any unreasonable intrusion on a person's privacy and that no fundraising activities would be unreasonably persistent or place undue pressure on a person to give money or other property.

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

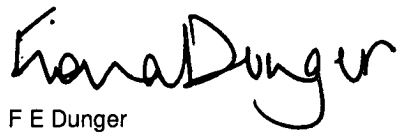
The charity's investment powers are governed by the Memorandum of Association. This permits funds not immediately required to be invested in such securities and investments and in such a manner as may from time to time be determined.

**TWYFORD SCHOOL
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

AUDITORS

The auditors, Crowe U.K. LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board of Governors at its meeting on 20 March 2019 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Fiona Dunger', written in a cursive style.

F E Dunger
Chair



Crowe U.K. LLP
Chartered Accountants
Member of Crowe Global
Aquis House
49-51 Blagrove Street
Reading
Berkshire RG1 1PL, UK
Tel +44 (0)118 959 7222
Fax +44 (0)118 958 4640
www.crowe.co.uk

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TWYFORD SCHOOL

Opinion

We have audited the financial statements of Twyford School for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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



**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS
TO THE MEMBERS OF TWYFORD SCHOOL (CONTINUED)**

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.



**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS
TO THE MEMBERS OF TWYFORD SCHOOL (CONTINUED)**

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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

A handwritten signature in black ink that reads 'Alastair Lyon'.

Alastair Lyon

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Reading

17 May 2019

TWYFORD SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Income and endowments from:			
Donations and legacies	3	46,418	12,062
Charitable activities	4	7,004,778	6,750,924
Investments	5	22,788	14,419
Other income (non primary purpose)	6	<u>19,133</u>	<u>20,507</u>
Total income and endowments		<u>7,093,117</u>	<u>6,797,912</u>
Expenditure on:			
Charitable activities	7	6,232,362	5,839,349
Other	11	<u>-</u>	<u>2,185</u>
Total resources expended		<u>6,232,362</u>	<u>5,841,534</u>
Net income for the year/ Net movement in funds		860,754	956,378
Fund balances at 1 September 2017		<u>10,817,916</u>	<u>9,861,538</u>
Fund balances at 31 August 2018		<u>11,678,671</u>	<u>10,817,916</u>

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.

COMPANY NUMBER: 09620043

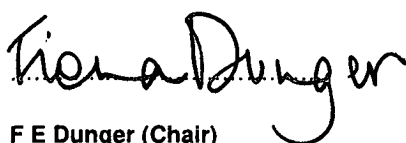
TWYFORD SCHOOL

BALANCE SHEET

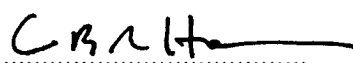
AS AT 31 AUGUST 2018

		2018		2017	
	Note	£	£	£	£
Fixed assets					
Tangible assets	12		7,722,266		7,712,792
Current assets					
Debtors	14	324,631		232,724	
Short term bank deposits		2,502,634		1,043,598	
Cash at bank and in hand		<u>2,489,918</u>		<u>3,214,666</u>	
		5,317,183		4,490,988	
Creditors: amounts falling due within one year	15	<u>(1,360,778)</u>		<u>(1,385,864)</u>	
Net current assets			<u>3,956,405</u>		<u>3,105,124</u>
Total assets less current liabilities			11,678,671		10,817,916
Net assets			<u>11,678,671</u>		<u>10,817,916</u>
Income funds					
Unrestricted funds					
Designated funds	18	25,000		-	
General unrestricted funds		<u>11,653,671</u>		<u>10,817,916</u>	
			<u>11,678,671</u>		<u>10,817,916</u>
			<u>11,678,671</u>		<u>10,817,916</u>

The accounts were approved by the Governors on 20/3/19 and signed on its behalf by



F E Dunger (Chair)
Trustee



C B R Howman
Trustee

The notes on pages 14 to 24 form part of these financial statements

TWYFORD SCHOOL
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

		2018		2017	
	Note	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	21		1,010,263		1,357,682
Investing activities					
Purchase of tangible fixed assets		(298,763)		(356,199)	
Proceeds on disposal of tangible fixed assets					-
Interest received		<u>22,788</u>		<u>14,419</u>	
Net cash used in investing activities			(275,974)		(341,760)
Net cash used in financing			<u>-</u>		<u>-</u>
Net increase in cash and cash equivalents			734,288		1,015,902
Cash and cash equivalents at beginning of year			<u>4,258,264</u>		<u>3,242,362</u>
Cash and cash equivalents at end of year			<u><u>4,992,552</u></u>		<u><u>4,258,264</u></u>

The notes on pages 14 to 24 form part of these financial statements

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

1. Accounting Policies

Charity Information

Twyford School is a charitable company limited by guarantee incorporated in England and Wales. (Company Registration number 00558147). 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 £.

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

1.2 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.

1.3 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.

1.4 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
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

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.

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

1.5 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.

1.6 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
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.7 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.

1.8 Financial instruments

Basic financial instruments include debtors and creditors. Debtors and creditors are initially recognised at transaction value and subsequently measured at amortised cost. Note 13 provides more information on financial instruments where future cash flows are anticipated, with financial assets referring to fixed asset investments and debtor balances excluding prepayments, and financial liabilities referring to all creditor balances excluding deferred income.

1.9 Retirement benefits

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

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.

1.10 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.

1.11 Parent Deposits

The Governors have reviewed the contract terms under which deposits from parents are held by the School. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 July 2018 have been included within current liabilities. The prior year deposits from parents balance has been similarly represented.

TWYFORD SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

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

	2018 £	2017 £
Donations and gifts	<u>46,418</u>	<u>12,062</u>

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

4. Charitable activities

	2018 £	2017 £
School fees receivable	6,912,398	6,377,856
Additional school activity	234,394	197,748
Ancillary income	<u>10,650</u>	<u>5,000</u>
Less: Bursary allowances and discounts	<u>(152,664)</u>	<u>(170,320)</u>
	<u>7,004,778</u>	<u>6,750,924</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 £ 776,421 (2017: £678,644) has been released to incoming resources during the year.

5. Investments

	2018 £	2017 £
Bank interest received	21,752	13,470
Interest receivable	<u>1,036</u>	<u>949</u>
	<u>22,788</u>	<u>14,419</u>

TWYFORD SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

6. Other income (non primary purpose)

	2018 £	2017 £
Net gain on disposal of tangible fixed assets		-
Other income	101	1,358
Rental and hiring	11,504	12,330
Solar Panels	<u>7,528</u>	<u>6,819</u>
	<u>19,133</u>	<u>20,507</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 £	Total £
Staff costs	3,267,181	135,829	119,506	434,605	3,957,121	3,804,292
Depreciation	121,077	-	146,543	-	267,620	312,014
Other	<u>668,275</u>	<u>391,813</u>	<u>696,733</u>	<u>119,674</u>	<u>1,876,495</u>	<u>1,651,895</u>
	4,056,533	527,642	962,782	554,279	6,101,236	5,768,201
Share of governance cost (see note 8)	-	-	-	112,161	112,161	71,148
Fundraising Cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,965</u>	<u>18,965</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,126</u>	<u>131,126</u>	<u>71,148</u>
	<u>4,056,533</u>	<u>527,642</u>	<u>962,783</u>	<u>685,405</u>	<u>6,232,362</u>	<u>5,839,349</u>

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

Operating lease rentals included within the above comprise £33,808 (2017: £28,989) in respect of plant and machinery and £22,135 (2017: £26,900) in respect of other assets.

TWYFORD SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

8. Governance costs

	2018 £	2017 £	Basis of allocation
Audit fees of charitable company	11,150	10,200	Charitable activities
Audit fees of other advisory services	-	2,430	Charitable activities
Legal and professional	8,959	8,145	Charitable activities
Consultancy	<u>92,052</u>	<u>50,373</u>	Charitable activities
	<u>112,161</u>	<u>71,148</u>	

	2018 £	2017 £	
Support costs			
Staff costs	434,605	396,521	Charitable activities
Other expenses	<u>119,674</u>	<u>105,634</u>	Charitable activities
	<u>554,279</u>	<u>502,155</u>	

9. Governor costs

No governor received remuneration within the year (2017: Nil). No governors received reimbursed expenses during the current or prior year.

The amount of £71 (2017: Nil) was reimbursed to one Governor for charitable activity expense claims during the period.

TWYFORD SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

10. Employees

Number of employees

The average monthly number of employees during the year was:

	Total		Full time equivalents	
	2018 Number	2017 Number	2018 Number	2017 Number
Teaching and support	84	82	73	70
Welfare	8	8	6	5
Premises	5	6	5	5
Administration	11	12	9	9
	<u>108</u>	<u>108</u>	<u>93</u>	<u>89</u>

Employment costs

	2018 £	2017 £
Wages and salaries	3,216,239	3,148,520
Social security costs	319,732	305,383
Other pension costs	421,150	350,389
	<u>3,957,121</u>	<u>3,804,292</u>

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

	2018 Number	2017 Number
£100,001 - £110,000 in the year	1	1
£80,001 - £90,000 in the year	1	-
£70,001 - £80,000 in the year	-	1
£60,001 - £70,000 in the year	<u>1</u>	<u>1</u>

In addition pension contributions totalling £23,989 (2017: £35,503) were made in respect of the above employees.

Remuneration of key management personnel

The remuneration of key management personnel, is as follows:

	2018 £	2017 £
Aggregate compensation	<u>263,811</u>	<u>271,001</u>

11. Other

	2018 £	2017 £
Financing costs	<u>-</u>	<u>2,185</u>

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

TWYFORD SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

12. Tangible fixed assets

	Freehold property & improvements to property £	Assets under construction £	Equipment £	Fixtures and fittings £	Motor Vehicles £	Total £
Cost						
At 1 September 2017	8,538,991	216,161	1,197,703	266,222	59,467	10,278,544
Additions	2,604	241,997	53,398	764	-	298,763
Disposals	(26,969)	-	-	-	-	(26,969)
Transfers	214,001	(214,001)	-	-	-	-
At 31 August 2018	<u>8,728,627</u>	<u>244,157</u>	<u>1,251,101</u>	<u>266,986</u>	<u>59,467</u>	<u>10,550,338</u>
Depreciation						
At 1 September 2017	1,300,349	-	1,045,197	160,739	59,467	2,565,752
Depreciation charge in the year	146,544	-	82,236	38,841	-	267,620
Disposals	(5,300)	-	-	-	-	(5,300)
At 31 August 2018	<u>1,441,592</u>	<u>-</u>	<u>1,127,433</u>	<u>199,580</u>	<u>59,467</u>	<u>2,828,072</u>
Carrying amount						
At 31 August 2018	<u>7,287,035</u>	<u>244,157</u>	<u>123,668</u>	<u>67,406</u>	<u>-</u>	<u>7,722,266</u>
At 31 August 2017	<u>7,238,642</u>	<u>216,161</u>	<u>152,506</u>	<u>105,483</u>	<u>-</u>	<u>7,712,792</u>

13. Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>5,160,426</u>	<u>4,377,047</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>2,010,075</u>	<u>526,758</u>

14. Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	33,299	24,238
Other debtors	143	10,099
Prepayments and accrued income	<u>291,189</u>	<u>198,387</u>
	<u>324,631</u>	<u>232,724</u>

TWYFORD SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

15. Creditors: amounts falling due within one year

	2018 £	2017 £
Other taxation and social security	6,558	11,085
Trade creditors	141,023	264,383
Other creditors	261,737	242,811
Accruals and deferred income	<u>951,460</u>	<u>867,585</u>
	<u>1,360,778</u>	<u>1,385,864</u>

16. Retirement benefit scheme

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 £338,671 (2017: £318,779) 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 completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. The amount employers will be required to pay towards the scheme will increase to 23.6% from September 2019.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

Defined contribution schemes

For support staff, £36,507 (2017: £31,610) 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 yearend there were unpaid pension contributions of £6,558 (2017: £11,085).

Other Pension schemes

Other pension charges for the year of £47,701 (2017: Nil) were payable into other pension schemes.

TWYFORD SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

17. Designated funds

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

	<i>Balance at 1 September 2017 £</i>	<i>Incoming resources £</i>	<i>Resources expended £</i>	<i>Transfers £</i>	<i>Balance at 31 August 2018 £</i>
Art/DT Block	-	25,000	-	-	25,000
	-	25,000	-	-	25,000

All funds have been designated by the Governors.

18. Analysis of net assets between funds

	Total £
Fund balances at 31 August 2018 are represented by:	
Tangible assets	7,722,266
Current assets/(liabilities)	3,956,405
	<u>11,678,671</u>

19. 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:

	Land and buildings		Other	
	2018 £	2017 £	2018 £	2017 £
Within one year	21,840	19,105	34,493	36,762
Between two and five years	87,360	76,420	34,019	63,645
In over five years	<u>134,460</u>	<u>154,893</u>	-	-
	<u>243,660</u>	<u>250,418</u>	<u>68,512</u>	<u>100,407</u>

TWYFORD SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

20. Capital commitments

At the year end the school had contracted capital commitments of £14,269 (2017: Nil).

21. Cash generated from operations

	2018	2017
	£	£
Surplus for the year	860,755	956,378
Adjustment for:		
Investment income recognised in statement of financial activities	(22,788)	(14,419)
Loss on disposal of tangible fixed assets	21,669	-
Depreciation and impairment of tangible fixed assets	267,620	312,014
(Increase) in debtors	(91,907)	(3,356)
Increase in creditors	(25,086)	107,065
Cash generated from operations	<u>1,010,263</u>	<u>1,357,682</u>

22. Related Party Transactions

There is an operating lease in place between Twyford School and one of the Governors for the rental of Littlebourne Field. During the period £6,480 (2017: £5,540) was paid in respect to this lease.