

BRIGHTON COLLEGE
(A Company Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2019

Haysmacintyre LLP
Chartered Accountants
London

Company Registration No. 7663
Charity Registration No. 307061

BRIGHTON COLLEGE

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 JULY 2019

PERSONNEL AND PROFESSIONAL ADVISORS

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BURSAR

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WEBSITE ADDRESS

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BRIGHTON COLLEGE

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

The Board of Governors presents its annual report for the year ended 31 July 2019, together with the audited financial statements for the year, and confirms that these comply with the requirements of the Companies Act, Charities Act, the Trust Deed and Charities SORP (FRS 102).

REFERENCE AND ADMINISTRATIVE INFORMATION

Brighton College ("the College") was founded in 1845, formally constituted in 1846 and was incorporated under the Companies Acts 1862 and 1867 with limited liability on 18 September 1873, the word "Limited" being omitted by Licence of the Board of Trade. Its company number is 7663. The company is a registered charity, number 307061.

GOVERNING DOCUMENT

The charity is governed by Articles last amended on 6 April 2016.

GOVERNORS AND CHARITY TRUSTEES

Brighton College Governors are also Charity Trustees and Directors of Brighton College. The Articles state that the Board of Governors ("the Board") must consist of between eleven and twenty one individuals, all of whom must be members.

The governors who served between 1 August 2018 and the date of these accounts were:

N Abraham CBE BSc α Ω # §	Lady Maude BA, BArch π
Ms M Asmar LLB Φ λ	G R Miller MBE FCBI #
Professor S Becker CQSW, PhD, RSW, FRSA, AcSS (resigned 9 December 2019)	The Lord Mogg KCMG (Chairman) α Ω
Ms V Byrne α, π (appointed 22 November 2019)	A S Pettitt MA (Oxon)
A Cayley CMG QC LLB LLM ¥ Φ C	N A Pink MA (Cantab) # μ
J Cohen BSC, LPC, PGDL (appointed 23 November 2018, resigned 28 June 2019)	R T Ricci FSA μ
Mrs J Deslandes OBE BEd MA β	Ms E Savage BA LLB λ
R Hannington BSc FRICS §	A J Symonds MCI Arb. FRICS α § (resigned 13 March 2020)
WHP Jackson MA (Oxon) # μ	M Templeman MA
Ms N Leach MBA JP § χ	P C Ward BEd β π
The Right Hon. Lord Maude of Horsham	R J S Weir BA (Cantab) FCA MCT α Ω # μ §
α Member of Nominations & Governance Committee	β Member of the Education Committee
Ω Member of the Remuneration Committee	π Member of Prep Schools Committee
# Member of Finance Committee	§ Member of Development Committee
μ Member of the Investment Committee	¥ Governor representative for Health & Safety
Φ Governor representative for Risk	λ Governor representative on Compliance Committee
C Link Governor for London Academy of Excellence	χ Governor representative for Boarding

In addition to their roles on committees, a number of governors are also board directors of the subsidiaries of the College.

HONORARY OFFICIALS OF THE COLLEGE

The Articles provide for the appointment of honorary officials. The members of the College in accordance with the Articles conferred the following appointments. Those who were honorary officials during the year were:

Vice Presidents

Lady M Alexander LLB, MA	R J Seabrook QC
The Rt.Hon. Sir John Chilcot	S G R Smith BA FRSA
S J Cockburn BA	C E M Snell
RF Jones Dip MS IPFA	I J White
Mrs J Lovegrove MA	Dato' M S K Yeoh
D A Nelson-Smith MA (Cantab)	

BRIGHTON COLLEGE

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Group Structure

The Group during the year comprised Brighton College and six wholly owned or controlled subsidiaries:

- Brighton College International Schools Limited - a private limited company incorporated under the Companies Act. Its registered number is 6708760 and it is governed by a Memorandum and Articles of Association dated 26 September 2008. The company is responsible for monitoring and implementing the College's strategy to promote education and develop schools and colleges in other countries.
- Brighton College Services Limited - a private limited company incorporated under the Companies Act. Its registered number is 1242240 and it is governed by a Memorandum and Articles of Association, dated 31 December 1975 with share capital amended on 16 November 2014. The company is responsible for non-charitable trading activities gifting profits to the College for use by the College in pursuit of its objects.
- Brighton College Hong Kong Charitable Foundation Limited – a private limited company incorporated under the Companies Ordinance (Chapter 622 of the laws of Hong Kong). Its registered number is 2348164 and it is governed by a Memorandum and Articles of Association dated 29 January 2016. The company was set up to enable easier gifting of philanthropic donations from alumni and other College education supporters in parts of Asia.
- St Christopher's School, Hove – a company limited by guarantee. Its registered number is 4501448 and it is governed by a Memorandum and Articles of Association last amended on 16 June 2016 and is linked to Brighton College with Charity number 307061-1.
- Newells School Trust Limited – a private limited company incorporated under the Companies Act. Its registered number is 932584 (and charity number 307038) and it is governed by a Memorandum and Articles that were last revised with effect from 29 June 2011 when it merged with Brighton College. Newells School Trust Limited trades as Handcross Park School.
- Handcross Park Commercial Services Limited - a private limited company incorporated under the Companies Act and a wholly owned subsidiary of Newells School Trust Limited. Its registered number is 10165336 and it is governed by a Memorandum and Articles of Association dated 5 May 2016. The company is responsible for non-charitable trading activities gifting profits to Newells School Trust Limited for use in pursuit of Newells School Trust Limited's objects.

The College also became corporate trustee on 16 October 2014 of:

- Brighton College Scholarship, Bursary and Prize Endowments – an unincorporated charity number 1078589; and
- The Sir Cooper Rawson Foundation – an unincorporated charity number 3962887.

As the Board controls the assets of these charities (together "the Scholarship Fund") their income, expenditure and assets are consolidated in these accounts. The Scholarship Fund supports scholarships and bursaries for children coming to the College.

Governing Body

Brighton College has a corporate governance structure that acts in a self-regulating capacity. The College is governed in accordance with its Articles by the Board of Governors.

The Brighton College Governors, as the Trustees of the charity, are legally responsible for the overall management and control of the College, comprising Brighton College and Brighton College Nursery, Pre-Prep and Prep School ("BCNPPS"). The Board meets each term and is responsible for: determining the aims and overall conduct of the College to ensure it meets its charitable objects and complies with its public benefit responsibility; considering and monitoring the implementation of strategy; determining an appropriate control environment; recruiting key staff; approving key College policies; and overseeing safeguarding and boarding.

BRIGHTON COLLEGE

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

Governing Body (continued)

A number of sub-committees meet regularly to consider key strategic aspects of the College's life and make recommendations to the Board. These comprise:

- Nominations and Governance Committee – identifying current or future strategic gaps of personnel or skills in the main board or its sub committees, how to fill places, vetting and recommending suitable candidates and ensuring governance is fit for purpose;
- Remuneration Committee – determining the remuneration of the most senior individuals within the executive of the College and its subsidiaries having considered sector information and performance in forming its view;
- Prep Schools Committee – assisting and supporting the headmaster of the Prep, Pre-Prep and Nursery in their setting of strategy and effecting oversight of educational and safeguarding provision in those settings;
- Development Committee – monitoring and directing all major expenditure on capital projects and maintenance and refurbishment. This committee also oversees fund raising initiatives and donation acceptance protocols;
- Finance Committee – monitoring and directing as appropriate all financial affairs including borrowings, bursary provision, budget setting, fee setting, reviewing management accounts and considering future resource requirements;
- Investment Committee – overseeing and investing the Scholarship Fund property and assets and any assets set aside by the Board of Governors into the Public Benefit Fund specifically to benefit future pupils within the school family.

Governors also attend the College's following operational committees, reporting key areas of committee business to the Board:

- Education – assisting and supporting the Head Master in his oversight of educational provision in the College;
- Compliance – ensuring compliance with Independent School Standards Regulations, Early Years provision and National Minimum Standards for Boarding;
- Health and safety – overseeing implementation of health and safety regulations; monitoring incidents and near misses; and determining and monitoring changes in procedures to improve the environment for pupils, staff, parents and others at the College or on College activities;
- Risk – considering all risks that the College is exposed to (including inter alia commercial, governance, financial, reputational) and ensuring there are processes in place to bring the exposure down to a level that is acceptable.

There are governors on the boards of key subsidiaries: St Christopher's, Hove; Newells School Trust Limited; Brighton College International Schools Limited; and Brighton College Services Limited.

The Head Master and Group Chief Operating Officer ("Group COO") are directors of Brighton College International Schools Limited and Brighton College Services Limited. The Group COO is a director of Brighton College Hong Kong Charitable Foundation Limited. One or more deputy heads sit on the boards of St Christopher's, Hove and Newells School Trust Ltd.

The Remuneration Committee, Risk Committee and board of Brighton College Services Limited meet annually. The main Board, other subsidiary boards and other committees all meet at least termly.

Governor recruitment

The present members of the Governing Body were chosen for their interest in education and their knowledge and experience in fields which support and advance the College's strategy including public life, independent and maintained sector education, law, facility development, finance, fund raising, commerce and investment.

The Nominations and Governance Committee has overseen succession planning exercises in each of the last four years to identify new governors and committee members who can help the group continue to progress in the medium and longer term.

BRIGHTON COLLEGE

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

Governor induction and ongoing training

All governors have access to a comprehensive governors' website which includes: a) standing information about the College including the Articles and committee terms of reference, key policies, and insurance information; b) information for new governors; c) latest committee minutes, inspection reports, current educational development plans, documents on recent trends and facility plans; d) links to other helpful sites including those of the Charity Commission, the Independent School Inspectorate and the Association of Governing Bodies for Independent Schools (AGBIS); and e) safeguarding training material.

On appointment, governors are provided with an induction checklist (also available through the web site) to help them ensure they are aware of all that is expected and they meet with their designated governor and senior management team mentors.

In the Hilary Term Board meeting, time is set aside to consider the medium and long term strategy of the College. Governors are also made aware by the Clerk to the Governors of external training days run by AGBIS and other sector bodies. Briefings by senior management to committees and the Board ensure relevant governors are kept abreast of new legislation and the auditor annually updates the Finance Committee with accounting matters which may affect the College.

Governor involvement in College life

The governors help guide and support specific aspects of the College's life via the committees and the strategy sessions.

Each year, governors approve the key College policies (during the Hilary term) and specific Nursery, Pre-Prep and Prep policies (during the Trinity term). Every term, the governors are updated on safeguarding and have an opportunity to ask detailed questions of the College's Designated Safeguarding Lead. The governor in charge of safeguarding is contacted as and when any new concerns arise and when prior concerns result in actions or are resolved. The governor who oversees staff welfare corresponds with the designated staff representative at least annually.

Governors also attend College productions throughout the year and are encouraged to attend one of the pupil shadowing days to help governors appreciate what being a pupil at the College is really like.

Governor retirement

Governors are initially appointed for a minimum two-year term. One third of the governors must retire at the first meeting of the Board of Governors to be held each year with those longest in office retiring first and a governor who so retires is eligible for re-appointment.

Organisational Management

The day to day running of the College is delegated to the Head Master and Bursar. The Head Master and/or Bursar attend all committee and Board meetings. The running of the subsidiary companies is through their boards which report to the main Board.

Financial probity is ensured by having suitably qualified individuals on the Finance and Investment Committees. The Finance Committee receives reports from the external auditor on the control environment and receives termly reports from the Bursar on the financial state of the College. The Finance Committee scrutinises and recommends the annual budget to the Board and considers management accounts termly with any variances to budget explained by the Bursar. The Bursar considers management accounts produced monthly with variances analysed and explained by the Head of Finance.

The College actively supports the attainment of the highest standards in the Independent Schools sector using regular updates from sector bodies, monitoring best practice at other major schools, utilising peer group studies and identifying and sharing best practice within the wider Brighton College family of schools.

Charity Governance Code

The governors acknowledge and endorse the application of the Charity Code of Good Governance. The Code has been reviewed by the Board and appropriate actions have been proposed to improve governance in areas where the governors feel the College and wider stakeholders would benefit.

STRATEGIC REPORT

Risk Management

Brighton College's Board of Governors is responsible for the consideration and management of the risks faced by the College and any reputational risks that could impact on the College from the wider Group. Detailed consideration of risks is delegated to the Risk Committee, chaired by the Bursar and attended by two governors and other key staff. Separate committees consider compliance and health and safety. Risks are identified and assessed and controls monitored and updated throughout the year. A formal review of the charity's risk management process is undertaken on an annual basis, reporting to the Board in the Michaelmas term. New risks or those that have changed (or been mitigated) are notified to the Board termly.

The key controls used by the charity include:

- Articles for the Board and detailed terms of reference for all Board committees
- Formal agenda for all committee and Board activity
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational control and formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable
- Regular consideration of the risk register

The governors are satisfied that the major risks identified by this process have been mitigated to an acceptable level by internal control systems, insurance cover and other procedures as appropriate. The management team and governors also use advisors where necessary in order to mitigate certain risks.

Principal risks and uncertainties

The principal risks and uncertainties for the College and the mitigation strategies in place include the following:

- Board and committee composition – when governors announce they intend to retire, new governors and committee members are identified and introduced to the College with a suitable period of handover to convey critical knowledge;
- Pupil demand – the College has been through an exercise to determine its optimal size and numbers are being managed to that level. Demand is monitored at each stage (for example: expression of interest, application, attendance at Open Morning or site visit) to enable trend analysis which can act as an early warning indicator of a possible drop in demand and marketing efforts are then focused on any year groups which look as if they may need incremental pupils;
- Governmental impact on independent schools – the College keeps abreast of government thinking through being a member of various education sector bodies, hosting conferences involving key individuals such as the Secretary of State for Education and via its own contact through governors who are members of the House of Lords. In so far as it is possible, the College has sought to identify the impact of Brexit and plan for it;
- Reputational risk – the College's parent and pupil demand and the overseas income stream is partly dependent on the College's continued reputation for academic success, pastoral care and curriculum innovation. Academic and pastoral effectiveness are monitored during the year by assessment, questionnaires, INSET sessions and embedded systems ensuring staff are focusing on these areas and can raise issues early. External referencing to support the staff's view is via internal and external exam results, pupil council discussions and pupil and parent questionnaires;
- Availability of funds – the facilities programme required medium term external funding: to enable this, the College's bank agreed a suitable facility; and the trustee of the defined benefit pension scheme agreed a clear profile for deficit repair. The College's Development Office has a programme in place to match areas of development requiring support to donors willing to support these areas;
- Affordability of fees – the longer term focus is to try to produce sufficient income other than via parental fees to mitigate this potential risk. In the short term, the College manages its budgets to try to pass on no more than the sector average tuition fee increase to parents. Affordability is assessed by looking at demand trends; monitoring debtors and comparing collectability to the same point in prior years; and by encouraging early conversations with those parents whose circumstances may be changing or have already changed.
- Impact of coronavirus – The accounts are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The College's response has been to implement its contingency planning arrangements for such circumstances to remotely deliver its first class education and pastoral care. The College will therefore be able to serve its pupils whether the College or government (or both) decide to implement physical closure of UK schools. As part of contingency planning, remote systems of delivery have been implemented, staff have been trained and the delivery was trialled during Hilary Term 2020 and was well received by pupils in the UK and overseas. Governors consider it appropriate for the going concern basis to be adopted for these accounts given current knowledge of the COVID-19 virus.

STRATEGIC REPORT (continued)

Subsidiary organisational structures and risk management

Brighton College International Schools

Brighton College International Schools Limited (BCIS) is a separate legal entity whose entire share capital is owned by the College. BCIS has its own board, chaired by a main Board governor, which meets termly and reports into the main Board. The Group COO is the Chief Executive of BCIS and he and the senior executive team meet weekly on operational and strategic matters or more regularly as work dictates; and all meet with the Head Master of the College monthly during term time. The Commercial Director of BCIS produces an annual budget and monthly management accounts and reports monthly to the Chief Executive of BCIS and termly to the BCIS board.

Brighton College schools set up in other countries have their own boards of governors which contain up to three representatives of Brighton College in the UK. These representatives include governors and senior management team members of the College. The senior executive team within BCIS and designated College senior staff help to ensure the schools overseas are authentic to Brighton College UK by advising on the initial setting up activity for the schools and ongoing monitoring. Collaboration between all members of the Brighton College family of schools is facilitated with an annual conference for the Heads to consider key areas and Heads of Department sharing information regularly and visiting their counterparts overseas either physically or by video.

BCIS advises external school developers and operators – there is no financial commitment from the College to new ventures. Risk management for BCIS includes ensuring that potential partners share Brighton College's concern for providing the very best education and pastoral welfare; ensuring potential partners are aware of anti-bribery and anti-slavery legislation and the other high standards expected by Brighton College; ensuring schools are set up in areas where demand for British independent education appears sustainable and where it appears safe for teachers to teach; and ensuring that the pace of opening schools does not conflict with delivering the best education in Brighton College UK and other Brighton College schools already in existence.

Brighton College Services

Brighton College Services Limited (BCS) is a separate legal entity whose entire share capital is owned by the College. BCS has its own board, chaired by one of the main Board governors, which meets annually and reports to the main Board.

BCS has two managers who report to the Bursar: the first runs the uniform and stationery shop and meets with the Bursar regularly to consider parental feedback received, outstanding orders, supplier issues, stock levels, stock write offs and future ordering. The second manager runs the after school club and facilitates the hire of parts of the College estate to groups in the holidays, evening and at weekends and meets with the Bursar weekly to discuss strategy, after school club demand, facility letting demand, pricing, staffing and ad hoc demands.

The risks to BCS include: i) working capital issues from poor stock control, which is partly mitigated by keeping very close links with the schools to ensure there is adequate time given to any potential changes in mandatory uniform and sports kit requirements and partly mitigated by ensuring sensible scheduling of deliveries with suppliers; and ii) having insufficient demand for hiring the estate, which is mitigated by having suitable initial contracts in place with third party hirers and working closely with any hirers who themselves market the College and helping them promote their services at the College effectively.

St Christopher's School, Hove and Newells School Trust (trading as Handcross Park School)

Both schools are separate companies and are subsidiaries by virtue of the fact that their board membership is controlled by Brighton College. Both school boards are chaired by College main Board governors who report to the main Board termly. Both schools have their own combined finance and development committees.

The main risks which face these schools include those facing any prep school and include: attracting the right calibre of teaching staff; providing a meaningful curriculum; and ensuring there is sustainable parental demand at the fee level charged. Good appointments to the roles of Head in both schools and collaboration with each other and Brighton College keep the curriculum innovative and help attract both teachers and parents. Brighton College also provides advice to both schools on support areas including human resources, health and safety and development. The schools come together to receive common training on safeguarding matters and to consider compliance within the Compliance Committee.

STRATEGIC REPORT (continued)

Subsidiary organisational structures and risk management (continued)

Brighton College Hong Kong Charitable Foundation Limited

Brighton College Hong Kong Charitable Foundation Limited is a private limited company owned by the College enabling parents in Asia to pay donations more easily in aid of College philanthropy. The principal risks are: restricted donations not being applied for the purposes for which they are given; and exchange rate risk given the income is in Hong Kong dollars and College spending is largely in pounds sterling. The first risk is mitigated by using the same principles and systems for capturing restricted donations as are used by the College; and the second is mitigated by conversion from local currency to pounds sterling shortly after the donations have been made (retaining any amounts in local currency to satisfy any foundation expenses). The foundation is audited and company secretarial services provided locally by a company specialising in the area.

The Scholarship Fund

The College is sole trustee of the Scholarship Fund, a separate collection of trusts that provide scholarship and bursary support to College pupils. The principal risks are: inadequate separation of assets from those held by the College on its own behalf; and diminution in the value of the assets under management (from poor investment returns or inadequate care of property owned by the Scholarship Fund). The first risk is addressed by having a suitable accounts system and regime in place which is considered annually by an auditor or independent reviewer. Diminution risk is addressed partly by having clear terms of reference for the Investment Committee that oversees investment decisions that covers qualifications of members comprising a quorum when investment or divestment decisions are made, a clear framework for strategic and tactical asset allocation and termly reporting to the Board; and partly through having property insurance in place and a suitable maintenance regime, additional assurance being provided by regular valuations and rent reviews by an independent accredited surveyor.

Charitable Objects

The objects of the charity as set out in its Articles are to advance the education of children by providing and maintaining schools or colleges, and in particular Brighton College (established in 1846), and providing thereby a sound religious, classical, mathematical and general education, in conformity with the doctrines of the Church of England.

Aims

The Board's aspirations, which further the charity's purposes for the public benefit, are:

- in the longer term, to make the College accessible to all children that can benefit from its education. To that end, the College sets aside some of its surplus each year into a Public Benefit Fund which it is hoped in time will generate sufficient annual income to fund bursaries and scholarships and enable fee levels to be accessible for even more parents;
- to ensure the children that leave the College feel equipped to face the real world by imparting a relevant curriculum and developing strength of character to prepare them for challenges ahead irrespective of real world developments that may occur and with a desire to contribute positively to society.

Within these contexts, Brighton College seeks to impart or provide:

- a love of learning for its own sake;
- a foundation of knowledge and body of skills with which to understand and question the world we live in and to prepare pupils, through an innovative approach to education, for the world they are likely to inhabit in the future;
- an awareness of, and appreciation of, the spiritual dimension in our lives;
- an enthusiasm for the world beyond the classroom – in particular, sport, music and the performing arts;
- a respect for difference in others and a recognition that the efforts and achievements of every individual in our community are valued equally; and
- an awareness of the needs of others, and a firm belief that – whatever our age – we can make a difference, locally and globally, right now.

In short, the College strives to turn out well-educated, tolerant and intellectually curious men and women who are ready to take a full, active and positive role in the life of our country and of our world.

STRATEGIC REPORT (continued)

Objectives for the Year

This year the main objectives have been to:

- determine what each child is academically capable of with carefully selected and timed assessments and tailor educational provision to suit while also encouraging participation by all children in a wide range of activities;
- continue to innovate the curriculum to deliver relevant life skills and engage with key world events;
- maintain or improve numbers of particularly local pupils entering the family of schools and maintain accessibility for those potential and existing pupils who will benefit from the College's education;
- continue to work with local state primary schools by leading educational workshops and via pupil to pupil support;
- extend and develop pupils' opportunities to be involved in community service programmes;
- provide support and advice to aid the educational delivery of the Brighton College schools established in the Middle and Far East and London Academy of Excellence;
- project manage construction of the School for Science and Sports to ensure its ability to open in January 2020;
- ensure adequate finance is in place to cover operations and development of the new facility;
- start the planning for a future theatrical centre to complement the existing performing arts hub;
- increase further the capacity for boarding to cater for the continuing increased demand for a Brighton College education;
- seek to identify strategies to highlight and contribute to sustainability;
- induct a high calibre Bursar to focus on the College in the UK, enabling the Group COO to focus on wider group aspects from October 2018; and
- revisit the structure of the senior team to better enable it to focus on the medium term strategies as determined by the Board in March 2019.

All of the above objectives were achieved in the year. Further details can be found on pages 11-21 of how these objectives benefitted the performance and activities of the group.

Strategies to achieve the year's objectives:

- allocating dedicated resource for monitoring pupils' progress and welfare to ensure pupils are able to develop at the speed appropriate for them, stretching those most capable and ensuring every pupil is engaged with at least one activity;
- developing the management information system and virtual learning environment to improve further the timeliness and clarity of pupil information and breadth and flexibility of educational delivery and learning opportunities;
- providing scholarships and means tested bursaries including free places for those on foundation scholarships and refugees fleeing humanitarian crises and creation of a new bursary programme for launch in September 2020;
- encouraging philanthropic support for London Academy of Excellence by establishing a Society of Friends prepared to cover the funding gap that exists between what the government provides and the actual cost of the education provided;
- assisting London Academy of Excellence by providing financial support and arranging staffing during the year so that, from September 2019 for a year, the College will provide the Academy with finance and one teacher;
- confirming with the College's credit facility provider that teacher pension scheme increases would not impact on the continued availability of funding for the new School for Science and Sports;
- encouraging philanthropic support for facilities through a number of methods including events and communications;
- entering into discussions with the trustees of the defined benefit scheme to agree a new schedule of deficit repair;
- identifying and visiting a number of innovative theatrical facilities around the world and conducting a design competition with specialist architects and designers;
- converting a tutor's flat in Alexander House and a roof space in Leach House to enable boarding numbers to increase by a net 18 pupils;
- refurbishing the Prep school entrance and library to further enhance and support the inspirational and welcoming environment for younger pupils;
- close monitoring of debtors and budgets and early warning systems to deal with possible financial concerns;
- implementing a policy for removal of single use plastic containers in the College and employing a new Director of Catering with a focus on minimising food wastage and delivering initiatives such as "Meat Free Mondays";
- creating a Group Strategy Delivery Team of senior management team members to drive the key initiatives.

BRIGHTON COLLEGE

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Principal activities of the year

Brighton College is one of the largest independent schools in Britain. In the year to 31 July 2019, the College educated on average 1,616 pupils aged 3 to 18 (2018: 1,619) and St Christopher's and Handcross Park respectively educated on average 298 (2018: 307) and 385 (2018: 390) children aged between 3 and 13.

Significant demand for places

The reputation of the College for its supportive academic, pastoral and cultural environment continues to create a very healthy demand from parents and pupils for the College's education with strong admissions at all entry points. Demand was boosted still further when the College was awarded Sunday Times' School of the Year 2019 and achieved the highest ever ranking for a co-educational school in the Sunday Times Parent Power league tables following the 2019 GCSE and A level results.

Grant making policy

The College awarded 684 scholarships and bursaries worth £1.38m (2018: 563 awards worth £1.45m). In addition, support to enable children of parents with more than one child to come to the College totalled £844k (2018: £836k). St Christopher's and Handcross Park awarded scholarships, bursaries and other support worth a further £449k (2018: £445k).

The College has strong links with Kingsford Community School, a London comprehensive school with a particular specialism in languages, and local high schools. These links enables schools to benefit from sharing best practice in state and independent sectors. The College provides the opportunity for bursaries in excess of 100% of fees to pupils local to the College and to refugees fleeing humanitarian crises.

The College planned for a new Bursary Scheme to be launched from September 2020 – Opening Doors. Under the scheme, free places are available to local children satisfying certain criteria.

The College welcomes contributions from donors who wish to support education of those who are from families with lower incomes or refugees. The College advertises on the web site and in various publications and by visiting local schools the fact that means tested bursaries are available. In order to help provide such support, the College benefits from the generosity of a thriving network of Old Brightonians and parental donors whose support for facilities improvements and pupil support is greatly appreciated and gladly acknowledged.

Academic results

In the senior school, the A level results and GCSE results were once again outstanding and put Brighton College in the top three schools nationally – the highest ever position for a co-educational school. The percentage of A* to B grades at A Level was 97% (2018: 99%) and the percentage of 9-7 grades (or A* or A) grades at GCSE was 94% (2017: 88%). 37 Oxford and Cambridge offers were received (2018: 31). The most popular destinations remain Cambridge with 102 past pupils studying there, Bristol (81), UCL (65), Oxford (56) and Edinburgh (51). This year, pupils also followed a variety of technical and vocational options with a third of art pupils going on to some of the most prestigious courses in the UK.

In November 2019, Brighton College was again placed first (2018: first) of the fully co-educational schools in the Sunday Times Parent Power league tables having been named Independent Secondary School of the Year for 2019. As the majority of College pupils are day pupils from Brighton and the surrounding areas and the College is less selective than other schools at the top of the league tables, the results highlight the value added by the College's teaching staff and the pastoral and co-curricular regimes.

At each of the family of Prep Schools, every child passed the common entrance exam for the secondary school of their choice with BCNPPS and Handcross Park pupils securing 22 scholarships and St Christopher's pupils 14. At BCNPPS, two thirds of the Common Entrants grades were A/A* and 93% A*-B and for St Christopher's School and Handcross Park, just under two thirds of pupil papers scored A*-B grades.

BRIGHTON COLLEGE

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

REVIEW OF THE ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (Continued)

External acclaim

In November 2018, Brighton College was for the second time awarded the prestigious accolade of Independent Secondary School of the Year by the Sunday Times. The pupils' results in August 2019 meant Brighton College was placed higher in the league tables than any co-educational school had ever been placed before – a wonderful achievement by the pupils.

Brighton College was awarded "Best Boarding House Accommodation" by the Boarding Schools' Association in 2019. Tatler, in its 2019 Best Schools Guide opened its assessment of Brighton College with the words: "One word: Exceptional" and noted that "the only intolerance [at the College] is towards bullying... There is a rich vein of kindness and inclusivity running through the school."

The College won the National Innovation Award 2019 from the Boarding Schools' Association for its programmes on outreach and social responsibility for the College's support for the London Academy of Excellence and the Opening Doors programme for sixth formers – an initiative that evolved from the College's support for locally based Syrian refugees.

In September 2018, the Week magazine for a second year in succession awarded the College the title: "Most Forward Thinking School in Britain".

Handcross Park's reputation remains very strong - both locally and nationally. The School was delighted to be awarded the Prep School of the Year at the Independent Schools of the Year Awards 2019 and was also shortlisted for the Pre Prep School of the Year at the Independent Schools of the Year Awards 2019. The School was also shortlisted for the TES Independent School Awards 2019 for the Marketing Campaign of the Year. Once again, the School appears in the Tatler Schools Guide 2020, including the Tatler Guide to the best Prep Schools in the UK, and the Good Schools Guide 2019/2020.

Continued investment in staff and staff welfare

The College common room welcomed over 20 new teachers including new Heads of Politics, Philosophy, Photography and Business Studies; in addition, the College promoted 17 excellent staff members to important roles including Director of Studies, Assistant Head (Outreach and Partnership), Registrar, Head of Maths, Head of Mandarin, Head of Critical Thinking and a Head of Internal Exams. The senior leadership team was restructured to enable better focus on key strategic areas with a new Bursar focusing on the College in the UK, enabling the prior Bursar to take on a role of Group COO and CFO with a specific focus on the wider family of schools, particularly those overseas. Further structural changes were planned for implementation in September 2019 including a second deputy housemaster or housemistress for all boarding houses and a separation of the roles of Director of Boarding from the position of housemaster or housemistress to provide even greater support to the pastoral side of College life.

The College is at the forefront of best practice in facilitating teaching and learning for children with special educational needs and disabilities and the employment of disabled persons with suitable opportunities for training, career development and promotion. Where employees become disabled, every effort is made to reintegrate them to their former jobs or some other suitable alternative and provide appropriate training and specialist advice.

The College recognises that effective communication with employees is critical, providing information to and consulting with employees and union representatives on matters that affect them. The College informs employees of strategy through an annual formal briefing by the Heads of the schools and the Bursar. There are weekly senior management team and common room meetings at the three schools and regular INSETs for teaching and support staff. Newsletters summarise the week's events and termly reviews consider other aspects including the development of facilities, fundraising and overseas school developments. These are available in hard copy or electronically. Other notices are issued as and when required to cover specific one off areas.

A staff welfare committee operates for the common room and this meets with the Head Master, Bursar and the Deputy Head responsible for staff matters and a nominated governor is responsible for liaison with that committee. Their discussions are informed by considering the responses to wellbeing questionnaires completed by teaching and support staff.

In January 2019, the College became a "Real Living Wage" employer, ensuring that all employees are paid at least the published Real Living Wage hourly rate, significantly ahead of the statutory national minimum pay rates.

REVIEW OF THE ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (Continued)

Volunteers

Brighton College pupils and staff raise funds and give generously of their time and skills for charities, community projects and areas of need worldwide. A public benefit survey in 2016 showed such time equivalent to 16 full time staff members.

Weekly English language classes are held at the College for Syrian refugees living in Brighton. College staff and pupils are teaching over 60 adults. Pupil volunteers also help with lessons for the refugee children and engage them in play activities.

College staff continue to provide enrichment days for other local schools for the education of local children either by visiting schools or providing a "lesson in a box" for other teachers to deliver. Pupils also teach in one to one settings in other schools. Further, the College hosts a course where local children can come and learn Latin.

The College donated books and facilities to other educational and sporting charities, and hosted, administered and refereed co-curricular events for local schools. A number of senior staff members are governors at schools locally, nationally and overseas.

Continued investment in infrastructure

The College continues to invest in new facilities and improvements to existing facilities. Investment in fixed asset infrastructure was £28.9m, of which £28.3m was spent on construction of the School for Science and Sport. The facility, designed by world famous architects, OMA and opened in January 2020, contains 18 university standard science labs, a 25m swimming pool, a gym, a sprung loaded flexible exercise and dance space, a sports hall, a greenhouse, two running tracks (one on the roof), a cinema and a café. The Yeoh building – an academic hub with 23 specialist classrooms and a creative learning centre – a space with audio visual recording options used to enhance teachers' and pupils' presentation skills, facilitate large group collaboration and enabling audio visual connectivity to other Brighton College schools in the UK and overseas was completed at the start of the year and £240k was invested in IT upgrades. A further £1.6m of refurbishment and enhancement work was expensed, key components of which included a reconfiguration and refreshment of BCNPPS entrance, chapel, hall and office suites; and the creation of a garret boarding house in the roof of Leach House; and the creation of bedrooms in Alexander House, the latter two to better cater for the huge boarding demand.

At Handcross Park, £674k was invested in improving the Dining Room, creating a calm and multi-functional space with panoramic views over the beautiful grounds. A further £200k was expensed on a number of improvements to areas including the Early Years playground, reception and library spaces; one of the science labs; and the cricket pavilion.

At St Christopher's, ICT investment of £73k was incurred and further improvements in infrastructure of £40k were expensed, some of which was on sustainable energy improvements such as LED lighting.

Expansion outside the UK

Brighton College Abu Dhabi educated on average 1,796 (2018: 1,737) pupils during the year with A level results 69% A* to B (2018:76%) and GCSE results 72% A*/A and 9-7 (2018:71%), despite a high proportion of non-native English speakers. The UAE regulator awarded Brighton College Abu Dhabi the highest inspection grade achievable in October 2018.

Brighton College Al Ain educated 913 pupils (2018: 892) with A level results 68% A* to B (2018: 62%) and GCSE results 60% A*/A and 9-7 (2018:57%) – and a greater proportion of non-native English speakers; the UAE regulator awarded Brighton College Al Ain the highest inspection grade achievable in March 2018.

Brighton College Bangkok educated over 300 pupils in its second year operating a senior setting and inaugural GCSE results were 83% A*/A and 9-7. The school is accredited by the Thai Ministry of Education and the Council of British International Schools (COBIS).

A new Brighton College opened in Dubai in September 2018 and has over 300 pupils in its second year of operations.

Brighton College Singapore is scheduled to open in September 2020 and much work during the year was spent in designing the educational spaces, appointment of a first class senior leadership team and those areas enabling a smooth commencement.

Some of the income generated by Brighton College schools overseas flows to Brighton College in the UK in support of the ongoing leadership development and training programme for senior staff members of the schools in the UK and overseas, for ongoing development of best practice throughout the family of schools, to assist the facilities improvement programme in the UK, and to help support the College's areas of public benefit.

BRIGHTON COLLEGE

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

REVIEW OF THE ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (Continued)

Sport

Sport at the College and BCNPPS is an opportunity for all pupils to engage with a huge number of teams playing fixtures midweek or at the weekend where there are over 50 matches and over 30 Old Brightonians currently represent their country. The College offers a wide range of sports from fencing to golf and water polo to beach volleyball.

Rugby: The College has a strong commitment to rugby and fields 15 contact and four non-contact rugby teams on Saturdays. The England Rugby team once again used Brighton College as a training base during the season, having established a great rapport with the College following on from Eddie Jones' use of the College as a training camp for Japan in the 2015 Rugby World Cup. The season saw five pupils selected for the Harlequins U18 with two just missing out on the England U18. Highlights of the year included the First XV winning the St Joseph's Festival (regaining the trophy having come runners up the year before). The First VII also won the Worth Sevens. One pupil played with the England U17 squad and another was selected for Ireland U18s. Marcus Smith, who left the College in June 2017 was the youngest England Rugby Squad apprentice since Jonny Wilkinson; Marcus represents Harlequins and England as fly half and is one of 22 junior rugby internationals to have left the College in the last ten years.

Athletics: The athletics club competed in two block fixtures in the Trinity term. Both fixtures saw great individual performances and a win for the teams at Cranleigh and a second at Epsom. The Inter Girls Track and Field Cup team qualified for the second year running for the National Finals in Chelmsford. Their regional score would have placed them fourth in the country but due to the final taking place during the holidays when not all the team was available to compete, they finished twelfth nationally. Lizzie Korczak was outstanding in the javelin – first in the English Schools competition for the third year running and second representing England in the SIAB competition. She was selected for the England Athletics Youth Talent Programme and holds the Sussex record with a distance that put her 66th in the world. Ruby Jerges performed excellently in the 100m and long jump (fifth at English schools, sixth at the British athletics championships). Old Brightonian, Toby Harries competed at the World Championships representing Great Britain in the Senior men's 4 x 400m final. Colin Jackson CBE, the Welsh sprinter and hurdler delivered a humble, humorous and motivational speech at the College's Speech Day in June.

Netball: The College fields 18 teams of all standards. The U16As came runners up in the National Schools Competition and all four of the U13, U14, U15 and U16 VIs won their titles in the Sussex Cup Finals. 12 College pupils currently play in the England Netball Academy.

Cricket: There were some notable successes this year with the 1st XI coming runners up in the County Cup Final at the County Ground. The U15 A team were runners up in the final of the Sussex County Cup, their only loss of the season. The U15 girls' team won the National T20s for the second year in a row. The U12 Prep and Lower School team have qualified for the national cup taking place in 2020. There were some excellent individual performances with Jono Conolly completing his second year of captaincy and finishing with a batting average of 45 and a bowling average of 17.1. He notched up the best individual performance of the year scoring 128 and taking 5-24 against Portsmouth Grammar School. Ravi Jadav ended the season with 13 wickets at an average of 22 and was one of six College pupils selected to represent Sussex in 2020. At BCNPPS, the U12A team won the Sussex Cup. 14 Old Brightonians are currently professional cricketers.

Hockey: 200 girls now play in the Brighton hockey teams and 18 teams played 133 fixtures last year. The First XI, U16 and U14 teams were all Sussex and National champions. Two squad members have been selected to play for South Saxons and played key roles in the squad representing the South of England.

Football: The College's 1st XI and 2nd XI were convincing winners of the league and the 1st XI also managed to "do the double" by winning the South East Futsal tournament beating Ardingly, Tonbridge and Bede's in the process. The College had six Senior teams playing Saturday fixtures and broke a number of records including games played – 121 on Saturdays missing only two (due to snow), the 14B team scoring 26 goals in six matches, having three teams ranked in the top eight in the National Futsal championship and the 1st XI and 2nd XI both beating Bede's for the first time in a season. Girls now compete in two College football teams.

Tennis: In excess of 300 pupils play tennis in the Trinity Term. Fixtures against major independent schools are supplemented by county cup and the Aegon League mid-week fixtures. The first teams are tutored with specialist coaching at Preston Park Tennis Club. All games sessions were made co-educational this year, with girls and boys being mixed and split by ability. The U14 team won the Tennis Sussex Shield.

REVIEW OF THE ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (Continued)

Sport (continued)

Cross Country: The College uses its location in the South Downs for training and competes regularly in the Sussex Championships (where College pupils won a gold, two silvers and three bronzes in team competitions), the Knole Run in Kent (where one pupil won the Simon Houghton Trophy for coming first in the Open Boys' Race), the national ESAA qualifiers (where one pupil won the U15 race) and in independent school fixtures such as the South Eastern Schools' Cross Country Championships at Harrow, where one pupil won silver in the Open Boys' event and one third place in the girls' races. Both boys and girls teams won bronze. Bronzes were also won by the junior boys team in the Wellington Relays and the senior boys in the Ranelagh Cup in Richmond Park. In the English Schools' Intermediate Cross Country Championship, one pupil came in the top 40 nationally.

Chess: The A team beat 150 teams in the regional rounds to make it to the National U19 finals.

Art and Photography

In Art, 95% of A levels were graded A*-A and all GCSEs received either grade 8 or 9, with over 80% securing the top grade. In Photography, all A levels were graded A*-B. This year, pupils visited a number of London galleries including the Tate and the V&A Museum to inspire their own ideas and give them greater cultural and contextual experience. A number of pupils secured Art Foundation courses at prestigious art institutes.

Pupils continue to be inspired by the diverse Brighton landscape, drawing inspiration from both the urban and natural environment and surrounding areas. The school campus blends the Victorian Gilbert Scott and Thomas Jackson architecture with a series of modern, contemporary facilities designed by leading modern architects such as OMA, Allies and Morrison, Eric Parry and Hopkins. The continuing evolution of the campus has seen pupils enjoying documenting the architecture and constructions of the new building, incorporating this process into their own work and some have been inspired to consider architecture as a career with past pupils taking architecture at university and one pupil having an internship over the summer at an architect practice.

The 'Take One Picture' exhibition was on display at the National Gallery from May to August, displaying work by BCNPPS's Year 5 pupils. This is now the third time that the work of BCNPPS pupils has been selected. Handcross Park developed the exciting new Tomlinson Art and Design centre which included the provision this year of a printing press enabling new media for art scholars and contributing to six Art and Photography scholarships to senior schools.

Drama

Academic pupils of Drama had the opportunity to see over 50 theatre shows throughout the year, 30 of which occurred during the Edinburgh Fringe trip in August. Academic results were once again high with 84% of pupils securing an 8 or 9 at GCSE and 78% achieving an A or A* at A level. Five pupils went on to study Drama or Film Studies at university.

The 2018 College production of "After Troy" involved over 70 pupils in both the traditional and avant-garde versions of the play, with cast members from all years including both College and BCNPPS pupils. The performance was crowned a fantastic showcase of the talent the College attracts, generating positive comments about the cathartic performances of the lead actors and the impactful theatre design from the College's first ever Performing Arts Designer, a newly created staff position. Other successful productions included the Middle School Production of The Addams Family Musical, the Brighton Fringe Production of Love and Information and the Lower School production of Tristan and Yseult.

London Academy of Music and Dramatic Art (LAMDA) training and qualifications continue to be popular at the College, with 100 pupils generating an excellent set of results in Trinity Term 2019. The College offers LAMDA in groups, duos and solos, covering a range of theatre disciplines including devising, mime, musical theatre and texts.

The Six College Theatre Companies continued their success with a diverse range of events throughout the year, culminating in Lumley Theatre Company being crowned overall winner of the year. The College continued its Drama Service affiliation with the Arts Award, accredited by Trinity College and pupils won fifteen Bronze and fourteen Silver awards and a Gold award.

At BCNPPS, the Senior Production of Mary Poppins proved to be a great success and a sell-out. Parents particularly appreciated how all Year 7 and 8 pupils who wanted to were able to have a role with different stars taking lead roles on alternate nights. There were a series of plays for those in Years 4, 5 and 6.

The Arts also continue to play a major part in the life of Handcross Park and successful drama productions are performed at every age group with all children involved. Highlights included Middle School's Charlie and the Chocolate Factory, The Lower School's Bee Musical and the Pre Prep HXP Tails production.

REVIEW OF THE ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (Continued)

Dance

370 pupils participated in 95 weekly dance lessons with the Brighton College Dance School, learning Jazz, Modern, Tap, Street Dance and Classical Ballet. 100% of pupils who took part in the Imperial Society (ISTD) and Royal Academy of Dance (RAD) exams passed. Vocational level examination results were outstanding with pupils taking Advanced One and Advanced Two examinations in Tap, Modern and Classical Ballet and achieving high merits and distinctions. Over 90 boys took part in weekly lessons, joining specialist workshops and performing at Open Mornings and in the Junior and Senior Show Teams.

The annual Dance Show saw 330 pupils from the College and BCNPPS perform at the Brighton Dome in June. Opening with extended excerpts from *Cinderella* and *42nd Street*, the second act continued with the Senior Show Team's dramatic and contemporary version of *Romeo and Juliet*, numbers from *The Great Gatsby* and *Mary Poppins* and a beautifully rendered modern piece entitled *Vampire Love Story*. Once again, the College's own Strictly Come Dancing production was enjoyed by pupils, staff and parents, with the event raising over £2,000 for the Chichester House charity, The Samaritans.

Dancers from the College welcomed pupils from London Academy of Excellence for a combined dance workshop with Boy Blue Entertainment. A further workshop was led by dancers from the James Cousins Dance Company who presented a lecture-demonstration on the work *Within Her Eyes*. Year 10 and Year 11 pupils were fortunate to see the Royal Ballet perform the GCSE set work *Infra* live at the Royal Opera House.

The Dance Department celebrated outstanding GCSE results with 100% of pupils achieving 7-9 grades and 20% of pupils achieving a perfect score for the practical component of their coursework.

2019 saw individual pupils achieve outstanding National-level success: one Year 11 pupil toured with the National Youth Dance Company (NYDC), performing at Sadlers Wells in London and at regional theatres across the country: his outstanding performances saw him invited to return to NYDC to take up an unconditional place in the company's 2019-20 season. Another Year 11 pupil achieved an exceptionally high mark in the RAD Advanced 2 Classical Ballet Examination, qualifying for the RAD's Genee International Ballet Competition that was held in Toronto in September 2019. She made the finals of the competition, performing at the Betty Oliphant Theatre in Canada's National Ballet School and has since taken up a place on the English National Ballet School's three year pre-professional dance training programme commencing in September 2019.

Music

Music remains hugely popular with two thirds of pupils taking lessons in one or more instruments and performing in events throughout Brighton including at the Brighton Dome and Brighton Pavilion, including concerts celebrating film, Christmas concerts, jazz and swing nights, classical concerts, in support of other College activities such as dance extravaganzas, and also performing at Pride. The College has 40 instrumental and voice teachers, nine choirs, over 30 ensembles and chamber groups.

The College's Artists-in-Residence scheme at Brighton College continues with Sheku, Braimah and Isata Kanneh-Mason in role. This trio has made a national name for itself, performing at the BAFTAs, and in numerous high-profile concert venues around the world (including Sheku's contribution to the music at 2017's Royal Wedding of the Duke and Duchess of Sussex). The trio visit the College providing masterclasses and giving concerts.

Cardinal's Music performed War and Peace and gave a masterclass to the Chamber Choir and Music Service pupils on Tippett spirituals and Tallis' If Ye Love Me.

Three pupils won music scholarships at Bristol University, Imperial University and Churchill College, Cambridge.

In the Hilary term, the music department performed a concert of an evening of film music in London, at St John's Smith Square, involving more than 165 pupils. The venue is an architectural landmark with exceptional acoustics following its restoration and the fantastic opportunity for pupils was a resounding success.

The music department played host to "Jazz Jamaica", a world class eight piece band performing Reggae, Jazz and Ska. The group also provided an inspiring master class involving the Swing band.

The Autograph series of concerts held at the College features a number of world class instrumentalists, singers and ensembles every year.

REVIEW OF THE ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (Continued)

Music (continued)

Chamber Music continues to go from strength to strength with ten of the chamber music ensembles competing in the first round of the Pro Corda Chamber Music Competition. Nine of the eleven groups made it through to the semi-finals and three to the final, with the Junior cello trio winning the coveted Pro Corda National Chamber Champions award for the second time in a row. 200 College pupils took part in the eight categories of the Young Musician of the Year Competition. The highest-placed candidates from each category progressed to the Grand Final in April hosted in the College's Sarah Abraham Recital Hall – a facility considered one of the finest music venues of any school.

As well as the usual concerts in and around Brighton, the Trinity Term opened with the Swing Band's annual event "Jazz café" which played to a capacity audience as the band bid farewell to the U6th leavers. The Swing band and Chamber choir went on a six day concert tour to Barcelona, the first concert being at the Centre Cívic Pere Pruna, a beautiful venue in the heart of Barcelona. Five further concerts in Basilicas and town squares followed with the final performance at Barcelona Cathedral delivering a service with music by Tallis, Pitoni, Byrd and Dawson. And there was still time for pupils to enjoy some Spanish culture, museums and sandy beaches!

Handcross Park pupils attended Jazz Day and Strings Day at the College, in addition to a Wind and Brass Day at another senior school. Collaborations with local venues enabled participation in orchestral works and the school choirs entered the Mid Sussex Competitive Music festival. Informal concerts were performed each term with full scale Spring and Summer Concerts. Over 62% (2018: 60%) of Handcross Park pupils learn an individual instrument, and of those 69 pupils took ABRSM music exams and 53 took Trinity Music exams from Grade 1 to Grade 8, with a 99% pass rate including 24 pupils achieving distinction.

Broadening the horizons of our pupils

Duke of Edinburgh's Award

The number of pupils taking part and completing the Duke of Edinburgh's Award remains at record levels. Last year, over 150 pupils signed up for the Awards: 94 Bronze, 34 Silver and 25 Gold again meaning the College is one of the largest school contributors to the Awards in the South East. The pupils' success rate is also one of the highest, with 70% completing the Award against an average of 50%. The Award combines key qualities of leadership, teamwork, initiative and determination. Pupils spend an hour or more of their own time each week in a skill of their choosing that this year ranged from breeding geckos to playing the saxophone. Similarly, each week, at least an hour is spent in some type of physical activity such as horse-riding or sailing. Pupils learn navigation and survival skills and carry out volunteer work in the local community each week. The 150 pupils gave over 3,300 hours of their time befriending the elderly, working in a charity shop, local library or in a state school after school club. The Gold Award requires at least twelve months of volunteering.

Bronze pupils learnt skills enabling them to complete day hikes in the South Downs and the Cuckmere Valley and two expeditions. The Silver pupils undertook two three-day expeditions in the New Forest and the Peak District. The Gold pupils navigated the highest peaks in the Brecon Beacons and completed a five day hike in the Lake District. All those on the qualifying expeditions passed. Pupils give presentations reflecting on elements from their expedition such as the flora and fauna.

The Gold pupils will be visiting Buckingham Palace to receive their certificates from His Royal Highness, The Earl of Wessex.

Combined Cadet Force

There were 184 cadets in the Combined Cadet Force in the year. Field Days were again a highlight of the Michaelmas and Hilary terms. Senior Army and RAF cadets slept under bashers at Pippingford Park, followed by various exercises including how to co-ordinate as a team to execute a section attack. Junior Army and RAF cadets enjoyed a carousel of activities at Crowborough camp, including tackling an assault course and paintballing. Royal Navy cadets slept on board HMS Bristol in Portsmouth whilst undertaking afloat training in the Solent. The Summer Camps were also a great success with cadets engaging in a wide range of adventurous training sessions. Army and RAF cadets camped at Crowborough with a day in the field, a day on the ranges and a day on the water, kayaking, sailing and rafting. Royal Navy cadets enjoyed a week long camp in Portsmouth making full use of the afloat training on powerboats, visiting the historic dockyard, kayaking on Chichester ship canal and tackling the assault course at HMS Collingwood. For the second time, cadets had the opportunity to go parachuting with the Army Parachute Association at Netheravon, exiting the plane at 3,500 feet whilst RAF cadets managed to take to the skies during the College's regular Air Experience Flying Days. Sadly, we said goodbye to Contingent Commander, Major Paul Wilson this year as he became Head Master of Brighton College, Singapore. The cadets and fellow officers thank him for his service to the CCF throughout his time here and wish him all the best of success.

REVIEW OF THE ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (Continued)

Make A Difference Day

On 25th September all pupils and staff in the College had their timetabled lessons suspended so they could participate in the annual Make A Difference Day (MADD). Each house organised a variety of activities with community organisations and charities and pupils set about helping them with their valuable work. While the projects were varied, all had the same objective: to give back to the community the College is in and 'make a difference.'

The Lower School worked hard packing bags in Tesco as well as working with a local music charity "Under the Bridge" to work with mothers and their children in a music group. Other pupils completed a sponsored beach clean and another group filled shoeboxes with treats and sent them to Romanian families. Seldon House volunteered at local foodbanks, travelling to supermarkets to collect donations before delivering these to the foodbanks and helping to sort and package them ready for visiting families. Pupils also worked with Oasis, a local charity working with mothers with alcohol and other addictions and that provides a safe space for them. Pupils were proactive in visiting shops and local businesses to collect prizes for the annual fundraising raffle as well as meeting service users and learning about the work the charity is doing in Brighton and Hove.

Aldrich and William Houses teamed up for the Devils Dyke conservation project. Armed with secateurs and gloves, pupils cleared the vehicular railway and restored the dew pond as part of the National Trust's aims. Abraham House went to Saltdean Lido and cleared paths and walkways. Pupils from Alexander House worked with Lewes cricket club for the day.

Durnford House took groups to the Pilgrim House and St Anne's Day Centre where they helped to rejuvenate some shared social spaces. Pupils with musical instruments visited the Blind Veterans home to play old time classics and talk with residents. Leconfield and Hampden Houses visited local primary schools to help in classrooms and run activities for the pupils.

Fenwick House pupils donned pink t-shirts to "chug" for Cancer Research UK. They sang and rattled buckets and came back to the College with over £1,100 raised. On their return, some of the girls immediately joined the Reading Spots book drive, frantically packing all the collected books to ensure they could be shipped to Ghana by the end of the day, while others baked cakes to sell to weary pupils and staff returning to the College.

Chichester House helped the Martlets depot in Hove where they put their fashionista skills to the test, arranging donated goods and creating attractive window displays. Pupils also created a bespoke afternoon of activities for residents in Birchwood Care Home, with performances, homemade cakes and a selection of board games.

Heads and New Houses organised small group visits to elderly residential homes in the local area, bringing board games and other activities as well as simply taking time to talk to the residents. Pupils planned and organised a tea and cakes event, decorated the common room and served the residents at their tables. Other groups visited the Brighton Unemployment Centre and Sussex Homeless support to learn more of their work and tidy donations in their store rooms. They also visited the Raystede centre for animal welfare helping to care for some of the animal residents and getting their hands dirty cleaning out some cages.

Community Service

Community service projects continue to engage 120 Lower Sixth formers each week in Kemp Town and beyond on Wednesday afternoons. Pupils host afternoon tea for elderly residents who visit the College's Scott Café and host "Tea and Company" events at St Mary's Church. Pupils visit 15 isolated people living in Brighton, who look forward to their visits very much. Pupils who have left for university are still in contact with some of these residents, and even come back to see them during the long university holidays. Time to Talk Befriending, one of our community service partners, has been shortlisted as finalists in the 'Good Neighbour' category of the Community Heroes Awards 2019. Time to Talk Befriending in Brighton is an intergenerational befriending charity for isolated and lonely people aged 65 and over: it has a proven track record of helping older people reconnect to their communities through friendship and companionship with volunteers of all ages. Time to Talk Befriending now has over 300 volunteers, ten percent of whom are College current and past pupils.

Pupils continue to support Coastway Radio hospital broadcasts, creating radio shows to be aired each week, and several other groups support local resident homes including: Hyman Fine House, Evelyn Glennie Court, Patching Lodge and Pilgrim House. The annual Christmas "Tea and Carols" event hosted at the College for those who are visited involve performances by College choirs, musicians and productions from the Drama Arts award pupils. Many pupils help out in local charity shops or provide after school clubs for local primary schools or conduct Latin Minimus classes for local state school pupils who wish to learn Latin and host a Maths club for budding mathematicians.

REVIEW OF THE ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (Continued)

Community Service (continued)

Leconfield Housemaster, Mr Wigglesworth has this year taken groups of pupils to St Peter's Safehaven to broaden awareness of the plight of the homeless on local streets and a rote with other staff and 6th form pupils are now visiting the church regularly including helping to host an annual Christmas meal for the street community.

The College's DT department continues to offer the "Men in Sheds" project for local residents who want to learn new skills in a social environment and has also continued the "precious plastics" recycling community service option.

At BCNPPS, there have been an array of initiatives to support the local community and local and international charities. The annual curriculum open afternoon, organised by the Parents' Association, raised over £300 for Macmillan. Harvest Festival collections enabled over £400 to be donated to child.org and donated goods for Whitehawk foodbank. During the year, £2,400 was raised for Chestnut Tree House as part of a School Council initiative in which pupils sold school Christmas cards and collected sponsorship for a Reindeer Run together with a contribution from the parents' association from selling coffee, mince pies and second hand uniform: the Reindeer Run even saw the Mayor of Brighton and Hove visit the school to join in. The pupils delivered the money themselves when visiting in the Hilary term. £2,200 was raised for Reading Sports charity through a sponsored 'Read for Good' challenge: a group of Nursery and Pre-Prep staff then visited Ghana to open a library full of books donated by the pupils. The Nursery Big Toddler Event, at the annual sports day, raised £300 in aid of Barnardo's. A partnership with a local nursing home has been established with pupils from the Nursery visiting regularly.

At the Prep Christmas Fayre and Parents' Auction, £20,000 was raised allocated evenly between the 'Starr Trust' and 'Extra Cover', a charity helping (re)build schools in Sri Lanka. Pupils also raised £3,760 in their 'Read for Good' week which went to the 'Read for Good' charities: this brought the total raised by BCNPPS for 'Read for Good' over the last 15 years to £58,000. Following the harvest festival, 238kg of food was sent to the Brighton foodbank. Years 3 to 8 pupils took part in BCNPPS's Make a Difference Day. Younger pupils took part in a carousel of activities including a sponsored run, gardening and becoming 'hedgehog helpers'. Years 6 and 7 accomplished park cleans at Queen's Park and East Brighton Park and the Year 8 pupils took part in a beach clean. It was a fantastic day where all the pupils came together to make a difference raising over £1,500 with half going to World Vision and the remainder going to the Whitehawk Foodbank and the Sussex, Surrey and Kent Air Ambulance. Through its charity drives this year, BCNPPS has raised over £30,000 for local and international charities.

St Christopher's school also aimed to make the most of the educational opportunities available within the city of Brighton and Hove and its immediate environs, to forge strong links with local charities and with the Hove community, and to enhance existing links with local churches, especially All Saints and St Philip's and St Leonard's. A number of services were held at those churches and St Christopher's Senior Choir joined with the All Saints' Choir to sing the Faure Requiem.

Syrian Community

The fifth year of College support for local Syrian refugees has run successfully, with record number of attendees. Pupils and staff help with weekly language support sessions run in the Prep School on Sunday afternoons, with Arabic classes also being offered to the younger children to ensure they do not lose their native language. The College runs a "Life in the UK" citizenship course, written and delivered by College teachers. The College also hosts visitors from local organisations to allow Syrian refugees to enquire about local facilities, energy company tariffs and other useful information to ease their transition to life in Brighton. The College hosts an annual Syrian Christmas party in the Jubilee Pavilion, with over 100 guests, who next year will include the Mayor of Brighton and local councillors and charity sector workers in Brighton and Hove.

School Partnerships

Leconfield House has revisited its links with Aldrington Primary school, initially visited during MADD, and pupils are now holding fortnightly maths and reading practices on Friday mornings during term time.

Ryle and Fenwick Houses hosted the U17 boys team from OSCAR Foundation, a charity enabling pupils from slums in Mumbai to access education. The pupils planned outings, trips and socials and took part in science, DT and sports lessons during their three day stay at the College. This is the start of an ongoing partnership between OSCAR and the College, with some recent OBs and sports staff visiting Mumbai in December 2019 to deliver lessons and training; with a potential return trip in 2021.

REVIEW OF THE ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (Continued)

Green Team

Green Team works on local environmental initiatives. This year the team gardened for residential homes and elderly residents in allotments around Kemptown as well as tidying up areas around Whitehawk Football Club and Manor Paddock. The Green team is also now planning an annual Green Week programme of events. Green prefects have been pivotal in setting up and using new recycling hubs, as the College is now signed up to over ten private recycling schemes. The team continues to add more recyclable products to the list; including batteries, chocolate wrappers and contact lenses. The Team claims that nothing from Brighton College goes to landfill and is confident that the College offers greater recycling facilities than Brighton and Hove Council!

Work experience

The College continues to offer placements to candidates from the Domenica charity and the local St John's school in the catering and portage departments. This year, the College partnered with a local branch of SPEAR, an organisation which aims to get young people into work through a programme of mentoring and coaching. The Chaplain and a group of pupils are working with SPEAR to find work experience and networking opportunities and interview practice for the young people involved.

London Academy of Excellence

London Academy of Excellence (LAE) is a Sixth Form college in Newham, set up under the previous Government's free schools programme. It was the brainchild of Richard Cairns (Brighton College Head Master) and Joan Deslandes (Brighton College Governor and Head Teacher of Kingsford Community School), and was set up to improve the life choices of disadvantaged children and help them secure places at top universities. LAE is now completing its seventh year in existence and it continues to transform the lives of many young people.

The school has become so aspirational, with 2,800 pupils applying for the circa 240 places on offer in 2019. Priority is given to students on free school meals (35% of the school roll compared to 13% nationally and 4% in grammar schools) and 45% of students were from Newham and Tower Hamlets – the two London Boroughs with the highest rates of child poverty.

Pupils achieved record A-Level results in 2019 with an A*/A percentage of 65% (2018: 61%) and an A*/B percentage of 93% (2018: 90%). Its value added score of 0.46+ and Aips scores meant it was in the top 5% of schools for value added and the top four state schools in the UK.

Of its fourth cohort of Upper Sixth, 165 (2018: 126) pupils left to take up Russell Group places including 25 (15) Oxbridge places and 31 (12) medicine and dentistry places. In the year before LAE was founded, less than 40 students progressed to Russell Group universities from the whole of Newham and only three went to Oxbridge. Since 2014, LAE has sent over 850 students to Russell Group universities, 97 to study medicine, dentistry or veterinary science and 67 to Oxford or Cambridge. The vast majority of students go on to take science, technology, engineering and maths (STEM) degrees.

In its ongoing support of LAE, Brighton College provided three Board governors and committee members (Education, Finance, Development, Governance); helped pupil and staff recruitment; ran Easter revision courses; ran mock interviews for university applications for Economics, Engineering, Science, Psychology, Politics, Geography and Land Economy applicants; and taught Physics. LAE pupils attended Brighton College's Careers Day, its UCAS information day and its University Fair. Brighton College also promoted the Friends of LAE scheme – a scheme designed to raise philanthropic donations in order to bridge the gap between the cost of providing the A level provision and the amount funded by the Government. The College committed to provide additional finance and a full time teacher to LAE from September 2019.

In addition, the College operated a buddying scheme for over 40 pupils from LAE with those pupils at Brighton studying the same or similar subjects LAE pupils visiting the College to meet their College buddies, who had sent handwritten letters the previous week to introduce themselves. Pupils from the two colleges worked together on team building exercises, presentations skills and critical thinking. A reciprocal visit to LAE is scheduled during the next year. Two previous College projects with LAE have been included as examples of outstanding practice in the education sector's "Schools Together" publication.

A second London Academy of Excellence commenced in September 2017 in Tottenham under the leadership of Highgate School with the support of the first LAE.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

BRIGHTON COLLEGE

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Board has adopted the format of accounts prescribed by the Charity Commissioners' Statement of Recommended Practice SORP (FRS102).

The College's accounts include the results of the year's trading for the following wholly owned subsidiaries and the charity over which it is sole trustee:

- Brighton College International Schools Limited which made a profit of £1.9 million (2018: £1.8 million) before interest receivable and before allowing for a Gift Aid payment to the College of £1.9 million (2018: £1.8 million);
- Brighton College Services Limited which earned a profit of £198k (2018: £240k) before interest and before allowing for a Gift Aid payment to the College of £198k (2018: £235k);
- Brighton College Hong Kong Charitable Foundation Limited which generated a profit of £569k (2018: £50k) before allowing for a donation to the College of £525k (2018: £327k);
- St Christopher's School, Hove which generated a surplus of £279k (2018: £267k);
- Newells School Trust Limited which generated a surplus of £476k (2018: £430k);
- Handcross Park Commercial Services Limited which generated a profit of £96k (2018: £78k); and
- Brighton College Scholarship, Bursary and Prize Endowments and associated charities which realised a surplus of £53k (2018: £189k).

Key performance indicators

The College's key non-financial performance indicators include:

- Pupil demand – measured by admissions data at all entry points, the main ones being: Nursery, Reception, Years 2 and 4 and 11+, 13+ and 16+. In all of these areas, the College continues to attract significant demand from pupils
- Academic results – measured by academic indicators and internal and external exam results
- Welfare and safeguarding indicators including: no zero entries in key sections of the Central Register and attendance register; response rates in fire alarms; injury and near miss trend analyses
- Number of scholars and bursary recipients and value of fee remission
- Pipeline of new Brighton College Schools overseas

The College's key financial performance indicators include:

- Aggregate surplus before maintenance spend, interest, tax, depreciation, amortisation and defined benefit pension adjustments against budget for the combined College and commercial subsidiary
- Income from overseas schools and donations
- Operational cash flow against expected cash flow
- Capital and maintenance spend against anticipated spend
- Fee collection stratified for areas of specific exposure

The College does not set environmental targets but has an energy reduction master plan that it is working through. This has involved introducing electrical charging points for electric and hybrid vehicles, bore holes into the Home Ground playing field to harness heat energy from below ground, putting a two storey energy centre below Home Ground level as part of the Music complex development, seeking to remove single use plastic from site and providing every pupil with a water bottle made from sugar cane in a production process that has a negative carbon footprint. The new School for Science and Sport uses natural ventilation in all areas other than the pool and is a carbon negative building.

Information on KPIs for Newells Trust and St Christopher's, Hove are available within their own accounts.

BRIGHTON COLLEGE

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (Continued)

Fundraising approach and performance

The College undertakes fundraising activity within its school community (parents, alumni, parents of alumni, past staff) via a number of formats (direct mail, telephone, face-to-face approaches, fundraising events, sponsored events/activities, gala dinners, email). To provide reassurance to supporters, the College's fundraising policy is available on the website, key points from which include:

- The College is registered with the Fundraising Regulator and adheres to the Fundraising Code of Practice
- All the College's activities are open, fair, honest and legal
- The College will not sell contact details to anyone
- The College will only contact someone if they have expressed an interest in its work
- The College will check someone is happy to take a call
- If someone asks the College to change how it communicates with them, or stop, the College will respect this
- The College does not engage in cold-calling, door to door or street fundraising
- The College will try hard to ensure no-one feels pressurised to support its work

In 2019, the charity did not work with any third parties in delivering its fundraising. The College has a training programme for fundraising staff to reinforce its fundraising ethics. No complaints about fundraising were received in the year.

The overall fundraising performance was successful, raising valuable funds in support of the College's aims.

Investment in staff

The College has attracted over 20 new academic staff to the College and BCNPPS this year. The governors are keen for the Brighton College family of schools to both attract and retain the best teaching and key support staff and set salaries and other terms of remuneration in order to try to achieve this. Remuneration for key management is considered annually by the Remuneration Committee. Having increased the staff numbers in the senior team during the year, the total amount of remuneration, benefits and pensions paid to key management was £1.84 million (2018: £1.39 million).

Investment in pastoral, co-educational and learning facilities

The College continues to invest significantly in facilities. In the year, the College continued the construction of the School for Science and Sports that contains 18 university standard science labs, a 25m swimming pool, a gym, a sprung loaded flexible exercise and dance space, a sports hall, a greenhouse, two running tracks (one on the roof), a cinema, an underground parking area for the College minibuses and a juice bar, reconfigured the Prep entrance and increased boarding capacity. The cost of improved facilities falls within two categories: capital investment which was £29.35 million (2018: £14.5 million); and maintenance and refurbishment expenditure of £1.6 million (2018: £1.7 million).

Further, the College has spent £240k on new IT infrastructure this year (2018: £396k).

At Handcross Park, £674k was invested in improving the Dining Room, creating a calm and multi-functional space with panoramic views over the beautiful grounds. A further £200k was expensed on a number of improvements to areas including the Early Years playground, reception and library spaces; one of the science labs; and the cricket pavilion.

BRIGHTON COLLEGE

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (Continued)

Financial outcome

The financial performance of the Group was in line with expectations with net income of £10.3 million (2018: £10.6 million).

Group income from charitable activities increased in line with pupil numbers, fee increases and anticipated remission management. The College and its school subsidiaries once again kept tuition fees broadly in line with other comparable independent schools, despite the continuing investment in facilities for pupils and in teaching staff. There was also an increase in ancillary income in part driven by increases in income from Brighton College schools overseas. Trading income also increased with additional letting activities during non-term time. Donations received in the year from Brighton College Hong Kong Charitable Foundation Limited were treated as restricted income, due to donors asking for their monies to be applied for the School for Science and Sport. In the prior year, the donations carried no such stipulation.

Group expenditure increases were largely driven by bolstering the senior management team and payroll inflation, including a move to the Real Living Wage. Staff costs in the year comprised 58% (2018:57%) of total expenditure. Operational costs for the year increased over the prior year largely due to creation of additional boarding accommodation, increasing the quality provision of catering, and higher spend on sports as a result of interim measures required (for example pitch hire) during the construction period of the new School for Science and Sport.

The School for Science and Sport neared completion during the year to 31 July 2019 enabling the application of £1.1m donations that had been received for that facility. The College, its governors, staff and pupils are all very grateful to those who support the development of such facilities that enable high calibre teachers to educate and inspire and pupils to engage with the latest educational and co-curricular techniques.

The Public Benefit Fund (previously called the Capital Fund) that was created to assist the longer term aspiration of the governors to enable pupils to access the College irrespective of the wealth of their parents, continues to be funded by tithing group surpluses and by specific donations and legacies and net gains on assets within the fund. The Public Benefit Fund and the assets held by the separate charity containing the Scholarship Funds are overseen by the Investment Committee and invested in a range of assets in line with long term strategic allocation ranges and short term tactical allocation ranges with an aim of generating a return in the medium term in excess of RPI. The return in the year was 5.5% (2018: 4.8%) while RPI for the year was 2.8% (2018: 3.2%).

The defined benefit pension scheme deficit reduced in the year, principally due to membership experience following the 31 August 2018 valuation results, changes to demographic assumptions and the contributions paid over the year.

Core cash flow was broadly in line with the prior year enabling the Group to invest significantly in infrastructure. The strong financial performance of the College and its subsidiaries this year meant that a significant element of the investment in facilities of £29.7m (2018:£15.0m, the increase in the current year accounted for by investment in the School for Science and Sport) was able to be funded from the year's income and reserves at the start of the year with a £15.0m (2018:£nil) reduction in the Group cash balance. These improvements in teaching and pastoral spaces have been delivered alongside the creation of the Public Benefit Fund that now totals £7.5m and will be used to enable access to the Brighton College family for local children.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (Continued)

Reserves Policy

It is the policy of the College to maintain sufficient free cash and facility headroom to manage the College in an effective and efficient manner. As discussed above, funds are held not only for ongoing educational activities but also to improve the likelihood of the longer term affordability of the College and to maintain and further improve the facilities and infrastructure of the College for pupils, which also benefits others who use the facilities.

At the year end, the Group had reserves amounting to £104.6m (2018: £93.8m) of which £6.0m (2018: £5.9m) is restricted for particular purposes. Of this, £5.5m (2018: £5.4m) is restricted by virtue of being assets of separate charities over which the College exercises sole trusteeship; £235k (2018: £183k) has been restricted for use determined by donors to the College; and £189k (2018: £229k) is restricted for use by donors to Newells School Trust Limited and St Christopher's School, Hove. A further £7.5m (2018: £6.3m) has been set aside (designated) by governors into a Public Benefit fund, the aim of which is to provide longer term accessibility to the schools within the group.

In line with governors' policy of improving the facilities for all who benefit from access to the Group, the Group has over the years invested heavily in the fabric of its buildings, plant and equipment. At 31 July 2019, the net book value of tangible fixed assets amounted to £106.3m (2018: £78.5m). As free reserves is calculated by the Group to be general reserves less those tangible fixed assets which are not restricted or designated, the policy of facility improvement can result in positive or negative free reserves dependent on the timing of capital projects. At 31 July 2019, the group had negative free reserves of £14.1m (2018: positive £4.5m). The governors do not consider that free reserves is an appropriate key performance indicator for operational or strategic purposes, and instead focus on cash and available bank facilities. The governors monitor these and any associated covenants via management accounts and regular cash flow forecasts prepared by the Bursar. At the year end, the governors are satisfied that given the current pupil numbers and the budget forecasts, the operating cash flow and reserves held are appropriate and in line with the longer term strategy of the College.

Capital commitments of the Group declined significantly in the year to 31 July 2019 as construction of the new School for Science and Sport continued. Construction concluded in January 2020. In order to ensure there were adequate funds in place to finance the construction, in June 2017, the College secured a revolving credit facility in which the College could draw down funds of up to £27m until June 2023.

Notes 16, 17 and 18 provide information on the Unrestricted, Restricted and Public Benefit Funds respectively.

FUNDS HELD AS CUSTODIAN

The Group holds a number of funds on behalf of various associations connected with the activities of the Group, including: house charities; Brighton College Family Society; Prep Association; Pre-Prep Association; and London Academy of Excellence. The value of such funds is not included in the net assets of the Group.

BRIGHTON COLLEGE

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

PLANS FOR FUTURE PERIODS

The plans for future periods include:

- To increase the Public Benefit Fund supporting accessibility to the Group for all pupils capable of engaging with the education at the Group irrespective of the wealth of their parents
- To improve ease of access for those in severe hardship including those children fleeing humanitarian crises
- To broaden the intake from state and other independent primary and prep schools in Brighton, Sussex and the South East
- To enhance support for London Academy of Excellence
- To become environmental leaders in the school sector
- To continue to stretch and challenge all pupils academically and in the co-curricular sphere
- To continue to innovate the curriculum in a way that pupils can embrace and that deliver necessary life skills
- To continue to provide and seize opportunities to engage with the community in a meaningful way and through this ensure staff, parents and pupils have an appreciation of the world around them and the difference they can make
- To improve further the pastoral welfare of boarding pupils
- To improve the standard of catering, particularly sports provision
- To complete the new School for Science and Sport
- To start preparations for the theatre, conclude on the scope of the facility and appoint architects
- To continue to ensure financial stability
- To continue to assess opportunities for Brighton Colleges abroad and progress those that fit with the College's ethos
- To ensure the management structure remains fit for purpose for the wider group and can deliver on its ambitious plans
- To identify and train future teachers and leaders for the schools in the UK and overseas
- To harness more effectively and share best practice being developed throughout the family of schools

In order to achieve these, the following strategies are in place:

- Continued development of Brighton College schools overseas and encouragement and realisation of philanthropic support for the College for the short, medium and long term generation of income to support pupils and future pupils
- Commencement of the Opening Doors programme, enabling 20 free sixth form places for those satisfying certain criteria including those children fleeing humanitarian crises and determining the best route for promotion of the programme
- Continuation of existing work with the community service programme and local state primary schools, encouraging pupils to participate in these
- Continued support of pupils who will benefit from the College's education through scholarships and means tested bursaries
- Providing LAE with financial and educational resource and providing a platform for the Friends of LAE programme
- Reducing single use plastics, promoting vegetarian meals, encouraging scientific research into green areas by pupils
- Dedicated staff resource and systems to monitor and deliver improved academic results and a meaningful scholarship programme with a broad range of activities and identification and motivation of children who might otherwise not get involved in co-curricular areas
- Creation of additional deputy housemasters and mistresses and separation of the Director of Boarding role from that of a housemistress
- Appointment of a new catering head and head chef
- Running a design competition for a theatre with English, Drama, Dance and Music spaces, a café and a new sixth form centre
- Continuation of strong control environment, cash flow forecasting, sensitivity analysis and monitoring of cash flows and adherence to bank covenants
- Finalising the deficit repair programme with the trustees of the closed defined benefit scheme
- Expansion of the BCIS leadership team, increased staff resource and improved methods for ensuring consistency
- Creation of a new Group Strategy Development Team to focus on the key change priorities for the College
- Introduction of a comprehensive programme of continuing development in the UK and a rolling programme of best practice assessment dedicated senior and junior educational specialists
- Revisiting of teacher recruitment and implementation of a fair to promote education and international teaching opportunities
- Hosting the first Brighton College Head Master forum for Brighton College international school heads
- Assessment of alternative software and hardware to facilitate international best practice video meetings between heads of departments

FOR THE YEAR ENDED 31 JULY 2019

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under that law, the governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and Group, and of the result of the charitable company and Group for that year.

In preparing these financial statements, the governors are required to:

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

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

So far as each of the governors is aware at the time the report is approved:

- there is no relevant audit information of which the charitable company and Group's auditor is 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 auditor is aware of that information.

The Governors' Report incorporating a Strategic Report, was approved by the Board of Governors on 13 March 2020 and signed on its behalf by:



The Lord Mogg KCMG
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

BRIGHTON COLLEGE

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 July 2019 and of the Group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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.

Responsibilities of governors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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 or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BRIGHTON COLLEGE (continued)**

Other information

The governors are responsible for the other information. The other information comprises the information included in the Governors' Report incorporating the Strategic Report. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (which incorporates the strategic report and the directors' report).

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

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

Use of our report

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



Richard Weaver (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

20th March 2020

BRIGHTON COLLEGE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2019

	Notes	Unrestricted funds School 2019 £000	Other 2019 £000	Restricted & Endowed Funds 2019 £000	Public Benefit Fund 2019 £000	Total Funds 2019 £000	Total Funds 2018 £000
INCOME & ENDOWMENTS FROM:							
Charitable activities							
School fees	1(a)	44,952	-	-	-	44,952	42,889
Other educational income	2	1,785	-	-	-	1,785	1,681
Other ancillary income	2,4	1,789	2,523	-	-	4,312	3,892
Voluntary income							
Grants and donations		52	-	1,419	80	1,551	1,840
Other trading activities							
Non-ancillary trading:							
- Trading turnover	4	-	1,163	-	-	1,163	1,063
- Rents and lettings	4	-	5	177	-	182	184
Investments							
Investment income	3	82	3	28	61	174	165
Total income		48,660	3,694	1,624	141	54,119	51,714
EXPENDITURE ON:							
Raising funds							
Non-ancillary trading		-	869	-	-	869	745
Financing costs under advance fee contracts		59	-	-	-	59	51
Other financing costs		193	-	-	11	204	138
		252	869	-	11	1,132	934
Charitable expenditure							
Schools operating costs		41,726	621	301	-	42,648	40,145
Total expenditure	5,6,7	41,978	1,490	301	11	43,780	41,079
Net income before transfers and investment gains		6,682	2,204	1,323	130	10,339	10,635
Investment gains	10	-	-	24	316	340	273
Pension scheme actuarial gain	15	47	-	-	-	47	142
Transfers between funds	19	2,076	(1,687)	(1,194)	805	-	-
NET MOVEMENT IN FUNDS		8,805	517	153	1,251	10,726	11,050
Fund balance brought forward at 1 August 2018		79,454	2,260	5,861	6,269	93,844	82,794
Fund balance carried forward at 31 July 2019	16,17,18	88,259	2,777	6,014	7,520	104,570	93,844

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the Statement of Financial Activities.

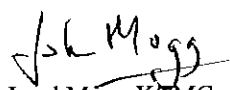
The notes on pages 32 to 59 form part of these financial statements.

AS AT 31 JULY 2019

		2019		2018	
	Notes	Group £000	Charity £000	Group £000	Charity £000
FIXED ASSETS					
Tangible assets	9	106,284	102,012	78,521	74,552
Investments	10	9,311	4,649	9,089	3,691
		<u>115,595</u>	<u>106,661</u>	<u>87,610</u>	<u>78,243</u>
CURRENT ASSETS					
Stocks	11	285	34	399	30
Debtors	12	4,293	4,788	2,971	4,878
Cash at bank and in hand		10,205	5,221	25,250	20,526
		<u>14,783</u>	<u>10,043</u>	<u>28,620</u>	<u>25,434</u>
CREDITORS: amounts falling due within one year	13	(22,154)	(19,354)	(19,848)	(17,300)
NET CURRENT ASSETS		<u>(7,371)</u>	<u>(9,311)</u>	<u>8,772</u>	<u>8,134</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		108,224	97,350	96,382	86,377
CREDITORS: amounts falling due after more than one year	14	(2,838)	(2,824)	(1,608)	(1,608)
TOTAL NET ASSETS before Pension scheme funding deficit		105,386	94,526	94,774	84,769
Pension scheme funding deficit	15	(816)	(816)	(930)	(930)
NET ASSETS	20	<u>104,570</u>	<u>93,710</u>	<u>93,844</u>	<u>83,839</u>
Represented by:					
UNRESTRICTED FUNDS					
General reserve		88,258	85,955	79,451	77,387
Non-charitable trading funds	1	-	-	3	-
Designated funds		2,777	-	2,260	-
	16	<u>91,036</u>	<u>85,955</u>	<u>81,714</u>	<u>77,387</u>
RESTRICTED & ENDOWED FUNDS	17	6,014	235	5,861	183
PUBLIC BENEFIT FUND	18	7,520	7,520	6,269	6,269
		<u>104,570</u>	<u>93,710</u>	<u>93,844</u>	<u>83,839</u>

The net movement in the funds of the charity were £9.9m (2018: £10.4m).

The financial statements were approved and authorised for issue by the Board of Governors on 13 March 2020 and were signed below on its behalf by:


The Lord Mogg KCMG
Chairman

RJS Weir
Governor of Brighton College

The notes on pages 32 to 59 form part of these financial statements.



BRIGHTON COLLEGE**CONSOLIDATED CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 JULY 2019**

	Notes	2019 £	2018 £
Net cash flow from operating activities	21a	13,598	16,504
Cash flow from investing activities			
Investment income received		170	165
Purchase of tangible fixed assets		(29,756)	(14,952)
Investment purchases		(3,214)	(1,687)
Proceeds from sale of investments		3,332	440
Net cash flow from investing activities		<u>(29,468)</u>	<u>(16,034)</u>
Cash flow from financing activities			
Financing		961	(360)
Interest paid		(136)	(92)
Net cash flow from financing activities		<u>825</u>	<u>(452)</u>
(Decrease)/increase in cash and cash equivalents	21b	<u>(15,045)</u>	<u>18</u>
Cash and cash equivalent at the beginning of year		25,250	25,232
Cash and cash equivalents at the end of year		<u>10,205</u>	<u>25,250</u>

The notes on pages 32 to 59 form part of these financial statements.

BRIGHTON COLLEGE

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 JULY 2019

STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice ("SORP 2015") applicable to charities preparing their accounts in accordance with FRS 102.

The College is a Public Benefit Entity Registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 18 September 1873 (company number 7663) and registered as a charity on 18 March 1963 (charity number 307061).

The functional currency of the College is considered to be Sterling (£).

PREPARATION OF ACCOUNTS ON A GOING CONCERN BASIS

Having reviewed the funding facilities available to the Group together with the expected ongoing demand for places and the Group's future projected cash flows, the governors have a reasonable expectation that the Group has adequate resources to continue its activities for at least 12 months from the date of signature of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities.

BASIS OF CONSOLIDATION

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings: Brighton College Services Limited; Brighton College International Schools Limited; St Christopher's School, Hove; Newells School Trust Limited (and its subsidiary); and Brighton College Hong Kong Charitable Foundation Limited and the income and assets of the scholarship funds over which Brighton College is sole trustee, all inter-company balances being eliminated. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006. The results of the subsidiaries are consolidated on a line-by-line basis on an acquisition basis from the date control passes to the College.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies, governors are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

There are only three significant judgements and estimates used in these accounts. These are: the estimates used in accounting for the defined benefit pension scheme, details of which are included in note 15 to the accounts; a requirement under FRS102 which means the College needs to account for pledged donations that are likely to be received, as if the College is already entitled to them; and the valuation of investment properties which is discussed in note 10 to the accounts.

In the view of the governors, no assumptions concerning the future or estimations affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

BASIS OF ACCOUNTING

The accounts are drawn up on the historic cost convention, as modified by the revaluation of investment properties and other investments.

BRIGHTON COLLEGE

ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 JULY 2019

GENERAL INFORMATION

The charity is a private company limited by guarantee, incorporated in England and Wales (company number: 7663) and a registered charity in England and Wales (charity number: 307061). The charity's registered address is Brighton College, Eastern Road, Brighton, East Sussex, BN2 0AL.

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. Fee income comprises fees net of fee remissions, scholarships and bursaries (see note 1a).

INVESTMENT INCOME

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis. Income from investment properties is accounted for in the period to which the rental income relates.

DONATIONS AND VOLUNTARY INCOME

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the College is considered probable. Donations are credited to unrestricted, endowed or restricted funds as required by the conditions, if any, pertaining to each donation. Restricted donations are transferred to unrestricted funds when the criteria for which they were given has been or is being satisfied. If the purpose for which the donation has been given no longer exists, the donation will be transferred to a similar restricted fund or if there is none, to unrestricted funds.

OTHER TRADING ACTIVITIES

Non-ancillary trading income represents sales to external customers at invoiced amounts less value added tax.

EXPENDITURE

Expenditure is accounted for on an accruals basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. The irrecoverable element of VAT is included with the item of expense to which it relates.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Charitable expenditure includes expenditure by Brighton College International Schools Limited promoting and developing overseas schools and colleges.
- Raising Funds comprise the costs associated with attracting voluntary income and other financing costs. Costs of the Development Office, part of whose role is to assist with voluntary donations, are included in support costs.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.

BRIGHTON COLLEGE

ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 JULY 2019

TANGIBLE FIXED ASSETS

Tangible fixed assets costing more than £5,000 are capitalised and included at cost, including any incidental expenses of acquisition. Tangible fixed assets costing less than £5,000 are either expensed or capitalised at cost and depreciated in full in the year of acquisition or, if they relate to a construction project, at completion of the construction.

Those assets capitalised are included at cost. Impairment reviews are undertaken regularly. Depreciation is provided on all tangible assets at rates calculated to write off cost over their expected useful economic lives as follows, with a full year's depreciation being charged in the year of purchase and none charged in the year of disposal:

Freehold and long leasehold buildings	Depreciation is provided on a straight line basis, at the rate of 2% per annum on the cost of freehold buildings excluding the cost attributable to the underlying land. Leasehold assets are depreciated over the minimum life of the lease.
Computer equipment	Depreciation is provided on a straight line basis at the rate of 25% per annum.
Furniture, equipment and motor vehicles	Depreciation is provided on a straight line basis on furniture and equipment at the rate of 12.5% per annum and motor vehicles at the rate of 20% per annum.

INVESTMENTS

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate fund according to the ownership of the underlying assets.

Investment properties are valued at their market values at the balance sheet date, assuming vacant possession. Investment in subsidiaries are carried at cost less provision for impairment.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

FUNDS ACCOUNTING

The College maintains six types of funds:

Endowed funds	These are funds where the capital remains in place and only the income is applied for particular restricted purposes or, if not applied, accretes to the capital in the fund. Restrictions arise when specified by the donor.
Restricted funds	These are funds that can only be used for particular restricted purposes within the objects of the College. Restrictions arise when specified by the donor.
Designated funds	These are unrestricted funds where the governors have designated them for a specific purpose.
Public Benefit Fund	This fund, created from College reserves, is a special designated fund. Its purpose is to generate income in support of future bursaries and scholarships.
General reserve	These are unrestricted funds whose purpose has not been restricted by a donor or donors and which has not been designated by governors.
Non-ancillary trading funds	These funds are unrestricted and represent the results from the trading subsidiary, Brighton College Services Limited

BRIGHTON COLLEGE

ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 JULY 2019

PENSION SCHEMES

The Group has five different pension schemes of which three are defined contribution schemes, one is a defined benefit scheme closed to new entrants and one is the Teachers' Superannuation Scheme as described below. Further details are given in note 15.

The majority of the teaching staff of Brighton College, St Christopher's School, Hove and Newells School Trust Limited are members of the Teachers' Superannuation Scheme administered by the Teachers' Pension Agency. 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 College. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme.

The Group operates three defined contribution pension schemes: one for personnel of Brighton College, Brighton College International Schools Limited and Brighton College Services Limited; one for personnel of St Christopher's School, Hove; and one for personnel of Newells School Trust Limited. For these, the assets of the schemes are held separately from those of the Group in independently administered funds. Contributions to the defined contribution schemes are charged to the SOFA as they are incurred.

The Group operated a defined benefit pension scheme for non-teaching staff of Brighton College and Brighton College Services Limited, Stanplan F. This scheme was closed to new entrants from 1 September 1998. The scheme is being accounted for under FRS 102.

OPERATING LEASES

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Assets purchased under finance lease are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges. Finance charges are written off to the SOFA using the sum-of-digits method.

FINANCIAL INSTRUMENTS

Basic financial instruments are initially recognised at transaction value and subsequently amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

BRIGHTON COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

1. CHARITABLE ACTIVITIES - SCHOOL FEES	2019 £000	2018 £000
(a) Gross fees	48,435	46,330
Less: bursaries, grants and allowances	(3,483)	(3,441)
	<u>44,952</u>	<u>42,889</u>
(b) Grants, awards and prizes paid for by donations or from restricted funds comprise:		
Scholarships and bursaries	<u>222</u>	<u>222</u>
2. CHARITABLE ACTIVITIES - OTHER INCOME	2019 £000	2018 £000
Other educational charitable income:		
Entrance and registration fees	350	328
Courses and sub lettings	1,435	1,353
	<u>1,785</u>	<u>1,681</u>
Other ancillary trading income:		
Insurance commissions	72	82
International schools income	2,523	2,317
Other activities and trips	1,717	1,493
	<u>4,312</u>	<u>3,892</u>
3. INVESTMENT INCOME	2019 £000	2018 £000
Bank deposit interest received	85	82
Listed investments	89	83
	<u>174</u>	<u>165</u>

BRIGHTON COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

4. CONTRIBUTION FROM SUBSIDIARIES' ACTIVITIES

	St Christopher's School Hove		Newells School Trust Ltd		Brighton College Scholarships Bursary & Prizes	
	2019 £000	2018 £000	2019 £000	2018 £000	2019 £000	2018 £000
Income from charitable activities	3,445	3,391	6,100	5,718	-	-
Voluntary/trading income	3	3	137	128	-	-
Income from generated funds	5	-	6	3	28	33
Other income	3	3	2	4	177	177
Total income	3,456	3,397	6,245	5,853	205	210
Cost of generating funds	(7)	-	(46)	(58)	-	-
Charitable activities	(3,170)	(3,130)	(5,723)	(5,365)	(174)	(173)
Total cost	(3,177)	(3,130)	(5,769)	(5,423)	(174)	(173)
Net income	279	267	476	430	31	36
Gains on investments	-	-	-	-	22	153
Retained net income	279	267	476	430	53	189
Fixed assets and investments	382	432	3,890	3,537	4,681	5,419
Net current assets	1,932	1,603	63	70	835	44
Amounts falling due after more than one year	-	-	(998)	(1,128)	-	-
Net assets	2,314	2,035	2,955	2,479	5,516	5,463
Unrestricted and Designated funds	2,303	2,024	2,777	2,261	5,042	4,998
Restricted and Endowed funds	11	11	178	218	474	465
Funds	2,314	2,035	2,955	2,479	5,516	5,463

BRIGHTON COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

4. CONTRIBUTION FROM SUBSIDIARIES' ACTIVITIES (continued)

	Trading subsidiary - Brighton College Services Ltd		Brighton College International Schools Ltd		Trading subsidiary - Handcross Park Commercial Services Ltd		Brighton College Hong Kong Charitable Foundation Ltd	
	2019	2018	2019	2018	2019	2018	2019	2018
	£000	£000	£000	£000	£000	£000	£000	£000
Income from charitable activities	-	-	2,524	2,317	-	-	-	-
Voluntary/trading income	921	831	-	-	242	232	623	55
Income from generated funds	-	-	1	1	-	-	-	-
Total income	921	831	2,525	2,318	242	232	623	55
Cost of generating funds	(723)	(596)	-	-	(146)	(154)	-	-
Charitable activities	-	-	(621)	(536)	-	-	(54)	(5)
Total cost	(723)	(596)	(621)	(536)	(146)	(154)	(54)	(5)
Net income	198	235	1,904	1,782	96	78	569	50
Intra group Gift Aid	(198)	(235)	(1,900)	(1,782)	(96)	(78)	(525)	(327)
Retained net income	-	-	4	-	-	-	44	(277)
Net current assets	13	13	10	6	-	-	74	30
Net assets	13	13	10	6	-	-	74	30
Unrestricted funds	13	13	10	6	-	-	74	30
Funds	13	13	10	6	-	-	74	30

BRIGHTON COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

5. EXPENDITURE				2019 £000	2018 £000
Governance expenditure includes:					
Auditor's remuneration and expenses:					
- audit				55	52
Governors' liability insurance				1	1
Charitable expenditure includes:					
Auditor's remuneration and expenses:					
- other services				10	3
Depreciation – owned assets (subsidiaries)				457	338
Depreciation – owned assets (College)				1,895	2,719
6. TOTAL EXPENDITURE					
	Staff costs £000	Other costs £000	Amortisation and depreciation £000	2019 £000	2018 £000
Raising funds expenditure on					
Financing costs	-	263	-	263	189
Non-ancillary trading costs	162	707	-	869	745
Total for Group	162	970	-	1,132	934
Charitable expenditure on					
Teaching	17,698	3,878	-	21,576	20,338
Welfare	60	3,249	-	3,309	3,027
Premises	719	4,037	2,353	7,109	7,395
Support costs of schooling	6,527	4,072	-	10,599	9,328
School operating costs	25,004	15,236	2,353	42,593	40,088
Governance costs	-	55	-	55	57
Total	25,004	15,291	2,353	42,648	40,145
Total expenditure Group	25,166	16,261	2,353	43,780	41,079

Support costs of schooling relates to school operating costs, consisting principally of administration and bursary department expenditure, costs of the development office and the operations of the subsidiary promoting and developing overseas educational activity, together with an allocation of central costs.

	2019 £000	2018 £000
Other Support costs include:-		
Other costs for running services	1,378	1,332
Marketing	973	852
Rent	382	300
Insurance and Professional fees	598	310
Newells School Trust running costs	524	431
St Christopher's School running costs	217	246
	4,072	3,471

BRIGHTON COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

6. TOTAL EXPENDITURE (continued)

PRIOR YEAR TOTAL EXPENDITURE	Staff costs £000	Other costs £000	Amortisation and depreciation £000	2018 £000	2017 £000
Raising funds expenditure on					
Financing costs	-	189	-	189	157
Non-ancillary trading costs	152	593	-	745	719
Total for Group	152	782	-	934	876
Charitable expenditure on					
Teaching	16,781	3,557	-	20,338	18,855
Welfare	58	2,969	-	3,027	2,620
Premises	682	3,656	3,057	7,395	6,055
Support costs of schooling	5,857	3,471	-	9,328	8,317
School operating costs	23,378	13,653	3,057	40,088	35,847
Governance costs	8	49	-	57	73
Total	23,386	13,702	3,057	40,145	35,920
Total expenditure Group	23,538	14,484	3,057	41,079	36,796

BRIGHTON COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

7. STAFF COSTS

	2019 No.	2018 No.
The average number of employees during the year was:		
Teaching	422	425
Administration	118	109
Maintenance, domestic and support staff	160	150
	<u>700</u>	<u>684</u>

Staff costs were as follows:

	£000	£000
Wages and salaries	20,685	19,575
Social security costs	1,999	1,763
Other pension costs	2,373	2,111
Private patients plan	109	89
	<u>25,166</u>	<u>23,538</u>

This is represented by:

College	19,373	18,029
Brighton College Services Limited	162	152
Brighton College International Schools Limited	282	316
St Christopher's School, Hove	2,050	2,011
Newells School Trust Limited	3,299	3,030
	<u>25,166</u>	<u>23,538</u>

Wages and salaries include benefits in kind of £220k (2018: £249k). Twelve (2018: ten) governors were reimbursed travel and subsistence expenses amounting to £4k (2018: £2k). During the year, governors made donations and pledges to the College of £110k (2018: £nil).

	2019 No.	2018 No.
The number of employees whose emoluments exceeded £60,000 were:		
Between £60,001 - £70,000 p.a.	12	10
Between £70,001 - £80,000 p.a.	^a 9	^a 6
Between £80,001 - £90,000 p.a.	^a 1	^a 3
Between £90,001 - £100,000 p.a.	^a 2	^a 4
Between £100,001 - £110,000 p.a.	^a 6	^a 2
Between £110,001 - £120,000 p.a.	^a 1	-
Between £130,001 - £140,000 p.a.	^a 1	^a 2
Between £140,001 - £150,000 p.a.	^a 1	^a 1
Between £170,001 - £180,000 p.a.	^a 1	^a 1
Between £200,001 - £210,000 p.a.	-	^a 1
Between £230,001 - £240,000 p.a.	^a 1	-
Between £280,001 - £290,000 p.a.	^a 1	^a 1
	<u></u>	<u></u>
The number with retirement benefits accruing in		
Defined contribution schemes was	7	9
Defined benefit schemes was	<u>28</u>	<u>22</u>

^a It should be noted that of the 36 employees above whose emoluments exceeded £60,000 in 2019, 24 employees in bands with superscript ^a work wholly or partly for Group entities other than Brighton College. The above bandings reflect such employees' entire emoluments, even where some or all of these are borne by Group entities other than Brighton College.

7. STAFF COSTS (continued)

The governors are keen for the Group to both attract and retain the best teaching and key support staff and set salaries and other terms of remuneration in order to achieve this. Terms for the most senior management are considered by the Remuneration Committee annually. The senior management team was enlarged in the year and the total amount of remuneration paid to key senior management was £1.84 million (2018: £1.39 million).

In addition to the above payments and those contained in the bandings above, the Group provides fee remission to teaching and some senior staff typical for the independent school sector; and accommodation (or reimbursement for own accommodation) to staff who are entitled to accommodation by virtue of their role.

During the year there, redundancy or termination payments amounted to £164k (2018: £43k). There was £nil outstanding at the year end.

The average number of employees for the charity only during the year was 514 (2018: 511) and total staff costs for the charity only were £19.4 million (2018: £18.0 million).

8. TAXATION

Brighton College is a registered charity and therefore no liability for corporation taxation arises on its charitable activities.

No corporation tax arose from the results of St Christopher's School, Hove as the school is a registered charity and therefore no liability for taxation arises on its charitable activities.

No corporation tax arose from the results of Newells School Trust Limited as the school is a registered charity and therefore no liability for taxation arises on its charitable activities.

£nil corporation tax charge (2018: £nil) arose from the results of Brighton College Services Limited following the deduction for Gift Aid payable to Brighton College.

£nil corporation tax charge (2018: £nil) arose from the results of Brighton College International Schools Limited following the deduction for Gift Aid payable to Brighton College.

While the Group by virtue of its charitable status has paid no corporation tax, the Group has suffered normal employment related taxation and, as a result of its charitable status, irrecoverable VAT. The irrecoverable VAT payable by the Group on buildings and refurbishments alone during the year was £5.4 million (2018: £3.0 million) and employee related taxation was £2.0 million (2018: £1.8 million).

BRIGHTON COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

9. TANGIBLE FIXED ASSETS

	Land £000	Freehold and long leasehold buildings £000	Computer Equipment £000	Furniture, equipment and motor vehicles £000	Charity Total £000	Subsidiaries fixtures and fittings and motor vehicles £000	Group Total £000
Cost							
At 1 August 2018	79	86,150	1,521	1,509	89,259	6,933	96,192
Additions in year	-	28,955	240	160	29,355	760	30,115
Disposals in year	-	-	-	-	-	(631)	(631)
At 31 July 2019	79	115,105	1,761	1,669	118,614	7,062	125,676
Depreciation							
At 1 August 2018	-	12,267	1,414	1,026	14,707	2,964	17,671
Charge for the year	-	1,493	257	145	1,895	457	2,352
Disposals in year	-	-	-	-	-	(631)	(631)
At 31 July 2019	-	13,760	1,671	1,171	16,602	2,790	19,392
Net book value							
At 31 July 2019	79	101,345	90	498	102,012	4,272	106,284
At 31 July 2018	79	73,883	107	483	74,552	3,969	78,521

All the fixed assets are held for continuing use in the company's direct charitable activities and the activities of the subsidiaries. Most computer equipment now purchased by the Group is of value less than £5,000 and therefore is capitalised and depreciated in full in the year of acquisition.

Included within the net book value above is £8k (2018: £24k) relating to Newells School Trust assets held under finance leases.

10. INVESTMENTS

	2019		2018	
	Group £000	Charity £000	Group £000	Charity £000
Investments at 1 August	9,089	3,691	7,569	2,623
Additions	3,214	3,214	1,687	1,387
Disposals	(3,332)	(2,573)	(440)	(440)
Investment gains	340	317	273	121
	<u>9,311</u>	<u>4,649</u>	<u>9,089</u>	<u>3,691</u>
Investments at 31 July				
Investment in subsidiaries	-	20	-	20
Listed on the Stock Exchange	6,506	4,629	6,284	3,671
Investment Properties	2,805	-	2,805	-
	<u>9,311</u>	<u>4,649</u>	<u>9,089</u>	<u>3,691</u>

At 31 July 2018, investment properties were revalued by Graves Son & Pilcher LLP, a member of the National Association of Estate Agents. The valuation was based on open market value assuming vacant possession. The Trustee does not consider there to be any significant movement in the value between the valuation date and 31 July 2019.

Brighton College owns directly or through nominees all the issued share capital (10,000 £1 ordinary shares) of Brighton College Services Limited incorporated in England and Wales, registered number 1242240 and address Eastern Road, Brighton BN2 0AL. The subsidiary operates the College uniform shop and hires out the College's estate.

Brighton College owns all the issued share capital (10,000 £1 ordinary shares) of Brighton College International Schools Limited incorporated in England and Wales, registered number 6708760 and address Eastern Road, Brighton BN2 0AL. The subsidiary promotes and helps establish overseas schools and colleges.

Brighton College controls 100% of St Christopher's School, Hove a company limited by guarantee, incorporated in England and Wales, registered number 4501448 and address 33 New Church Road, Hove BN3 4AD. The objects of the Charity are to advance the education of children in Brighton and Hove and the surrounding area by providing a sound religious, mathematical and general education in conformity with the doctrines of the Church of England.

Brighton College controls 100% of Newells School Trust Limited, a company limited by guarantee, incorporated in England and Wales, registered number 932584 and address Eastern Road, Brighton BN2 0AL. The objects of the Charity are the advancement and promotion of education. Newells School Trust Limited owns 100% of the share capital of Handcross Park Commercial Services Limited, which is incorporated in England and Wales, registered number 10165336 and address London Road, Handcross RH17 6HF.

Brighton College controls 100% of Brighton College Hong Kong Charitable Foundation Limited, a company limited by guarantee, incorporated in Hong Kong, registered number 2348164 and address 36/F Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. The objects of the Foundation are to advance and promote philanthropy to aid the College's development for the benefit of pupils, a number of whom come each year from Hong Kong.

The trading results extracted from the audited financial statements of the subsidiaries listed above for the year ended 31 July 2019 are disclosed in note 4.

BRIGHTON COLLEGE**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JULY 2019****11. STOCKS**

Stocks mainly comprise College uniforms, sports kit and prospectuses. Replacement cost of these stocks is not significantly higher than the historic cost.

	2019		2018	
	Group £000	Charity £000	Group £000	Charity £000
Goods for resale	251	-	369	-
Other	34	34	30	30
	<u>285</u>	<u>34</u>	<u>399</u>	<u>30</u>

Stock recognised in cost of sales during the year as an expense was £235k (2018: £296k). Brighton College Services Limited has a stock provision within the above of £56k (2018: £nil) that provides in full against items that have had zero sales during the year or items in excess of an estimated two years' sales volume.

12. DEBTORS

	2019		2018	
	Group £000	Charity £000	Group £000	Charity £000
Fee debtors	684	574	501	393
Trade debtors	1,463	-	1,116	-
Other debtors	142	-	112	23
Due from subsidiary undertakings	-	1,059	-	1,205
Gift Aid due from subsidiary undertakings	-	2,100	-	2,109
Prepayments and accrued income	1,629	680	942	848
Accrued donation income	375	375	300	300
	<u>4,293</u>	<u>4,788</u>	<u>2,971</u>	<u>4,878</u>

During the ordinary course of business, the College's trading subsidiary, Brighton College Services Limited, borrows money from Brighton College to finance ongoing working capital requirements. These borrowings carry a commercial rate of interest of 5% per annum. The magnitude of the borrowing remains under £1m and, typically, any amounts owing at 31 July are paid down before 30 April the following year. At 31 July 2019, the balance was £108k (2018: £92k).

At the start of the year, an amount was due from Brighton College International Schools Limited to the College of £412k repayable on demand. At 31 July 2019, the balance was £339k (2018: £412k).

In addition to the above sums, gift aid is also due from these subsidiary undertakings: from Brighton College Services Limited, gift aid of £200k (2018: £235k) is due; from Brighton College International Schools Limited, gift aid of £1.9 million (2018: £1.8 million) is due.

Following the merger in June 2011 with Newells School Trust Limited, the College loaned the subsidiary £750k of which £562k remains outstanding at 31 July 2019 (2018: £750k). The loan is on commercial terms carrying a rate of interest of 5%. During the financial year, interest on the loan of £30k (2018: £37.5k) was paid by the subsidiary to the College. Newells School Trust Limited's board determined to repay the loan in four equal annual instalments, the first repayment having been made in October 2018.

BRIGHTON COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

13. CREDITORS: amounts falling due within one year	2019		2018	
	Group £000	Charity £000	Group £000	Charity £000
Bank loans	-	-	21	-
Finance lease	-	-	18	-
Trade creditors	3,495	3,127	1,134	736
Parental deposits	8,311	7,701	7,820	7,267
Other creditors	2,205	1,037	1,442	332
Other taxes and social security	507	364	481	401
Accruals and deferred income	3,961	3,619	5,364	5,094
Fees received in advance	3,675	3,506	3,568	3,470
	<u>22,154</u>	<u>19,354</u>	<u>19,848</u>	<u>17,300</u>

Included within other creditors are amounts totalling £253k (2018: £39k) in respect of outstanding pension contributions.

Parental deposits are treated as being repayable within one year on the basis that they are returnable if parents were to give one term's notice of withdrawal.

Trade creditors for the charity and the Group have increased materially due to payments outstanding for construction work on the School for Science and Sport under normal commercial payment terms.

BRIGHTON COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

14. CREDITORS: amounts falling due after more than one year	2019		2018	
	Group £000	Charity £000	Group £000	Charity £000
Bank loans	1,000	1,000	-	-
Fees in advance	1,838	1,824	1,608	1,608
	<u>2,838</u>	<u>2,824</u>	<u>1,608</u>	<u>1,608</u>

Bank loans

Newells School Trust Limited had two bank loans aggregating to £nil at 31 July 2019 (2018: £21k). These were two 15 year term loans both of which carried a fixed rate of interest of 5.04% and both of which ended in October 2018.

In advance of committing to a new Sports and Science facility, Brighton College agreed with NatWest Plc a revolving credit facility expiring June 2023 enabling the College to draw down up to a maximum amount of £27m. As at 31 July 2019, £1m had been drawn down. The facility carries an interest charge of 0.7% over LIBOR for monies drawn down and a non-utilisation charge in respect of any monies not drawn down of 0.25% in its first year and 0.35% thereafter. The legal and financing costs associated with opening and having the facility and expensed as other financing costs were £113k (2018: £67.5k).

	2019 £000	2018 £000
Within one year	-	21
Between one and two years	1,000	-
	<u>1,000</u>	<u>21</u>

Fees in advance

The fees in advance balances relate to 89 pupils (2018: 84) whose fees have been paid in advance. Assuming pupils will remain in the College, advance fees will be applied as follows:

	2019 £000	2018 £000
Within one year	3,675	3,568
Between one and two years	967	752
Between two years and five years	871	856
	<u>5,513</u>	<u>5,176</u>

15. PENSION SCHEMES AND SIMILAR OBLIGATIONS

The Group operates five pension schemes for the benefit of employees. The Teachers' Pension Scheme (England and Wales) ("TPS"), a defined benefit scheme operated by Brighton College, St Christopher's School, Hove and Newells School Trust Limited is available to teachers. There are also three defined contribution schemes and a defined benefit pension scheme, the Brighton College Section of Stanplan F, which is closed to new members.

Defined contribution schemes

The assets of the defined contribution schemes are held separately from those of the Group in independently administered funds. Contributions to the schemes are charged to the SOFA as they fall due. The cost for the year represents the Group's contributions to the schemes of £285k (2018: £273k).

TEACHING STAFF

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1.97m (2018: £1.84m) and at the year-end £228k (2018: £130k) was outstanding in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

15. PENSION SCHEMES AND SIMILAR OBLIGATIONS (continued)**DEFINED BENEFIT SCHEME**

For some past employees, the College operates a funded pension scheme, the Brighton College Section of Stanplan F ("Scheme"), providing benefits for its employees based on final pensionable pay. The assets of the Scheme are held in a separate trustee administered fund.

The funding plan is for the Scheme to hold assets equal to the value of the benefits earned by employees, based on projected salaries and a set of assumptions used for funding the Scheme. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against this funding plan, then the College and trustees agree on deficit contributions to meet this deficit over a period.

As part of the actuarial valuation with an effective date of 31 August 2018, the following annual contributions were agreed:

- £116,390 between 1 September 2018 and 31 August 2019
- £158,000 between 1 September 2019 and 31 August 2020
- £163,000 between 1 September 2020 and 31 August 2021
- £168,000 between 1 September 2021 and 31 August 2022
- £173,000 between 1 September 2022 and 31 August 2023
- £178,000 between 1 September 2023 and 31 August 2024

In addition to the above, the College agreed to pay an allowance of £3,750 per month to meet the Scheme's expenses and to pay any Pension Protection Fund levies.

The initial results of the formal actuarial valuation as at 31 August 2018 were updated to the accounting date by an independent qualified actuary in accordance with FRS102.

The estimated amount of total employer contributions expected to be paid to the Scheme during the year to 31 July 2020 based on the Scheme's new schedule of contributions is approximately £200k (2018 estimate: £161k).

The following table sets out the key FRS102 assumptions used for the Scheme.

Principal actuarial assumptions	2019 %	2018 %
Retail Price Inflation	3.5%	3.4%
Discount rate	2.0%	2.8%
Pension increases in payment	5.0%	5.0%
Salary increases	n/a	n/a
Life expectancy of male aged 65 in 2019	21.7 years	21.9 years
Life expectancy of male aged 65 in 2038	23.0 years	23.3 years

The amount included in the balance sheet arising from the College's obligations in respect of the Scheme is as follows:

	2019 £000	2018 £000
Present value of defined benefit obligation	3,914	3,894
Fair value of scheme assets	(3,098)	(2,964)
Deficit	816	930
Net liability in balance sheet	816	930

15. PENSION SCHEMES AND SIMILAR OBLIGATIONS (continued)**DEFINED BENEFIT SCHEME (continued)**

The amounts recognised in the SOFA are as follows:

	2019	2018
	£000	£000
Running costs	69	66
Interest expense	25	27
	<hr/>	<hr/>
Total expense included in SOFA	94	93
	<hr/>	<hr/>

The current allocation of the Scheme's assets is as follows:

	2019	2018
	%	%
Equities	27%	29%
Bonds	29%	23%
Absolute return funds	9%	12%
Property	3%	5%
LDI	19%	19%
Cash	6%	5%
Insured annuities	7%	7%
	<hr/>	<hr/>
	100%	100%
	<hr/>	<hr/>

Present value of defined benefit obligation:

	2019	2018
	£000	£000
Opening present value of Scheme liabilities	3,894	4,136
Interest cost	107	101
Actuarial losses/(gains) on financial assumptions	355	(143)
Actuarial losses/(gains) on demographic assumptions	(110)	(33)
Experience (gains)/losses	(165)	15
Benefits paid	(167)	(182)
	<hr/>	<hr/>
Closing Scheme liabilities	3,914	3,894
	<hr/>	<hr/>

Reconciliation of fair value of Scheme assets:

	2019	2018
	£000	£000
Opening fair value of Scheme assets	2,964	3,001
Interest income	82	74
Running costs	(69)	(66)
Actuarial gain/(loss)	127	(19)
Contributions by the employer	161	157
Benefits paid	(167)	(183)
	<hr/>	<hr/>
Closing fair value of Scheme assets	3,098	2,964
	<hr/>	<hr/>

The actual return on Scheme assets over the year was a gain of £209k (2018: gain of £55k). The amount recognised outside the SOFA in the statement of total recognised gains and losses (STRGL) for the year to 31 July 2019 is a gain of £47k (2018: gain of £142k).

BRIGHTON COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

16. UNRESTRICTED FUNDS	Balance 1 August 2018 £000	Income £000	Expenditure £000	Transfers/ actuarial movements £000	Balance 31 July 2019 £000
GENERAL RESERVE					
College	77,403	38,986	(30,839)	405	85,955
Overseas schools subsidiary	(4)	2,525	(2,521)	-	-
St. Christopher's School, Hove	2,023	3,453	(3,173)	-	2,303
Overseas fundraising subsidiary	29	-	-	(29)	-
Non-charitable trading funds	3	922	(924)	-	1
	<u>79,454</u>	<u>45,886</u>	<u>(37,457)</u>	<u>376</u>	<u>88,259</u>
DESIGNATED FUNDS					
Newells School Trust Limited	2,260	6,225	(5,768)	60	2,777
Handcross Park Services Limited	-	242	(242)	-	-
	<u>2,260</u>	<u>6,467</u>	<u>(6,010)</u>	<u>60</u>	<u>2,777</u>
	<u>81,714</u>	<u>52,353</u>	<u>(43,467)</u>	<u>436</u>	<u>91,036</u>
UNRESTRICTED FUNDS 2018	Balance 1 August 2017 £000	Income £000	Expenditure £000	Transfers/ actuarial movements £000	Balance 31 July 2018 £000
GENERAL RESERVE					
College	64,194	37,138	(28,556)	4,627	77,403
Overseas schools subsidiary	(4)	2,318	(2,318)	-	(4)
St. Christopher's School, Hove	1,754	3,394	(3,125)	-	2,023
Overseas fundraising subsidiary	307	55	(333)	-	29
Non-charitable trading funds	3	831	(831)	-	3
	<u>66,254</u>	<u>43,736</u>	<u>(35,163)</u>	<u>4,627</u>	<u>79,454</u>
DESIGNATED FUNDS					
Newells School Trust Limited	1,826	5,803	(5,423)	54	2,260
Handcross Park Services Limited	-	232	(232)	-	-
	<u>1,826</u>	<u>6,035</u>	<u>(5,655)</u>	<u>54</u>	<u>2,260</u>
	<u>68,080</u>	<u>49,771</u>	<u>(40,818)</u>	<u>4,681</u>	<u>81,714</u>

General Reserves

College

The College general reserve is represented by the investment in infrastructure and used to provide working capital.

Overseas schools subsidiary

This represents the income and expenditure during the year of Brighton College International Schools Limited and is included within the Group's general reserve.

St Christopher's School, Hove

This represents the unrestricted funds of St Christopher's School, included within the general reserve.

Overseas fundraising subsidiary

This represents the income and expenditure during the year of Brighton College Hong Kong Charitable Foundation Limited and its assets at the year end included within the Group's general reserve.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

16. UNRESTRICTED FUNDS (continued)

Non-charitable trading funds

This represents the income and expenditure during the year of Brighton College Services Limited and its reserves at the year end included within the Group's general reserve.

Newells School Trust Limited

This represents the net assets of the subsidiary school at Handcross Park currently treated as a designated fund.

Handcross Park Services Limited

This represents the income, expenditure and the gift aid declared during the year of Handcross Park Services Limited, the trading subsidiary of Newells School Trust Limited at 31 July 2019.

17. RESTRICTED & ENDOWED FUNDS	Balance 1 August 2018 £000	Income £000	Expenditure £000	Transfers & gains/losses £000	Balance 31 July 2019 £000
Scholarship and bursary funds	80	40	(2)	(96)	22
Infrastructure funds	-	1,082	-	(1,082)	-
Operational funds	37	-	(2)	-	35
Other funds	66	176	(64)	-	178
College Restricted Funds	183	1,298	(68)	(1,178)	235
St Christopher's School Parents' Association	11	3	(3)	-	11
Handcross Park fee support funds	218	20	-	(60)	178
Overseas fundraising subsidiary	-	98	(56)	32	74
Brighton College Scholarship, Bursary & Prize Fund	5,139	201	(170)	34	5,204
Group Restricted Funds	5,551	1,620	(297)	(1,172)	5,702
Peyton Bequest Permanent Endowment	310	4	(4)	2	312
Group Restricted & Endowed Funds	5,861	1,624	(301)	(1,170)	6,014

Restricted donations that had been made to infrastructure funds of £1.1m were utilised in the year as the School for Science and Sport was under construction. The Group, governors, staff and pupils are all very grateful to those who have supported the development of this facility that will enable high calibre teachers to continue to educate and inspire pupils to engage with the latest a and co-curricular education.

BRIGHTON COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

17. RESTRICTED & ENDOWED FUNDS (continued)

RESTRICTED & ENDOWED FUNDS (2018):	Balance 1 August 2017 £000	Income £000	Expenditure £000	Transfers & gains/losses £000	Balance 31 July 2018 £000
Scholarship and bursary funds	111	49	(5)	(75)	80
Infrastructure funds	3,810	1,477	-	(5,287)	-
Operational funds	38	-	(1)	-	37
Other funds	103	33	(59)	(11)	66
College Restricted Funds	4,062	1,559	(65)	(5,373)	183
St Christopher's School Parents' Association	13	3	(5)	-	11
Handcross Park fee support funds	-	9	-	(9)	-
Handcross Park all weather pitch fund	223	40	-	(45)	218
Brighton College Scholarship, Bursary & Prize Fund	4,955	206	(169)	147	5,139
Group Restricted Funds	9,253	1,817	(239)	(5,280)	5,551
Peyton Bequest Permanent Endowment	304	4	(4)	6	310
Group Restricted & Endowed Funds	9,557	1,821	(243)	(5,274)	5,861

Scholarship and bursary funds

The Group currently receives income to support pupils in four main ways:

- Continuation scholarships that help pay tuition fees for scholars who come to the College from prep schools within the College's family of schools;
- Funds to provide bursaries in excess of fees (so as to cover costs of uniform and so on) for talented sixth form pupils from Brighton and Hove but who, without support from sponsors, would otherwise not be able to attend;
- Funds to provide bursaries for refugee children fleeing humanitarian crises around the world and who have been provided with accommodation in or near Brighton by local councils or through other means;
- Legacies for scholars, memorial funds, SAT Training donation and other specific scholarship and bursary donations – these come from parents, past parents and other donors to assist children who would otherwise be unable to attend the College or to enable them to go on specific courses or have specific assets.

Infrastructure funds

The Group encourages and is grateful for donations that support specific or general improvements in the fabric of the estate and to assist with new facilities to benefit pupils and staff. Specific donations were received for:

- Yeoh facility – a classroom facility opened in September 2018 with revolutionary education spaces;
- Music School – a new recital hall, recording suite and suite of practice rooms completed in 2018;
- School for Science and Sport – as detailed earlier in these accounts;
- Eastern Road landscaping – reinstating railings and improving the gardens along Eastern Road;
- Visual Arts Centre – gifts applied for the betterment of the arts faculty;
- Specific boarding and day house donations – gifts from Old Brightonians and parents of pupils for use by the Director of Boarding and the House Masters and Mistresses as they deem best for the pupils in the houses; and
- Development fund – non-specific gifts for infrastructure.

BRIGHTON COLLEGE**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JULY 2019****17. RESTRICTED & ENDOWED FUNDS (continued)****Operational funds**

The College receives specific income to support general strategic and operational initiatives.

Other funds

The College receives income in support of other charities and in respect of events in the school's life:

- Prep Charities – charities voted on by Prep pupils and staff for which the school raises funds;
- Cub Scouts/Duke of Edinburgh – these represent funds donated in February 2014 by HGP Limited, a trust established to help purchase equipment for Brighton College Cubs and Scouts. This has now been made available for use in the College's Duke of Edinburgh awards scheme;
- London Academy of Excellence – donations are collected on their behalf and passed to them in a timely manner.

St Christopher's School Parents Association

These amounts relate to the net book value of fixed assets purchased for the school by the St Christopher's School Parents' Association and amounts received in support of infrastructure initiatives. Assets received in the year are treated as donations and capitalised. Resources expended include the depreciation charge on such assets.

Handcross Park funds

These are specific funds for the all weather pitch or other more general funds for use at the school given by past pupils and current parents.

Brighton College Scholarship Bursary & Prize Fund

The College is sole trustee for the above fund, Charity Number 1078589, a separate collection of trusts that provide scholarship and bursary support to College pupils.

Endowment Funds

The College is sole trustee of the Peyton Bequest – the income from which is to be applied for the benefit of children selected annually at the discretion of the Head Master, priority to be given to individuals bearing the unhyphenated surname of "Peyton" who have not acquired it by adoption or by change of name (of them or their ancestors) since 1900.

18. PUBLIC BENEFIT FUND	Balance				Balance
	1 August	Income	Expenditure	Transfers	31 July
	2018	£000	£000	& Gains	2019
	£000	£000	£000	£000	£000
Public Benefit Fund	6,269	141	(11)	1,121	7,520
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
PUBLIC BENEFIT FUND (2018)	Balance				Balance
	1 August	Income	Expenditure	Transfers	31 July
	2017	£000	£000	& Gains	2018
	£000	£000	£000	£000	£000
Public Benefit Fund	5,157	122	(18)	1,008	6,269
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The Public Benefit Fund was set up by the Board to help provide future scholarships and bursaries, as the Group works towards the long term aim of enabling access to the Group's education for pupils irrespective of their parents' wealth. A transfer is made annually from the Group's audited surplus. Donations are actively sought for the fund from those wishing to help provide bursaries for children so they are able to attend the College's family of schools.

The full breakdown of movements in the Public Benefit Fund (formerly called the Capital Fund) for the prior year can be found in the financial statements for the period ended 31 July 2018.

BRIGHTON COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

19.	ANALYSIS OF TRANSFERS & GAINS BETWEEN FUNDS		Restricted & Endowed funds £000	Public Benefit funds £000	General Funds £000	Total £000
	Gains on investment		24	316	-	340
	Release on fulfilment of restriction		(1,194)	-	1,194	-
	Allocation to Public Benefit Fund		-	805	(805)	-
	Pension deficit movement		-	-	47	47
	Net transfers and gains		(1,170)	1,121	436	387
	ANALYSIS OF TRANSFERS & GAINS BETWEEN FUNDS (2018)		Restricted & Endowed funds £000	Public Benefit funds £000	General funds £000	Total £000
	Gains on investment		153	120	-	273
	Release on fulfilment of restriction		(5,328)	-	5,328	-
	Allocation to Public Benefit Fund		-	888	(888)	-
	Release of designated funds		(54)	-	54	-
	Pension deficit movement		-	-	142	142
	Net transfers and gains		(5,229)	1,008	4,636	415
20.	ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Restricted & Endowed funds £000	Public Benefit funds £000	Designated funds £000	General funds £000	Total £000
	Fund balances at 31 July 2019 were represented by:					
	Fixed assets	11	-	3,890	102,383	106,284
	Investments	4,682	4,629	-	-	9,311
	Net current assets/(liabilities)	1,321	2,891	(1,113)	(10,470)	(7,371)
	Long term liabilities	-	-	-	(2,838)	(2,838)
	Pension deficit	-	-	-	(816)	(816)
		6,014	7,520	2,777	88,259	104,570

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS (2018)	Restricted & Endowed funds £000	Public Benefit funds £000	Designated funds £000	General funds £000	Total £000
Fund balances at 31 July 2018 were represented by:					
Fixed assets	11	-	3,537	74,973	78,521
Investments	5,418	3,671	-	-	9,089
Net current assets/(liabilities)	432	2,598	(1,277)	7,019	8,772
Long term liabilities	-	-	-	(1,608)	(1,608)
Pension deficit	-	-	-	(930)	(930)
	<u>5,861</u>	<u>6,269</u>	<u>2,260</u>	<u>79,454</u>	<u>93,844</u>

21. CASH FLOWS	2019 £000	2018 £000
a) Reconciliation of operating profit to net cash flow from operating activities		
Net income	10,726	11,050
Net interest received	(34)	(72)
Depreciation	2,352	3,057
Loss on disposal	-	2
Decrease/(increase) in stocks	114	(29)
(Increase)/decrease in debtors	(1,322)	688
Increase in creditors	2,216	2,286
Investment gains	(340)	(273)
Non cash movement in pension liability	(114)	(205)
Net cash inflow from operating activities	<u>13,598</u>	<u>16,504</u>

b) Analysis of change in net cash	At 1 August 2018 £000	Cash flows £000	At 31 July 2019 £000
Cash in hand and at bank	<u>25,250</u>	<u>(15,045)</u>	<u>10,205</u>
Debt due within one year	(39)	39	-
Debt due after more than one year	<u>-</u>	<u>(1,000)</u>	<u>(1,000)</u>
	<u>25,211</u>	<u>(16,006)</u>	<u>9,205</u>

BRIGHTON COLLEGE**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JULY 2019**

22. FINANCIAL INSTRUMENTS	2019 £000	2018 £000
Financial assets measured at amortised cost (a)	12,869	27,279
Financial assets measured at fair value (b)	9,311	9,090
Financial liabilities measured at amortised cost (c)	(23,234)	(20,955)
Net financial (liabilities)/assets measured at amortised cost	<u>(1,054)</u>	<u>15,414</u>

- (a) Financial assets include cash, trade and fee debtors, staff loans, other debtors, accrued income
 (b) Financial assets held at fair value include assets held as investments
 (c) Financial liabilities include deposits, fees in advance, trade creditors and other creditors

23. CAPITAL COMMITMENTS	2019 £000	2018 £000
Capital expenditure contracted for but not provided in the financial statements	<u>6,527</u>	<u>32,064</u>

At both 31 July 2018 and 31 July 2019, the College had capital commitments in respect of the construction of the School for Science and Sport.

24. OPERATING LEASE COMMITMENTS

The Group has entered into operating leases which have minimum lease payments as follows:

	2019		2018	
	Group £000	Charity £000	Group £000	Charity £000
Equipment leases -				
Less than one year	242	181	190	129
Between two to five years	344	278	333	299
Greater than five years	61	60	93	93
Land and building leases -				
Less than one year	591	430	503	340
Between two to five years	776	288	912	280
Greater than five years	<u>605</u>	<u>605</u>	<u>321</u>	<u>321</u>

BRIGHTON COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

25. RELATED PARTY TRANSACTIONS

A number of charities, with separate trust deeds and trustees have related objects to Brighton College in that they may provide certain scholarships and other grants:

- a) Brighton College Scholarship, Bursary and Prize Endowments – Charity No. 1078589

During the year ended 31 July 2019, the above charity provided scholarship grants totalling £172k (2018: £172k). The College leases certain properties from the charity. The College paid annual rental amounts under the leases of £177k in the two years to 31 July 2019.

- b) The Sir Cooper Rawson Foundation – Charity No. 3962887

A scheme made by the Charity Commissioners on 21 June 2001 renamed this charity “The Cooper Rawson Foundation”, the trustee of which is for the time being that of Brighton College Scholarship, Bursary and Prize Endowments.

- c) Brighton College Development Fund – Charity No. 3956935

At 31 July 2019, the balance available to the College amounted to £64k (2018: £64k). The net assets of the above fund is not included in the financial statements of the Group.

- e) St Christopher’s School, Hove – Charity No. 307061

The school is a subsidiary charity of the College. The following governors of the College during the year were also governors of St Christopher’s School, Hove: Mr G R Miller, Mr A J Symonds and Mr N A Pink.

The College acts as guarantor in respect of the property leases held by the school.

- f) Newells School Trust Limited – Charity No. 307038

The school is a subsidiary charity of the College. The following governors of the College during the year were also governors of Newells School Trust Limited: Mr G R Miller and Mr M Templeman.

The College has provided a loan to Newells School Trust Limited since the merger with the College took place on 7 July 2011. At 31 July 2019, the balance outstanding was £562k. Interest is charged at a commercial rate of 5% per annum and the interest paid on the loan to the College in the year was £30k (2018: £37.5k). During the year, the College agreed that repayment of the loan would be made over four years from October 2018.

26. DISCLOSURE OF CONTROL

Brighton College is controlled by the governors of Brighton College.

BRIGHTON COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

27. INCOME AND EXPENDITURE FOR THE CHARITY

	Brighton College Ltd	
	2019	2018
	£000	£000
Income from charitable activities	38,981	37,037
Voluntary and trading income	282	344
Income from generated funds	162	170
Other income and donations from subsidiaries	2,098	2,344
Total income	41,523	39,895
Cost of generating funds	(240)	(164)
Charitable activities	(33,005)	(31,045)
Total cost	(33,245)	(31,209)
Net income	8,278	8,686
Gains on investments and pension revaluations	363	262
Transfers from restricted and endowment funds	1,178	5,373
Retained net income	9,819	14,321
Fixed assets and investments	106,661	78,243
Net current assets	(9,546)	7,951
Amounts falling due after more than one year	(2,824)	(1,608)
Pension deficit	(816)	(930)
Net assets	93,475	83,656
Unrestricted and designated funds	93,475	83,656
Funds	93,475	83,656

The above represents unrestricted and designated funds only.

