

CHRIST COLLEGE BRECON

**REPORT OF THE GOVERNORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

Baldwins Audit Services
Chartered Accountants & Statutory Auditors
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Newport
NP20 1LA

CHRIST COLLEGE BRECON

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**CHRIST COLLEGE BRECON
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2019**

The Governors are pleased to present their annual report together with the financial statements of the College for the year ending 31 August 2019.

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

OBJECTS AND ACTIVITIES

Charitable objects

The provision of a Christian and liberal education to boys and girls of good character is the principal objective of Christ College Brecon.

Main activities

In fulfilling its charitable objects, Christ College's main activities are:

- The provision of education to children aged between 7 and 18. This includes sitting external exams in years 11 and 13, predominantly GCSE and A level
- The provision of boarding, and of support and welfare facilities for all pupils
- The provision of wider educational and extra-curricular activities for the broader development of pupils
- The provision of excellent facilities to enable the above
- The extension of facilities to provide educational benefits to non-pupils, particularly children aged 7-18 years old living in Brecon and the surrounding area.

The senior school contains boys and girls aged 13 to 18; Alway House is for boys and girls aged 11 and 12; St Nicholas House is for pupils under 11. Pupil numbers totalled 402 during the course of the year, of whom 176 were boarders, 48 flexi-boarders and 178 day pupils. This compares to 387 pupils in 2017-18. Of the total, St Nicholas House educated 34 pupils during the year, compared to 39 in 2017-18.

The College also allows its facilities to be used by local groups throughout the year and for summer lettings to external bodies.

Grant making policy and public benefit

Christ College Brecon, founded originally with a gift of 60 shillings from Henry VIII to educate 20 poor scholars of Brecon, continues to make significant grants of scholarships, bursaries and prizes and other awards to pupils. Christ College's policy is to make the award of scholarships on the basis of an individual's educational or sporting potential, and bursaries on the basis of financial need. It is the College's policy to favour means-tested bursaries over scholarships. This contributes to the school's aims and objectives by ensuring that gifted and talented pupils are encouraged to join Christ College and is intended to meet the College's charitable objects by providing assistance to as broad a group of pupils as possible. Remissions of fees are also given to those with more than one child at the College and those from various professions such as the clergy.

During the year Bursaries, Scholarships and Remissions amounting to £1,315,223 (2018: £1,173,072) were given. In addition, £3,793 (2018: £3,627) was awarded from restricted funds in accordance to the conditions imposed by the original donor.

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These can be summarised as below:

| | Value | Number of Awards |
|-----------------------|--------------|-------------------------|
| Academic scholarships | £386,082 | 105 |
| Bursaries | £392,171 | 66 |
| Remissions | £536,970 | 115 |

As some children received more than one award, the total number of pupils benefiting from some form of assistance this year was 212 (2018: 195).

In terms of educational benefits, the College continued to invite many local schools to use its resources without charge for events such as its cross country contest; it hosted the annual exhibition by the Institute of Physics; and the school's theatre has been used by local primary schools. In addition Christ College helped local schools by providing them with the College's minibus and driver for their school trips which has alleviated expensive transport costs. Beneficiaries of these services have been, amongst others, Cradoc Primary, Llanfaes Primary and Brecon High School.

Service to the wider community was reflected in the provision of sports facilities to, amongst others, Brecon Town Juniors, Hockey Wales, South Wales Hockey, Brecon Ladies Netball and Cricket Wales. Christ College also provided facilities for the Disability Sports Club, Wales Karate, the Brecknock Society, the Royal Society of Chemists, the Royal Institute of Physics, Swansea AFC, the Associated Board of Royal School of Music (ABRSM), the Duke of Edinburgh Awards, the Church Monuments Society, Wales RFU (charity and youth tournament), community choirs and various local music groups. The College also made its facilities available for the Welsh police forces to use as a base when they covered big events such as the Jazz Festival and the Royal Welsh show. At various times during the year members of the public were able to visit the school's historic buildings.

The Governors are satisfied that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Their compliance with this duty is a matter that they keep under regular review.

Aims and intended impact

The College seeks to maximise the spiritual, intellectual, aesthetic, physical, cultural and moral development of each pupil and so prepare him or her for the opportunities, responsibilities and achievements of adult life.

The College Chapel and its Chaplain provide a stimulus and focus for Christian and moral teaching according to the doctrine of the Church in Wales, but respecting other religious traditions.

The broad academic curriculum sets high expectations of achievement.

A wide range of extra-curricular facilities, opportunities and experiences is provided. As well as building self-confidence and fostering life-long leisure interests, these aim to promote an understanding of the principles and value of leadership, the benefits of playing and working as a team, the importance of self-discipline and effective personal organisation and a willingness to contribute to the community as a responsible citizen. The fullness of the weekly routine for boarders and day pupils alike is crucial to the achievement of these aspirations.

Criteria for success

The achievement of the College's financial aims will ensure that resources are available to underpin its charitable activities, particularly the provision of bursaries. A supported place at Christ College is only of value if the College meets its educational aims.

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The measures of success are:

- The development of pupils as responsible, happy and well-rounded citizens
- The achievement of GCSE and A level results above the national average for the United Kingdom
- Successfully competing with other schools of similar or larger size in sporting activities
- The provision of a broad range of extra-curricular activities
- The provision of bursaries to a broad range of pupils
- Financial viability to allow adequate funding of these activities and to finance self-funded bursaries.

Objectives for the year:

The previous year's objectives were reviewed at the end of the year and new ones established. These are:

Academic Focus:

- Continue to improve standards at GCSE and A Level
- Focus on Key Stage 3 (pupils aged 11-13 years)
- To prepare for the introduction of 3 BTEC courses aimed at broadening the academic offering for 6th form pupils.
- To prepare for the introduction of iSAMs management system in Sep 2020.

Overseas Development:

- Provide ongoing support to King Henry VIII School in Malaysia and develop further overseas opportunities

Futures:

- Further improve careers advice to Year 11 and Sixth Form pupils

Sixth Form:

- Aim to refresh the Sixth Form and develop a 6th form 'Curriculum for Life' programme

Day and Boarding:

- Create a co-educational day house situated in the heart of the school

ACHIEVEMENTS AND PERFORMANCE

Academic results were strong with nearly 39% of A level grades at A*/A and 69% at A*-B. Over the last 3 years 23% of candidates have achieved 3A/*s. Top performing subjects were English with 75% */A and Art/Photography with 58%. At GCSE pupils achieved 22% 9/8 9(A*/A**) and 41% 7/8/9 with a strong performance in Maths and Science: another very impressive set of results with the new linear examinations. 43 pupils gained places at Universities, including Bristol, Cardiff, Durham, Liverpool, Royal Holloway, Swansea, St Andrews, UCL and Michigan State to study a diverse range of subjects including Veterinary Science, History, Geography, Chemical Engineering, Mathematics, Business, Law and Nursing. Curriculum for Life goes from strength to strength and the programme is evolving on the basis of pupil feedback.

The extra-curricular life of the College was both busy and successful, particularly in sport, music and drama.

Representative honours were gained in rugby, hockey, volleyball, shooting and golf. Hockey remained a particular strength, with several boys' and girls' teams reaching regional or national level.

A full programme of coaching and fixtures took place in rugby, netball, hockey and cricket, as well as further competitive fixtures in football, cross-country, tennis, basketball and golf, among other sports. A Director of Sport has been appointed with the aim of introducing a new ambitious vision for CCB sport in line with the school's wider aspirations.

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In tennis, the U14 boys got through to the Regional Finals played in September 2019, finishing as runners-up. A team of 6 (5 girls and 1 boy) competed in the National Schools Equestrian Association Eventers challenge at Lucton. The U14, U16 and U18 netball teams all won their Powys County tournament and competed in the regional finals.

A new Director of Performing Arts started in September 2018. She plans to increase the quality and ambition of school productions. The school performed the ambitious and hugely successful *Phantom of the Opera* in the Autumn term, and the year 7 and 8 pupils performed *Beauty and the Beast* in the summer term. Many pupils continue took LAMDA examinations in Acting, Devising Drama and Speaking in Public.

In Music many pupils again took various ABRSM exams and numerous concerts were held throughout the year. The choir continued to enhance weekly worship. Perhaps the highlight was *Zimbe!* where Christ College Chapel Choir joined with St Nicholas children, an assembled Monday night Community Choir, as well as choirs from three other schools (The Elms School Colwall, Cradoc School and Sennybridge School) to perform in Brecon Cathedral. With some 140 singers on stage as well as a professional jazz quintet, this was a colourful performance that had an audience of well over 250 people.

In the Duke of Edinburgh Award Scheme, 19 Upper Sixth Formers passed their expedition in the Black Mountains in mixed conditions. A range of sports and activities were completed at Christ College to facilitate the completion of the Award along with some varied and interesting volunteering work. As usual, this has included assisting in the teaching of younger pupils in activities such as Chess and Drama, leading groups in CCF on Thursdays, working in Brecon Library each week and coaching sports teams. The Combined Cadet Force had 150 pupils on roll and successfully completed a varied and exciting curriculum.

The annual Upper Sixth history trip to Auschwitz and Krakow took place in December. 40 pupils of all ages went on the school ski trip to Austria in December. The Lent term saw some Lower Sixth pupils spend a fortnight at Meikei High School near Tokyo as part of the Japanese exchange programme (the Japanese pupils stay with us in November). In April senior Spanish pupils spent five days in Salamanca on a cultural exchange. In the summer term the annual Year 9 history trip to the First World War battlefields took place. Lower Sixth geographers carried out fieldwork in Chamonix during the final week of the school year. In June, Years 5 & 6 spent a week in Stackpole enjoying outdoor adventure and Year 8 pupils enjoyed 48hrs in London with the English Department on a theatre and cultural visit.

The Society of Friends of Christ College continued to raise funds for the school. During this reporting period they have raised money to update the library.

Former pupils are members of the Old Breconian Association. The Association has a warm and fruitful relationship with the College.

Operational performance of Christ College Holiday Activities Limited

Summer lettings continue to make an important contribution to Christ College's finances. This summer the lets occupied 5,355 (2018: 5,796) bed nights out of a maximum available of 9,075 (2018: 10,633) which represents a utilisation rate of 59% (2018: 54.5%). This reduction in numbers as well as capacity is consequent upon the decision to close one of the boarding houses per year as part of the school's annual maintenance programme. The College shop, together with the tuck shop, continues to make a small profit. During the Easter of 2019 CCHA initiated and ran its first revision course.

Operational performance of 1541 Limited

1541 Ltd was established primarily to facilitate cooperation with a partner school in Malaysia. During the course of 2018-19 the sister school in Cyberjaya opened its doors for business amidst healthy interest from local Malaysian and overseas pupils, particularly from China.

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At the time of its year end and post year-end up to and including the end of February 2020 1541 Ltd's sole customer, BSSB (a Malaysian registered company), was seeking a significant refinancing of its operations. This has resulted in delay in making full payments. Settlement of the full outstanding debt was contingent upon completion of this re-financing exercise. Whilst the Directors of 1541 Ltd remained hopeful that BSSB's refinancing would be completed satisfactorily, they felt it was prudent to provide for the outstanding balance some 12 months after it had fallen due.

Fundraising performance

Income for 2019 amounted to £114,960 (2018: £338,939). This included a legacy of £76,339 which was left to the school by a former pupil. The College continued to benefit enormously from the support of the Society of Friends of Christ College Brecon and the Old Breconian Association. This support is invaluable and the College is very grateful to both groups.

Investment performance against objectives

During 2018/19, the value of the funds held in investments increased from £2,735,919 to £2,918,518 due to organic growth, an increase in donations and the continued stock market bull run together with a reinvestment of dividends. The investment fund attracted realised gains and unrealised losses of £83,801 and £133,161 respectively.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Group Results:

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Income | 8,419 | 8,013 | 7,827 | 7,425 | 6,639 |
| Expenditure (excluding depreciation) | 7,014 | 6,507 | 6,568 | 6,536 | 6,416 |

In the year, the group's net income over expenditure before investments gains amounted to £862,256 (2018: £982,091) and a net increase in funds of £812,896 (2018: £1,062,379). Net assets increased to £13,338,663 (2018: £12,525,767). Depreciation of £542,719 (2018: £524,597) has been charged in respect of fixed assets.

This is in line with the group's depreciation policy. These assets were also maintained to a high standard with repairs and maintenance costs also being expensed in the Statement of Financial Activities.

Although pupil numbers increased, the impact of external cost pressures on the school meant that the surplus of income over expenditure before depreciation was slightly down on the previous year when one-off elements such as collection of debts and windfall receipts (such as legacies) are excluded. These one-off receipts were applied to one-off transactions such as early loan repayments, to funding capital projects and also to improve the College's working capital position. Ongoing financial discipline as successfully exercised to date will remain an imperative. During the year the Governors supported expenditure on capital improvements to the College totalling £272,534 (2018: £686,298).

Christ College Holiday Activities Limited contributed £97,434 (2018: £110,999) and 1541 Limited contributed £199,187 (2018: £202,138) to the operations of the College. Details of the subsidiary performance are included in note 15 to the financial statements.

There are no events which have significantly impacted upon the finances of Christ College.

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Reserves policy

Total unrestricted, restricted and endowment funds of the group amounted to £13,338,663 (2018: £12,525,767) at the year end.

The Governors require sufficient reserves to ensure that the College can pay its short term creditors and meet the operating costs of the business for at least two months. Over the last few years the Governors have built up its reserves to underpin development of the school's facilities in lieu of further borrowing.

At 31 August 2019, the group has "free reserves" of £11,633 (2018: (£1,323,607) negative) and the college has "Free reserves" of £9,060 (2018: (£1,326,180) negative). The significant improvement is due to early debt repayment of £1m and ongoing additions to funds. Free reserves are defined as unrestricted investments plus unrestricted net current assets less unrestricted long term liabilities and designated funds, as shown in note 25. The Board of Governors feel due to the long term loan liabilities being secured over the College's land, buildings and investment assets, as shown in note 20, does not fairly reflect the group's actual free reserves. When the loan liability is excluded the group's free reserves are £2,267,947 (2018: £2,040,414) and the college's free reserves are £2,265,374 (2018: £2,037,841).

The reserves policy focuses on the building of unrestricted reserves and having achieved a positive free reserves position to continue to build them up. The longer term ambition to secure a positive 'free reserves' position was achieved this year and Governors are resolved to maintaining and growing them further.

The group's unrestricted net current assets, as shown in note 25, amount to £821,730 (2018: £801,367). The Governors consider this level of reserves to be reasonable given that fees for the new academic year are received within a few days of the financial year end. Reserves are considered to be available and adequate to fulfil the obligations of the College.

Investment policy

The Governors intend that the real value of the investment assets be maintained or enhanced over the long term by investment in a portfolio consisting of equities, fixed income stocks, property and cash. A reasonable level of income is required and a medium level of risk accepted. In order to meet these objectives, the Governors employ Brewin Dolphin Securities Limited as their agent to give advice on a diversified portfolio of suitable investments.

Investment powers

The Governors have the powers to invest in any area in accordance with the 1960 Scheme Clause 60.

PLANS FOR FUTURE PERIODS

The School is looking to broaden its academic offering through the introduction of qualifications in addition to the traditional A level route, which includes BTEC. Coupled with its Curriculum for Life programme Christ College is establishing itself as a leading UK provider of a cohesive, well rounded education for all of its pupils. Governors have resolved not to borrow further funds. However, significant funds, internally generated, have been set aside to complete an ambitious estates improvement programme. Christ College's intention to remain a centre for excellence for hockey is exemplified through the commitment to fully replace its all-weather facility in 2021. An ongoing rolling programme to refurbish a boarding house each summer has now been established and, to facilitate that, investment in facilities to replace lost boarding-house capacity to be used for the highly successful commercial lets will take place in 2020.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Christ College Brecon is a registered charity. It was originally founded by King Henry VIII by Royal Charter dated 19 January 1541 although the current-day school was established by an Act of Parliament in 1855 and was subsequently regulated by a Scheme made under the Endowed Schools Acts on 28 June 1880, as altered and amended by Schemes of 23 November 1906 and 23 August 1921.

Christ College Brecon is now regulated by a Scheme made by the Minister of Education under the Charitable Trusts Acts 1853-1925, sealed on 26 September 1960, and varied by Schemes of the Charity Commissioners of the 27 September 1977, the 7 December 1984, the 7 March 1995, the 27 September 1996 and the 21 September 2015.

The College's legal status is as an unincorporated association as defined by the Charities Act 2011.

Governing bodies

Christ College Brecon is managed by a Board of Governors being as such a body corporate, the details of which are explained on page 9.

Recruitment and training of Governors

The Board of Governors shall consist, at maximum, of 25 competent persons being:

- 3 Ex-Officio Governors;
- 2 Nominative Governors; and
- 20 Co-optative Governors.

The Ex-Officio Governors shall be:

- The Lord Bishop of Swansea and Brecon;
- The Lord Lieutenant of the County of Powys; and
- The Archdeacon of Brecon.

The Nominative Governors shall be appointed as follows:

- One by the Old Breconian Association; and
- One by the Society of Friends of Christ College Brecon.

The Co-optative Governors are entitled to hold office for five years from the date of appointment and may not be reappointed more than once without a break of at least one year.

Methods used to recruit and appoint new Governors

- Ex-officio Governors are appointed by virtue of their office.
- Nominative Governors are appointed by the constituent organisations.
- Recommendations for Co-optative Governors are made to the Governance Committee who consider the qualifications, expertise and skills of the proposed Governor based upon a skills matrix. Co-optative Governors are formally appointed by the full Board of Governors upon recommendation of the Governance Committee.

Newly appointed Governors are inducted by the Chair and Clerk into the workings of the Board, its policies and aims. Seminars are arranged both through Association of Governing Bodies of Independent Schools and independently.

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Charity Governance Code of Practice

The Governors of Christ College have resolved to comply with the Charity Commission's code of practice for good governance. There are seven principles which are considered to be necessary to qualify as a well governed charity. The Governors have assessed the school against each of these:

1. Organisational purpose
2. Leadership
3. Integrity
4. Decision making, risk and control
5. Board effectiveness
6. Diversity
7. Openness and accountability

Following this assessment, the Governors concluded that the school was broadly compliant with the principles. The ethos of the code of practice is to promote continual improvement and to that end the Governing Body highlighted areas for further improvement.

Organisational management

Under the authority of the 1960 Scheme, the Head has under his control most aspects of the internal organisation, management and discipline of the College. The Head liaises closely with the Governors, and has a senior management team to whom he delegates day to day functions. The latter consisted during the reporting year of a Bursar, Deputy Head (Academic) and Deputy Head (Pastoral).

Management of finance and estates and strategic planning were very largely delegated to the General Purposes Committee of the Board of Governors. There were two further Board sub-committees: Governance and Education, both of which had Senior Management attendance. In addition, a Governor sat on the Health and Safety Committee; a Governor had designated responsibility for safeguarding and child protection, and a

Governor had designated responsibility for strategic planning. There were also panels of Governors to consider appeals, discipline, grievances and complaints.

Group structure and relationships

The College has two wholly owned non-charitable subsidiaries. Christ College Holiday Activities Limited offers courses and holiday lettings, and operates a school shop, to generate additional income. 1541 Limited is a company set up to collaborate in the operation in schools overseas for commercial gain.

Risk management

The Governors regularly examine the principal areas of the College's operations and consider the major risks faced in each of these areas. These include buildings, the security of staff, pupils and visitors, significant loss of income and financial mismanagement, the reputation of the College and possible adverse effects of external factors such as changes in government policy. In their opinion, the College has established resources and review systems which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day to day operations.

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Key risks and mitigating actions identified by the Governors were:

1. Failure to respond to the changing market.

This was managed through the development of strategic financial plans, review and control of costs, pro-active management, regular market research, annual marketing strategy review national networks and staff training.

2. Failure to respond to public criticism of independent schools

This was managed through strategic planning to respond to increased duties imposed on independent schools and to secure retention of the school's charitable status.

3. Failure to achieve planned recruitment totals

This was managed through the school's marketing and admissions department, strategic planning and competitive fee pricing.

4. Failure to plan for the UK exiting the EU without a treaty

This was managed primarily through the bulk purchasing capacity of the outsourced catering function.

Arrangements for pay and remuneration of key management personnel

Key management personnel pay is set by a sub-committee delegated by the board of governors. The sub-committee reviews pay each year and will consider remuneration against current market rates.

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REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|----------------------------|--|
| Charity name | Christ College Brecon |
| Registration number | 525744 |
| Principal address | Christ College Brecon Powys LD3 8AF |

Governors

Christ College Brecon is managed by a Board of Governors being as such a body corporate.

The Governors who served during the year were as follows:-

The Governors who served during the year were as follows:-

Mrs Tia Jones (Lord Lieutenant of Powys)
The Most Reverend John D E Davies (Lord Bishop of Swansea and Brecon & Archbishop of Wales)
The Venerable Alan Jevons (Archdeacon of Brecon) * 4 5
Mrs Julia Cherrett (Appointed June 2019) * 2
Professor Michael Davies 5 (Deputy Chair)
Ms Kate Dobbs (Appointed December 2018) *
Mr Clive Dytor MC 5 (Resigned June 2019)
Mr Michael H Gittins 1 2 6 (Resigned June 2019)
Mrs Susan A E Gwyer Roberts DL * 5 8 (Resigned June 2019)
Mr David James * 7
Judge Milwyn Jarman QC 2
Mrs Nicola Maughan* 1
Mr Charles Minogue 5
Mrs Helen Molyneux *
Sir E Paul Silk KCB * 1 3 5 6 (Chair)
Mrs Megan Watkins 1
Mr Adrian J Whittall * 3 6 7
Ms Susie Wildee (Appointed December 2018) 1

* Denotes member of the General Purposes Committee

1 Denotes member of the Governance Committee

2 Denotes member of the Health and Safety Committee

3 Denotes member of Investment Committee

4 Denotes designated Governor for Child Protection

5 Denotes member of Education Committee

6 Denotes member of Salary Committee

7 Denotes member of Concessions Committee

8 Denotes Governor with special responsibility for strategic planning

Key Management Personnel

Mr G D Pearson – Head

Mr J D Bush – Deputy Head - Academic

Mr S Hill – Deputy Head Pastoral

Mr M N Allen – Bursar and Clerk to Governors

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| | |
|----------------------------|--|
| Bankers | Lloyds Bank plc Black Horse House Phoenix Way Swansea Enterprise Park Swansea SA7 9EQ |
| Solicitors | Red Kite incorporating Charles Crookes & Co 8A High Street Brecon Powys LD3 7AL |
| Insurance brokers | Creative Risk Solutions Ltd Pod 1 Capital Shopping Park Leckwith Road Cardiff CF11 8EG |
| Auditors | Baldwins Audit Services Waters Lane Chambers 1-3 Waters Lane Newport NP20 1LA |
| Investment advisors | Brewin Dolphin Securities Limited 2 nd Floor 5 Callaghan Square Cardiff CF10 5B |

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RESPONSIBILITIES OF THE GOVERNORS

The trustees are responsible for preparing the Governors' Report and the financial statements in accordance with 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).

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The governors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the governors are aware:

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

The governors are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By Order of the Board



**Professor Michael Davies
(Governor)**

Date: 28th March 2020

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF CHRIST COLLEGE BRECON
FOR THE YEAR ENDED 31 AUGUST 2019**

Opinion

We have audited the financial statements of Christ College Brecon for the year ended 31 August 2019 which comprise the Group and the Parent Charity Statement of Financial Activities, the Group and the Parent Charity Balance Sheet, the Group Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the group's and the parent charity's governors, as a body, in accordance with section 151 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the group's and the parent charity's governors 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 group's and the parent charity's governors as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 August 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and the parent 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.

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FOR THE YEAR ENDED 31 AUGUST 2019**

Other information

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

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

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

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

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

Responsibilities of the trustees

As explained more fully in the governors' responsibilities statement set out on page 11, the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors are responsible for assessing the group's and the parent 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 governors either intend to liquidate the group and the parent charity or to cease operations, or have no realistic alternative but to do so.

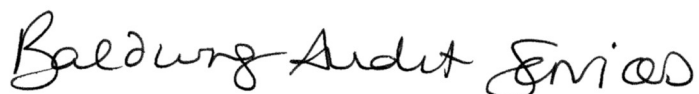
Our responsibilities for the audit of the financial statements

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

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF CHRIST COLLEGE BRECON
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

A handwritten signature in black ink that reads "Baldwins Audit Services". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

Baldwins Audit Services

Chartered Accountants and Statutory Auditors
Waters Lane Chambers
1 – 3 Waters Lane
Newport
NP20 1LA

Date: 6th April 2020

Baldwins Audit Services is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CHRIST COLLEGE BRECON
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2019

| | Note | Unrestricted funds £ | Restricted funds £ | Endowment funds £ | Total 2019 £ | Total 2018 £ |
|---|--------------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| Income and endowments from: | | | | | | |
| Donations and legacies | 3 | 137,124 | 25,608 | - | 162,732 | 338,939 |
| Charitable activities | 4 | 7,473,191 | 60,514 | - | 7,533,705 | 6,815,401 |
| Other trading activities | 5 | 112,534 | - | - | 112,534 | 82,758 |
| Christ College Holiday Activities Limited | 15 | 244,073 | - | - | 244,073 | 255,394 |
| 1541 Limited | 15 | 266,003 | - | - | 266,003 | 440,722 |
| Investments | 6 | 46,141 | 25,990 | 17,048 | 89,179 | 67,480 |
| Other income | 7 | 10,756 | - | - | 10,756 | 12,615 |
| Total income and endowments | | 8,289,822 | 112,112 | 17,048 | 8,418,982 | 8,013,309 |
| Expenditure on: | | | | | | |
| Charitable activities | 8 | 7,389,572 | 29,933 | 17,048 | 7,436,553 | 6,823,345 |
| Christ College Holiday Activities Limited | 15 | 76,779 | - | - | 76,779 | 66,966 |
| 1541 Limited | 15 | 43,394 | - | - | 43,394 | 140,907 |
| Total expenditure | | 7,509,745 | 29,933 | 17,048 | 7,556,726 | 7,031,218 |
| <i>Net (losses)/gains on investments</i> | 14 | (23,124) | (13,557) | (12,679) | (49,360) | 80,288 |
| Net income/(expenditure) | | 756,953 | 68,622 | (12,679) | 812,896 | 1,062,379 |
| Transfers between funds | 23,24 | - | - | - | - | - |
| Net movement in funds | | 756,953 | 68,622 | (12,679) | 812,896 | 1,062,379 |
| Reconciliation of Funds | | | | | | |
| Total funds brought forward | 22, 23,24 | 11,028,282 | 848,721 | 648,764 | 12,525,767 | 11,463,388 |
| Total funds carried forward | 25 | 11,785,235 | 917,343 | 636,085 | 13,338,663 | 12,525,767 |

The Statement of Financial Activities includes all gains and losses recognised in the year.
All incoming resources expended derive from continuing activities

The notes on pages 20 to 54 form part of the financial statements

CHRIST COLLEGE BRECON
STATEMENT OF FINANCIAL ACTIVITIES - COLLEGE
FOR THE YEAR ENDED 31 AUGUST 2019

| | Note | Unrestricted funds £ | Restricted funds £ | Endowment funds £ | Total 2019 £ | Total 2018 £ |
|--|--------------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| Income and endowments from: | | | | | | |
| Donations and legacies | 3 | 137,124 | 25,608 | - | 162,732 | 338,939 |
| Charitable activities | 4 | 7,473,191 | 60,514 | - | 7,533,705 | 6,815,401 |
| Other trading activities | 5 | 124,534 | - | - | 124,534 | 94,758 |
| Investments | 6 | 342,762 | 25,990 | 17,048 | 385,800 | 380,616 |
| Other income | 7 | 10,756 | - | - | 10,756 | 12,615 |
| Total income and endowments | | 8,088,367 | 112,112 | 17,048 | 8,217,527 | 7,642,329 |
| Expenditure on: | | | | | | |
| Charitable activities | 8 | 7,308,290 | 29,933 | 17,048 | 7,355,271 | 6,680,194 |
| Total expenditure | | 7,308,290 | 29,933 | 17,048 | 7,355,271 | 6,680,194 |
| <i>Net (losses)/gains on investments</i> | 14 | (23,124) | (13,557) | (12,679) | (49,360) | 80,288 |
| Net income/(expenditure) | | 756,953 | 68,622 | (12,679) | 812,896 | 1,042,423 |
| Transfers between funds | 23,24 | - | - | - | - | - |
| Net movement in funds | | 756,953 | 68,622 | (12,679) | 812,896 | 1,042,423 |
| Reconciliation of Funds | | | | | | |
| Total funds brought forward | 22, 23,24 | 11,025,709 | 848,721 | 648,764 | 12,523,194 | 11,480,771 |
| Total funds carried forward | 25 | 11,782,662 | 917,343 | 636,085 | 13,336,090 | 12,523,194 |

The Statement of Financial Activities includes all gains and losses recognised in the year.
All incoming resources expended derive from continuing activities

The notes on pages 20 to 54 form part of the financial statements

**CHRIST COLLEGE BRECON
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2019**

| | | 2019 | 2018 |
|---|------|--------------------------|--------------------------|
| | Note | £ | £ |
| Fixed assets: | | | |
| Tangible assets | 13 | 11,773,602 | 12,351,889 |
| Investments | 14 | 2,918,518 | 2,735,919 |
| | | <u>14,692,120</u> | <u>15,087,808</u> |
| Current assets: | | | |
| Stocks | 16 | 18,684 | 15,089 |
| Debtors | 17 | 1,547,625 | 1,713,527 |
| Cash at bank and in hand | 18 | 2,520,324 | 2,331,043 |
| | | <u>4,086,633</u> | <u>4,059,659</u> |
| Liabilities: | | | |
| Creditors: Amounts falling due within one year | 19 | <u>(3,183,776)</u> | <u>(3,257,679)</u> |
| Net current assets | | 902,857 | 801,980 |
| Total assets less current liabilities | | <u>15,594,977</u> | <u>15,889,788</u> |
| Creditors: Amounts falling due after more than one year | 20 | (2,256,314) | (3,364,021) |
| Total net assets | 25 | <u>13,338,663</u> | <u>12,525,767</u> |
| The funds of the charity: | | | |
| Endowment funds | 22 | 636,085 | 648,764 |
| Restricted income funds | 23 | 917,343 | 848,721 |
| Unrestricted funds | 24 | 11,785,235 | 11,028,282 |
| Total charity funds | 25 | <u>13,338,663</u> | <u>12,525,767</u> |

These financial statements were approved by the Board of Governors on 28th March 2020

Michael CR Davies

**Professor Michael Davies
(Trustee)**

The notes on pages 20 to 54 form part of the financial statements

**CHRIST COLLEGE BRECON
BALANCE SHEET - COLLEGE
AS AT 31 AUGUST 2019**

| | | 2019 | 2018 |
|---|------|--------------------------|--------------------------|
| | Note | £ | £ |
| Fixed assets: | | | |
| Tangible assets | 13 | 11,773,602 | 12,351,889 |
| Investments | 14 | <u>2,919,519</u> | <u>2,736,920</u> |
| | | 14,693,121 | 15,088,809 |
| Current assets: | | | |
| Debtors | 17 | 1,767,334 | 1,797,331 |
| Cash at bank and in hand | 18 | <u>2,281,805</u> | <u>2,235,192</u> |
| | | 4,049,139 | 4,032,523 |
| Liabilities: | | | |
| Creditors: Amounts falling due within one year | 19 | <u>(3,149,856)</u> | <u>(3,234,117)</u> |
| Net current assets | | 899,283 | 798,406 |
| Total assets less current liabilities | | <u>15,592,404</u> | <u>15,887,215</u> |
| Creditors: Amounts falling due after more than one year | 20 | <u>(2,256,314)</u> | <u>(3,364,021)</u> |
| Total net assets | 25 | <u>13,336,090</u> | <u>12,523,194</u> |
| The funds of the charity: | | | |
| Endowment funds | 22 | 636,085 | 648,764 |
| Restricted income funds | 23 | 917,343 | 848,721 |
| Unrestricted funds | 24 | <u>11,782,662</u> | <u>11,025,709</u> |
| Total charity funds | 25 | <u>13,336,090</u> | <u>12,523,194</u> |

These financial statements were approved by the Board of Governors on 28th March 2020

Michael CR Davies

Professor Michael Davies
Trustee

The notes on pages 20 to 54 form part of the financial statements

CHRIST COLLEGE BRECON
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

| | Note | 2019 £ | 2018 £ |
|---|------|-------------------------|-------------------------|
| Net cash provided by operating activities | 31 | <u>1,722,930</u> | <u>1,369,876</u> |
| <i>Cash flows from investing activities:</i> | | | |
| Dividends, interest and rents from investments | 6 | 89,179 | 67,480 |
| Purchase of property plant and equipment | 13 | (272,534) | (686,298) |
| Proceeds from sale of investments | 14 | 400,635 | 621,531 |
| Purchase of investments | 14 | <u>(632,595)</u> | <u>(895,327)</u> |
| Net cash used in investing activities | | <u>(415,315)</u> | <u>(892,614)</u> |
| <i>Cash flows from financing activities:</i> | | | |
| Repayments of borrowing | | (1,118,334) | (121,271) |
| Cash inflows from new borrowing | | - | 72,005 |
| Net cash used in financing activities | | <u>(1,118,334)</u> | <u>(49,266)</u> |
| Change in cash and cash equivalents in the reporting period | | 189,281 | 427,996 |
| Cash and cash equivalents at the beginning of the reporting period | | 2,331,043 | 1,903,047 |
| Cash and cash equivalents at the end of the reporting period | 31 | <u><u>2,520,324</u></u> | <u><u>2,331,043</u></u> |

The notes on pages 20 to 54 form part of the financial statements

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES

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

Basis of Preparation

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

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial 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 financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

Christ College Brecon meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value except that:

- a) tangible fixed assets are stated at their valuation on 1 September 1986, and additions since that date are stated at cost.
- b) Investments held at fair value through the statement of financial activity.

Rounding

Figures contained in the financial statements have been rounded to the nearest pound.

Cash Flow

No separate cash flow statement has been presented for Christ College Brecon itself as the College has taken advantage of the exemptions in paragraph 1.12 of FRS 102.

Presentation of the accounts on a going concern basis

The group reported a net unrestricted inflow of £882,305 (2018: £648,134) before transfers and losses on investments for the year. These accounts have been prepared on a going concern basis, the Group has net current assets of £2,505,085 (2018: £801,980). Forecasts prepared take into account timings of the receipts of fees and as such the Governors consider the going concern basis is the most appropriate basis as a result of projections prepared which indicate the College will be able to operate within the facilities currently available.

This college is monitoring results on a frequent basis. The governors are of the view that that on this basis the college is a going concern and there are no material uncertainties about the college's ability to continue as a going concern.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

Group Financial Statements

The financial statements consolidate the results of the charity and its wholly owned subsidiaries Christ College Holiday Activities Limited and 1541 Limited on a line-by-line basis.

Taxation

As a registered charity, Christ College Brecon is entitled to the exemption from taxation in respect of income and capital gains received with sections 521-536 of the Income Tax Act 2007 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

Foreign Currency

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

Recognition of income

These are included in the Statement of Financial Activities (SoFA) when:

- The charity or its subsidiary have entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity or its subsidiary;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Grants and donations

Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP). Donations received for the general purposes of the College are credited to "other unrestricted funds", to distinguish them from direct College income. Donations subject to specific wishes of the donors are carried to relevant restricted funds, or to endowed funds where the amount is required to be held as permanent capital.

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Income is accrued when the Gift Aid payment is payable to the parent charity under a legal obligation.

Legacies

Legacies are included in the SOFA when receipt is probable, that is, when there has been grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

Income from interest and dividends

This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

Investment gains and losses

This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year. All gains and losses are taken to the Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Fees and similar income

Fees receivable and 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 scholarships, bursaries and remissions allowed by the College, but include contributions received from Scholarship funds and other trusts.

Expenditure Recognition and Irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

The charity has incurred expenditure on support costs.

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs are allocated in accordance with the actual costs incurred and, where costs are shared between different expenditure groupings, at the Governors' best apportionment.

The charity recognises termination benefits as a liability and an expense only when the entity is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets for use by charity

All College buildings and equipment were valued at 1 September 1986. In accordance with the transitional arrangements of Financial Reporting Standard 102, these valuations have not been updated. Additions since that date are stated at cost. The threshold for capitalising equipment, fixtures and fittings is now £500. In the past all items with an expected useful life of more than one year were capitalised. The College is responsible for keeping the buildings in a fit and useful condition and these costs are written off as incurred.

Depreciation is provided on the straight-line method over the expected useful life of each category of tangible fixed assets, as follows:-

| | Additions from 1 September 2000 | Additions up to 31 August 2000 |
|-----------------------------|--|---|
| Freehold land and buildings | Over 50 years | Over 50 years |
| Furniture and equipment | Over 1-10 years | Over 5-20 years |
| Motor vehicles | Over 5 years | Over 5 years |
| Other leased assets | Over the term of the lease | Over the term of the lease |
| All weather pitch | Over 10-50 years | - |

Investments

Fixed asset investments in quoted shares, traded bonds and similar investments are valued at initially at cost and subsequently at fair value (their market value) at the year end. The same treatment is applied to unlisted investments unless fair value cannot be measured reliably in which case it is measured at cost less impairment.

Stocks and work in progress

Stocks held for sale as part of non-charitable trade are measured at the lower of cost or net realisable value. Stocks of goods for resale by Christ College Holiday Activities Limited are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cash at bank and in hand

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

Financial instruments

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

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

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

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

Basic financial assets

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

Hire purchase and finance leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Deferred income

Fees paid in advance are included in creditors and released the Statement of Financial Activities as they fall due.

Funds

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations and grants which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

Employee benefits

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Pension schemes

The charity operates a defined contribution pension scheme for certain members of staff. The assets of the scheme are held separately from those of the charity. The contributions are charged to the income and expenditure account and allocated between unrestricted and restricted funds where applicable.

The regular cost of providing retirement pensions and related benefits is charged to the statement of financial activities over the employees' service lives on the basis of a constant percentage of earnings. Any difference between the charge to the statement of financial activities and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

The College also contributes to the Teachers' Pension Scheme (a defined benefit scheme operated by the Department of Education and Skills), at rates set by the Scheme Actuary and advised to the College by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. INCOME FROM DONATIONS AND LEGACIES

| | Unrestricted funds | Restricted funds | Endowment funds | Total 2019 | Total 2018 |
|---------------------|-----------------------|---------------------|--------------------|----------------|----------------|
| Group and College | £ | £ | £ | £ | £ |
| Donations and gifts | 13,013 | 25,608 | - | 38,621 | 135,512 |
| Legacies | 124,111 | - | - | 124,111 | 203,427 |
| | <u>137,124</u> | <u>25,608</u> | <u>-</u> | <u>162,732</u> | <u>338,939</u> |

4. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds | Restricted funds | Endowment funds | Total 2019 | Total 2018 |
|-----------------------------------|-----------------------|---------------------|--------------------|------------------|------------------|
| Group and College | £ | £ | £ | £ | £ |
| Fees and other fees receivable | 7,072,369 | 60,514 | - | 7,132,883 | 6,730,200 |
| School trip income | 383,862 | - | - | 383,862 | 62,264 |
| Registration fees | 4,628 | - | - | 4,628 | 5,260 |
| Examination fees | 1,788 | - | - | 1,788 | 5,884 |
| Insurance commissions | 10,544 | - | - | 10,544 | 11,793 |
| | <u>7,473,191</u> | <u>60,514</u> | <u>-</u> | <u>7,533,705</u> | <u>6,815,401</u> |

Fees receivable:

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Gross fees | 8,444,313 | 7,899,645 |
| Less: total scholarships, bursaries and remissions | (1,315,223) | (1,173,072) |
| Add back: scholarships, prizes, etc. paid for by restricted funds, scholarships paid for by outside trusts | 3,793 | 3,627 |
| | <u>7,132,883</u> | <u>6,730,200</u> |

The total scholarships, prizes, etc. paid for by trust funds consist of:

| | 2019 £ | 2018 £ |
|--------------------|--------------|--------------|
| Scholarships, etc. | 3,793 | 3,602 |
| Prizes | - | 25 |
| | <u>3,793</u> | <u>3,627</u> |

The above educational awards were made to 212 individuals (2018: 195).

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. INCOME FROM CHARITABLE ACTIVITIES (continued)

Gross fees receivable may be analysed by the following:

| | 2019 £ | 2018 £ |
|-------------------------|------------------|------------------|
| Boarders | 4,860,635 | 4,857,456 |
| Flexible boarders | 974,665 | 793,465 |
| Day pupils | 2,460,845 | 2,088,736 |
| Music and drama tuition | 86,602 | 100,503 |
| EAL income | 20,700 | 16,530 |
| Other fee income | 29,646 | 32,620 |
| Pupil hosting scheme | 11,220 | 10,335 |
| | <u>8,444,313</u> | <u>7,899,645</u> |

Pupil numbers are calculated as the average number in each category over the school year:

| | 2019 No | 2018 No |
|-------------------|------------|------------|
| Boarders | 198 | 177 |
| Flexible boarders | 48 | 41 |
| Day pupils | 156 | 169 |
| | <u>402</u> | <u>387</u> |

5. INCOME FROM OTHER TRADING ACTIVITIES

| Group | Unrestricted funds £ | Restricted funds £ | Endowment funds £ | Total 2019 £ | Total 2018 £ |
|-------------------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| Rent | 13,688 | - | - | 13,688 | 14,249 |
| Milk subsidy | 1,725 | - | - | 1,725 | - |
| Wayleave | 97 | - | - | 97 | 97 |
| Minibus income | 97,024 | - | - | 97,024 | 68,412 |
| | <u>112,534</u> | <u>-</u> | <u>-</u> | <u>112,534</u> | <u>82,758</u> |
| College | | | | | |
| Malaysian project | 12,000 | - | - | 12,000 | 12,000 |
| Rent | 13,688 | - | - | 13,688 | 14,249 |
| Milk subsidy | 1,725 | - | - | 1,725 | - |
| Wayleave | 97 | - | - | 97 | 97 |
| Minibus income | 97,024 | - | - | 97,024 | 68,412 |
| | <u>124,534</u> | <u>-</u> | <u>-</u> | <u>124,534</u> | <u>94,758</u> |

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

6. INCOME FROM INVESTMENTS

| | Unrestricted funds | Restricted funds | Endowment funds | Total 2019 | Total 2018 |
|----------------------------|-----------------------|---------------------|--------------------|----------------|----------------|
| Group | £ | £ | £ | £ | £ |
| Interest income | 11,442 | - | - | 11,442 | 1,103 |
| Dividend income | 34,699 | 25,990 | 17,048 | 77,737 | 66,377 |
| | <u>46,141</u> | <u>25,990</u> | <u>17,048</u> | <u>89,179</u> | <u>67,480</u> |
| College | | | | | |
| Interest income | 11,442 | - | - | 11,442 | 1,103 |
| Dividend income | 34,699 | 25,990 | 17,048 | 77,737 | 66,377 |
| Gift aid from subsidiaries | 296,621 | - | - | 296,621 | 313,136 |
| | <u>342,762</u> | <u>25,990</u> | <u>17,048</u> | <u>385,800</u> | <u>380,616</u> |

7. INCOME FROM OTHER SOURCES

| | Unrestricted funds | Restricted funds | Endowment funds | Total 2019 | Total 2018 |
|-------------------|-----------------------|---------------------|--------------------|---------------|---------------|
| Group and College | £ | £ | £ | £ | £ |
| Sundry income | 10,756 | - | - | 10,756 | 12,615 |
| | <u>10,756</u> | <u>-</u> | <u>-</u> | <u>10,756</u> | <u>12,615</u> |

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. EXPENDITURE ON CHARITABLE ACTIVITIES

| Group | Staff costs £ | Other £ | Depreciation £ | Total 2019 £ | Total 2018 £ |
|---------------------------|--------------------------|--------------------|---------------------------|-----------------------------|-----------------------------|
| Teaching costs | 2,537,132 | 609,857 | 53,228 | 3,200,217 | 3,348,299 |
| School trip expenditure | - | 375,486 | - | 375,486 | 58,235 |
| Welfare | 136,195 | 646,288 | 11,481 | 793,964 | 780,446 |
| Premises | 1,154,729 | 1,036,885 | 457,136 | 2,648,750 | 2,226,978 |
| Admin | - | 238,312 | 20,874 | 259,186 | 241,827 |
| Financing and other costs | - | 136,358 | - | 136,358 | 152,631 |
| Governance costs | - | 22,592 | - | 22,592 | 14,929 |
| | <u>3,828,056</u> | <u>3,065,778</u> | <u>542,719</u> | <u>7,436,553</u> | <u>6,823,345</u> |

| | 2019 £ | 2018 £ |
|---------------------------------------|-------------------|-------------------|
| Other expenditure consists of: | | |
| Group | | |
| Advertising, marketing and publicity | 120,985 | 119,178 |
| Audit and accountancy fees | 15,000 | 13,200 |
| Bank interest, charges and fees | 123,701 | 120,943 |
| Catering costs | 245,062 | 253,699 |
| Cleaning and laundry | 18,144 | 20,092 |
| Commissions paid | 105,812 | 76,911 |
| Equipment hire | 38,279 | 54,892 |
| Staff expenses and travel | 5,739 | 6,846 |
| Functions | 33,085 | 25,189 |
| House supplies | 23,308 | 23,256 |
| Insurance | 51,677 | 54,781 |
| IT costs | 115,919 | 54,855 |
| Leadership | 3,307 | 16,610 |
| Legal and professional fees | (49,996) | 85,011 |
| Printing, postage and stationery | 38,963 | 49,490 |
| Prizes | 3,285 | 2,776 |
| Productions | 16,211 | 9,090 |
| Recruitment | 16,255 | 14,272 |
| Rent, rates, water and utilities | 306,889 | 329,533 |
| Repairs and maintenance | 636,371 | 541,235 |
| School travel | 91,256 | 90,409 |
| Subscriptions | 23,459 | 24,912 |
| School trip expenditure | 375,486 | 58,234 |
| Teaching and sports supplies | 214,072 | 135,748 |
| Telephone | 26,559 | 24,052 |
| Training | 27,202 | 21,346 |
| Transport | 131,646 | 45,401 |
| Loss on disposal of fixed assets | 308,102 | - |
| | <u>3,065,778</u> | <u>2,271,961</u> |

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

| College | Staff costs £ | Other £ | Depreciation £ | Total 2019 £ | 2018 £ |
|---------------------------------------|--------------------------|--------------------|---------------------------|-----------------------------|-------------------|
| Teaching costs | 2,537,132 | 609,857 | 53,228 | 3,200,217 | 3,348,299 |
| School trip expenditure | - | 375,486 | - | 375,486 | 58,235 |
| Welfare | 136,195 | 631,231 | 11,481 | 778,907 | 734,433 |
| Premises | 1,101,364 | 1,024,025 | 457,136 | 2,582,525 | 2,129,840 |
| Admin | - | 238,312 | 20,874 | 259,186 | 241,827 |
| Financing and other costs | - | 136,358 | - | 136,358 | 152,631 |
| Governance costs | - | 22,592 | - | 22,592 | 14,929 |
| | <u>3,774,691</u> | <u>3,037,861</u> | <u>542,719</u> | <u>7,355,271</u> | <u>6,680,194</u> |
| Other expenditure consists of: | | | | 2019 £ | 2018 £ |
| College | | | | | |
| Advertising, marketing and publicity | | | | 120,985 | 119,178 |
| Audit and accountancy fees | | | | 15,000 | 13,200 |
| Bank interest, charges and fees | | | | 123,701 | 120,943 |
| Catering costs | | | | 230,005 | 207,686 |
| Cleaning and laundry | | | | 5,284 | 5,529 |
| Commissions paid | | | | 105,812 | 76,911 |
| Equipment hire | | | | 38,279 | 54,892 |
| Staff expenses and travel | | | | 5,739 | 6,846 |
| Functions | | | | 33,085 | 25,189 |
| House supplies | | | | 23,308 | 23,256 |
| Insurance | | | | 51,677 | 54,781 |
| IT costs | | | | 115,919 | 54,855 |
| Leadership | | | | 3,307 | 16,610 |
| Legal and professional fees | | | | (49,996) | 85,011 |
| Printing, postage and stationery | | | | 38,963 | 49,490 |
| Prizes | | | | 3,285 | 2,776 |
| Productions | | | | 16,211 | 9,090 |
| Recruitment | | | | 16,255 | 14,272 |
| Rent, rates, water and utilities | | | | 306,889 | 329,533 |
| Repairs and maintenance | | | | 636,371 | 541,066 |
| School travel | | | | 91,256 | 90,409 |
| School trip expenditure | | | | 375,486 | 58,235 |
| Subscriptions | | | | 23,459 | 24,912 |
| Teaching and sports supplies | | | | 214,072 | 135,748 |
| Telephone | | | | 26,559 | 24,052 |
| Training | | | | 27,202 | 21,346 |
| Transport | | | | 131,646 | 45,401 |
| Loss on disposal of fixed assets | | | | 308,102 | - |
| | | | | <u>3,037,861</u> | <u>2,211,217</u> |

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. AUDITORS REMUNERATION

Fees for examination of the accounts:

| | Total 2019 £ | Total 2018 £ |
|----------------|-----------------------------|--------------------|
| Group | | |
| Auditors fees | 15,040 | 14,680 |
| Other fees | 4,700 | 2,300 |
| | <hr/> | <hr/> |
| College | | |
| Auditors fees | 11,750 | 11,500 |
| Other fees | 3,250 | 1,700 |
| | <hr/> | <hr/> |

10. GOVERNANCE COSTS

Governance costs incurred during the year relate to:

| | 2019 £ | 2018 £ |
|-----------------------------|-------------------|-----------|
| Group | | |
| Legal and professional fees | 2,852 | 1,729 |
| Audit and accountancy fees | 19,740 | 16,980 |
| | <hr/> | <hr/> |
| College | | |
| Legal and professional fees | 2,852 | 1,729 |
| Audit and accountancy fees | 15,000 | 13,200 |
| | <hr/> | <hr/> |

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. ANALYSIS OF STAFF COSTS AND THE COST OF KEY MANAGEMENT PERSONNEL

| Group and College | 2019 £ | 2018 £ |
|------------------------------|-------------------------|-------------------------|
| Wages and salaries | 3,137,535 | 3,221,580 |
| Social security costs | 267,475 | 301,471 |
| Pension costs - teaching | 313,267 | 318,998 |
| Pension costs – non-teaching | 109,780 | 102,331 |
| | <u>3,828,057</u> | <u>3,944,380</u> |

Pension contributions were made to the Teachers' Pension Scheme for teaching staff and to a group personal pension scheme independently administered by the Jelf Group for non-teaching staff.

During the year the college made cash payments for redundancy and settlement arrangements totalling £5,115 (2018: £4,758).

There were no amounts outstanding in relation to the above at the balance sheet date.

Employees earning over £60,000:

The number of employees who received employee benefits for the reporting period of more than £60,000 were:

| | 2019 No | 2018 No |
|----------------------|--------------------------|--------------------------|
| £60,000 to £69,999 | 1 | 2 |
| £90,000 to £99,999 | - | 1 |
| £100,000 to £109,999 | <u>1</u> | <u>-</u> |

Contributions totalling £28,320 (2018: £27,815) were made to the Teachers' Pension Scheme during the year, which is a defined benefit scheme for the above staff members, and contributions totalling £33,035 (2018: £27,293) were made to a defined contribution scheme.

The above emoluments include the residential emoluments.

Key management personnel

The total amount paid to key management personnel for their services to the college during the year totalled £339,005 (2018: £378,242).

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. STAFF NUMBERS

Group and College

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

| | Total 2019 No | Total 2018 No |
|-----------|------------------------------|---------------------|
| Teaching | 61 | 67 |
| Support | 31 | 31 |
| Estate | 18 | 19 |
| Domestics | 31 | 22 |
| Cleaning | - | 18 |
| | <u>141</u> | <u>157</u> |

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

13. TANGIBLE FIXED ASSETS

| Group and College | Freehold- land & buildings £ | All Weather pitch £ | Furniture & equip- ment £ | Motor vehicles £ | Other leased assets £ | Sports Pavilion £ | Total £ |
|--------------------------|---|--|--|---------------------------------|--|----------------------------------|--------------------|
| Cost | | | | | | | |
| At 1 September 2018 | 18,991,697 | 210,736 | 1,377,154 | 108,354 | 308,833 | 152,262 | 21,149,036 |
| Additions | 58,065 | - | 211,469 | 3,000 | - | - | 272,534 |
| Disposals | (439,992) | - | (164,720) | (21,240) | - | - | (625,952) |
| Transfers | 124,215 | - | 28,047 | - | - | (152,262) | - |
| At 31 August 2019 | <u>18,733,985</u> | <u>210,736</u> | <u>1,451,950</u> | <u>90,114</u> | <u>308,833</u> | <u>-</u> | <u>20,795,618</u> |
| Depreciation | | | | | | | |
| At 1 September 2018 | 7,353,879 | 210,736 | 983,783 | 67,190 | 181,559 | - | 8,797,147 |
| Disposals | (139,164) | - | (157,446) | (21,240) | - | - | (317,850) |
| Charge for year | 386,926 | - | 105,661 | 12,094 | 38,038 | - | 542,719 |
| At 31 August 2019 | <u>7,601,641</u> | <u>210,736</u> | <u>931,998</u> | <u>58,044</u> | <u>219,597</u> | <u>-</u> | <u>9,022,016</u> |
| Net book value | | | | | | | |
| 31 August 2019 | <u>11,132,344</u> | <u>-</u> | <u>519,952</u> | <u>32,070</u> | <u>89,236</u> | <u>-</u> | <u>11,773,602</u> |
| 31 August 2018 | <u>11,637,818</u> | <u>-</u> | <u>393,371</u> | <u>41,164</u> | <u>127,274</u> | <u>152,262</u> | <u>12,351,889</u> |

No depreciation was incurred on the sports pavilion due to the asset still being under construction.

The college buildings and equipment were valued on 1 September 1986 by an independent valuer, due to the historical nature of the valuation no details are held on the book cost of the assets at this date.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

14. FIXED ASSET INVESTMENTS

| | 2019 | 2018 |
|--|-------------------------|------------------|
| Group | £ | £ |
| Carrying (fair) value at beginning of period | 2,735,919 | 2,381,835 |
| Add: additions to investments during period | 632,595 | 895,327 |
| Less: disposals at carrying value | (408,073) | (649,227) |
| Add/ (deduct): net (loss)/gain on revaluation | (49,360) | 80,288 |
| Dealing account | 7,438 | 27,696 |
| Carrying (fair) value at end of year | <u>2,918,518</u> | <u>2,735,919</u> |
| College | | |
| Carrying (fair) value at beginning of period | 2,736,920 | 2,382,836 |
| Add: additions to investments during period | 632,595 | 895,327 |
| Less: disposals at carrying value | (408,073) | (649,227) |
| Add/ (deduct): net (loss)/gain on revaluation | (49,360) | 80,288 |
| Dealing account | 7,438 | 27,696 |
| Carrying (fair) value at end of year | <u>2,919,519</u> | <u>2,736,920</u> |

Analysis of investments

| | 2019 | | 2018 | |
|------------------------------------|-------------------------|-------------------------|-------------------|------------------|
| | Fair value | Book cost | Fair value | Book cost |
| | £ | £ | £ | £ |
| Cash or cash equivalents | 76,900 | 76,900 | 69,462 | 69,462 |
| Listed investments | 2,841,618 | 2,454,291 | 2,666,457 | 2,145,968 |
| Investment in trading subsidiaries | 1,001 | 1,001 | 1,001 | 1,001 |
| | <u>2,919,519</u> | <u>2,532,192</u> | <u>2,736,920</u> | <u>2,216,431</u> |

The investment portfolio is split between unrestricted, restricted and endowment funds. The ratios of the portfolio can be seen below:

| | 2019 | 2018 |
|--------------|-------------------|------------|
| | % | % |
| Unrestricted | 50 | 48 |
| Endowment | 21 | 29 |
| Restricted | 29 | 23 |
| | <u>100</u> | <u>100</u> |

The changes in the year reflect withdrawals and additions to the funds.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

15. TRADING SUBSIDIARIES

Christ College Holiday Activities Limited

The College owns 100% of Christ College Holiday Activities Limited, which gift aids its taxable profits to the College. This company lets the College premises during term-time and holiday periods and runs the College shop.

Christ College Holiday Activities Limited is a company registered in England and Wales, company number 02421643. The registered office of the company is C/O Baldwins, Waters Lane Chambers, 1-3 Waters Lane, Newport, NP20 1LA.

Its trading results and balance sheet position, extracted from its audited accounts, were:-

| | 2019 | 2018 |
|--|----------------------|----------------|
| | £ | £ |
| Profit and Loss Account | | |
| Turnover | 244,073 | 255,394 |
| Recharges to Christ College Brecon | 9,920 | 18,088 |
| Expenditure | (76,779) | (66,966) |
| Recharges from Christ College Brecon | (79,780) | (95,517) |
| Profit for year | <u>97,434</u> | <u>110,999</u> |
| Statement of Changes in Equity | | |
| Balance brought forward | 3,572 | 3,572 |
| Profit and total comprehensive income for the period | 97,434 | 110,999 |
| Distributions to parent charity under gift aid | (97,434) | (110,999) |
| Balance carried forward | <u>3,572</u> | <u>3,572</u> |
| Balance Sheet | | |
| Current assets | 116,236 | 198,275 |
| Current liabilities | (112,664) | (194,703) |
| Capital and reserves | <u>3,572</u> | <u>3,572</u> |

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

15. TRADING SUBSIDIARIES (continued)

1541 Ltd

The College owns 100% of 1541 Limited, which gift aids its taxable profits to the College. The college has signed with DBH Holdings of Malaysia to set up its first international school outside of the UK. The company receives reimbursements of any costs incurred in relation to the project and will receive advance profits for 3 years, and subsequently a share of the profits of the school.

1541 Limited is a company registered in England and Wales, company number 09917491. The registered office of the company is Christ College, Bridge Street, Brecon, LD3 8AF.

Its trading results and balance sheet position, extracted from its audited accounts, were:-

| | 2019 | 2018 |
|--|-----------------------|----------------|
| | £ | £ |
| Profit and Loss Account | | |
| Turnover | 266,003 | 440,722 |
| Expenditure | (43,394) | (140,907) |
| Recharges to Christ College Brecon | (11,422) | (65,722) |
| Management charge from Christ College Brecon | (12,000) | (12,000) |
| Profit for year | <u>199,187</u> | <u>222,093</u> |
| Statement of Changes in Equity | | |
| Balance brought forward | 1 | (19,954) |
| Profit and total comprehensive income for the period | 199,187 | 222,093 |
| Distributions to parent charity under gift aid | (199,187) | (202,138) |
| Balance carried forward | <u>1</u> | <u>1</u> |
| Balance Sheet | | |
| Fixed and current assets | 218,550 | 253,794 |
| Current liabilities | (218,549) | (253,793) |
| Capital and reserves | <u>1</u> | <u>1</u> |

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. STOCKS

| Group | 2019 £ | 2018 £ |
|--------------------------|-------------------------|-------------------------|
| <i>Goods for resale:</i> | | |
| Opening balance | 15,089 | 19,812 |
| Added in period | 10,086 | 346 |
| Expensed in period | (6,491) | (5,069) |
| Closing balance | <u>18,684</u> | <u>15,089</u> |

17. DEBTORS

| | Group | | College | |
|--------------------------------------|-------------------------|------------------|-------------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Trade debtors | 1,373,651 | 1,538,898 | 1,296,839 | 1,197,808 |
| Prepayments and accrued income | 173,974 | 174,629 | 173,874 | 174,629 |
| Balances due from group undertakings | - | - | 296,621 | 424,894 |
| | <u>1,547,625</u> | <u>1,713,527</u> | <u>1,767,334</u> | <u>1,797,331</u> |

18. CASH AT BANK AND IN HAND

| | Group | | College | |
|--------------------------|-------------------------|------------------|-------------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Short term deposits | 605,889 | 202,808 | 605,889 | 202,808 |
| Cash at bank and on hand | 1,914,435 | 2,128,235 | 1,675,915 | 2,032,384 |
| | <u>2,520,324</u> | <u>2,331,043</u> | <u>2,281,805</u> | <u>2,235,192</u> |

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | College | |
|------------------------------|-------------------------|------------------|-------------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Bank loans | 73,761 | 76,646 | 73,761 | 76,646 |
| Trade creditors | 128,396 | 260,685 | 125,822 | 257,473 |
| Accruals and deferred income | 2,781,550 | 2,737,377 | 2,770,091 | 2,732,924 |
| Taxation and social security | 225,576 | 90,180 | 71,570 | 74,283 |
| Other creditors | 117,971 | 92,791 | 108,612 | 92,791 |
| | <u>3,183,776</u> | <u>3,257,679</u> | <u>3,149,856</u> | <u>3,234,117</u> |

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group | | College | |
|-----------------|-------------------------|------------------|-------------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Bank loans | 1,995,667 | 3,090,658 | 1,995,667 | 3,090,658 |
| Deferred income | 212,563 | 203,653 | 212,563 | 203,653 |
| Other creditors | 48,084 | 69,710 | 48,084 | 69,710 |
| | <u>2,256,314</u> | <u>3,364,021</u> | <u>2,256,314</u> | <u>3,364,021</u> |

Deferred income relates to fees received in advance and can be split in to the following categories:

Advance fees

Parents may enter into a contract to pay to the college tuition fees in advance, without limit. The money may be returned, subject to specific conditions, on the receipt of one term's notice.

Final term deposits

A returnable deposit is required from all applicants to the school. This is returned once the pupil completes their course at the college.

Michaelmas term fees

Fees are required before the term commences. Fees paid in respect of the forthcoming Michaelmas term are therefore treated as fees paid in advance.

The movement in deferred income in the year can be seen below:

| | 2019 | 2018 |
|--|-------------------------|------------------|
| | £ | £ |
| <u>Charity and Group</u> | | |
| Balance at the start of the reporting period | 2,820,077 | 2,667,195 |
| Amounts added in current period | 8,523,135 | 8,052,527 |
| Amounts released to income from previous periods | (8,444,312) | (7,899,645) |
| Balance at the end of the reporting period | <u>2,898,900</u> | <u>2,820,077</u> |

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

Deferred income (continued)

The amounts split over the period are as follows:

| | Advance fees | | Final term deposits | | Michaelmas term fees | |
|---------------------------------|-----------------------|----------------|----------------------------|----------------|-----------------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| <u>Charity and Group</u> | £ | £ | £ | £ | £ | £ |
| Within 1 year | 270,298 | 197,552 | 60,164 | 67,074 | 2,355,875 | 2,351,798 |
| Within 2-5 years | 87,000 | 52,000 | 102,817 | 99,664 | - | - |
| After 5 years | - | 27,000 | 22,746 | 24,989 | - | - |
| | <u>357,298</u> | <u>276,552</u> | <u>185,727</u> | <u>191,727</u> | <u>2,355,875</u> | <u>2,351,798</u> |

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

Bank loans

The bank loans are secured over certain land, building and investment assets. The balance outstanding on the loans at 31 August 2019 is £2,069,428 (2018: £3,167,304). The governors estimate the value of the property securing the loan to be £3,145,000 (2018: £3,145,000).

The value of the investment portfolio totalled £2,918,518 (2018: £2,735,919).

The amount repayable on the bank loan is as follows:

| | 2019 | 2018 |
|--------------------------------------|-------------------------|------------------|
| | £ | £ |
| Repayable within one year | 73,761 | 76,646 |
| Repayable between two and five years | 383,230 | 383,230 |
| Repayable in more than five years | <u>1,612,437</u> | <u>2,707,428</u> |
| | <u>2,069,428</u> | <u>3,167,304</u> |

Lloyds Bank plc has a first legal charge over the freehold land and buildings of the following addresses:

36 Orchard Street, Brecon
50 Orchard Street, Brecon
51 Orchard Street, Brecon
52 Orchard Street, Brecon
53 Orchard Street, Brecon
54 Orchard Street, Brecon
56 Orchard Street, Brecon
57 Orchard Street, Brecon
58 Orchard Street, Brecon
64 Orchard Street, Brecon
65 Orchard Street, Brecon
1 Orchard Gardens, Brecon
2 Orchard Gardens, Brecon
3/4 Orchard Gardens, Brecon
Arts Centre Dinas Road, Brecon
St David's House, Christ College, Brecon
Orchard Boarding House, Christ College, Brecon
Headmistress House, Christ College, Brecon

Lloyds Bank plc also has a legal charge over the college's portfolio of stocks and shares.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

Hire purchase contracts

The net book value of fixed assets held under hire purchase contracts during the year totalled £68,884 (2018: £90,725).

Net obligations payable:

| | 2019 | 2018 |
|--------------------------------------|----------------------|---------------|
| | £ | £ |
| Repayable within one year | 19,004 | 17,836 |
| Repayable between two and five years | 48,084 | 69,710 |
| | <u>67,088</u> | <u>87,546</u> |

21. OPERATING LEASE COMMITMENTS

Group and College

Annual commitments held under operating leases expire as follows:

Net obligations payable:

| | 2019 | 2018 |
|--------------------------------|----------------------|---------------|
| | £ | £ |
| Due within one year | 9,379 | 39,443 |
| Due between two and five years | 16,030 | 16,030 |
| | <u>24,761</u> | <u>55,473</u> |

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. ENDOWED FUNDS

| Group and College | At 1 September 2018 £ | Income £ | Expenditure £ | Transfers £ | Gains and losses £ | At 31 August 2019 £ |
|--------------------------|--|---------------------|--------------------------|------------------------|-----------------------------------|--|
| Black Cat | 54,511 | 1,432 | (1,432) | - | (1,065) | 53,446 |
| OBA award | 207,761 | 5,459 | (5,459) | - | (4,060) | 203,701 |
| Dr Herdman fund | 219,795 | 5,776 | (5,776) | - | (4,296) | 215,499 |
| Edward Edwards | 49,057 | 1,289 | (1,289) | - | (959) | 48,098 |
| Sundry | 117,640 | 3,092 | (3,092) | - | (2,299) | 115,341 |
| | <u>648,764</u> | <u>17,048</u> | <u>(17,048)</u> | <u>-</u> | <u>(12,679)</u> | <u>636,085</u> |

Black Cat, OBA award, Dr Herdman fund, Edward Edwards and Sundry

These funds consist of a number of separate trust funds set up by individual donors. These trust funds are pooled for investment purposes, and each fund is allocated its proportion of investment income, gains and losses. All endowed fund income is used to provide academic scholarships, bursaries and prizes.

Previous year

| Group and College | At 1 September 2017 £ | Income £ | Expenditure £ | Transfers £ | Gains and losses £ | At 31 August 2018 £ |
|--------------------------|--|---------------------|--------------------------|------------------------|-----------------------------------|--|
| Black Cat | 53,239 | 1,412 | (1,412) | - | 1,272 | 54,511 |
| OBA award | 202,913 | 5,381 | (5,381) | - | 4,848 | 207,761 |
| Dr Herdman fund | 214,666 | 7,199 | (7,199) | - | 5,129 | 219,795 |
| Edward Edwards | 47,912 | 1,271 | (1,271) | - | 1,145 | 49,057 |
| Sundry | 114,895 | 3,047 | (3,047) | - | 2,745 | 117,640 |
| | <u>633,625</u> | <u>18,310</u> | <u>(18,310)</u> | <u>-</u> | <u>15,139</u> | <u>648,764</u> |

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. RESTRICTED FUNDS

| Group and College | At 1 September 2018 £ | Income £ | Expenditure £ | Transfers £ | Gains and losses £ | At 31 August 2019 £ |
|---|--------------------------------|----------------|------------------|----------------|--------------------------|------------------------------|
| Scholarship funds | 150,730 | 13,179 | (11,514) | - | (2,399) | 149,996 |
| Prize funds | 53,836 | 1,497 | (1,497) | - | (914) | 52,922 |
| Foundation - general | 137,608 | 3,586 | (3,586) | - | (2,190) | 135,418 |
| Sir Barrie and Lady Stephens scholarship fund | 295,176 | 7,693 | (7,693) | - | (4,699) | 290,477 |
| Chapel repair fund | 613 | 150 | (150) | - | - | 613 |
| Peter Lloyd bequest | 210,758 | 5,493 | (5,493) | - | (3,355) | 207,403 |
| Powell Donation | - | 20,000 | - | - | - | 20,000 |
| Kelvin Bryan bursary | - | 60,514 | - | - | - | 60,514 |
| | <u>848,721</u> | <u>112,112</u> | <u>(29,933)</u> | <u>-</u> | <u>(13,557)</u> | <u>917,343</u> |

Scholarship funds and Prize funds: All scholarship and prize fund income is used to provide awards to pupils.

Foundation – general: Foundation funds are used for the development of the infrastructure of the college.

Sir Barrie and Lady Stephens scholarship fund: In 2015 the college received a legacy of £228,593 from the late Sir Barrie Stephens and Lady Stephens to provide scholarships.

Chapel repair fund: Funds raised towards repairs of the chapel at the college.

Peter Lloyd bequest: In 2018 the college received a legacy from the late Peter Lloyd to provide scholarships.

Powell Donation: Donation received to support student fees.

Kelvin Bryan bursary: Donation received to support student fees.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. RESTRICTED FUNDS (continued)

Previous year

| Group and College | At 1 September 2017 £ | Income £ | Expenditure £ | Transfers £ | Gains and losses £ | At 31 August 2018 £ |
|---|--------------------------------|----------------|------------------|------------------|--------------------------|------------------------------|
| Scholarship funds | 130,350 | 20,557 | (4,273) | - | 4,096 | 150,730 |
| Prize funds | 51,970 | 1,445 | (1,292) | - | 1,713 | 53,836 |
| Foundation - general | 115,824 | 25,543 | (7,398) | - | 3,639 | 137,608 |
| Sir Barrie and Lady Stephens scholarship fund | 286,184 | 9,380 | (9,380) | - | 8,992 | 295,176 |
| School pool fund | - | 100,000 | - | (100,000) | - | - |
| Chapel repair fund | 5,576 | 713 | (5,676) | - | - | 613 |
| Peter Lloyd bequest | - | 204,338 | - | - | 6,420 | 210,758 |
| | <u>589,904</u> | <u>361,976</u> | <u>(28,019)</u> | <u>(100,000)</u> | <u>24,860</u> | <u>848,721</u> |

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. UNRESTRICTED FUNDS

| Group | At 1 September 2018 £ | Income £ | Expenditure £ | Transfers £ | Gains and losses £ | At 31 August 2019 £ |
|----------------|--|---------------------|--------------------------|------------------------|-----------------------------------|--|
| Foundation | 1,664,099 | - | - | - | (23,124) | 1,640,975 |
| General funds | 9,364,183 | 8,289,822 | (7,509,745) | - | - | 10,144,260 |
| | <u>11,028,282</u> | <u>8,289,822</u> | <u>(7,509,745)</u> | <u>-</u> | <u>(23,124)</u> | <u>11,785,235</u> |
| College | | | | | | |
| Foundation | 1,664,099 | - | - | - | (23,124) | 1,640,975 |
| General funds | 9,361,610 | 8,088,367 | (7,308,290) | - | - | 10,141,687 |
| | <u>11,025,709</u> | <u>8,088,367</u> | <u>(7,308,290)</u> | <u>-</u> | <u>(23,124)</u> | <u>11,782,662</u> |

Foundation fund: This fund reflects accumulated historical donations made for the general benefit of the school. These funds are held primarily as a contingency fund and currently £300k is designated for roofing and other emergency repairs. Of the balance these funds are intended to fund scholarships and bursaries at governors' discretion and also to provide a reserve for future building projects.

General funds: The general fund is retained to cover the fixed assets and provide working capital.

Previous year

| Group | At 1 September 2017 £ | Income £ | Expenditure £ | Transfers £ | Gains and losses £ | At 31 August 2018 £ |
|--------------------|--|---------------------|--------------------------|------------------------|-----------------------------------|--|
| Foundation | 1,623,810 | - | - | - | 40,289 | 1,664,099 |
| General funds | 8,416,049 | 7,633,023 | (6,984,889) | 300,000 | - | 9,364,183 |
| Designated: | | | | | | |
| School pool fund | 200,000 | - | - | (200,000) | - | - |
| | <u>10,239,859</u> | <u>7,633,023</u> | <u>(6,984,889)</u> | <u>100,000</u> | <u>40,289</u> | <u>11,028,282</u> |
| College | | | | | | |
| Foundation | 1,623,810 | - | - | - | 40,289 | 1,664,099 |
| General funds | 8,433,432 | 7,262,043 | (6,633,865) | 300,000 | - | 9,361,610 |
| Designated: | | | | | | |
| School pool fund | 200,000 | - | - | (200,000) | - | - |
| | <u>10,257,242</u> | <u>7,262,043</u> | <u>(6,633,865)</u> | <u>100,000</u> | <u>40,289</u> | <u>11,025,709</u> |

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

25. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| Group | Fixed assets £ | Investments £ | Net current assets £ | Long term liabilities £ | Total £ |
|----------------------------|---------------------------|--------------------------|-------------------------------------|--|--------------------|
| Endowment funds | - | 636,085 | - | - | 636,085 |
| Restricted funds | - | 836,216 | 81,127 | - | 917,343 |
| Unrestricted funds: | | | | | |
| General funds | 11,773,602 | 1,446,217 | 821,730 | (2,256,314) | 11,785,235 |
| | <u>11,773,602</u> | <u>2,918,518</u> | <u>902,857</u> | <u>(2,256,314)</u> | <u>13,338,663</u> |
| College | | | | | |
| Endowment funds | - | 636,085 | - | - | 636,085 |
| Restricted funds | - | 836,216 | 81,127 | - | 917,343 |
| Unrestricted funds: | | | | | |
| General funds | 11,773,602 | 1,447,218 | 818,156 | (2,256,314) | 11,782,662 |
| | <u>11,773,602</u> | <u>2,919,519</u> | <u>899,283</u> | <u>(2,256,314)</u> | <u>13,336,090</u> |
| <i>Previous year</i> | | | | | |
| Group | Fixed assets £ | Investments £ | Net current assets £ | Long term liabilities £ | Total £ |
| Endowment funds | - | 648,764 | - | - | 648,764 |
| Restricted funds | - | 848,108 | 613 | - | 848,721 |
| Unrestricted funds: | | | | | |
| General funds | 12,351,889 | 1,239,047 | 801,367 | (3,364,021) | 11,028,282 |
| | <u>12,351,889</u> | <u>2,735,919</u> | <u>801,980</u> | <u>(3,364,021)</u> | <u>12,525,767</u> |
| College | | | | | |
| Endowment funds | - | 648,764 | - | - | 648,764 |
| Restricted funds | - | 848,108 | 613 | - | 848,721 |
| Unrestricted funds: | | | | | |
| General funds | 12,351,889 | 1,240,048 | 797,793 | (3,364,021) | 11,025,709 |
| | <u>12,351,889</u> | <u>2,736,920</u> | <u>798,406</u> | <u>(3,364,021)</u> | <u>12,523,194</u> |

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. FOUNDATION INCOME AND EXPENDITURE

Group and College

The Christ College Foundation was established as a continuous fundraising programme to provide the Governors with the resources to fund scholarships and bursaries for deserving young people regardless of their financial circumstances, and to improve the school's facilities. During the year £212,884 was received by the Foundation (2018: £29,868), of which £142 related to the endowment fund (2018: £nil), £119,200 related to the restricted funds (bursaries) (2018: £29,868), £93,048 related to the unrestricted fund (bursaries), £150 to restricted capital fund (2018: £nil) and £344 to the restricted prize fund (2018: £nil).

27. PENSION OBLIGATIONS

Group and College

Defined Contribution Scheme

The College operates a defined contribution scheme for non-teaching staff. The assets of the nonteaching staff scheme are held separately from those of the college in a group personal pension scheme independently administered by The Jelf Group. The pension cost charge represents contributions payable by the college to the non-teaching staff fund and amounted to £109,766 (2018: £102,331). At the year-end £12,354 (2018: £9,632) was accrued in respect of contributions to this scheme.

Defined Benefit Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the College. As required by FRS 102 section 28 'Retirement Benefits', the college accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £313,267 (2018: £318,998). At the year-end £39,979 (2018: £41,291) was accrued in respect of contributions to this scheme. The cost in the year ended 31 August 2020 is expected to increase due to the increase in the contribution rate from 1st September 2019.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

27. PENSION OBLIGATIONS (continued)

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay.

The new employer contribution rate for the TPS was implemented in September 2015. A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

27. PENSION OBLIGATIONS (continued)

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

28. RELATED PARTIES

Group and College

Governors' remuneration and benefits

None of the governors have been paid any remuneration or received any other benefits from an employment with their college or a related entity.

Governors' expenses

No governor was reimbursed for travel expenses during the year (2018: 1 governor was reimbursed £1,631 for travel expenses during the year, there were no outstanding amounts at the year end).

Transaction(s) with related parties

A number of governors have had children and grandchildren who are educated at the college. Fees were paid on normal terms.

Christ College Holiday Activities Limited was under the control of Christ College Brecon throughout the current and previous year.

Recharges to the company totalled £121,668 (2018: £95,517) and recharges from the company totalled £9,920 (2018: £18,088).

Amounts due to the college at 31 August 2019 from Christ College Holiday Activities Limited were £97,434 (2018: £172,691). The gift aid received during the year was £97,434 (2018: £110,999).

1541 Limited was under the control of Christ College Brecon from its date of incorporation on 15 December 2015.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

28. RELATED PARTIES (continued)

Recharges to the company during the period totalled £11,422 (2018: £65,722) and a management charge of £12,000 (2018: £12,000) was invoiced.

Amounts due to the college at 31 August 2019 from 1541 Limited were £199,187 (2018: £252,203). The gift aid received during the year was £199,187 (2018: £202,138).

Due to the nature of the college's operations and the composition of its Board (being largely recruited locally) it is possible that transactions will take place with organisations in which a member of the board may have an interest. All transactions involving organisations in which a member of the board may have an interest are conducted at arms' length and in accordance with the college's financial regulations and normal procurement procedures. The college maintains a register of interests of members of the Board and senior management and has a policy for the management of potential conflicts of interest.

During the year the college received a donation of £nil (2018: £100,000) from Datuk Benny Hoe towards the building of a new swimming pool within the college. Datuk Benny Hoe is the Director of DBH Holdings Sdn who the parent company of Brecon Synergy Sdn Dbh. Brecon Synergy Sdn Dbh are involved in the managing and development of King Henry VIII College who are in partnership with Christ College Brecon.

Christ College Brecon holds funds on behalf of the Society of Friends of Christ College due to the Society not having access to a bank account. The college has no entitlement to the funds and therefore the income and expenditure has not been recognised within the financial statements. The total amount held at 31 August 2019 is £1,780 (2018: £1,285).

29. FINANCIAL INSTRUMENTS

Group and College

In January 2015 Christ College Brecon entered into a £1,000,000 interest rate cap agreement for a period of 10 years. The interest rate cap is to protect against future interest rate rises for a new £1,000,000 variable rate loan drawn down in January 2015. The interest rate is capped at 4% and an arrangement fee of £45,040 was paid. The fee paid is offset against the balance of loans due after more than one year on the balance sheet and will be amortised to the statement of financial activities over 10 years. At the year end the interest rate cap agreement liability to Christ College Brecon was £933 (2018: £3,812).

The bank loans held by the college are financial instruments which are measured at amortised cost (see note 20). The loan financing is in the form of secured loans with the college having both fixed variable interest rate loans. The market risk facing the college is that it is widely expected that interest rates will rise as the economic recovery gains momentum, however as noted above the college has entered in to an interest rate agreement to mitigate against the risk.

30. CAPITAL COMMITMENTS

At 31 August 2019 the college had no capital commitments.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

31. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

| Group | 2019 £ | 2018 £ |
|--|-------------------------|-------------------------|
| Net income for the reporting period | 812,896 | 1,062,379 |
| <i>Adjustments for:</i> | | |
| Depreciation charges | 542,719 | 524,597 |
| (Gains)/losses on investments | 49,360 | (80,288) |
| Dividends, interest and rents from investments | (89,179) | (67,480) |
| Loss/(profit) on the sale of fixed assets | 308,102 | - |
| (Increase)/decrease in stocks | (3,595) | 4,723 |
| Increase in debtors | (1,627,576) | (11,587) |
| Increase/(decrease) in creditors | 1,730,203 | (62,468) |
| Net cash provided by operating activities | 1,722,930 | 1,369,876 |
| Analysis of cash and cash equivalents | | |
| Cash in hand | 1,914,435 | 2,128,235 |
| Notice deposits (less than 3 months) | 605,889 | 202,808 |
| Total Cash and Cash Equivalents | 2,520,324 | 2,331,043 |

Analysis of changes in net debt

| | Opening balance £ | Cash-flows £ | Interest changes £ | Other non-cash changes £ | Balance carried forward £ |
|--|----------------------------------|-------------------------|-----------------------------------|---|--|
| Cash | 2,128,235 | (213,800) | - | - | 1,914,435 |
| Cash equivalents | 202,808 | 403,081 | - | - | 605,889 |
| | 2,331,043 | 189,281 | - | - | 2,520,324 |
| Bank loans falling due within one year | (76,646) | 1,161,212 | (63,336) | (1,094,991) | (73,761) |
| Bank loans falling due after more than one year | (3,090,658) | - | - | 1,094,991 | (1,995,667) |
| Finance lease obligations | (87,546) | 21,807 | (1,349) | - | (67,088) |
| Total | (923,807) | 1,372,300 | (64,685) | - | 383,808 |

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

32. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

| Group | Unrestricted funds £ | Restricted funds £ | Endowment funds £ | Total 2018 £ |
|---|----------------------------|--------------------------|-------------------------|--------------------------|
| Income and endowments from: | | | | |
| Donations and legacies | - | 338,939 | - | 338,939 |
| Charitable activities | 6,815,401 | - | - | 6,815,401 |
| Other trading activities | 82,758 | - | - | 82,758 |
| Christ College Holiday Activities Limited | 255,394 | - | - | 255,394 |
| 1541 Limited | 440,722 | - | - | 440,722 |
| Investments | 30,429 | 18,741 | 18,310 | 67,480 |
| Other income | 8,319 | 4,296 | - | 12,615 |
| Total income and endowments | 7,633,023 | 361,976 | 18,310 | 8,013,309 |
| Expenditure on: | | | | |
| Charitable activities | 6,777,016 | 28,019 | 18,310 | 6,823,345 |
| Christ College Holiday Activities Limited | 66,966 | - | - | 66,966 |
| 1541 Limited | 140,907 | - | - | 140,907 |
| Total expenditure | 6,984,889 | 28,019 | 18,310 | 7,031,218 |
| <i>Net gains on investments</i> | <u>40,289</u> | <u>24,860</u> | <u>15,139</u> | <u>80,288</u> |
| Net income | 688,423 | 358,817 | 15,139 | 1,062,379 |
| Transfers between funds | <u>100,000</u> | <u>(100,000)</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | 788,423 | 258,817 | 15,139 | 1,062,379 |
| Reconciliation of Funds | | | | |
| Total funds brought forward | <u>10,239,859</u> | <u>589,904</u> | <u>633,625</u> | <u>11,463,388</u> |
| Total funds carried forward | <u>11,028,282</u> | <u>848,721</u> | <u>648,764</u> | <u>12,525,767</u> |

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

32. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (continued)

| <u>College</u> | Unrestricted funds £ | Restricted funds £ | Endowment funds £ | Total 2018 £ |
|---|----------------------------|--------------------------|-------------------------|--------------------|
| Income and endowments from: | | | | |
| Donations and legacies | - | 338,939 | - | 338,939 |
| Charitable activities | 6,815,401 | - | - | 6,815,401 |
| Other trading activities | 94,758 | - | - | 94,758 |
| Investments | 343,565 | 18,741 | 18,310 | 380,616 |
| Other income | 8,319 | 4,296 | - | 12,615 |
| <i>Total income and endowments</i> | <u>7,262,043</u> | <u>361,976</u> | <u>18,310</u> | <u>7,642,329</u> |
| Expenditure on: | | | | |
| Charitable activities | 6,633,865 | 28,019 | 18,310 | 6,680,194 |
| <i>Total expenditure</i> | <u>6,633,865</u> | <u>28,019</u> | <u>18,310</u> | <u>6,680,194</u> |
| <i>Net gains on investments</i> | <u>40,289</u> | <u>24,860</u> | <u>15,139</u> | <u>80,288</u> |
| <i>Net income</i> | <u>668,467</u> | <u>358,817</u> | <u>15,139</u> | <u>1,042,423</u> |
| Transfers between funds | 100,000 | (100,000) | - | - |
| <i>Net movement in funds</i> | <u>768,467</u> | <u>258,817</u> | <u>15,139</u> | <u>1,042,423</u> |
| Reconciliation of Funds | | | | |
| Total funds brought forward | <u>10,257,242</u> | <u>589,904</u> | <u>633,625</u> | <u>11,480,771</u> |
| <i>Total funds carried forward</i> | <u>11,025,709</u> | <u>848,721</u> | <u>648,764</u> | <u>12,523,194</u> |