

**THE POCKLINGTON SCHOOL FOUNDATION**

**(Charity number 529834)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**for the year ended**

**31 August 2018**

**HPH  
Chartered Accountants  
54 Bootham  
York  
YO30 7XZ**

**THE POCKLINGTON SCHOOL FOUNDATION**  
**REPORT AND FINANCIAL STATEMENTS**

<b>CONTENTS</b>	<b><i>Page</i></b>
Trustee Report	1 - 18
Auditor's Report	19 - 21
Consolidated Statement of Financial Activities	22
Balance Sheets	23
Consolidated Cash Flow Statement	24
Notes to the Financial Statements	25 - 41

**ANNUAL REPORT OF THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustee presents its report and audited financial statements for the year ended 31 August 2018. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

<b>Governor</b>	<b>Remarks</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
T A Stephenson MA FCA (9)	Chairman	C				*	C		
J L Burley BSc MRICS	Vice-Chairman			C	*		*		
J A Farmer FCA (10)	Vice-Chairman					C	*		
Mrs C Atkin (12)	From June 2018							*	
J Bloom (13)			C	*					
Mrs E Bryers (12)			*					*	
JSL Burke BDS (11)							*	C	
D G Buttery MBE BA DL (12)			*	*				*	
Dr JPD Cooper MA DPhil FSA FRHistS	Representing the University of York	*							
Mrs D Flint MA FCIPD (13)			*						C
Mrs J Good BA (13)	Representing the Lord Lieutenant of the East Riding of Yorkshire.				*	*			*
Mr J Hargan LLB (Hons)						*		*	
Dr JR Hind MA MEd PhD		*							
Rev G Hollingsworth MA	Vicar of Pocklington until February 2018								
Rt Hon Sir Greg Knight MP	MP for Yorkshire East								
SWL Lunt LLB					C	*			
K Morrow BA	Until June 2018								
Dr AM Nicholls PhD FSA FRHistS	Representing St John's College Cambridge from June 2018	*							
Mrs J Peake	From June 2018				*				
Cllr G Perry CEng MIMechE FIHEEM (14)	Representing Pocklington Town Council			*					*
Mrs L Rickatson LLB(Hons)			*	*			*		
Rev L Slow BSc MSc	Representing the Archbishop of York.	*							
Mrs HL Smith BA								*	*
Mr M Stathers	Representing the East Riding of Yorkshire Council from March 2018				*				*
Mrs LE Turner BA MA	From June 2018								*

**BOARD OF GOVERNORS, OFFICERS AND ADVISORS**

**COMMITTEES OF THE BOARD OF GOVERNORS AND GOVERNORS WITH SPECIAL RESPONSIBILITIES**

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>1. Education</li> <li>2. Employment</li> <li>3. Estates and Project Oversight</li> <li>4. External Relations</li> <li>5. Finance</li> <li>6. Nominations and Governance</li> <li>7. Pastoral and Safeguarding Children Oversight</li> </ul> | <ul style="list-style-type: none"> <li>8. Pocklington Prep</li> <li>9. AGBIS Representative</li> <li>10. Fundraising – Financial Oversight</li> <li><i>Special Responsibility for:</i></li> <li>11. Child Protection</li> <li>12. Boarding</li> <li>13. Teachers and Support Staff</li> <li>14. Health and Safety</li> </ul> |
|--|--|

**ANNUAL REPORT OF THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**BOARD OF GOVERNORS, OFFICERS AND ADVISORS (continued)**

**LIFE PATRONS (retired Governors, who are no longer Directors, and other Supporters)**

Mrs J Atkinson  
Mrs JS Davies DL  
The Rt Hon DM Davis MP  
B Fenwick-Smith MA  
RE Haynes MA  
The Rt Hon The Earl of Halifax JP DL  
Mrs N Jennings  
JL Mackinlay DL FCA FCMA  
CM Oughtred MA DL  
Dr AJ Warren MBE MA DPhil FRHS  
Major General HG Woods CB MVO MBE MC  
DL MA FRSA FBIM

**OFFICERS**

The Headmaster	M E Ronan MA
The Bursar	P S Bennett BSc FLS
Head of Pocklington Prep School	I D Wright BSc

**REGISTERED ADDRESS**

West Green  
Pocklington  
York, YO42 2NJ

**AUDITOR**

HPH  
Chartered Accountants  
54 Bootham  
York, YO30 7XZ

**BANKERS**

National Westminster Bank plc  
31 Market Place  
Pocklington  
York, YO42 2AS

**INVESTMENT ADVISORS**

Brewin Dolphin Ltd  
34 Lisbon Street  
Leeds, LS1 4LX

**ANNUAL REPORT OF THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION  
FOR THE YEAR ENDED 31 AUGUST 2018**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

Governing Document

Pocklington School was founded in 1514. The Pocklington School Foundation comprises both Pocklington School and Pocklington Prep School. The Foundation is a registered charity, number 529834. The governing document is a Scheme of the Charity Commissioners dated 1 September 2008. A corporate trustee, Pocklington School Trustee Limited administers the charity – the directors are those listed on Page 2 and are known as Governors.

Governor Recruitment and Training

Co-Opted Governors. Governors are elected on the recommendations of the Nominations and Governance Committee. Criteria for selection for each vacancy are established by the Committee following an audit of existing skills and competence. Availability of suitable and willing candidates from the local community has not yet been an issue.

Ex-Officio Governors. The appointment of this group of Governors is self-explanatory.

Nominated Governors. The organisations entitled to nominate governors all have different methods of selecting representatives. The Nominations and Governance Committee negotiates with the head of each body to ensure that nominations assist the Governors in maintaining the breadth of experience and skills required.

Training. New Governors receive a full induction from the Chairman, the Headmaster and the Bursar. The Chairman uses courses organised by the Association of Governing Bodies of Independent Schools (AGBIS) and the Boarding Schools Association to develop trustee-specific skills relevant to the Foundation.

Organisational Management

The Trustee is legally responsible for the overall management and control of both Schools, and the Governors meet at least three times a year. The Board now has eight Governors' committees with formal responsibilities for oversight of defined aspects of school and charity life. With the exception of the Nominations and Governance Committee, which meets when required, each committee usually meets in the first half of each term and, additionally, the Finance Committee also meets to approve budgets and accounts. The Project Oversight Committee meets monthly to monitor building development during periods of intensive building work.

The day-to-day running of the Foundation is delegated to the Headmaster of Pocklington School, in accordance with *The Directions for the Conduct of the Charity*, supported by key management personnel who form the Foundation Planning Group. Every meeting of the Board or its committees is attended by the Headmaster or the Bursar, or by both. The Head of the Prep School and the Pocklington School Deputy Head also attend meetings of the full Board of Governors.

Other Relationships

The Headmaster is a member of the Head Masters' and Mistresses' Conference (HMC) and the Foundation also holds membership of the Association of Governing Bodies of Independent Schools, the Independent Association of Preparatory Schools, the Independent Schools' Bursars Association and the Boarding Schools' Association. All give the opportunity to share expertise, knowledge and experience across the independent school sector as well as appropriate representation to Government and regulators of the views of the sector.

**ANNUAL REPORT OF THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**AIMS, VALUES AND PRACTICE OF THE FOUNDATION**

<b>Aim</b>	<b>To Inspire for Life</b>
Confidence	We encourage individuals to be confident and considerate; fostering self-respect and self-belief.
Responsibility	Personal responsibility and service to others are expected; both have opportunity for expression within the school and beyond.
Achievement	In all areas of school life we seek to nurture talent and aspiration, to encourage perseverance and to prepare young people for the challenges of adult life.
<b>Values</b>	<b>We achieve our aim through a strong working relationship between pupils, staff and families which is founded on the following values:</b>
Trust	The Foundation's Christian ethos guides our caring and straightforward approach. We treat each other with respect and uphold our tradition as friendly and compassionate schools.
Truth	We value debate which is open, honest and informed to stimulate creativity, intellectual curiosity and initiative.
Courage	We challenge ourselves and each other to change for the better.
<b>Practice</b>	<b>We provide a community to be proud of, where pupils can explore, make mistakes, learn and grow. In order to do this:</b>
Support	We put the well-being of our pupils first, with excellent pastoral care.
Learning	We encourage successful learning through effective teaching and a commitment to a broad education.
Recognition	We recognise and reward success and commitment, progress and achievement.

The Foundation is an Equal Opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs.

The Foundation is a signatory to the Armed Forces Covenant.

The Foundation consults widely with staff and parents when drawing up each iteration of the strategic plan and staff are made aware of the financial and economic performance of the Foundation.

Communication with staff takes various forms including termly and weekly briefings and training, newsletters and e-mail correspondence to augment the usual cascade of information through normal management channels.

**ANNUAL REPORT OF THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

The object of the Charity is to advance education in particular by the provision and conduct, in or near the town of Pocklington, of a day and boarding school for boys and girls and by ancillary or incidental educational activities for the benefit of the community.

Our objectives are set to further our educational aims and the ethos of the Foundation whilst maintaining a sound financial footing. We have confirmed the core values of the Foundation after consulting widely. It is important to us that we maintain and enhance academic success. This objective is, however, seen in the context of the broader goals we set for the Foundation and its pupils. We endeavour to widen public access to the education we provide and to feature in our local community through the educational use of our cultural and sporting facilities. In setting these objectives, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary guidance on advancing education and on fee-charging.

The Trustee exercises its stewardship of the permanent endowment of buildings and grounds (including the maintenance of art, artefacts and archive documents) as well as non-endowed trust funds for special purposes in connection with facilities and for scholarships, bursaries, prizes and other educational purposes.

The Foundation comprises Pocklington School, for pupils 11-18, and Pocklington Prep School for pupils 3-11. We welcome pupils of all backgrounds. For the academic year, the Foundation had an average of 763 pupils (2017: 770) of whom 218 (2017: 222) attended Pocklington Prep School and there were 95 boarders (2017: 87). Local demand remains solid but demographic trends are monitored closely and the impact of the current economic climate remains uncertain.

In setting the strategy for achieving the objectives, Governors are mindful of the need: to place the academic syllabus, teaching practices and examination results in the broader educational context including value-added analysis; to ensure the range of co-curricular activities is stimulating and challenging; to invest in infrastructure; and to continue to refine policy and practice for awarding bursaries to encourage wider access to pupils from all backgrounds. Where we can, and where it is wanted, we co-operate with local schools – this remains more practical with primary rather than secondary schools at the moment although efforts continue at Headmaster level.

We wish pupils to attain the highest academic achievements of which they are capable as well as to provide an extra-curricular programme which aims to develop life-long interests, helps to build self-confidence and instils a desire to contribute to the community. Every effort is made to further enhance standards, to improve facilities and to keep class sizes small. During the year the focus has continued to be on the delivery of the 2016-20 Strategic Plan: developing our curriculum, particularly at Sixth Form in response to changes at A Level; enhancing our pastoral provision, accounting for the evolution of the use of social media, and; extra-curricular provision. Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end-of-term and year-end reports. We maintain regular contact with parents throughout the year through formal and informal contacts, and through social media, letters, e-mails, magazines, bulletins and the website.

The Foundation is committed to safeguarding and promoting the welfare of our pupils and demands that all staff and volunteers share this commitment.

The Headmaster, Mr Mark Ronan will move to the King's Hospital at Christmas, a long-established school in Dublin, after eleven years of inspiring leadership of Pocklington. Mr Ronan's major achievements include: delivering the Strategic Plan in the difficult years following the financial crisis and securing £2,000,000 through fundraising for our new Art and Design Centre; the various ISI reports that applaud the excellent personal development and achievement of our pupils; and the creation of a Well-being Service to strengthen further our pastoral provision which has been recognised by the Carnegie Centre of

## **ANNUAL REPORT OF THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION** **FOR THE YEAR ENDED 31 AUGUST 2018**

Excellence Award for Mental Health in School. We will welcome Mr Toby Seth from the King's School Macclesfield in January 2019.

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

During the year we have continued to make significant progress with the tasks in the 2016-20 Strategic Plan. Departments are implementing their development plans which encourage learning through innovation and challenge. Several societies complement these initiatives by producing breadth through exposure to different ideas. A remodelled Sixth Form curriculum has been introduced, which includes an option to study a BTEC National Diploma in Sport and several enrichment qualifications include BTEC Home Cooking Skills and a Sports Leadership qualification.

We consult widely and have engaged pupils, parents, staff and governors over the last few years. This has confirmed our vision and ethos, and has helped develop two evolutions of our Strategic Plans, the latest covering the period 2016-20, enabling us to provide a world-class education; it has also assisted us to refine our objectives for the year - and to meet them.

The performance of pupils in public examinations was pleasing overall. At A Level, a total of 18 pupils out of 81 gained three or more A grades; overall the group achieved 65.7% A\* to B (60.1% in 2017). At GCSE, pupils achieved 25.7% A\* (9/8) with 91.6% of 5th year pupils achieving 5 A\* to C grades including Mathematics and English Language (96.5% in 2017), with 44.4% of the grades at A\*/A (9-7) (56.6% in 2017). Even though the headline GCSE figures are down on previous years, the specific cohort still has significant value added, and is a fitting reflection of the care and commitment provided by teachers, both academically and pastorally.

Of those in the UCAS system 78% were accepted into their first choice university and 18% into their insurance choice. The proportion of students who secured a place on a degree course was 100% (99% in 2017). Eight students deferred their places at university until 2019 entry. Three students chose to study abroad, two of which had secured places at a UK university. Two students who secured places at their first choice universities have made the decision to take a year out to pursue other opportunities. One has undertaken a degree apprenticeship in mechanical engineering with Rolls Royce in Derby and another student is currently undertaking Army Officer Selection. Of those not using UCAS this year, two are undertaking Foundation Diplomas in Art and Design as a route into art courses at university next year. Four went into employment, five are taking a gap year of which three are applying through UCAS for 2019 entry and one went on to study abroad. We have introduced a Business and Careers Network to assist our older students in making the correct decisions for each of them.

The Extended Project Qualification has seen huge growth over the last year, thanks largely to A Level reform, with around 23% of the Lower Sixth completing the qualification. The final Upper Sixth cohort completed the qualification last year achieving a very commendable 67% A\*/A grades. Topics included whether the Church of Scientology should be declassified as a religion, the Vietnam War in popular culture, and a fascinating exploration on the impact that the Antikythera Mechanism had on geared technology. The 'showcase' evening at the end of the process continues to be a fantastic opportunity for students to share their experiences on the EPQ and their findings with students, parents and teachers. Last year's Lower Sixth cohort, many of whom have carried out some original research, will be submitting their projects in November 2018 and we have a very healthy new cohort coming through this year. We have also recently begun a pilot of the HPQ (Higher Project Qualification) with a group of Year Nine pupils who have made excellent progress with a range of topics.

We do not, though, assess achievement by examination results alone. Pocklington School subscribes to independently set and assessed base line tests at age 11, 14 and 16 which produces predictions of GCSE and A level. Staff use these to assess value-added performance and to monitor pupil performance across each academic year. We have recently appointed a Pupil Data Manager who will further develop the ways in which we use this data to monitor pupil performance, working with academic and pastoral leaders. Pupil tracking systems have been reviewed and training for staff conducted.

## **ANNUAL REPORT OF THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION** **FOR THE YEAR ENDED 31 AUGUST 2018**

Pupils have participated in a range of external competitions and events this academic year. One of our Lower Sixth pupils was shortlisted for the prestigious Write on Art competition and was invited to attend the shortlisting ceremony in London. In the first full year of our Art and Design Centre, an Upper Sixth pupil reached the National Final of the Triumph Design Awards. In the UKMT, our senior mathematicians were placed in the top 3% of the country after taking part in the national finals in London. A group of 2nd Year pupils participated with skill and strong team spirit in reaching 4th place in the St Peter's Physics Olympics. One of our Lower Sixth musicians performed at the prestigious Handel Birthday Concert in London and a Fifth Year pupil won two silver medals competing in the British Independent Schools Skiing finals. In the Yorkshire Carnegie Academy trials, three of our Sixth Form boys were selected to represent the county side. Several of our 4th and 5th Year students took part in the acclaimed Mystery Play cycle in York, acting in 'The Last Judgement', the final performance of the series.

All our Prep School pupils progressed to Pocklington School or the senior school of their choice. We assess pupils on an annual basis through standardised assessments; in addition to tracking performance, a further vital aspect of assessment at the Prep School is the teacher's individual assessment of pupil's progress.

The Foundation is proud of the all-round opportunities provided for all pupils. A wide range of team and individual sport is encouraged and there have been excellent performances in regional and national competitions, including mathematics challenges. Several boys and girls have played for the county or region at different age groups (including under-11) in rugby, athletics, cross-country, cricket, swimming, tennis and hockey. Our best rugby players are members of national and Academy development squads. The school equestrian team have also qualified for the National Championships for the past three consecutive years.

Overseas tours, trips, excursions and exchanges have enabled children to broaden their horizons with educational visits to Flanders, Holland, Germany, Spain, France, Malta, South Africa, and the USA, as well as camps and retreats in Northumberland, Scotland, Wales, North Yorkshire, the Lake District and on the East Yorkshire coast.

Residential experience for Prep School pupils included accessing a wide range of activities at Bewerley Park. We also provide further learning opportunities for our pupils through a variety of educational day trips which this year included an afternoon of outdoor activity for Year 2 culminating in an overnight camp on the school grounds.

Music plays an extremely important part in the life of both schools with around 10,000 lessons delivered each year to nearly half of the pupils. Some nine ensembles rehearse weekly with four more in Pocklington Prep School; the Music Department produce a full programme of concerts in school, giving students both ensemble and solo performing opportunities. The student-led Musical Theatre Society continues to flourish, producing their own conception, 'Musicals Through the Ages', involving over 60 students and performing to three sell-out houses in the Music School. Pupils gained accolades at the Harrogate, Pontefract and Cottingham Music Festivals with two individuals performing exceptionally well to carry off their respective classes. Pocklington now has two pupils in National ensembles: a seventeen-year-old violinist and a sixteen-year-old percussionist in the National Youth Orchestra.

We introduced the Pocklington Award in 2008, and following consultation with students and Pastoral Leaders, have updated the Awards which were relaunched in September 2017. Our updated Awards have been informed by similar schemes in other Independent Schools, and reference the Awards at York, Lancaster and Newcastle Universities which originally influenced the design of the Pocklington Award. The Award is a graded certificate scheme of recognition and reward for a student's participation in the co-curricular life of the school. Students in the Lower and Middle School can work towards Bronze and Silver Awards; Gold Awards are reserved for the Sixth Form. The Pocklington Award celebrates and reflects students' life outside the classroom, and offers them an opportunity to learn how to present their achievements and participation in activities to others. In June 2018, 36 students achieved the Bronze Award, 10 the Silver Award, and 7 the Gold Award. We also recognise the value of the broader

## **ANNUAL REPORT OF THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION FOR THE YEAR ENDED 31 AUGUST 2018**

confidence-building impact and enhanced self-reliance engendered by the Duke of Edinburgh Award – and the scheme is now flourishing with 10 students gaining their Silver Award this year; our latest cohort of pupils completed their Gold Award in the summer and a trip to St James' Palace will follow in November for the previous year's hard-working pupils. We introduced the Bronze Award in September 2017 and 24 students have successfully completed this level, with another cohort due to complete in November 2018.

We have introduced a Self-Evaluation Policy, and a comprehensive series of evidence-gathering procedures underpin the document. The constant scrutiny of our policies and procedures by staff trained in regulatory compliance ensures that the school continues to be compliant with the current legislative and regulatory environment within which we operate. This work was validated by the ISI Inspection in December where the report commented: 'The school meets the standards in the schedule to the Education (Independent School Standards) Regulations 2014, the National Minimum Standards for Boarding Schools 2015, and relevant requirements of the statutory framework for the Early Years Foundation Stage, and associated requirements, and no further action is required as a result of this inspection'.

The pastoral care of our pupils is a key focus of our schools. Each Pocklington pupil has a tutor and is attached to one of the houses where the housemaster or housemistress has overall care of the well-being and academic progress of the pupil. Boarders, in addition, have a boarding housemaster or housemistress who looks after them with a dedicated team of residential and non-residential staff in each of the four boarding houses. Each pupil therefore has a large team of adults who are looking after them, all supported by the Head of Pupil Welfare, reflecting the importance of our pupils' welfare at Pocklington. To support this work, pastoral monitoring software that improves information sharing has been introduced from September. We have improved further our PSHE provision emphasising the Fundamental British Values that we have, and this is now a timetabled subject. In the Prep School we have further strengthened our care with the introduction of Pastoral Leads who have overall responsibility for the well-being and academic progress of pupils across two year groups. PSHE has been developed with the introduction of a revised scheme of work and of Jigsaw, a nationally renowned teaching resource. External speakers also visit the school to talk about sex and relationship education.

There is an annual review of our Safeguarding Suite of policies by the Board of Governors and the identification of any patterns. Regular review of our policies is undertaken by the pastoral team and at least annual training for all staff about *Keeping Children Safe in Education* as well as briefings and developments in best practice in schools and boarding. This year there was additional training in Sexting and Social Media guidelines for Staff and in Mental Health First Aid in Schools. We held a Bullying/Prejudice educational session with our local Safeguarding Children board RSCB and the Police for Third year students and are drawing up plans to undertake a bullying/resilience survey with pupils in Third to Sixth forms.

Boarding pupils have an induction programme and enjoy an ever-developing range of activities in the evenings and at weekends. We now provide the opportunity for boarders to be looked after at school during exeats. The Chaplain prepares candidates for confirmation and boarders have weekly services, in addition to the School services, in the School Chapel and at All Saints in Pocklington which emphasises the Christian ethos and links with the Church of England and the local and wider community.

Drama at Pocklington is taught by active practitioners and academics and remains a subject which demands and achieves high standards. GCSE and A Level intake have increased substantially and recent results have included top A\* grades at both levels. Studies include sound, lighting, costume and set design with excellent results in all. The pupils remain committed and enthusiastic. House Drama remains popular while the recent production of Judgement Day in the York Mystery Plays drew on the entire Foundation, including OPs and parents to work alongside members of the wider community. The spectacular result was seen by thousands of people and was highly praised. In the summer, the Lower School production of *Around The World in Eighty Days* was a super adaptation of the original and a great success. The Drama department also continues to run LAMDA tuition in Speaking Verse & Prose or

## **ANNUAL REPORT OF THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION FOR THE YEAR ENDED 31 AUGUST 2018**

Acting. Pupils past and present continue to work in the theatre outside of school and to take up the offer of audition training for all types of professional and amateur preparation.

The Combined Cadet Force Contingent has had a particularly busy and productive year. Across the Army and RAF sections we have six officers from our teaching and support staff and two under officers who have recently joined the team who have been joined by a new School Staff Instructor. We have a particularly strong team of eleven Senior NCOs (Upper Sixth), supported by thirteen Junior NCOs (Lower Sixth). Thirty four Fifth year cadets were selected to take part in the NCO Cadre programme and are currently in the preliminary stages of their training which will enable them to instruct junior cadets from next year. Every member of the Fourth year joined us as a junior cadet and, under the instruction of our officers and senior cadets, they complete the following disciplines: Skill at Arms, Field craft (Army only), Map and Compass, Survival, Firing (CSBTR) on the Tube Range and, the RAF cadets only, RAF History and Knowledge. All of our Fourth year cadets are given the chance to fire live on the 25m Barrack Range at Strensall Barracks, once they have passed their weapons handling test.

Every year, more than 50 officers and cadets represent the school in the Pocklington Town Remembrance Day parade, under the overall command of the Contingent Commander. Air experience flying continues to be extremely popular amongst our RAF cadets and we have added gliding to our programme this year, all while enjoying our involvement in RAF 100. The RAF and Army training programmes continue to be updated and we have seen a greater number of pupils attending adventurous training courses through the Cadet Force this year. Summer Camps took place at Crowborough and RAF Odiham and both were well attended. During the Easter holidays, our annual adventurous training camp took place in Keswick and the cadets were able to enjoy a range of activities including mountain biking, climbing and sailing. In October a group of Senior Army Cadets attended the Black Rat Cadet Challenge held at Catterick and ten junior cadets took part in the Welbeck STEM Leadership Competition in April. The RAF entered a team into the RAF Inskip competition and have made further progress with their airmanship and aircraft recognition than previous years. There continues to be strong co-operation with the local ACF Detachment with whom we share the Annand VC Cadet Centre.

The Prep School exudes a positive atmosphere and encourages lessons where children want to learn and progress. Pupils enjoy project work immensely, immersing themselves in the opportunity to direct their learning, as well as learning in collaboration with others; all pupils benefit from the expertise of different teaching staff. Throughout the school, subject co-ordinators are striving further to improve the curriculum delivery and the extra-curricular programme has been refreshed. Sport is a successful component of life at the school. As at Pocklington, the Prep School has a full programme of dramatic, musical and charitable events that involves all the children; pupils from local schools are invited to attend matinées of drama productions. There were four Prep School productions during the year: the Pre-Prep's nativity, the Year 3 and 4 play, *The Piper*, and a production of *Roald Dahl's Revolting Rhymes* performed by pupils from Years 5-6, all took place in the Tom Stoppard Theatre, giving these younger children the opportunity to perform on a large stage and develop their public speaking and acting confidence. Year 3 also produced a play-in-two-days about *Theseus and the Minotaur*, which was performed in the Music School. Pupils enjoy success in their LAMDA public speaking examinations. An overseas trip to France is organised every other year. We welcomed our first pupils into our new Pre-School class in September 2017.

The Foundation could not achieve its objectives without its teaching and support staff; their continued hard work, dedication and interaction with the pupils makes such a difference to the pupils' experience. Our annual programme of Continued Professional Development and appraisal for all employees continues to be refined with most staff being reflective and clear in how they wish to develop. We are currently introducing a new appraisal system which has a greater focus on Teaching and Learning and one which aims to achieve more consistency between appraisals. Staff training this year has focussed on teaching the new A Level linear specifications, fire training, data protection and the impact and implications of sexting. Staff have continued to attend courses focussing on the new specifications for the revised examinations, especially at A Level. We initiated a staff Well-Being Working Group in the autumn of 2016 which has now reported with an action plan to support its findings; the recommendations

## **ANNUAL REPORT OF THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION** **FOR THE YEAR ENDED 31 AUGUST 2018**

are being implemented in full over the next two years so that our staff are able to withstand the pressures placed upon us all.

### **FUTURE PLANS**

The Governors intend to maintain the Foundation's position in a competitive market by investing to provide high quality education for our pupils - achieving a high standard of academic results whilst maintaining the breadth and depth of the education provided. The Headmaster and senior staff continue to review the curriculum to ensure that the educational opportunities remain appropriate for our pupils' development.

The Strategic Plan 2016-20 and the latest evolution of the Estate Development Plan have been published. The fundraising for the new Art and Design Centre has been highly successful and construction has been completed of a fine building which will provide excellent teaching facilities for many years. Below are shown the strands and a sample of the initiatives being developed within the plan.

#### **1. Our Pupils and their Personal Development**

##### ***A. To develop an aspirational curriculum and co-curriculum which inspires all pupils to achieve their best***

- Evolve the curriculum to meet our educational aims: pupils who are successful learners, creative and original thinkers, confident individuals and responsible adults. The Key Stage 3 curriculum will be reviewed.
- Extend co-curriculum opportunities to meet our educational aims: pupils who are successful learners, creative and original thinkers, confident individuals and responsible adults
- Develop Pocklington pupil peer monitoring
- Nurture lifelong learning necessary in a 21st century global environment.

##### ***B. To ensure an excellent quality of teaching and learning for all pupils***

- Embed opportunities for sharing good teaching practice and peer-to-peer mentoring between individuals and academic departments.
- Develop innovative approaches to teaching and learning for all pupils, including the most able, to fulfil their potential and achieve excellence.
- Develop the role of the Digital Learning Co-ordinator.
- Ensure clear and effective assessment and reporting to support academic progress

##### ***C. To enhance our high standard of pastoral care***

- Engage all pupils to understand and uphold our aims and values; promoting respect and wellbeing.
- Ensure our provision is supportive and structured so pupils are confident, resilient, and appropriate risk takers
- Become a recognised centre of excellence for pastoral care and wellbeing (pupils and staff)

#### **2. Our School and the Wider Community**

##### ***A. To create a boarding environment that meets UK and International families' needs***

- Continue to evolve the flexibility of our boarding provision to meet the changing needs of all families.
- Communicate effectively and innovatively with all involved in boarding

##### ***B. To communicate clearly and distinctively our vision, values and ambition, within and beyond the schools***

- Develop a clearly recognisable identity with a raised international profile
- Enhance our digital communications within and beyond our schools

**ANNUAL REPORT OF THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

***C. To increase engagement of the wider school family for the benefit of our pupils and the local community***

- Promote and encourage a strong sense of fellowship and a culture of philanthropy within our school family
- Strengthen relationships with local schools, nurseries and residents

**3. Our Foundation, Our Staff**

***A. To employ and support excellent and actively engaged staff***

- Ensure staffing meets the needs of the changing curriculum
- Embed self-evaluation
- Deliver the management development programme.
- Develop and promote staff wellbeing

***B. To provide facilities and services that support our pupils' education***

- Implement the next phase of the ambitious and sustainable estates development plan
- Reduce further our carbon footprint

***C. To ensure an affordable education through effective leadership***

- Be open to new ideas, analysis and creative thought
- Develop overseas opportunities and the partnership with Chatta.
- Manage appropriate risk
- Seek new sources of income and funding

**DETAILS OF BURSARY AND SCHOLARSHIP AWARDS**

**Bursaries**

This year the value of means-tested bursaries totalled £217,705 (2017: £210,081) representing 1.83% (2017: 1.83%) of gross tuition fees. This provided assistance to 26 (2017: 26) of our pupils including 3 pupils (2017: 4) who benefited from full remission of fees. In common with the experience in similar schools, the number of applicants continues to fall, and we are looking at how we prevent the initial steps necessary for joining the Foundation from appearing too daunting as experience shows that once a pupil joins the school none leave before their course is complete. The Foundation can also help pupils in receipt of 100% bursaries to meet some of the costs of educational trips, examination entrance fees and similar expenses. Twenty eight children of servicemen (2017: 33) received a discount on their boarding fees. The funds of the John Dolman Trust are increasing and this means that the Trust is now able to fund one 100% bursary; the aim is to assess the potential for a significant increase in bursary funding, depending on fundraising, legacies and investment performance.

**Scholarships**

In addition, the Foundation maintained scholarships and exhibitions to 68 pupils (2017: 73) including 6 (2017: 7) music scholarships, based on merit and potential, totalling £69,208 (2017: £73,068) and representing 0.59% of our gross fees, continuing the decline in non means-tested awards from 1.65% in 2011; this year-on-year reduction in the value of scholarships is helping to fund the increase in bursary expenditure. Of the total number of award holders, one also qualified for means-tested bursary support and is included in the figures relating to bursary awards. The performance of pupils receiving scholarships is reviewed at least annually to ensure their progress is in line with their abilities. No scholarships were withdrawn in the year.

**Review**

The Governors review the bursary and scholarship policies regularly to ensure that able children can accept offers of places through the availability of means-tested fee assistance. A small number of modest-value Music Scholarships were introduced in 2016 to strengthen this area of school life. The annual review informs the continued refinement of our policy and helps to achieve our ambition of even wider access.

**ANNUAL REPORT OF THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The Foundation's net incoming resources as shown in the Statement of Financial Activities met the targeted percentage of fee income set out in the financial plan for another year. The surplus has been achieved through rigorous planning, by maintaining revenue and through tight cost control. As a charity, the parents of our pupils have the assurance that all of our income is applied for educational purposes. We enjoy tax exemption on our educational activities (there is no VAT on fees) and on our investment income and gains, and we are also entitled to an 80% reduction on our business rates on the property we occupy. The financial benefits we receive from these tax exemptions are all applied for educational purposes. We are, though, unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes. In addition to the very substantial benefits we bring to our pupils, to the local community and to society through the education we offer, our bursary programme and our community programme create a social asset without cost to local, regional or central government.

The Foundation continues to fund a period of investment in infrastructure and developments made possible by these strong financial surpluses and through external borrowing. The Foundation's surplus is in line with the budget and the strategic plan. The consolidated financial statements include the Foundation, Pocklington School Enterprises Limited and various funds, the use of which is restricted by trusts (see note 17). Consolidated net incoming resources for the year, as set out in the Statement of Financial Activities on page 22, amounted to £459,560 (2017: £472,915), stated after donations of £214,591 (2017: £163,554) and before adjustments to reflect movements in the valuation of assets and liabilities relating to the defined benefit scheme for support staff (which has been closed to new staff since 2003 and will be closed to all in 2019). After some years of oscillating increases and decreases, the latest scheme valuation shows that the scheme is in surplus by £1,122,000, up from £343,000 in 2017.

Gross fee income for the year increased from £11.45 million to £11.925 million. The trading subsidiary continues to hire out the Foundation's facilities and has contributed £46,706 (2017: £39,111) to the operating surplus. Group total funds increased by £1,106,683 (2017: £2,662,938) for the year, after taking into account the actuarial gain on the pension fund noted above, and increased by £463,683 if it is excluded.

Cash generation from operating activities amounted to £855,428 (2017: £1,075,731), including donations. Capital expenditure amounted to £963,417 (2017: £2,489,540).

**Free Reserves**

At 31 August 2018, the total reserves of the Foundation amounted to £14,273,232 (2017: £13,166,549). Reserves comprise designated funds (comprising fixed assets and associated bank borrowing) amounting to £10,134,673; restricted funds (comprising donations for specific purposes, which are held within the cash balances of the Foundation, and includes endowments) amounting to £2,286,328; other unrestricted funds stood at £730,231 (2017: £705,485) and a pension fund surplus of £1,122,000 (2017: £343,000); for details see below and Note 14. The Foundation continues to be dependent on annual cash generation to fund operating activities and the reduction of the deficit on the non-teaching staff pension scheme.

The Foundation operates a defined benefit pension scheme for support staff employed before 31 March 2003. The scheme is included in the Statement of Financial Activities by charging costs for the year, which amounted to £131,000 (2017: £201,000) and an actuarial gain of £643,000 (2017: £2,157,000). Governors are very much aware of the potentially high impact on the valuation of small changes in actuarial assumptions, particularly in the continuing uncertain economic climate, capable of reversing this situation quickly. The Foundation had planned to eliminate the previous deficit over the next 10-12 years by making a level contribution even though the wage roll of active members would decline over time; this contribution has been negotiated as £266,000 per annum, an overpayment £156,755, with an intended charge over property to prevent a call on the cessation debt. The Pension Scheme has more recently demanded a mortgage-type arrangement for a cessation debt cover of £1.6M for 20 years. Governors

## **ANNUAL REPORT OF THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION FOR THE YEAR ENDED 31 AUGUST 2018**

have therefore decided to close the scheme entirely and to settle the current cessation debt of £599,000 in cash or with a new loan.

Governors believe that funding in place is sufficient for current purposes and to support the priorities of the Strategic Plan. The aim is to provide an excellent environment for pupils by improving facilities as funds allow. The maintenance of existing buildings is funded from income and significant capital projects will continue to be funded through a mixture of fundraising, bank loan and income. The Governors' policy remains that of maintaining sufficient annual cash surpluses to meet operating and investment needs, in order for the charity to meet its stated objectives. Governors continue to review the financial position of the Foundation in the light of the present economic uncertainties.

### Reserves and Financial Health

The Governors regularly review the finances, budgets and performance against budget, together with cash flow analysis, as part of effective stewardship of the Foundation. The Governors have invested substantial sums in new buildings in recent years and have a continuing programme of refurbishment, development and investment to improve further the teaching facilities for our pupils. The Governors consider that given the strength of the charity's underlying assets, the current trading performance, the stable cash flow from student rolls, the on-going demand for places at both schools (without being complacent), and the available banking facility that can be called upon if need arises, reserves are appropriate to the needs of the Foundation. The Governors recognise that the level of reserves fluctuates during periods of investment and consider that these and bank facilities are sufficient to meet the requirements of the Foundation.

### Remuneration Policy

Pay scales, allowances and terms and conditions of service are reviewed periodically and set by the Board. Responsibilities, pay and working hours have been compared to benchmarks in recent years. Staff surveys also play a part. Terms and conditions have been reviewed and all employment policies updated. All staff are paid more than the National Living Wage and have a comprehensive range of benefits including access to a counselling service. A Well-being Working Group has been formed to ensure no aspect is overlooked.

The Foundation aims to recruit, subject to experience, at the lower to medium point within any band to allow subsequent reward for the additional contribution which often depends on greater experience. Management and pastoral leadership roles are recognised. Except for two senior managers, setting an individual's pay is delegated to the Headmaster.

The pay of staff is reviewed annually and normally increased by a cost of living increment, often reflecting CPI. The rewards of senior managers are benchmarked annually and set by the Board.

Trustees give of their time freely and no trustee remuneration was paid in year. Details of trustee expenses and related party transactions are at Note 16.

### Grant Making Policy

Awards, scholarships, exhibitions, bursaries, grants and prizes made to pupils from restricted and unrestricted funds amounted to £761,017 (2017: £755,116). The Governors' policy and report is shown in the separate panel.

### Fundraising

The establishment of a Development Office has enhanced the ability of the Foundation to attract donations to the John Dolman Trust without having to resort to specialist external consultants. The Art and Design Appeal campaign to mark our Quincentenary has gone very well and has now reached £1.9M

## **ANNUAL REPORT OF THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION** **FOR THE YEAR ENDED 31 AUGUST 2018**

in total, and construction was completed in November 2017. We are also considering the potential for launching an appeal for the bursary fund, mainly through legacies. Costs were £50,494, 23.5% (2017: 8.15%) of the £214,591 raised.

### Investment Policy and Objectives

The Governors are required to invest free monies in accordance with the standard investment criteria of the Trustee Act 2000. They are obliged to take especial regard of the suitability to the Foundation of any proposed investment whilst still providing a prudent spread of risk through diversity.

All free monies are invested for a reasonable overall rate of return in income and capital. Governors have a moderate risk investment strategy and wish to generate income whilst preserving the real capital value of investments in line with a target return of 5% per annum on an anticipated long term view of more than 10 years; this measurement will take account of growth and income. Having weighed advice from Brewin Dolphin Limited, Governors have rebalanced the portfolio to achieve this goal and now use their discretionary service with set parameters 'Cautious with Risk – Income Return' to achieve these aims. When not offset against any borrowed funds, short-term monies, including fees in advance, are placed on Treasury Reserve at the beginning of each term.

Restricted funds not eligible for the investment strategy noted above and the funds of the smaller subsidiary charities are deposited with the Foundation's unrestricted funds. All receive an agreed internal rate of interest on capital, usually base rate plus 1.5% (reviewed 2018).

The bursary funds of the John Dolman Trust are invested on the same basis as those of the Foundation. Funds held by the Trust for specific building projects are, by their very nature, relatively short term, and therefore invested to generate income and to preserve the capital. The trust deed allows the funds of the Trust to be applied to the benefit of the Foundation; so any short-term cash holdings may be used to offset any borrowing of the Foundation in return for an agreed rate of interest, usually base rate plus 1.5% (reviewed 2018) but without the capital leaving the Trust.

Investment decisions are reviewed regularly by the Finance Committee. At the end of the financial year, the Foundation's long term investments had increased to £535,988 (2017: £464,077); £6,000 was drawn to fund bursary support and £25,000 for marketing support. Yield was 3.6%. A further £37,444 is held in cash within the portfolio, pending investment.

### Group Structure and Relationships

The Charity has two wholly-owned non-charitable subsidiaries: Pocklington School Enterprises Limited, which performs trading functions such as lettings, oversight of the school shop and capital building works and a covenant of £46,706 (2017: £39,111) is to be made by the company; Pocklington School International Ltd was created during the year but has yet to trade.

The Foundation actively supports the promotion of the highest standards in the Independent Schools sector. The Foundation participates in the spread of best practice through membership of the professional bodies engaged with the sector. We also co-operate with other local and national charities and organisations to widen access to the schooling we provide, to optimise the use of our sporting and cultural facilities and to ensure our pupils are aware of the social context of the all-round education they receive.

## **ANNUAL REPORT OF THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION FOR THE YEAR ENDED 31 AUGUST 2018**

### Risk Management

The Governors are responsible for the management of the risks faced by the Foundation. The risks facing the Foundation are identified, categorised, assigned and systematically assessed, and mitigation is put in place throughout the year. Detailed considerations of risk have been delegated to the appropriate committee, assisted by the Foundation Planning Group. After a coherence check by the Nominations and Governance Committee, risk is reviewed by the whole Board each Michaelmas Term. The key controls used include:

- Formal agendas and minutes for all Committee and Board activity
- Detailed terms of reference for all Committees
- Comprehensive planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for the safeguarding of children

Through the risk management processes established by the Foundation, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary and where possible. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. The Internal Financial Controls used by the charity have been reviewed. The Trustee is permitted by its Articles of Association to maintain governor and officer liability insurance. The major risks relate to pupil numbers.

Finances The future of the Foundation is reliant on pupil numbers and income so the schools can function. Independent education outside the south east of England is currently buffeted by poor press coverage of affordability and economic uncertainty. Mitigation is provided through active marketing, our reputation, demonstrating value for money, cash flow management, budget setting and in-year adjustment, contingencies, reserves, fundraising, prudent investment and borrowing decisions and access to short-term banking facilities. Currently, significant cash is also held in further mitigation of the unforeseen.

Safeguarding and Reputation Our success is secured by our reputation for an all-round education and excellent pastoral care. This is protected by our suite of safeguarding policies, investment in pastoral staff, safe recruitment procedures, academic rigour and enhancement, and active Health and Safety management and scrutiny (where much risk is attached, within sport and educational visits).

Academic Performance The reaction we make to the changes in the A Level environment and how we develop our curriculum to attract the parents of younger children will be key to our continued success.

Serious Incidents There were no serious incidents during the reporting period that should have been reported to the Charity Commission by the Trustee but were not.

**ANNUAL REPORT OF THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**ACCOUNTING AND REPORTING RESPONSIBILITIES**

The Charities Act 2011 requires the Trustee to prepare accounts for each financial year which give a true and fair view of its financial activities during the year and of its financial position at the end of the year.

In preparing the accounts the Trustee follows best practice to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- follow applicable accounting standards and the Charities SORP disclosing and explaining any departures in the accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The Trustee is responsible for keeping accounting records which are such as to disclose, with reasonable accuracy, the financial position of the Foundation at any time and to ensure that the accounts comply with charity law. The Trustee is also responsible for safeguarding the Foundation's assets and ensuring their proper application in accordance with charity law and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

Insofar as each of the Governors is aware at the time of the Board meeting when approval is given, there is no relevant information needed by the Foundation's auditor of which the auditor is unaware. Each Governor has taken all steps that he or she should have taken as a member of the Board of Governors to become acquainted with any relevant audit information and to establish that the auditor is aware.

Approved by the Trustee on 7 December 2018  
and signed on its behalf by:

.....  
T A Stephenson  
Chairman

.....  
J A Farmer  
Vice Chairman

**ANNUAL REPORT OF THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**PUBLIC BENEFIT AND OUTREACH**

**State school partnerships and support**

We support the development of pupils from local state primary and secondary schools in a variety of contexts.

Academic links

We offer assistance for AG&T pupils from local state secondary schools with applications to highly competitive courses in Medicine via information and preparation activities. This includes supporting students in preparing for interviews.

The ICT/Computer Science departments have reciprocal arrangements for sharing expertise with local secondary schools.

The PE department host 8 local schools and examiners for GCSE and A level PE moderation, using our sports facilities.

Our Design Technology have provided assistance to Year 11 students at Newlands School, Hull, who have made use of our laser cutting facilities for their GCSE DT projects.

Several members of staff are governors in maintained sector schools.

Our Head of Art ran a workshop at St James' C of E School in Bolton, and visited Birkdale School, Sheffield to share good art practice.

The Chemistry Department attended a 'community science evening' at Warter School with science equipment and science students

Pastoral links

We have been working with the Springboard Bursary Foundation for our first supported boarding student from September 2017.

**Community Service**

We are actively engaged in charitable work in the local and wider community in a variety of ways:

On Thursday afternoons our sixth form students are also involved in 3 charity shops plus taking a school lunch to elderly people in the local Community Centre then chatting and running bingo. We also visit local care, children and MENCAP homes, visiting the elderly at home and reading poetry. Each week, pupils contribute to local lakeside and woodland conservation and tend war graves in the local cemetery.

The school is also an active fundraiser for local and international charities e.g. The Prep School choir performed at York Minster for a Home-start charity concert. Amongst other things our Prep houses raised funds for York Dementia Society, Ward 51, MacMillan and British Heart Foundation. Our Senior School Charity Committee raised over £7,000 for The Stroke Association, St Leonard's Hospice, Andrew's Hedgehog Hospital and Water Aid.

**Wider Community Initiatives**

Pocklington School provides support to a wide range of groups in our local community.

Prep School organised and hosted a community Easter Egg Hunt and a Teddy bear's picnic

We operate a CCF in partnership with the MOD. The Pocklington School CCF buildings and equipment are shared with Pocklington town ACF. Additionally, we help the Pocklington town ACF by offering equipment, resources, expertise and the use of our grounds. We participate in the town's remembrance parade.

Our Pre-Prep established a Parent and Toddler Group were open to the local community, occurs on a weekly basis and is free of charge.

We host and run course, clubs and events that are open to the wider community including lifeguarding courses, triathlons, trampolining and Tai Chi. Many of our school productions and events are open to the wider community and we perform in the local area too.

We share our academic expertise with the community for example helping to train teachers doing PGCE courses at York and Hull universities.

Our Duke of Edinburgh Award leaders organised a practice expedition and training for the Hull university DofE group and have committed to assist them with all their expeditions over the next few years.

**Community Access**

We offer our facilities for wider community use to a variety of groups including local schools, local and national clubs (music, drama, historical, sports and youth groups), charities and church groups and make our water facilities available to the Town Council for events on West Green. We offer our facilities as a Council Emergency Evacuation Centre and to provide helicopter access during emergencies.

**ANNUAL REPORT OF THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**BURSARY POLICY**

Widening Access

The Foundation seeks to benefit the public through the pursuit of its objects. Fees are set at a level to ensure the financial viability of the charity and at a level that supports the provision of a first-class education whilst acknowledging that the East Riding of Yorkshire is not the wealthiest area in the country, and that our rural location can also entail considerable travel expense.

Our schools welcome pupils from all backgrounds. We need to be satisfied that we will be able to educate and develop prospective pupils to the best of their potential; entrance interviews and assessments are undertaken to ensure that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status does not form part of our assessment processes. We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination; we make reasonable adjustments to meet the needs of staff, parents or pupils who are or become disabled.

Our bursary scheme is important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk. In assessing means we take a number of factors into consideration including family income, investments, property and savings and family circumstances. Currently we are making a determined drive to encourage access to our Sixth Form and our efforts and funding are directed accordingly. However, we do not have a large endowment and in funding our awards we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards. Currently, only after Sixth Form Bursaries have been awarded do we consider other applications from these limited funds.

The bursary awards cover up to 100% of the fees. We also supplement 100% bursary awards to pay for co-curricular activities and educational school trips. Information about fee assistance is provided to all applicants. We also advertise the awards in the local press and through local businesses, libraries and our website.

Promoting High Academic Standards

The purpose of our scholarship awards is to recognise high academic potential or the ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the individual's academic potential or evidence of exceptional abilities which will contribute to our co-curricular activities.

Newer scholarships and exhibitions are now rewarded with a 10% and 5% reduction in fees; previously fixed remission of £1,000 and £500 was awarded respectively thus maintaining our competitiveness and our ability to support means-tested bursaries. Where further assistance is required, scholarship awards may themselves be supplemented by a means-tested bursary. We advertise the availability of scholarships and exhibitions in all our marketing material in a similar manner to bursaries.

Sibling and Forces Discounts

To underline the value we place on continuity for, and equality within, families, we offer discounts where parents have more than two children within the Foundation. We also encourage the continuity of education for the children of servicemen, many of them non-commissioned officers, which assists in maintaining a thriving boarding community and its positive enhancement to our ethos.

Assistance for our staff

As part of our emphasis on attracting and retaining high calibre staff, we offer a discount scheme when staff members choose to educate their children at our schools, from Pre-Prep to A Levels.

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION**

## **Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2018 and of its incoming resources and application of resources, 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 Charities Act 2011.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION**

## **Other information**

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

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

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE POCKLINGTON SCHOOL FOUNDATION

## Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

## Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**HPH**  
**Statutory Auditor**  
54 Bootham  
York  
YO30 7XZ

7 December 2018

HPH, Chartered Accountants is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**THE POCKLINGTON SCHOOL FOUNDATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted Funds £	Restricted & Endowed Funds £	Total 2018 £	Total 2017 £
<b>Income and endowments from:</b>					
<b>Charitable activities</b>					
School fees receivable	2	11,241,367	-	11,241,367	10,772,563
Ancillary trading income	3	38,125	-	38,125	31,167
<b>Other trading activities</b>					
Non-ancillary trading income	23	95,814	-	95,814	100,697
Other activities	3	3,228	648	3,876	24,521
<b>Investments</b>					
Investment income	6	63,271	21,074	84,345	41,615
<b>Voluntary sources</b>					
Donations and legacies	7	-	214,591	214,591	163,554
<b>Total</b>		<b>£ 11,441,805</b>	<b>£ 236,313</b>	<b>£ 11,678,118</b>	<b>£ 11,134,117</b>
<b>Expenditure on:</b>					
<b>Raising funds</b>					
Non-ancillary trading	23	49,108	-	49,108	61,586
Other income-generating activities		50,494	-	50,494	34,470
Financing costs		110,470	5,590	116,060	99,816
<b>Total deductible costs</b>		<b>210,072</b>	<b>5,590</b>	<b>215,662</b>	<b>195,872</b>
<b>Charitable Activities</b>					
Education and grant making		10,988,647	14,249	11,002,896	10,465,330
<b>Total</b>	4	<b>£ 11,198,719</b>	<b>£ 19,839</b>	<b>£ 11,218,558</b>	<b>£ 10,661,202</b>
<b>Net income and net movement in funds before gains on investments</b>					
		243,086	216,474	459,560	472,915
Gains on investments		-	4,123	4,123	33,023
<b>Net income</b>		<b>243,086</b>	<b>220,597</b>	<b>463,683</b>	<b>505,938</b>
Transfers between funds	17, 18, 19	31,400	(31,400)	-	-
		274,486	189,197	463,683	505,938
<b>Other recognised gains</b>					
Pension scheme actuarial gains	14	643,000	-	643,000	2,157,000
<b>Net movement in funds</b>		<b>917,486</b>	<b>189,197</b>	<b>1,106,683</b>	<b>2,662,938</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		11,069,418	2,097,131	13,166,549	10,503,611
<b>Total funds carried forward</b>		<b>£ 11,986,904</b>	<b>£ 2,286,328</b>	<b>£ 14,273,232</b>	<b>£ 13,166,549</b>

*The notes on pages 25 to 41 form part of these financial statements*

*Incoming resources and net movement in funds derive wholly from continuing operations*

**THE POCKLINGTON SCHOOL FOUNDATION**  
**BALANCE SHEETS**  
**AS AT 31 AUGUST 2018**

	Note	Consolidated		Foundation only	
		2018	2017	2018	2017
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	5	<b>13,695,989</b>	13,160,519	<b>13,782,989</b>	13,247,519
Investments	6	<b>535,988</b>	464,077	-	-
		<b>14,231,977</b>	13,624,596	<b>13,782,989</b>	13,247,519
<b>CURRENT ASSETS</b>					
Stocks	8	<b>8,770</b>	10,930	<b>8,770</b>	10,930
Debtors	9	<b>348,927</b>	369,649	<b>402,482</b>	404,268
Cash at bank and in hand		<b>5,343,895</b>	5,122,705	<b>4,527,670</b>	4,459,274
		<b>5,701,592</b>	5,503,284	<b>4,938,922</b>	4,874,472
<b>CREDITORS: amounts falling due within one year</b>	10	<b>(2,830,608)</b>	(2,614,253)	<b>(3,871,531)</b>	(3,658,355)
		<b>(2,830,608)</b>	(2,614,253)	<b>(3,871,531)</b>	(3,658,355)
<b>NET CURRENT ASSETS</b>		<b>2,870,984</b>	<b>2,889,031</b>	<b>1,067,391</b>	1,216,117
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>17,102,961</b>	16,513,627	<b>14,850,380</b>	14,463,636
<b>CREDITORS: amounts falling due after more than one year</b>	11	<b>(3,951,729)</b>	(3,690,078)	<b>(3,951,729)</b>	(3,690,078)
<b>TOTAL NET ASSETS before pension surplus</b>		<b>13,151,232</b>	12,823,549	<b>10,898,651</b>	10,773,558
Pension scheme funding surplus	14	<b>1,122,000</b>	343,000	<b>1,122,000</b>	343,000
<b>TOTAL NET ASSETS after pension surplus</b>		<b>£ 14,273,232</b>	£ 13,166,549	<b>£ 12,020,651</b>	£ 11,116,558
<b>REPRESENTED BY</b>					
Unrestricted funds - free reserves	19	<b>248,526</b>	270,486	<b>629,896</b>	606,345
Pension reserve surplus	14	<b>1,122,000</b>	343,000	<b>1,122,000</b>	343,000
Net unrestricted funds - free reserves		<b>1,370,526</b>	613,486	<b>1,751,896</b>	949,345
Unrestricted funds - other reserves	19	<b>481,705</b>	434,999	-	-
Unrestricted funds - designated	19	<b>10,134,673</b>	10,020,933	<b>10,134,673</b>	10,020,933
Restricted funds	17	<b>2,274,849</b>	2,084,718	<b>122,603</b>	133,867
Endowed funds	18	<b>11,479</b>	12,413	<b>11,479</b>	12,413
		<b>£ 14,273,232</b>	£ 13,166,549	<b>£ 12,020,651</b>	£ 11,116,558

*The notes on pages 25 to 41 form part of these financial statements*

*Approved by the Governors on 7 December 2018  
and signed on their behalf by:*

.....  
T A Stephenson  
Chairman

.....  
J A Farmer  
Vice Chairman

**THE POCKLINGTON SCHOOL FOUNDATION**  
**CONSOLIDATED CASHFLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018		2017	
		£	£	£	£
<b>Cash flows from operating activities:</b>					
<b>Net cash provided by operating activities</b>	15		855,428		1,075,731
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments			68,774		74,915
Purchase of property, plant and equipment			(963,417)		(2,489,540)
Proceeds from sale of property, plant and equipment			4,300		360
Proceeds from sales of investments			149,444		59,372
Purchase of investments			(217,232)		(65,048)
<b>Net cash used in investing activities</b>			(958,131)		(2,419,941)
<b>Cash flows from financing activities:</b>					
Finance costs paid			(107,837)		(88,641)
Repayments of borrowing			(200,001)		(200,001)
Cash inflows from new borrowing			631,731		2,397,143
<b>Net cash provided by financing activities</b>			323,893		2,108,501
<b>Change in cash and cash equivalents in the reporting period</b>			221,190		764,291
<b>Cash and cash equivalents at the beginning of the reporting period</b>			5,122,705		4,358,414
<b>Cash and cash equivalents at the end of the reporting period</b>			£ 5,343,895		£ 5,122,705

Charity law requires separate administration of the cashflows of endowed and other restricted funds of the charity. This constraint has not adversely affected group cashflows as stated above.

*The notes on pages 25 to 41 form part of these financial statements*

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

**1 ACCOUNTING POLICIES**

**Legal entity**

The Pocklington School Foundation is regulated by the Charities Commission (529834). The registered address and principal place of business is Pocklington School, West Green, Pocklington, York, YO42 2NJ.

The School constitutes a public benefit entity as defined by FRS 102.

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

**Basis of preparation**

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

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

The consolidated accounts include the results of The Pocklington School Foundation, Pocklington School Enterprises Limited and the John Dolman Trust (formerly the Pocklington School Development Trust) managed by the Trustee, which are consolidated on a line by line basis. In accordance with the Charities SORP(FRS102), no separate Statement of Financial Activities (SOFA) has been presented for the Charity alone.

The Governors have a reasonable expectation that the Charity has adequate resources to continue in existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing the financial statements.

**Fees and other income**

Fees receivable, charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the Charity, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees received in advance of education to be provided in future years under an advance fee payment scheme are held as interest-bearing liabilities until either taken to income in the term when used or else refunded.

**Donations**

Donations receivable for the general purpose of the Charity are credited to unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on the School Governors, except that any amounts required to be retained as capital in accordance with the donor's wishes are accounted for instead as endowments - permanent or expendable according to the nature of the restriction. Income from legacies is accounted for on an accruals basis where amounts and timing of the receipt can be accurately ascertained.

**Expenditure**

Expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, also external audit, any legal advice for the Trustee, and all the costs of complying with constitutional and statutory requirements, such as the costs of board meeting and preparing statutory accounts and satisfying public accountability.

**Tangible fixed assets**

Tangible fixed assets are depreciated over their expected useful lives at the following annual rates:

Buildings	over 50 years
Infrastructure investments and Re-locatable buildings	10% per annum straight line
Furniture, fixtures and fittings	20% per annum straight line
Motor vehicles	25% per annum reducing balance
Computer equipment	20% per annum straight line

Freehold land and assets under construction are held at cost and not depreciated.

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

**1 ACCOUNTING POLICIES (continued)**

Fixed asset investments

Quoted investments are included at market value on the balance sheet date. Unquoted investments are stated at cost less any permanent diminution in the value. Any gain or loss on revaluation is taken to the SOFA.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Debtors

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

Cash at bank and in hand

Cash at bank and cash in hand includes cash and any short term deposit accounts with a maturity of three months or less from the date of opening.

Creditors and provisions

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

Where the School has received tuition fees in advance the amount is treated as deferred income until the pupil joins the School whereupon the fees for each school term are charged against the remaining balance and taken into income. Any shortfall is treated as a deduction from school fee income and any excess accrued is treated as additional school income.

Financial instruments

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

Funds Structure

Funds comprise unrestricted funds which have not been designated for other purposes, and are available for use at the discretion of the Governors in furtherance of the general objectives of the Charity; designated funds being funds designated as representing the written down value of fixed assets of the Foundation net of associated borrowing; and restricted funds the use of which by the Governors is restricted in some way, usually by wishes of the donor. Restricted funds include endowed funds, which comprise donations required to be retained as capital.

Pensions

The Charity contributes to the Teachers' Pension Defined Benefit Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

The School also contributes to a defined benefit scheme for the benefit of all qualifying non-teaching staff, which is also a multi-employer scheme. Rates are set by the Scheme Actuary and advised to the School by the Scheme Administrator. This scheme is being accounted for under FRS102, with the annually calculated notional surplus or deficit on the funding of the scheme shown in the accounts as a designated fund entitled "Pension Reserve", which is deducted from unrestricted funds in the balance sheet. The Governors note that the calculated notional deficit calculated under FRS102 can vary greatly from year to year depending on the assumptions made at the valuation date, but with normally little or no effect on short term cashflows. The Scheme has been closed since 2003 to new employees, and to all employees from 31 December 2018. All support staff may join a defined contribution scheme to which the School contributes.

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>2 CHARITABLE ACTIVITIES - FEES RECEIVABLE</b>		
<b>The fee income comprised:</b>		
Gross fees	11,924,902	11,451,204
Casual boarding fees	77,482	76,475
Less: Total bursaries, grants and allowances	(761,017)	(755,116)
	£ 11,241,367	£ 10,772,563

The above educational awards were made to 178 individuals (2017 - 222).

<b>3 CHARITABLE ACTIVITIES - OTHER INCOME</b>		
<b>Other educational charitable activities</b>		
Registration fees	14,610	15,885
Sub-letting	23,515	14,282
Interest on late fees	-	1,000
	£ 38,125	£ 31,167
<b>Other activities</b>		
Sundry income	£ 3,228	£ 24,521

**4 ANALYSIS OF EXPENDITURE**

**Total resources expended includes:**

    Auditor's remuneration:

for audit services	8,400	8,620
for other services	6,360	6,060
	£ 14,760	£ 14,680

**STAFF COSTS AND NUMBERS**

Wages and salaries	6,608,361	6,463,997
Social security costs	796,660	796,494
Pension costs	517,762	569,968
	£ 7,922,783	£ 7,830,459

The key management personnel of the School comprise the Trustee (a corporate trustee of which the School governors are directors) and the Foundation Planning Group. The total employee benefits of the key management personnel were £734,427 (2017: £712,149).

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

**4 ANALYSIS OF EXPENDITURE (continued)** **2018** **2017**

**Employees earning over £60,000 per annum**

£110,000 - £120,000	1	1
£100,000 - £110,000	-	-
£90,000 - £100,000	-	-
£80,000 - £90,000	1	1
£70,000 - £80,000	-	-
£60,000 - £70,000	6	5

The above employees have retirement benefits accruing under a defined benefit scheme.

The average monthly head count was 261 staff (2017: 261) and the average monthly number of full-time equivalent employees during the year were as follows:

Teaching	94	97
Welfare	49	48
Premises	37	37
Support	24	22
	204	204

	<b>Staff costs</b>	<b>Other</b>	<b>Depreciation</b>	<b>Total 2018</b>	<b>Total 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost of generating funds:</b>					
Financing costs	-	116,060	-	116,060	99,816
Fund-raising for voluntary resources	50,494	-	-	50,494	34,470
	50,494	116,060	-	166,554	134,286
Trading costs of the subsidiary	2,276	46,832	-	49,108	61,586
<b>Total cost of generating funds</b>	£ 52,770	£ 162,892	£ -	£ 215,662	£ 195,872
<b>Charitable expenditure</b>					
<b><i>Education and grant making</i></b>					
Teaching	5,707,896	361,551	32,015	6,101,462	6,025,803
Welfare	802,124	412,958	-	1,215,082	1,187,862
Premises	841,361	964,408	391,074	2,196,843	1,944,415
Support costs of schooling	518,632	943,705	-	1,452,117	1,285,314
Governance costs	-	23,143	-	23,143	21,936
<b>Total charitable expenditure</b>	7,870,013	2,705,765	423,089	10,988,647	10,465,330
<b>Total expended - Group</b>	£ 7,922,783	£ 2,868,657	£ 423,089	£ 11,204,309	£ 10,661,202
<b>Total expended - Charity</b>	£ 7,920,507	£ 2,821,825	£ 423,089	£ 11,155,201	£ 10,599,616

In 2017, raising funds expenditure included £12,877 relating to restricted funds.

In 2017, charitable expenditure included £4,867 relating to restricted funds.

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

**5 TANGIBLE FIXED ASSETS**

<b>Consolidated</b>	<i>Freehold Land and Buildings</i> £	<i>Assets Under Construction</i> £	<i>Furniture, Fixtures &amp; Vehicles</i> £	<i>Total</i> £
Cost:				
At 1 September 2017	16,689,713	-	740,445	17,430,158
Additions	905,771	-	57,646	963,417
Disposals	(45,955)	-	(26,371)	(72,326)
At 31 August 2018	<u>17,549,529</u>	<u>-</u>	<u>771,720</u>	<u>18,321,249</u>
Depreciation:				
At 1 September 2017	3,640,265	-	629,374	4,269,639
Disposals	(45,955)	-	(21,513)	(67,468)
Charge for the year	381,523	-	41,566	423,089
At 31 August 2018	<u>3,975,833</u>	<u>-</u>	<u>649,427</u>	<u>4,625,260</u>
Net book values:				
31 August 2018	<u>£ 13,573,696</u>	<u>£ -</u>	<u>£ 122,293</u>	<u>£ 13,695,989</u>
31 August 2017	<u>£ 13,049,448</u>	<u>£ -</u>	<u>£ 111,071</u>	<u>£ 13,160,519</u>
<b>Foundation</b>				
Cost:				
At 1 September 2017	16,776,712	-	727,306	17,504,018
Additions	905,771	-	57,646	963,417
Disposals	(45,955)	-	(26,371)	(72,326)
Reclassification	-	-	-	-
At 31 August 2018	<u>17,636,528</u>	<u>-</u>	<u>758,581</u>	<u>18,395,109</u>
Depreciation:				
At 1 September 2017	3,640,265	-	616,234	4,256,499
Disposals	(45,955)	-	(21,513)	(67,468)
Charge for the year	381,523	-	41,566	423,089
At 31 August 2018	<u>3,975,833</u>	<u>-</u>	<u>636,287</u>	<u>4,612,120</u>
Net book values:				
31 August 2018	<u>£ 13,660,695</u>	<u>£ -</u>	<u>£ 122,294</u>	<u>£ 13,782,989</u>
31 August 2017	<u>£ 13,136,447</u>	<u>£ -</u>	<u>£ 111,072</u>	<u>£ 13,247,519</u>

Freehold land and buildings are carried at cost. The fair value as at 31 August 2018 was estimated at £80,131,864 which is based upon the replacement cost for insurance purposes of the properties concerned. All fixed assets are held for own use on direct charitable activities.

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

**6 FIXED ASSET INVESTMENTS**

	<b>Consolidated</b>		<b>Foundation</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Quoted investments (all United Kingdom)</b>				
Market value at beginning of the year	464,077	425,378	-	-
Additions	217,232	65,048	-	-
Disposals	(148,260)	(64,967)	-	-
Net unrealised investment gains	2,939	38,618	-	-
Market value at end of year	<u>£ 535,988</u>	<u>£ 464,077</u>	<u>£ -</u>	<u>£ -</u>
Historical cost at end of year	<u>£ 436,557</u>	<u>£ 366,660</u>	<u>£ -</u>	<u>£ -</u>
<b>Investment income analysed as follows:</b>				
Fixed asset investments	19,271	18,482	-	-
Cash at bank and pension scheme	63,429	23,133	29,083	27,870
	<u>£ 82,700</u>	<u>£ 41,615</u>	<u>£ 29,083</u>	<u>£ 27,870</u>

The Foundation owns 100 ordinary £1 shares in Pocklington School Enterprises Limited and 1 ordinary share in Pocklington School International Limited, companies incorporated in the United Kingdom.

In 2017, investment income included £18,766 relating to restricted funds and £27 relating to endowed funds.

In 2017, gains on investments included £38,618 relating to restricted funds.

**7 DONATIONS AND LEGACIES**

In 2017, donation and legacy income included £163,454 relating to restricted funds and £100 relating to endowed funds.

**8 STOCKS**

Raw materials and consumables	<u>£ 8,770</u>	<u>£ 10,930</u>	<u>£ 8,770</u>	<u>£ 10,930</u>
-------------------------------	----------------	-----------------	----------------	-----------------

**9 DEBTORS**

Fees receivable	83,067	66,625	83,067	66,625
Trade debtors	24,688	10,800	-	-
Amounts due from subsidiary	15,720	-	68,963	45,419
Other debtors	2,657	842	2,657	842
Prepayments	222,795	291,382	247,795	291,382
	<u>£ 348,927</u>	<u>£ 369,649</u>	<u>£ 402,482</u>	<u>£ 404,268</u>

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

**10 CREDITORS amounts falling due within one year**

	<b>Consolidated</b>		<b>Foundation</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	200,001	200,001	200,001	200,001
Trade creditors	89,713	214,322	89,713	214,322
Fees received in advance	1,657,078	1,420,792	1,657,078	1,420,792
Taxation and social security	155,849	155,208	151,342	144,417
Amounts owed to subsidiary	-	-	1,030,335	1,039,140
Pension creditor	112,846	111,996	112,846	111,996
Other creditors	133,633	159,692	157,287	183,346
Returnable deposits	28,438	16,366	28,438	16,366
Accruals	124,540	85,834	115,981	77,933
	<u>2,502,098</u>	<u>2,364,211</u>	<u>3,543,021</u>	<u>3,408,313</u>
Advance fees (see note 12)	328,510	250,042	328,510	250,042
	<u><u>£ 2,830,608</u></u>	<u><u>£ 2,614,253</u></u>	<u><u>£ 3,871,531</u></u>	<u><u>£ 3,658,355</u></u>

**11 CREDITORS amounts falling due after more than one year**

Bank loan	3,333,315	2,901,585	3,333,315	2,901,585
Returnable deposits	170,166	162,229	170,166	162,229
Advance fees (see note 12)	448,248	626,264	448,248	626,264
	<u>£ 3,951,729</u>	<u>£ 3,690,078</u>	<u>£ 3,951,729</u>	<u>£ 3,690,078</u>

A loan of £4M was negotiated in 2016 and helps fund the next stages of the Estate Development Plan.

**12 ADVANCE FEE PAYMENTS**

A limited number of parents may enter into a contract to pay to the Foundation up to the equivalent of nine years tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one terms notice. Assuming pupils will remain in the school, advance fees will be applied as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
After 5 years	22,617	109,786
Within 2 to 5 years	208,088	256,192
Within 1 to 2 years	217,543	260,286
	<u>448,248</u>	<u>626,264</u>
Within 1 year	328,510	250,042
	<u><u>£ 776,758</u></u>	<u><u>£ 876,306</u></u>

The balance represents the accrued liability under the contracts.

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

**13 BANK LOANS AND OVERDRAFTS**

	<b>Consolidated</b>		<b>Foundation</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Loans and overdrafts are repayable as follows:</b>				
Within one year or on demand	200,001	200,001	200,001	200,001
Between one and two years	200,001	200,001	200,001	200,001
Between two and five years	2,701,584	2,701,584	2,701,584	2,701,584
In five years or more	431,730	-	431,730	-
	<u>£ 3,533,316</u>	<u>£ 3,101,586</u>	<u>£ 3,533,316</u>	<u>£ 3,101,586</u>

**14 PENSION SCHEMES**

**Teachers**

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £620,024 (2017: £633,476) and at the year-end £85,692 (2017 - £84,538) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 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 currently 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. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially 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.

**Support Staff - Longer Serving Members**

The Charity operates a defined benefit scheme for all qualified non teaching staff who joined before 31 March 2003 as an admitted member of the East Riding Pension Fund. The assets of the scheme are held in a separately administered fund. Total employer contributions paid over in the year amounted to £263,126 (2017 £257,279).

The scheme is subject to a triennial valuation by independent actuaries, the last valuation being carried out as at 31 March 2013, using the projected unit method, in which the actuarial liability makes allowances for projected earnings.

In accordance with the requirements of Financial Reporting Standard 102 the full actuarial valuation at 31 March 2013 was updated by a qualified independent actuary at 31 August 2014. The major assumptions they used for the purpose of calculating the actuarial deficit were:

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

**14 PENSION SCHEMES (continued)**

	<b>2018</b>	<b>2017</b>
Pension increase	2.4%	2.4%
Salary increases	2.6%	2.6%
Expected return on assets	2.4%	2.4%
Discount rate	2.7%	2.4%

On the basis of the assumptions used for life expectancy, a male pensioner currently aged 65 would be expected to live for a further 21.7 years and a female for a further 24.2 years. Allowance is made for future improvements in life expectancy.

The assets of the scheme at 31 August 2018, along with the expected rates of return are as follows:

	<b>Long term rate of return expected at 31 Aug 18</b>	<b>2018 Value £</b>	<b>Long term rate of return expected at 31 Aug 17</b>	<b>2017 Value £</b>
Equities	2.4%	5,953,680	2.4%	5,500,370
Bonds	2.4%	1,074,970	2.4%	1,007,110
Property	2.4%	992,280	2.4%	852,170
Cash	2.4%	248,070	2.4%	387,350
		<u>£ 8,269,000</u>		<u>£ 7,747,000</u>

**A reconciliation of the fair value of the Scheme's assets is as follows:**

	<b>2018 £</b>	<b>2017 £</b>
Opening value of Scheme assets	7,747,000	6,501,000
Expected return on assets	186,000	123,000
Contributions by members	20,000	23,000
Contributions by employer	267,000	266,000
Actuarial gain	338,000	1,120,000
Estimated benefits paid	(289,000)	(286,000)
Closing fair value of Scheme assets	<u>£ 8,269,000</u>	<u>£ 7,747,000</u>

**A reconciliation of the fair value of the Scheme's liabilities is as follows:**

Opening defined benefit obligations	7,404,000	8,380,000
Current service costs	141,000	166,000
Interest costs	176,000	158,000
Contributions by members	20,000	23,000
Actuarial (gain)/loss	(305,000)	(1,037,000)
Estimated benefits paid	(289,000)	(286,000)
Closing fair value of Scheme liabilities	<u>£ 7,147,000</u>	<u>£ 7,404,000</u>

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

**14 PENSION SCHEMES (continued)**

The analysis of the amount recognised in the SOFA is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Service cost	141,000	166,000
Interest on pension scheme liabilities	176,000	158,000
Interest on pension scheme assets	(186,000)	(123,000)
	<u>£ 131,000</u>	<u>£ 201,000</u>

The actuarial gains shown in the SOFA are:

	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Actuarial gains/(losses)	<u>643,000</u>	<u>2,157,000</u>	<u>(617,000)</u>
Cumulative actuarial gains and losses	<u>£ 1,383,000</u>	<u>£ 740,000</u>	<u>£ (1,417,000)</u>

**Analysis of Scheme assets and liabilities and experienced gains and losses**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fair value of assets	8,269,000	7,747,000	6,501,000	5,521,000	5,463,000
Present value of obligations	(7,147,000)	(7,404,000)	(8,380,000)	(6,866,000)	(7,059,000)
Surplus/(deficit)	<u>£ 1,122,000</u>	<u>£ 343,000</u>	<u>£ (1,879,000)</u>	<u>£ (1,345,000)</u>	<u>£ (1,596,000)</u>
Experienced gains/(losses) on assets	338,000	1,120,000	800,000	(280,000)	320,000
Experienced gains/(losses) on liabilities	-	-	-	52,000	(107,000)

	<b>Year to</b>	<b>% of pay</b>
	<b>31 August 2019</b>	
	<b>£</b>	
The projected amount charged to operating surplus would be:		
Estimated current service cost	<u>131,000</u>	40.2%
Projected amount credited to other finance income:		
Interest on pension scheme assets	(224,000)	(68.5%)
Interest on pension scheme liabilities	191,000	58.4%
Net return	<u>£ (33,000)</u>	
Estimated net SOFA costs	<u>£ 98,000</u>	30.1%

Employer contributions for the year ended 31 August 2019 have been estimated at approximately £100,000 as the scheme will close on 31 December 2018.

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

**14 PENSION SCHEMES (continued)**

**Support Staff - Newer Members**

The Pocklington School Foundation participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

The Foundation paid contributions at the rate of 9% during the accounting period. Members paid contributions at the rate of 6% during the accounting period. As at the balance sheet date there were 63 active members of the Plan employed by The Foundation. The Foundation continues to offer membership of the Plan to its employees.

The Charity's contributions totalled £132,827 this year (2017: £108,690). There were £18,131 contributions outstanding at the year end (2017: £16,642).

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS102 represents the employer contribution payable.

The valuation results at 30 September 2014 were completed in 2016 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £793 million and the Plan's Technical Provisions (i.e. past service liabilities) were £970 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £177 million, equivalent to a funding level of 82%.

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

**14 PENSION SCHEMES (continued)**

The financial assumptions underlying the valuation as at 30 September 2014 were as follows:

	% p. a.
Rate of return pre retirement	4.2
Rate of return post retirement:	
Active/deferred	3.3
Pensioners	3.3
Bonuses on accrued benefits	0.0
Inflation: Retail Price Index (RPI)	3.1
Inflation: Consumer Price Index (CPI)	2.2

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

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

**14 PENSION SCHEMES (continued)**

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). The calculation basis that applies to the Growth Plan was amended due to a change in the definition of money purchase contained in the Pensions Act 2011 but the regulations that will determine exactly how the change will apply in practice are still awaited. As the law stands, it is not yet clear whether the statutory calculation should include or exclude Series 3 liabilities. However, based upon current advice, the most likely interpretation is that Series 3 liabilities will have to be included in the calculation of an employer's debt on withdrawal.

The estimated cost of withdrawal from the scheme is calculated at £83,508 (2017: £91,974).

**The Pensions Trust Retirement Solutions - Independent Schools' Pension Scheme (ISPS)**

The Pocklington School Foundation also participates in The Pension Trust's Independent Schools' Pension Scheme, a multi-employer scheme which provides benefits to some 66 non-associated employers. The scheme is a defined benefit scheme in the UK.

It is not possible for the Foundation to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

The scheme is classified as a 'last-man standing arrangement'. Therefore the Foundation is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme.

The Foundation's estimated buy-out debt on withdrawal from the scheme is calculated at £173,472 (2017: £233,245). The buy-out debt on withdrawal is the withdrawing employer's share of the difference between the scheme's assets and the scheme actuary's estimate of the amount that an insurance company would charge to take on responsibility for paying all of the benefits due from ISPS. Whilst the ISPS continues to be in operation, this buy-out debt will not trigger so long as the Foundation continues to employ an active member in the ISPS. This scheme will also close for future service in December 2018.

**15 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Net income for the reporting period</b>	1,106,683	2,662,938
<b>Adjustments for:</b>		
Depreciation charges	423,089	345,130
Gains on investments	(4,123)	(33,023)
Dividends, interest and rents from investments	(84,345)	(41,615)
Financing costs	116,060	99,816
Actuarial gain	(643,000)	(2,157,000)
Loss on sale of assets	558	9,270
Decrease/(increase) in stock	2,160	(4,783)
Decrease/(increase) in debtors	26,293	(80,848)
Increase in creditors	38,053	375,846
Pension charge less than actual contribution	(126,000)	(100,000)
Net cash provided by operating activities	<u>£ 855,428</u>	<u>£ 1,075,731</u>

**ANALYSIS OF CASH AND CASH EQUIVALENTS**

Cash at bank and in hand	<u>5,343,895</u>	<u>5,122,705</u>
<b>Total cash and cash equivalents</b>	<u>£ 5,343,895</u>	<u>£ 5,122,705</u>

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

**16 TRANSACTIONS WITH TRUSTEES**

Travel expenses amounting to £431 were paid to two Governors during the year (2017: £605 to three Governors). No Governors, nor persons connected to them, received any remuneration or benefits during the year.

**17 RESTRICTED FUNDS**

	Balance at 1 Sept 17 £	Income £	Expended £	Transfers £	Balance at 31 Aug 18 £
John Dolman Trust	1,965,851	237,985	(5,590)	(31,000)	2,167,246
CSU Prize Fund	2,362	47	-	-	2,409
Croft Prize Fund	2,682	54	(80)	-	2,656
William Arthurs Classics Fund	2,338	47	(80)	-	2,305
Joan Allen Science Fund	3,266	65	(100)	-	3,231
Pocklington Silvestri Fund	2,286	46	-	-	2,332
Dr Harold Williams Scholarship	18,082	362	(301)	-	18,143
D W Bagot Scholarship	22,983	460	-	-	23,443
Improvement Fund	5,695	400	(3,305)	-	2,790
Archive Fund	35,948	250	(9,543)	-	26,655
The Darrell Buttery Bursary Fund	20,725	454	-	-	21,179
Keith Applebee Scholarship	2,000	-	-	-	2,000
The Archbishop Zouche Prize	250	5	(25)	-	230
The Elliott Prize	250	5	(25)	-	230
	<u>£ 2,084,718</u>	<u>£ 240,180</u>	<u>(£ 19,049)</u>	<u>(£ 31,000)</u>	<u>£ 2,274,849</u>
	<b>Balance at 1 Sept 16 £</b>	<b>Income £</b>	<b>Expended £</b>	<b>Transfers £</b>	<b>Balance at 31 Aug 17 £</b>
Total funds	<u>£ 1,918,219</u>	<u>£ 215,243</u>	<u>(£ 17,744)</u>	<u>(£ 31,000)</u>	<u>£ 2,084,718</u>

John Dolman Trust

The Trust comprises a Bursary Account and a Development Account. The Bursary Account received a donation of funds from the Yorkshire Society in 2010; this £114,000 is invested with the rest of the funds and an annual income of base rate plus 1.5% is targeted at bursary support for applicants for the School's bursary scheme that were born in Yorkshire.

The CSU Prize Fund

Mrs Winifred Bond bequeathed the sum of £1,000 in 1980 to the Community Service Unit in recognition of the kind attention shown by pupils to her husband and herself over a period of years. The income from the bequest is administered by the Master in charge of the CSU who awards grants to present or former Sixth Form pupils for specific Community Service assignments. No awards were made during the year.

The Croft Prize Fund

Mr Peter Croft, a late Governor of the School, made a donation of £1,000 in 1993, for the funding of prizes. No conditions were attached to the gift, which, at the time was to be anonymous. Notional interest is added each year. This now supports a singing prize.

William Arthurs Classics Fund

Donated in 2001 to fund a prize to student or students leaving to read for a degree in classics.

Joan Allen Science Fund

Joan Allen donated £2,000 to the Charity to set up a prize fund to benefit students studying science.

Pocklington Silvestri Fund

The Pocklington Silvestri Fund provides for miscellaneous expenses to Romanian Students who become boarders at the School. Currently there are none.

Dr Harold Williams Scholarship

The School received £11,799 from the estate of the late Dr Harold Williams, an Old Pocklingtonian. The income from this bequest can provide a scholarship to assist a Pocklington pupil studying at a university in the United Kingdom.

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

**17 RESTRICTED FUNDS (continued)**

D W Bagot Scholarship

Mr B Fenwick-Smith donated £25,000 as a travel scholarship in memory of his friend D W Bagot. The annual travel scholarship accumulates interest over time.

Improvement Fund

The School accepts small donations for the repairs, improvements and installation of items and artefacts of a historic nature.

Archive Fund

Funds were raised for the creation of the School Archive rooms. The balance is to be used for curating materials in the Archive including digitalisation.

The Darrell Buttery Bursary Fund

Mr Darrell Buttery, Governor and former teacher at Pocklington, made donations to establish a hardship fund to support outstanding pupils at Pocklington School who would otherwise have to leave on financial grounds. Mr Buttery intends that both capital and income can be used for this purpose. No awards were made during this year.

Keith Applebee Scholarship

A legacy was received from the estate of Keith Applebee (old Pocklingtonian and Governor of the school) to provide an annual prize to the pupil who is deemed by the Headmaster to have made the greatest contribution to the community life of the school.

The Archbishop Zouche Prize

Donated anonymously and will be awarded to a pupil who overcomes personal adversity.

The Elliott Prize

Donation by Mr Stephen Elliott, a former teacher and Governor, for the best contribution to wildlife study and nature conservation.

**18 ENDOWED FUNDS**

Nine small charities were amalgamated into one Scheme in 1987. They now comprise a Prize Fund, a Scholarship Fund, The Desmond Boulton Swimming Prize and the Isherwood and Allen Bursary Fund. These are a mixture of restricted and endowed funds.

	<b>Balance at</b>				<b>Balance at</b>
	<b>1 Sept 17</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>31 Aug 18</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Scholarship Funds	3,921	78	(190)	-	3,809
Prize Funds	5,433	117	(585)	(400)	4,565
Desmond Boulton Prize	415	8	(15)	-	408
Isherwood & Allen Bursary Fund	2,644	53	-	-	2,697
	<u>£ 12,413</u>	<u>£ 256</u>	<u>£ (790)</u>	<u>£ (400)</u>	<u>£ 11,479</u>

	<b>Balance at</b>				<b>Balance at</b>
	<b>1 Sept 16</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>31 Aug 17</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Scholarship Funds	3,912	9	-	-	3,921
Prize Funds	5,322	111	-	-	5,433
Desmond Boulton Prize	414	1	-	-	415
Isherwood & Allen Bursary Fund	2,638	6	-	-	2,644
	<u>£ 12,286</u>	<u>£ 127</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 12,413</u>

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

**19 UNRESTRICTED FUNDS**

	Balance at 1 Sept 17 £	Surplus/(deficit) (includes investment gain) £	Transfer between funds £	Balance at 31 Aug 18 £
Free reserves	270,486	484,027	(505,987)	248,526
Pension reserve	343,000	779,000	-	1,122,000
Designated funds - Fixed assets	10,020,933	(423,647)	537,387	10,134,673
<b>Charity</b>	10,634,419	839,380	31,400	11,505,199
Non charitable trading funds	434,999	46,706	-	481,705
<b>Total for the group</b>	<b>£ 11,069,418</b>	<b>£ 886,086</b>	<b>£ 31,400</b>	<b>£ 11,986,904</b>

  

	Balance at 1 Sept 16 £	Surplus/(deficit) (includes investment gain) £	Transfer between funds £	Balance at 31 Aug 17 £
<b>Total for the group</b>	<b>£ 8,573,106</b>	<b>£ 2,465,312</b>	<b>£ 31,000</b>	<b>£ 11,069,418</b>

The transfer of £537,687 represents the value of fixed asset additions purchased with free reserves being transferred to the designated reserves (£331,686), less the sales proceeds from the disposal value of fixed assets (£4,300), plus the loan repayments made this year (£200,001 and £10,000). The transfer of £31,000 represents unrestricted marketing (£25,000) and bursary (£6,000) expenditure funded by the John Dolman Trust.

**20 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Tangible fixed assets £	Investments £	Net current assets £	Long term liabilities £	Total £
<b>Restricted Funds</b>					
John Dolman Trust	-	535,988	1,631,258	-	2,167,246
CSU Prize Fund	-	-	2,409	-	2,409
Croft Prize Fund	-	-	2,656	-	2,656
William Arthurs Classics Fund	-	-	2,305	-	2,305
Joan Allen Science Fund	-	-	3,231	-	3,231
Pocklington Silvestri Fund	-	-	2,332	-	2,332
Dr Harold Williams Scholarship	-	-	18,143	-	18,143
D W Bagot Scholarship	-	-	23,443	-	23,443
Improvement Fund	-	-	2,790	-	2,790
Archive Fund	-	-	26,655	-	26,655
The Darrell Buttery Bursary Fund	-	-	21,179	-	21,179
Keith Applebee Scholarship	-	-	2,000	-	2,000
The Archbishop Zouche Prize	-	-	230	-	230
The Elliott Prize	-	-	230	-	230
	-	535,988	1,738,861	-	2,274,849
Unrestricted funds	(87,000)	-	1,435,645	503,586	1,852,231
Endowed funds	-	-	11,479	-	11,479
Designated funds	13,782,989	-	(315,001)	(3,333,315)	10,134,673
<b>Total for the group</b>	<b>£ 13,695,989</b>	<b>£ 535,988</b>	<b>£ 2,870,984</b>	<b>£ (2,829,729)</b>	<b>£ 14,273,232</b>
<b>2017</b>					
Restricted funds	-	464,077	1,620,641	-	2,084,718
Unrestricted funds	(87,000)	-	1,580,978	(445,493)	1,048,485
Endowed funds	-	-	12,413	-	12,413
Designated funds	13,247,519	-	(325,001)	(2,901,585)	10,020,933
<b>Total for the group</b>	<b>£ 13,160,519</b>	<b>£ 464,077</b>	<b>£ 2,889,031</b>	<b>£ (3,347,078)</b>	<b>£ 13,166,549</b>

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

**21 CONTRACTS AND COMMITMENTS**

Capital commitments at 31 August 2018 in relation to building works were £37,637 (2017: £750,000).

**22 OPERATING LEASES**

As at 31 August 2018 the School had future minimum lease payments under non-cancellable operating as follows:

	<b>Consolidated</b>		<b>Foundation</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Equipment</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	37,504	19,828	37,504	19,828
Within one to two years	34,733	15,120	34,733	15,120
Within two to five years	52,187	11,757	52,187	11,757
Over five years	-	-	-	-
	£ 124,424	£ 46,705	£ 124,424	£ 46,705

**23 INCOME FROM SUBSIDIARY'S TRADING ACTIVITIES**

The School owns Pocklington School Enterprises Limited (PSEL), which provides academic, sport and leisure courses, and the administration of a shop trading in uniforms, sports clothing and equipment. Its trading results extracted from its financial statements for the year ended 31 August 2018 were:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Turnover	95,814	100,697
Cost of sales	(37,589)	(46,778)
<b>Gross profit</b>	<b>58,225</b>	<b>53,919</b>
Administrative expenses	(11,519)	(14,808)
<b>Operating profit</b>	<b>46,706</b>	<b>39,111</b>
<b>Profit before tax</b>	<b>46,706</b>	<b>39,111</b>
Gift aid distribution to parent charity	(46,706)	(39,111)
<b>Retained earnings</b>	<b>£ -</b>	<b>£ -</b>

Cost of sales includes £37,589 (2017: £46,778) for use of school facilities and services, and administration includes £2,707 (2017: £2,094) for other charges paid to the School.

**24 RELATED PARTIES**

Four Governors (2017: three) have a total of four children (2017: four) enrolled at the school. Of these children none (2017: none) receive sibling discounts towards the cost of their education. All fees are charged at the normal arm's length rate. No Governor or person connected with a Governor received any benefit from means-tested bursaries.

Due to the nature of the Foundation's operations and the composition of the Board of Governors (many being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All such transactions involving organisations in which a member of the Board of Governors may have an interest are conducted at arm's length and in accordance with the Charity's financial regulations and normal procurement procedures. No transactions were identified which should be disclosed under FRS 102.