



STONYHURST

Trustees' Annual Report and Accounts

YEAR ENDED 31 AUGUST 2019

COMPANY REGISTERED NUMBER 06632303
REGISTERED CHARITY NUMBER 1127929

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TRUSTEES' ANNUAL & STRATEGIC REPORT

BACKGROUND

Stonyhurst College is a Catholic school in the Jesuit charism. The Board of Governors of Stonyhurst College present its report and financial statements for the year ended 31 August 2019, in accordance with the Companies Act 2006 and the Charities Act 2011, together with the audited accounts for the period. The Board of Governors confirm that the latter comply with the requirements of the Companies Act 2006, the Charities Act 2011 and the Charities SORP (FRS 102).

Stonyhurst College is an independent co-educational Jesuit boarding and day school set in 1,000 acres of Britain's most stunning countryside in the North West of England. Founded in 1593, the College has been welcoming and educating pupils from around the world for over 400 years. Set in a magnificent Grade 1 listed building, the College has a fascinating heritage, fine reputation and excellent facilities.

CHARITABLE OBJECTIVES

The charitable objective of Stonyhurst College is to advance education by the provision of a day and boarding school, for girls and boys who may obtain instruction in academic, sporting, musical, scientific, vocational and social subjects, and association of other co-curricular activities.

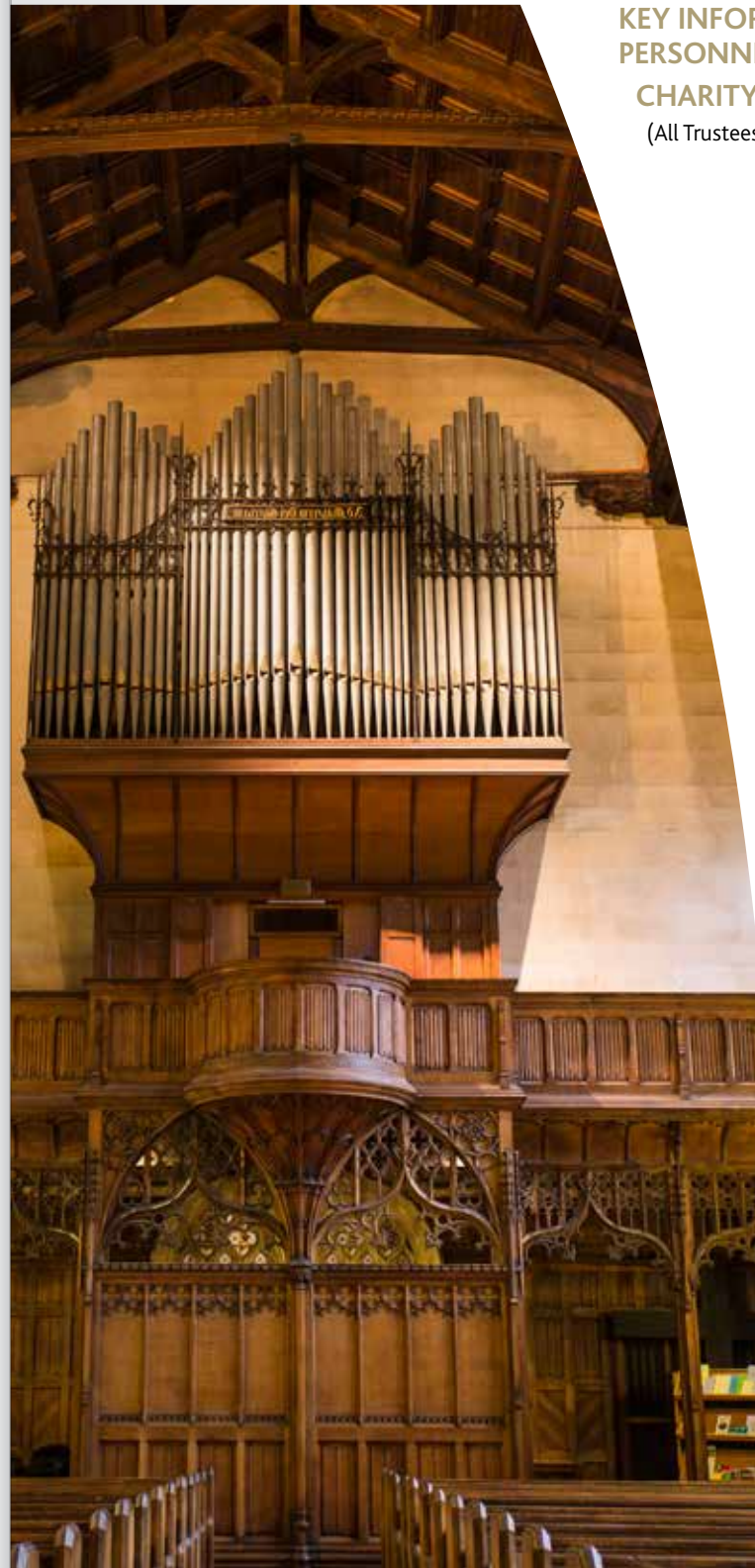
CONSTITUTION

Stonyhurst was incorporated as a company limited by guarantee on 27 June 2008 and is registered as a charity.

It commenced to operate as an independent charity on 1 September 2009. The charitable company's governing document is the Memorandum and Articles of Association.



TRUSTEES' ANNUAL & STRATEGIC REPORT



KEY INFORMATION INC TRUSTEES, MANAGEMENT PERSONNEL & SERVICE PROVIDERS

CHARITY TRUSTEES AND DIRECTORS

(All Trustees are Directors of Stonyhurst)

Mr A Chitnis
(Chairman, Appointed 01.09.18)
Mr M I Davis (Deputy Chairman)
Fr R Dawson SJ
Mrs J Dodd
Mr D Finn
Mr S Glassbrook
Dr M Guzkowska
Mrs C Keunen
Mr G Lagerberg
Dr N B Mellows
Fr M Power SJ
Mrs S Raffray

KEY MANAGEMENT PERSONNEL

Company Secretary	Mr S P Marsden
Headmasters	Mr J R Browne Mr I Murphy (St Mary's Hall, SMH)
Bursar and Clerk to the Trustees	Mr S P Marsden

SOLICITORS

Employment Lawyers	Weightmans LLP 100 Old Mall Street Liverpool L3 3QJ
Education Lawyers	Veale Wasbrough Vizards LLP Orchard Court Bristol BS1 5WS
Estate and Property Lawyers	Blackhurst Swainson Goodier LLP 10 Chapel Street Preston PR1 8AY

BANKERS

NatWest
Spinningfields Square
182 Deansgate
Manchester
M3 3LY

AUDITORS

RSM UK Audit LLP
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

RSM UK Audit LLP Chartered Accountants have indicated a willingness to continue in office. A resolution to reappoint RSM UK Audit LLP as auditors will be put to the Board of Trustees at the next Board Meeting.

TRUSTEES' ANNUAL & STRATEGIC REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING BODY (Up to 13 appointed Trustees & 3 Foundation Members)				
STANDING COMMITTEES				
NOMINATIONS		SAFEGUARDING		
FINANCE & GENERAL PURPOSES		EDUCATION		
REMUNERATION		INTERNATIONAL		
EXTERNAL AFFAIRS		LIBRARIES, ARCHIVES & COLLECTIONS		
FINANCE & GENERAL PURPOSES COMMITTEE	EDUCATION COMMITTEE	LIBRARIES, ARCHIVES & COLLECTIONS COMMITTEE	INTERNATIONAL COMMITTEE	BURSARY COMMITTEE
CHAIR: Mr M I Davis	CHAIR: Mr G Lagerberg	CHAIR: Mrs C Keunen	CHAIR: Dr M Guzkowska	CHAIR: Mr D Finn
Mr A Chitnis Mrs J Dodd Mr D Finn	Dr M Guzkowska Dr N B Mellows Fr M Power SJ Mrs S Raffray	Mr A Chitnis Mr D Finn	Mr M Davis Mr D Finn	Mr M I Davis Mr A Chitnis
NOMINATIONS COMMITTEE	REMUNERATION COMMITTEE	EXTERNAL AFFAIRS COMMITTEE	SAFEGUARDING & WELLBEING COMMITTEE	
CHAIR: Mr A Chitnis	CHAIR: Mr A Chitnis	CHAIR: Mr S Glassbrook	CHAIR: Dr N B Mellows	
Fr R Dawson SJ Fr M Power SJ	Mr M I Davis Mr G Lagerberg	Mr D Finn Mrs C Keunen	Dr M Guzkowska Mrs S Raffray	

The Governing Body operates with the support of the Standing Committees and working groups of Trustees and Executive. Meetings of the Governing Body are held termly, with any additional meetings convened when required.

The Trustee selection process aims to ensure that the Board collectively has the skills and experience to fulfil its functions.

The governance of Stonyhurst is accomplished through the requisite meetings of the Members and meetings of the Board of Trustees and its constituent committees.

The day to day management of Stonyhurst is delegated to the two Heads and the Bursar and Clerk to the Trustees. They are all appointed by the Board of Trustees. Both Stonyhurst College and St Mary's Hall are subject to external inspection of education and pastoral care by various statutory bodies.

The remuneration of key management personnel is set by the Board through the Remuneration Committee, the policy objective being to encourage enhanced performance and to reward individuals fairly for their specific contributions to the College's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the College remains sensitive to the broader issues of pay and employment conditions elsewhere.

Delivery of the College's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

TRUSTEES' ANNUAL & STRATEGIC REPORT

SUBSIDIARY COMPANIES

The College has a wholly owned non-charitable subsidiary, Stonyhurst College Developments Ltd, undertaking commercial activities which do not conflict with the educational and religious character of the school. Its annual profits, where possible, are donated to the College under the Gift Aid scheme.

Stonyhurst is also the sole corporate trustee for the Stonyhurst Charitable Fund and Stonyhurst International Limited. Stonyhurst International remains registered as a dormant company.

The results of these subsidiaries are included in the consolidated financial statements of Stonyhurst.

EMPLOYMENT POLICY

Stonyhurst is committed to promoting equal opportunities in employment. All employees and any job applicants receive equal treatment regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation.

The College's employment policy clearly sets out our approach to equal opportunities and the avoidance of discrimination at work. It applies to all aspects of employment, including recruitment, pay and conditions, training, appraisals, promotion, conduct at work, disciplinary and grievance procedures, and termination of employment.

Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the College through regular staff training days.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have identified the principal risks to which Stonyhurst is exposed, several of which arise out of the continuing uncertain economic environment.

Principal Risks:

- Pupil Recruitment
- Reputational Risk (through adverse incident)
- Poor Academic Results
- Lack of Funds & Liquidity

These risks are mitigated and managed as follows:

- Monitoring financial resources and forecasting performance. Key performance indicators include pupil numbers, staffing costs, cash flow
- Maintaining high standards of education throughout the College
- Control of key financial systems
- Appropriate and sufficient insurance cover
- Maintaining high standards in the care of the fabric of the College
- Encouraging ownership within the staff body of published policies and procedures for health and safety, pastoral care and best professional practice and safeguarding
- Maintaining a programme of training for Trustees and for staff and encouraging regular visits to school activities by Trustees
- Continuous review of strategic plans and detailed annual budgets

Through the risk management processes established for the College, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary.

Potential impact of the COVID-19 pandemic, including loss of pupil numbers, parental requests for fee refunds, reduction in fees paid in advance and a reduction in the recoverability of fees where parents' financial situations may be significantly affected by the pandemic. Further details are noted in the Accounting Policies.

These risks are mitigated and managed as follows;

- Should the pupil roll fall significantly in September 2020 as a result of COVID-19, the Governors will seek to reduce costs and also have secured cash availability from our bankers in the form of the Government's Business Interruption Scheme and support from the British Jesuit Province.
- Ongoing provision of the online learning platform 'Stonyhurst Anywhere' and continued pastoral support to all our students. The school has received excellent feedback from parents regarding 'Stonyhurst Anywhere'

TRUSTEES' ANNUAL & STRATEGIC REPORT

OBJECTIVES AND ACTIVITIES

The charitable objectives of Stonyhurst are to:

ADVANCE Education

In the provision of its charitable objectives, Stonyhurst seeks to meet the public benefit requirements of the Charity Commission. In seeking objectives the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The principal activity of Stonyhurst College is the provision of education for boys and girls aged between 3 and 18 years of age, as a boarding and day school.

The College is resolutely faithful to the teachings of the Roman Catholic Church and to the educational principles of the Society of Jesus. We are proud of our Catholic heritage, pedagogy and tradition.

Stonyhurst is committed to promoting Jesuit values and world-famous as a centre of excellence in the Jesuit tradition.

ADVANCE THE Roman Catholic religion

The College continues to welcome young people and staff of all Christian traditions and faiths to Stonyhurst, encouraging them to participate in the rich and vibrant spiritual life of the school.

The Stonyhurst student body has always been drawn from a global and diverse community which enriches the education and co-curricular activities of the pupils. The 2018-19 academic year ended with over 700 pupils across both schools, from more than 30 nationalities.

This international dimension is reflected in Stonyhurst's links with other Jesuit schools, as well as the wider Stonyhurst 'family' throughout the world. Two thirds of Stonyhurst's pupils are Roman Catholics, one third join us from overseas. You will find Stonyhurst alumni serving others and in leadership roles around the world.

The Stonyhurst Mission is to:

- Develop pupils' talents by challenging them to give of their very best in all that they do, to the Greater Glory of God
- Be a caring, supportive and prayerful community of pupils, staff and parents, with Jesus at the centre
- Prepare young people intellectually, spiritually and emotionally to provide leadership in facing the problems of the modern world
- Nurture independently-minded young people, able to think for themselves, and to stand up for their beliefs
- Know each of our pupils as individuals, provide for their individual needs, and help them become well-rounded adults
- Prepare young people to play an active role in the Church today
- Encourage our pupils to become men and women who will do as much as they can for other people, especially for those who are disadvantaged in society
- Help our pupils to find God in the majesty of His creation, and to be good stewards of the resources entrusted to them

TRUSTEES' ANNUAL & STRATEGIC REPORT

FAITH

EDUCATION

Our motto...

'Quant Je Puis'

('As much as I can')

...remains Stonyhurst's
overarching principle

'Men & Women
For Others'

Fr Pedro Arrupe

Stonyhurst encourages its young people to develop empathy for others and to contribute to resolving the problems of the modern world.

Alongside the international atmosphere cultivated at Stonyhurst, the College is equally invested in enabling young people from low income backgrounds access to a Stonyhurst education, breaking barriers to social mobility.

'Our mission is to make a Jesuit education accessible to all who seek it, making the best possible resources available to develop the whole person, whilst removing any financial barriers to entry. To make this a reality we have to be prepared to offer financial support where needed.'

Alongside a variety of events to celebrate Stonyhurst's 425th Anniversary Year, the College launched the '425 Bursary Appeal'. This appeal continues the tradition of 'giving' that has defined Stonyhurst's history, raising funds to provide the gift of a Stonyhurst education to pupils who would otherwise not have the benefit of one. The money raised from this appeal has gone into a restricted fund that will endow a bursary for a pupil from their first day at St Mary's Hall, through to their last day at the College.

During the year, Stonyhurst also welcomed further recipients of the St Francis Xavier Awards. The award serves to help UK Catholic boarders most likely to benefit from, and contribute to, life as full boarders in a Catholic boarding school. In total, over half of pupils at Stonyhurst receive some assistance with fees, and a small number of young people are awarded full bursary support.

TRUSTEES' ANNUAL & STRATEGIC REPORT

Stonyhurst is an integral part of the wider community and plays an important role in promoting and supporting Lancashire as a place to live, work and visit. The College continues to play its part as a major employer in the Ribble Valley, as well as supporting a multitude of local and regional service providers. As a consequence of the organisation's operations the annual payroll taxes generate in excess of £3.0m.

Stonyhurst opens its doors to the public in a variety of manners. Visitors are welcomed to the College for a number of pupil-led internal events. St Mary's Hall's annual primary school's science fair continues to attract significant local attendance, as do the abundance of musical and drama productions held both at St Mary's Hall and the College.

In addition to these internally led projects, the College's commercial activity, led by Stonyhurst Enterprises, includes a plethora of events, festivals and retreats, attracting thousands of visitors to the College each year. This year's public events include the Ribble Valley Wedding Shows, Antiques & Fine Arts Fairs, Classic Car Show and the Great British Food Festival. The Stonyhurst Holy Week Retreat continues to welcome friends across the Stonyhurst community and beyond to the College over the Easter weekend for spiritual direction.

2019 also saw the launch of the Stonyhurst Literature & Film Festival. The aim of which was to establish an event which

celebrates the College's fascinating literary connections, promoting Stonyhurst as an outstanding northern venue and attracting visitors from across the country to Lancashire's stunning Ribble Valley. The Festival provided the perfect platform for over 20 speakers and was supported by a number of local businesses, acting as patrons of the event. The two-day festival culminated in an outdoor cinema event, with over 800 visitors in attendance.

Public access to the Stonyhurst Collections, Museum and Libraries has grown significantly in a relatively short space of time. In 2019 Curatorial Team facilitated more than 1,050 pupil visits from external schools, the Stonyhurst Summer Language School and St Mary's Hall and Stonyhurst lessons.

The College's ambitious Hummingbird Project, first embarked upon in 2017, came to fruition during the course of 2019. In June, Stonyhurst welcomed a refugee family from a rural area outside Aleppo, in Syria, to a College house in Hurst Green.

Further to this...



> 1,000

Over 1000 visitors attended the multiple museum open days throughout the year



643

Guided group tours of the Museum and Libraries attracted 643 visitors



157

157 visitors attended ambassadorial visits



2,938

Culminating in a total of 2,938 visitors to the Museum and Libraries in the first 9 months of 2019.

TRUSTEES' ANNUAL & STRATEGIC REPORT

The College's well-established Arrupe programme continues to run with half of all Poetry pupils volunteering their involvement. The programme facilitates pupil's support, including:

- Delivering a reading programme at Acorns Primary School, a local school for children with disabilities
- "Wheelchair Dancing" with another local school, Newfield, for children with disabilities
- Raising donations and awareness for our local foodbank via the Trussel Trust
- Mentoring refugees in Kenya to pass their GCSEs through the OS-founded charity, Xavier Project
- Putting on events for the local retired community to combat the national crisis of isolation/loneliness in that part of our population

Aside from the Arrupe programme, pupils cross-campus are invested in a variety of fundraising initiatives for charitable causes throughout the year. In 2019 beneficiaries included:

- Xavier Project which provides education and support for refugees in East Africa
- Red Wednesday, a national campaign led by Aid to the Church in Need UK, to raise awareness about the persecution of Christians
- CAFOD
- Stonyhurst Lourdes Pilgrimage Trust
- Fairtrade Fortnight
- Jesuit Missions



TRUSTEES' ANNUAL & STRATEGIC REPORT

ACHIEVEMENTS & PERFORMANCE

The achievements and performance of St Mary's Hall Preparatory School and Stonyhurst College have been divided into our three strategic themes:

- 1 Educational Excellence
- 2 Faith that does Justice
- 3 Perspectives and Horizons

TRUSTEES' ANNUAL & STRATEGIC REPORT

1 Educational Excellence

'All the well-being of Christianity and of the whole world depends on the proper education of youth.' Philip II

St Mary's Hall

The quality of teachers and the staffing structure at St Mary's Hall continues to be the most important resource we can offer the child. The team of staff is a highly committed and innovative group of people. An extraordinary amount of work is being achieved and the range of opportunities available to pupils continues to grow, alongside innovation across the curriculum. This has been covered in considerable detail over the course of this academic year, through the work of the Education Committee in particular.

In addition to the curriculum-based opportunities through drama and the performing arts, the LAMDA programme continues to grow from strength to strength with over 120 children involved. Results are outstanding in the LAMDA exams, as well as festivals. This small team of LAMDA teaching staff deliver an incredibly broad and varied programme, across a considerable age range. This is an established area of excellence for St Mary's Hall.

Academic and pastoral monitoring and tracking of progress is increasingly consistent at an individual level, and across cohorts through the improved use of standardised data to supplement professional input. The assessment programme is well-balanced. The exams are as child-centred as possible. The pupil assessment data has been analysed and the Development Plan redrafted, building upon the developments and progress made during 2019.

Once again excellent pupil performances were exhibited in the UK Junior Mathematical Challenger. This is the annual mathematical competition for pupils of senior school age. Three Gold awards were awarded to St Mary's Hall pupils, and two of them being highly significant. One pupil has qualified for the Junior Mathematical Olympiad (a national event).

The new facilities in Hodder House and the improvements to the boarding areas which took place over the summer, are vital to ensuring and maintaining excellence.

Stonyhurst College

Once again, grades and achievements of academic excellence were consistent with previous years:

A Level:

- A Level results across the Sixth Form show an A*/A equivalent of 35%.
- The average A Level grade per pupil at grade B.

IB:

- IB results average score per pupil = 35.8 in 2019 compared to a world average of 29.8. Pass rate 100% compared to world average of 78.2%.
- 62% of IB candidates were awarded a bilingual diploma compared to a world average of 22.7%.
- 3 candidates achieved 41 points, which is achieved by only 2.3% of candidates worldwide.
- Value added at 0.16 is categorised as above average in the DFE league tables.

GCSE:

- At GCSE 43% grades 9-8 compared to a national average of 11.9%. 93% 9-4 compared to a national average of 69.9%.
- Particular strengths in English Language and Literature with pupils consistently achieving one grade above target.
- Maths almost a third of the cohort achieved grades 9-8.
- Further Maths and Additional Maths GCSEs are offered to stretch the highest achievers with 53% A*/A in Further Maths and 100% A*/A in Additional Maths.
- Modern Languages are also strong with almost half of all entrants achieving grades 9-8.

2019 is the second year of the new International Baccalaureate Careers Pathway and due to the success of the Business course, the 2020 curriculum will feature an additional course in Sport.

An academic enrichment programme has been designed by the newly introduced role of Master of Scholars, with the aim of developing intellectual curiosity and foster independent learning outside the curriculum.

TRUSTEES' ANNUAL & STRATEGIC REPORT

② Faith that does Justice

'In the spirit, from the heart, practically.' Jerome Nadal SJ.

St Mary's Hall

The children's efforts to Care for our Common Home continue. At the start of the summer term we took delivery of our Ridan composter, through which all food waste will be processed. After maturation, this will be used in the Mission Garden. Regular donations of produce are also made to the 'New Neighbour's' refugee project in Burnley.

A coordinated waste recycling programme commenced with the introduction of large electronics and cardboard recycling bins and internal bins to separate paper/card and plastics.

Three environmental or gardening clubs have been established, driving our efforts to care for the environment. Eco benches have been placed in the garden of contemplation near Brother's Walk.

We were delighted to host the inaugural Jesuit School's Eloquentes Competition at Theodore House in the summer term. Teams of children from Year 5 (Lower Elements) across schools in the Province came together for what was a wonderful educational experience, alongside some excellent public speaking and energised debating.

Stonyhurst College

On 19th February 2019, Fr General announced four new Universal Apostolic Preferences (UAPs) of the Society of Jesus for the next ten years.

UNIVERSAL APOSTOLIC PREFERENCES 2019

1st Priority: Promoting the Discernment and the Spiritual Exercises

2nd Priority: Walking with the Excluded

3rd Priority: Caring for Our Common Home

4th Priority: Journeying with Youth

These four aspirations, four statements of intent and purpose, provide the touchstones for our mission as a Jesuit school in the future. It is important to see them not as simple nouns, but rather as phrases denoting action, phrases centred on verbs.

Fr Sosa presented these four preferences as the culmination of an attempt to:

'Find the best way to collaborate in the Lord's mission, the best way to serve the Church at this time, the best contributions we can make with what we are and have, seeking to do what is for the great divine services and the more universal good.'

The British Province of the Society of Jesus held the Province Meeting at Stonyhurst in April 2019, during which Fr Philip Endean SJ spoke to the Apostolic Body about the introduction of the UAPs. The Headmaster also gave a presentation on the work already underway at Stonyhurst, under the headings of the UAPs. A warm and generous letter from the Provincial after the meeting spoke of a 'rediscovery' of Stonyhurst by the Province.

Following an extensive Pastoral Review the implementation of five Assistant Head posts (Heads of Playroom) at the beginning of the academic year has been instrumental to improving provision for the pupils, ensuring the individual needs of all children are catered for.

Further to the improved pastoral provision, the Old Infirmary was refurbished as a boarding house for Syntax girls. This significant investment will enable us to respond better to the pastoral needs of this age group, providing excellent facilities in which the girls can thrive.

TRUSTEES' ANNUAL & STRATEGIC REPORT

③ Perspectives and Horizons

'Set the world on fire.' St Ignatius

St Mary's Hall

The Stonyhurst estate provides a rich and educational environment for the children of St Mary's Hall. Learning enrichment is enhanced by access to the Stonyhurst Collections and the expertise of the curatorial team.

The parent body continues to contribute to the children's life, offering their professional and practical skills and experience across the curriculum.

St Mary's Hall Enrichment Week continues to be a highlight of the year, exhibiting our international mindedness and its significance within our thematic primary curriculum as we strive to work together as a universal body. Rudiments flew to Rome, whilst Figures visited the Somme; Upper Elements to Stratford-upon-Avon; Lower Elements to Robinwood Activity Centre, and Prep to a range of venues in the North West, in order to support personal development and curriculum innovation.

Stonyhurst College

The international school strategy is to promote the Ignatian vision of education, develop alternate revenue streams and increase pupil recruitment for Stonyhurst UK.

The final development order to start construction on Stonyhurst International School Penang was granted in July 2019. The change of government and the consequent anti-corruption drive delayed matters. Soonstead Mansion was identified by Michael Sng, Co-Founder, who is the Chief Executive Officer and Managing Partner of The Asian Entrepreneur Legacy (TAEL), who are Stonyhurst's partners.

Stonyhurst is invested in the College's future legacy. The potential to open more schools is being explored with the usual due diligence. The experience and learning of the Penang project have been invaluable and transferable.

The College's partnership with St Vincent's, Liverpool, a specialist school for sensory impairment and other needs, has led to us working closely on a project named Sightbox which aims to distribute equipment for blind students around the world. This beneficial and exciting work continues to delight and inspire all who are involved.

In June, a Stonyhurst cricket team, comprising of current and

former pupils and staff, visited Rome in soaring temperatures to play the Vatican 1st XI Cricket Team. The trip included a successful Reception at the Italian Embassy to the Holy See. This was the first Stonyhurst cricket tour in ten years.

The 425 Anniversary was a year of celebration at Stonyhurst, which was marked in a variety of special ways. Events, activities and commemorative souvenirs included:

- 425 Flag
- **Campion's 'Brag'**, a commemorative booklet produced by the St Omers Press for Campion Day
- 425 Lapel Pins
- **'Stonyhurst Cocktail'** designed by The Ritz
- **Stonyhurst Lenten Lecture Series**
- 425 Bursary Ball Event
- **Stonyhurst Wine and 'Eagle Towers' Ale**
- **Stonyhurst Monopoly Board Game**
- 425 London to Paris Cycle Ride

Thank you to the Stonyhurst 425 Committee responsible for the celebrations.



TRUSTEES' ANNUAL & STRATEGIC REPORT

FINANCIAL REVIEW



During the year, Stonyhurst planned for strategic investment across areas of pastoral care, refurbishment and maintenance of the residential boarding and educational facilities, alongside bolstering our fundraising programme. Income increased to £17.8m (£17.1m, 2018), represented by a 4% increase in pupils enrolled. Grants and donations from restricted funds for the year end amounted to £450k (£353k). Fundraising costs totalled £206k. Plans were agreed for the creation of the Stonyhurst Foundation, a separate ring-fenced charity purely to provide bursary support to future Stonyhurst pupils. The charity's trading subsidiary, Stonyhurst Developments Ltd, generated a profit of £1k (2018 loss of £33k). A large proportion of the third party income stream, mainly the Stonyhurst Language School, is administered through the main charity, as an educational activity.

As an educational charity we enjoy tax exemption on our educational activities, investment income and gains, provided these are applied to our charitable aims. We are also entitled to an 80% reduction on our business rates on the property we occupy for our charitable purposes. The financial benefits we receive from these tax exemptions are all applied for educational purposes and help us maintain our bursary funds. However, we are unable to reclaim VAT input tax on the School's costs as school fees are exempt for VAT purposes. In addition to the very substantial benefits our School brings to our pupils, the local community and society through the education we offer, our bursary programme and community benefits programme to create a social asset without cost to the Exchequer.

The unrealised gains on investments in the year are £92k (£629k, 2018). The Charity investments held are vital in providing the required bursary and building maintenance support required for Stonyhurst to be sustainable in the future.

TRUSTEES' ANNUAL & STRATEGIC REPORT

Through the ongoing development and management of the Stonyhurst Ten Year Plan, the Trustees consider that substantial progress has been made in strengthening the finances of Stonyhurst. Whilst the award of bursaries and continual investment in the maintenance and improvement of the grounds and heritage buildings of the whole estate continue to make sizeable demands on the College's finances, 2019 has also seen substantial financial investment in the improvement of pupil facilities.

Works undertaken in this financial year, representing a capital investment in excess of £2million, are considered vital to the development of the Stonyhurst provision for pupils. Highlights of the 2019 works programme include:

- Old Infirmary transformed into a 33 bed en-suite boarding facility for Syntax girls
- Bathroom facilities at St Mary's Hall have been relocated and upgraded to improve proximity to dormitories
- St Mary's Hall kitchen received a significant upgrade
- Hodder House, our Pre-Preparatory School, has been extended with additional facilities to facilitate growing pupil numbers

Investment has also been made into the school's pastoral teams. HOPs (Head of Playrooms) were introduced in 2018/19 with a strategic aim to better service the boarding community. The HOPs are responsible for each year group, providing superb pastoral care and communication with parents, especially those of boarders. Investment has also been made in Admissions and Marketing to recruit the British boarders, which in turn attracts the international borders.

The school's charitable costs are tightly controlled through careful budgeting, linked to short, medium and long-term financial plans, in line with the planned expenditure levels at the start of the year. The Trustees have invested heavily in the infrastructure of the school's buildings and resources over the last three years with aim of 'Investing in Education' which takes time to pay back in terms of pupil numbers, fee income and balanced budgets for the future.

Listed investments have increased from £31,975k to £35,480k. This is due to investment gains of £92k and a £2,100k of increase in listed investments due to funds received on behalf of the Stonyhurst Foundation with the other side of this transaction being recognised in other creditors. These funds were paid to the Foundation after the year. Investment property decreased from £5,754k to £3,883k which is due to the disposal of investment property of £1,098k and a £823k transfer to residential properties. Other increases in short-term creditors increased relate to fees in advance which increased from £3,793k to £5,188k and bank loans and overdraft have increased from £245k to £1,213k as £968k of the overdraft was in use at the year end.

TRUSTEES' ANNUAL & STRATEGIC REPORT

FUTURE POLICY

The future financial strategy for Stonyhurst is focused on investment in the resource structure and estate of the College in the ongoing attainment of sustainability.

All areas of Stonyhurst business have been examined to achieve the 2019 budget in accordance with the Ten Year Plan, and to deliver a balanced budget by 2020/21.

The COVID-19 pandemic is unprecedented and still evolving and therefore brings challenges and uncertainties, which the Trustees have considered in the 'Principal Risks and Uncertainties' section of their Report.

A cost control committee has been established, chaired by the Bursar and Clerk to the Trustees, to develop proactive control of costs across the organisation.

An analysis of the College academic workload has been completed. Staff deployment will be working at 97% efficiency from September.



TRUSTEES' ANNUAL & STRATEGIC REPORT

THANKS & APPRECIATION

This report would not be complete without recording a sincere appreciation to the whole Stonyhurst community for all that every member has contributed to the success of the schools during the year under review.

We record our grateful thanks to the Headmasters of both schools and the Bursar and Clerk to the Trustees and to their management and support teams.

To all the teaching staff we say thank you, especially to the way in which you deliver our ethos, our mission, our distinctiveness and our catholicity both in the classroom and in your everyday contact with our pupils. We are blessed in both schools with outstanding teachers who are able to teach and inspire our young people.

Every successful organisation can point to having first class support staff. This is certainly the case at Stonyhurst and we record our thanks and appreciation to every individual in every department across the schools.

We pay a particular tribute to those of our staff who work in and for our chaplaincy and pastoral teams.

Finally but not least, the Chairman records his personal thanks to his Governor colleagues for all the time that they give to the governance of Stonyhurst and particularly for the personal support that individually and collectively they have given to him as Chairman.



TRUSTEES' ANNUAL & STRATEGIC REPORT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The Stonyhurst College Trustees (who are also Directors of Stonyhurst College for the purposes of company law and are the charity trustees) are responsible for preparing the Trustees' Report, Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

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

The Trustees who held office at the date of approval of this report confirm, that so far as they are each aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees 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



Anthony Chitnis
Chairman of Trustees

27th August 2020



AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF STONYHURST

Opinion on financial statements

We have audited the financial statements of Stonyhurst (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2019 which comprise the consolidated Statement of Financial Activities (incorporating the Group Summary Income and Expenditure Account), the Group and Company Balance Sheets, the consolidated Cash Flow Statements 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 FRS 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 the parent charitable company's affairs as at 31 August 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or 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.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion 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 Trustees' Report and the incorporated Strategic Report (prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF STONYHURST

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 Trustees' Report and the incorporated Strategic Report.

We have nothing to report in respect of the following matters where 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 returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 21, the trustees (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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and 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 trustees either intend to liquidate the group or 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 provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, 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.

RSM UK Audit LLP

JOHN GUEST (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

STONYHURST CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(including Consolidated Income and Expenditure Account) For the year ended 31 August 2019
Registered Company No: 06632303

	Notes	Unrestricted	Restricted	Total 2019	Total 2018
		£	£	£	£
INCOME AND ENDOWMENTS FROM:					
Charitable activities					
School fees	1	15,152,451	–	15,152,451	14,688,136
Other ancillary income	2	465,772	–	465,772	301,159
Other trading activities					
Trading turnover	8	358,342	–	358,342	393,617
Voluntary sources					
Donations & fundraising	3	–	449,682	449,682	353,150
Investment income	4	1,338,582	–	1,338,582	1,422,553
Other income					
Profit/(loss) on disposal of fixed assets		25,058	–	25,058	(18,556)
TOTAL		17,340,205	449,682	17,789,887	17,140,059
EXPENDITURE ON:					
Raising funds					
Trading expenses		357,433	–	357,433	426,584
Fundraising costs		205,690	–	205,690	222,524
Financing costs		469,000	–	469,000	435,388
		1,032,123	–	1,032,123	1,084,496
Charitable activities					
Education & grant making		19,308,784	449,961	19,758,745	19,269,527
TOTAL	6	20,340,907	449,961	20,790,868	20,354,023
NET GAINS ON INVESTMENTS					
Gains on investment assets	7	91,867	–	91,867	628,906
Realised gains on investment property	7	–	–	–	–
Revaluation of investment property	7	–	–	–	–
		91,867	–	91,867	628,906
NET EXPENDITURE		(2,908,835)	(279)	(2,909,114)	(2,585,058)
Other recognised losses					
Revaluation of residential property		–	–	–	–
NET MOVEMENT IN FUNDS		(2,908,835)	(279)	(2,909,114)	(2,585,058)
Fund balances brought forward at 1 September 2018		65,722,650	293,919	66,016,569	68,601,627
Fund balances carried forward at 31 August 2019		62,813,815	293,640	63,107,455	66,016,569

The consolidated net incoming funds for the year are all derived from continuing operations.
The notes on pages 27 - 43 form part of these accounts.

BALANCE SHEETS


STONYHURST BALANCE SHEETS


As at 31 August 2019
Registered Company No: 06632303

		Group		Stonyhurst (charity)	
	Notes	2019 £	2018 £	2019 £	2018 £
FIXED ASSETS					
Investments	7	37,984,768	38,028,332	25,332,058	25,920,173
Tangible fixed assets	9	35,398,579	33,302,808	35,398,579	33,242,295
		73,383,347	71,331,140	60,730,637	59,162,468
CURRENT ASSETS					
CURRENT ASSET INVESTMENTS	7	2,000,000	–	2,000,000	–
Debtors	10	1,818,855	1,909,198	1,921,160	2,122,855
Cash at bank		113,327	2,823,155	106,681	2,771,794
		3,932,182	4,732,353	4,027,841	4,894,649
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
Creditors	11	(9,546,247)	(5,149,820)	(9,521,343)	(5,130,136)
NET CURRENT LIABILITIES		(5,614,065)	(417,467)	(5,493,502)	(235,487)
TOTAL ASSETS LESS CURRENT LIABILITIES		67,769,282	70,913,673	55,237,135	58,926,981
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
Creditors	12	(4,661,827)	(4,897,104)	(4,661,827)	(4,897,104)
TOTAL NET ASSETS		63,107,455	66,016,569	50,575,309	54,029,877
Restricted funds	14	293,640	293,919	293,640	293,919
Unrestricted funds	14	62,813,815	65,722,650	50,281,669	53,735,958
TOTAL FUNDS		63,107,455	66,016,569	50,575,309	54,029,877

As permitted by Section 408 of the Companies Act 2006, the statement of financial activities of the parent charity is not presented as part of these financial statements. The parent charity's net expenditure for the financial period was £3,454,289 (2018: £3,100,125 net expenditure).

The financial statements were approved and authorised for issue by the Board of Trustees on and signed on its behalf by: 27th August 2020.


Mr A Chitnis
Chairman of Trustees
27th August 2020


Mr S P Marsden
Bursar and Clerk
27th August 2020

The notes on pages 27 - 43 form part of these accounts.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 August 2019

STONYHURST CONSOLIDATED CASH FLOW STATEMENT

		2019	2018
		£	£
Cash absorbed by operations	16	(6,268)	(4,021,597)
Interest paid		(124,161)	(112,570)
Net cash used in operating activities		(130,429)	(4,134,167)
Investing activities			
Purchase of tangible fixed assets		(2,036,229)	(1,195,020)
Purchase of other investments		(18,227,711)	(3,900,000)
Cash drawdown in listed investments		14,441,950	7,416,060
Proceeds from disposal of investment property		1,098,493	1,000,000
Proceeds on disposal of tangible fixed assets		83,669	457,988
Investment income received		1,098,493	1,422,553
Net cash from investing activities		(3,541,335)	5,201,581
Financing activities			
Repayment of borrowings		(245,044)	(245,044)
Net cash generated from/(used) in financing activities		(245,044)	(245,044)
Net (decrease)/increase in cash and cash equivalents		(3,677,343)	822,370
Cash and cash equivalents at beginning of year		2,823,155	2,000,785
Cash and cash equivalent at end of year		(854,188)	2,823,155
Relating to: -			
Bank balances and short-term deposits		113,327	2,823,155
Bank overdrafts		(967,515)	—
Total		(854,188)	2,823,155

STONYHURST NOTES TO THE ACCOUNTS

For the year ended 31 August 2019

STONYHURST NOTES TO THE ACCOUNTS

LEGAL STATUS

Stonyhurst is an incorporated (private company limited by guarantee) charity (charity no. 1127929, company no.06632303), registered in England. Stonyhurst meets the definition of a public benefit entity under FRS102. The school's address is Stonyhurst, Clitheroe, Lancashire, BB7 9PZ.

The charitable objectives of Stonyhurst are to advance the Roman Catholic religion, and advance education by the conduct of one or more Roman Catholic schools in the charism of the Society of Jesus and by ancillary religious and educational activities for the benefit of the community at large.

The principal activity of Stonyhurst is the provision of education for boys and girls aged 3-18 as a boarding, weekly boarding and day school recruiting pupils locally, nationally and internationally.

BASIS OF ACCOUNTING

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice ("SORP (FRS102)") and Financial Reporting Standard 102. The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated. The financial statements are presented in sterling which is also the functional currency of the school.

BASIS OF CONSOLIDATION

The accounts have been consolidated to include the trading subsidiaries, Stonyhurst College Developments Limited ('DevCo'), Stonyhurst International Limited (dormant) and its separate subsidiary unincorporated charity, Stonyhurst Charitable Fund ("SCF"), all of which are registered in England, United Kingdom.

No separate SOFA has been presented for the individual school alone, as permitted by Section 408 of the Companies Act 2006.

All financial statements are made up to 31 August 2019. The following accounting policies have been applied consistently in dealing with items that are considered material to the school's financial statements.

Reduced disclosures

In accordance with FRS 102, the individual school has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of Stonyhurst:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches; and details of hedges and hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

GOING CONCERN

The trustees have reviewed cash flow requirements for at least the ensuing 12 months and are satisfied that existing facilities are sufficient to support ongoing operations. The trustees have reviewed the rolling 10-year plans for the schools and the Estate.

On the basis of their assessment of the charity's financial position, the trustees have a reasonable expectation that the school will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The COVID-19 pandemic is unprecedented and still evolving and therefore brings challenges and uncertainties, which the trustees have considered in the 'Principal Risks and Uncertainties' section of their Report.

Detailed financial modelling and scenario analysis has been performed. Key assumptions made in this scenario analysis included the ongoing provision of the online learning platform and pastoral support to students for the summer term. The charity has been successful in receiving the Government Business Interruption Loan funding and has also received support from the British Jesuit Province, to manage and meet its cash funding requirements. The charity has also utilised all government backing in the form of the Coronavirus Job Retention Scheme, with over 250 employees being put on furlough and careful consideration of saving costs with the lockdown of the school campus. Any savings made as a result of the closure of the school campus during lockdown have been passed back to the parents as a reduction in the fees charged. In addition, the group has a significant investment portfolio which could be drawn down, if necessary.

Having considered the uncertainties posed by the pandemic, the trustees consider for the above reasons that there are no material uncertainties about the charity's ability to continue as a going concern and have accordingly continued to prepare the financial statements as a going concern.

STONYHURST NOTES TO THE ACCOUNTS

For the year ended 31 August 2019

INCOME

- (i) Fee income represents fees earned in respect of tuition given during the year. Fees received in respect of tuition to be given after the year end are included in creditors as fees received in advance.
- (ii) The contribution by the Community for Food and Provisions, Accommodation and Services is credited to the statement of financial activities.
- (iii) All other income is the amount receivable in the accounting year.
- (iv) Extras, for example school trips, which relate in nature to a banking relationship as opposed to the specific provision of goods by the school, are not included as income.

DONATIONS AND LEGACIES

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the school is considered probable.

Donations received for the general purposes of the school are credited to unrestricted funds to distinguish them from direct school income. Donations subject to specific wishes of the donors are carried to relevant restricted funds, or to endowed funds where the amount is required to be held as permanent capital.

Legacies and bequests are accounted for only when there is sufficient evidence that the legacy will be received and the value of the incoming resource can be measured with sufficient certainty.

EXPENDITURE

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure is summarised under functional headings either on a direct costs basis or for overhead costs, apportioned according to time spent. Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds. Charitable activities include expenditure associated with the objects of the charity and include both the direct costs and support costs relating to this activity. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

TAXATION

The school is a registered charity and therefore it is exempt from income and corporation tax on income and gains falling within chapter 3 Part 11 Corporation Tax Act 2010 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

The subsidiary undertaking, Stonyhurst College Developments Limited, is liable to income and corporation tax on its income and

gains. Gift Aid payments paid to the School (a charity) will reduce the taxable income and gains. The subsidiary is eligible to make gift aid payments to its holding company, the school. Details of Stonyhurst College Developments Limited policy on gift aid can be found within their financial statements.

FIXED ASSETS

- (i) The school land, buildings and residential property were revalued in 2007 by Gerald Eve & Mortimers for the purposes of the transfer of assets from TRCP to a new charitable company. These valuations were updated in 2010 and incorporated into the accounts as at 1 September 2009 as appropriate transfer values and deemed cost. Certain residential properties were reviewed by Mortimers in January 2018 and the trustees impaired those properties on that basis.

- (ii) Motor vehicles, catering and IT equipment are incorporated in the accounts at cost less a provision for depreciation.

IMPAIRMENT OF FIXED ASSETS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the school estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets and residential properties are treated as a revaluation loss. All other impairment losses are recognised in net income/expenditure.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in net income/expenditure or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

INVESTMENT PROPERTIES

Investment properties are valued as individual units at their market values as at the balance sheet date. Rental income is recognised in the period to which it relates and is included within investment income within the Statement of Financial Activities. Purchases and sales of investment properties are recognised on exchange of contracts.

The trustees consider that, because the properties are not held for consumption, but for their investment potential, to depreciate it would not give a true and fair view. The amount of depreciation not included in the financial statements has been quantified on the basis of 2% straight line annual depreciation supplemented by any impairment as appropriate.

STONYHURST NOTES TO THE ACCOUNTS

For the year ended 31 August 2019

INVESTMENT PROPERTIES (CONTINUED)

Investment property is reviewed annually and revalued as required, with the aggregate surplus or deficit is transferred to a revaluation reserve. Details of the current value and historical cost information are given in note 7.

ASSETS UNDER CONSTRUCTION

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 August. They are not depreciated until they are brought into use.

DEPRECIATION

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives.

Depreciation of motor vehicles has been provided at the rate of 25% pa on a reducing balance basis. Depreciation of IT and catering equipment has been provided over 4 years on a straight-line basis. No provision for depreciation of buildings is made, with the exception of new developments, as the school considers that the estimated useful lives of these properties are so long such that any depreciation charge would be immaterial. Newer developments, including Weld House and The Refectory, are depreciated over 25 - 50 years on a straight-line basis. Depreciation on the combined heat and power plant has been provided over a period of 25 years on a straight-line basis.

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.

LIABILITIES

Liabilities are reflected in the Statement of Financial Activities as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

PENSION SCHEMES

Retirement benefits for the school's teaching staff are provided by the Teachers' Pension Scheme (TPS). This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution

scheme. The school's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

A group money purchase scheme (defined contribution scheme) is open to all Support Staff on the basis of matched contributions between employee and employer. Minimum contributions start at 4% of salary and are employer matched up to 6% of salary. The pension scheme was launched in January 2014 and meets all auto-enrolment requirements.

Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the schemes.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense. The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the school is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

FUND ACCOUNTING

Stonyhurst has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted funds

Funds which are expendable at the discretion of the trustees in furtherance of the objects of the school. In addition to expenditure on tuition, such funds may be held in order to finance capital investment and working capital.

Restricted funds

Donations or legacies received which are earmarked by the donor for specific purposes within the overall aims of the school.

FINANCIAL INSTRUMENTS

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

Trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

Bank loans and other loans are initially recognised at their transaction value and subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Investments are initially measured at transaction price and subsequently measured at fair value through net income or expenditure.

STONYHURST NOTES TO THE ACCOUNTS

For the year ended 31 August 2019

LEASES

An asset and corresponding liability are recognised for leasing agreements that transfer to the school substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the statement of financial activities so as to produce a constant periodic rate of interest on the remaining balance of the liability.

All other leases are operating leases and the annual rentals are charged to the statement of financial activities on a straight-line basis over the lease term.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1. SCHOOL FEES

	2019	2018
	£	£
FEES RECEIVABLE		
Total Gross Fees	18,809,511	17,967,576
Less: College allowances, bursaries and scholarships	(3,943,874)	(3,465,446)
	14,865,637	14,502,130
Plus: bursaries, scholarships and awards paid for by restricted funds	286,814	186,006
	15,152,451	14,688,136

The total of £3,943,874 (2018: £3,465,446) provided assistance to 359 (2018:392) individuals. Fee income is generated by the school only and is credited to unrestricted funds in both 2019 and 2018.

2. OTHER ANCILLARY INCOME

	2019	2018
	£	£
Registration	44,266	37,057
Grant commissions and rebates	31,917	40,707
Educational activities	389,589	223,395
Unrestricted	465,772	301,159

Other ancillary income is generated by the school only and is credited to unrestricted funds in both 2019 and 2018.

Critical accounting estimates and assumptions

The school makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The trustees consider that there are no material critical areas of judgement.

KEY SOURCES OF ESTIMATION UNCERTAINTY

Fee debtor provision

A provision for impairment of fee debtors is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections due to financial difficulty of the parents.

Useful life of fixed assets

In making decisions regarding the depreciation of tangible fixed assets, management must estimate the useful life of said assets to the business. The total value of those assets subject to this estimation is £33,753,131 (2018: £33,302,808).

STONYHURST NOTES TO THE ACCOUNTS

For the year ended 31 August 2019

3. DONATIONS & FUNDRAISING

	2019	2018
	£	£
Restricted		
Donations and Annual Fund	131,090	15,877
Bursaries	286,814	186,006
Restricted Other	32,057	139,092
Stonyhurst Children's Holiday Trust	(279)	12,175
	449,682	353,150

4. INVESTMENT INCOME

	2019	2018
	£	£
Rent received	307,874	276,093
Investment income – dividends from listed investments	1,030,708	1,146,460
	1,338,582	1,422,553

5. EXPENDITURE

	2019	2018
	£	£
EXPENDITURE ON CHARITABLE ACTIVITIES INCLUDES:		
Depreciation	702,650	718,636
OTHER EXPENDITURE INCLUDES:		
Amounts payable to RSM UK Audit LLP and its associates		
Audit services		
- Statutory audit of parent and consolidated accounts	17,250	16,750
- Statutory audit of subsidiary accounts	7,625	7,450
- Teachers' Pension Scheme audit	850	1,400
Other services		
- Non-audit services	5,825	5,750
Trustees' expenses – relating to travel and accommodation	23,760	26,410

Expenses were reclaimed by 10 members (2018: 9) of the Governing Body.

FINANCE COSTS	2019	2018
	£	£
Interest on bank loans	124,161	112,570
	124,161	112,570

STONYHURST NOTES TO THE ACCOUNTS

For the year ended 31 August 2019

TOTAL STAFF COSTS COMPRISED:	2019	2018
	£	£
Wages and salaries	10,231,123	9,809,771
Social security costs	920,299	901,382
Pension costs (note 17)	1,230,193	1,082,383
Total	12,381,615	11,793,536

The average number of people (not full-time equivalents) employed by the group during the year were:

	2019	2018
	No.	No.
Teaching/pastoral staff	227	224
Support staff	211	197
Total	438	421

Neither the trustees nor persons connected with them received any remuneration (other than the disclosed expenses overleaf) or other benefits from the school or any connected organisation. The number of employees whose emoluments, including pension and benefits in kind, exceeded £60,000 were:

	2019	2018
	No.	No.
£60,001 - £70,000	9	6
£70,001 - £80,000	4	2
£80,001 - £90,000	1	1
£90,001 - £100,000	—	—
£100,001 - £110,000	1	2
£110,001 - £120,000	1	—
£170,001 - £180,000	1	1

Included in the above higher paid employees were 16 (2018: 11) accruing benefits under defined benefit schemes. Contributions in respect of these individuals totalled £169,143 (2018: £124,487).

Included in the above higher paid employees was 1 (2018: 1) accruing benefits under a defined contribution scheme. Contributions in respect of this individual totalled £15,763 (2018: £8,121).

Key management personnel

The group, and school, considers its key management personnel to comprise the Headmasters and the Bursar. The total employment benefits including employer pension contributions of the key management personnel were £396,083 (2018: £382,804).

STONYHURST NOTES TO THE ACCOUNTS

For the year ended 31 August 2019

6. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs	Other	Depreciation	Total
	£	£	£	£
Expenditure on raising funds				
Trading	143,925	213,508	—	357,433
Interest and bank charges	—	313,544	—	313,544
Investment manager's fees	—	155,456	—	155,456
Fundraising costs	49,809	155,881	—	205,690
Total	193,734	838,389	—	1,032,123
Expenditure on charitable activities				
Teaching costs	8,295,751	1,340,423	251,535	9,887,709
Welfare	1,896,813	767,545	106,806	2,771,164
Premises	896,898	3,021,684	344,309	4,262,892
Support costs of schooling	1,098,419	1,288,601	—	2,387,020
Grants, awards and prizes	—	449,961	—	449,961
Total	12,187,881	6,868,214	702,650	19,758,745
Total resources expended	12,381,615	7,706,603	702,650	20,790,868
Governance costs (included within support costs of schooling)	—	23,760	—	23,760

All expenditure is charged to the unrestricted fund, with the exception of £449,961 (2018: £364,295) of grants, awards and prizes that are charged to the restricted fund.

Support costs include professional fees, stationery, printing, office equipment, telephone and postage costs.

Interest and bank charges include interest payable on bank loans of £124,161 (2018: £112,570).

Included within investment managers' fees above are fees of £61,310 (2018: £59,132) which are incurred within Stonyhurst Charitable Fund.

TAXATION

The charity is a registered charity and therefore it is exempt from income and corporation tax on income and gains falling within Chapter 3 Part 11 Corporation Tax Act 2010 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

All expenditure where relevant is included gross of any irrecoverable VAT.

STONYHURST NOTES TO THE ACCOUNTS

For the year ended 31 August 2019

7. INVESTMENTS

GROUP	Listed investments	Cash	Investment properties	Total
	£	£	£	£
Market value				
At 1 September 2018	31,975,238	299,395	5,753,699	38,028,332
Net additions / (disposals)	3,412,478	373,288	(1,921,197)	1,864,569
Cash drawdown	–	–	–	–
Investment gains	91,867	–	–	91,867
Revaluation of investment property	–	–	–	–
At 31 August 2019	35,479,583	672,683	3,832,502	39,984,768

CHARITY	Listed investments	Cash	Investment properties	Total
	£	£	£	£
Market value				
At 1 September 2018	19,915,161	251,313	5,753,699	25,920,173
Net additions / (disposals)	3,406,123	263,976	(1,921,197)	1,748,902
Cash drawdown	–	–	–	–
Investment gains	(337,017)	–	–	(337,017)
Revaluation of investment property	–	–	–	–
At 31 August 2019	22,984,267	515,289	3,832,502	27,332,058

All listed investments relate to direct investment in listed securities.

	2019	2018
	£	£
Investment assets in the UK	33,350,530	24,901,093
Investment assets outside the UK	6,634,238	13,127,239
	39,984,768	38,028,332

No single listed investment asset value in excess of 5% of the total portfolio.

Investment properties are included at market value. These comprise agricultural and other land and buildings on or surrounding the Stonyhurst Estate which are not used for the charity's own purposes.

On historical cost basis investment properties would have been included at:

Investment Property	2019	2018
	£	£
Deemed cost	2,351,414	2,906,280
Aggregate depreciation	431,290	423,153

STONYHURST NOTES TO THE ACCOUNTS

For the year ended 31 August 2019

8. SUBSIDIARIES

Profit and loss account for year ended 31 August 2019	Stonyhurst College Developments Limited
	£
Turnover	358,342
Cost of sales	348,829
Gross profit	9,513
Administrative expenses	873
Net profit	8,640
Loan interest payable to Stonyhurst	7,731
Net profit	909
Balance sheet as at 31 August 2019	
Tangible fixed assets	–
Debtors	95,491
Cash at bank	6,646
Creditors	(39,402)
Net current assets	62,375
Total assets less current liabilities	62,375
Stonyhurst loan	(183,296)
Net liabilities	(120,560)
Share capital	3
Retained loss	(120,563)
Shareholder's funds	(120,560)

The charity has a 100% control in its trading subsidiary which is registered in England. Stonyhurst College Developments Limited promotes commercial activities which use the school's assets to produce income from lettings and outside membership of the swimming pool.

Any taxable profit is covenanted to Stonyhurst. Summaries of the trading results and balance sheet are shown above. Audited accounts will be filed with the Registrar of Companies.

The company has accumulated retained losses and therefore requires the financial support of Stonyhurst in order to continue to trade. The results of the company are consolidated with the results of Stonyhurst.

STONYHURST NOTES TO THE ACCOUNTS

For the year ended 31 August 2019

8. SUBSIDIARIES (CONTINUED)

Statement of Financial Activities (Incorporating Income and Expenditure Account) as at 31 August 2019	Stonyhurst Charitable Fund
	£
INVESTMENT INCOME	
Dividend income	423,222
TOTAL INCOME	423,222
EXPENDITURE	
COST OF RAISING FUNDS	
Investment management fees	(61,310)
CHARITABLE ACTIVITIES	
Grants to Stonyhurst College	(246,245)
TOTAL EXPENDITURE	(307,555)
Net gains on investment assets	428,884
NET MOVEMENT IN FUNDS	544,551
RECONCILIATION OF FUNDS	
Total funds brought forward	12,108,162
TOTAL FUNDS CARRIED FORWARD	12,652,713
Balance sheet as at 31 August 2019	
INVESTMENTS	
Quoted investments	12,482,475
Short-term deposits	170,238
	-
FUNDS	
Unrestricted funds	12,652,713

STONYHURST NOTES TO THE ACCOUNTS

For the year ended 31 August 2019

9. TANGIBLE FIXED ASSETS

GROUP	School land and buildings	IT & catering equipment	Residential properties	Motor vehicles	Assets under construction	Total
	£	£	£	£	£	£
Cost (or frozen* valuation)						
Brought forward	15,595,290	1,421,152	18,731,440	319,489	380,309	36,447,680
Additions	1,628,295	224,473	53,866	37,200	92,395	2,036,229
Disposals	(63,033)	-	-	-	-	(63,033)
Transfers	-	-	822,704	-	-	822,704
As at 31 August 2019	17,160,552	1,645,625	19,608,010	356,689	472,704	39,243,580
Depreciation						
Brought forward	1,691,014	1,020,710	-	240,724	192,424	3,144,872
Charge for the year	424,647	251,535	-	28,989	-	705,171
Disposals	(5,042)	-	-	-	-	(5,042)
As at 31 August 2019	2,110,619	1,272,245	-	269,713	192,424	3,845,001
As at 31 August 2019	15,049,933	373,380	19,608,010	86,976	280,280	35,398,579
As at 31 August 2018	13,904,276	400,442	18,731,440	78,765	187,885	33,302,808

CHARITY	School land and buildings	IT & catering equipment	Residential properties	Motor vehicles	Assets under construction	Total
	£	£	£	£	£	£
Cost (or frozen* valuation)						
Brought forward	15,532,257	1,421,152	18,731,440	319,489	380,309	36,384,647
Additions	1,628,295	224,473	53,866	37,200	92,395	2,036,229
Disposals	(63,033)	-	-	-	-	63,033
Transfers	-	-	822,704	-	-	822,704
As at 31 August 2019	17,160,552	1,645,625	19,608,010	356,689	472,704	39,243,580
Depreciation						
Brought forward	1,688,493	1,020,710	-	240,725	192,424	3,142,352
Charge for the year	422,126	251,535	-	28,988	-	702,649
Disposals	-	-	-	-	-	-
As at 31 August 2019	2,110,619	1,272,245	-	269,713	192,424	3,845,001
As at 31 August 2019	15,049,933	373,380	19,608,010	86,976	280,280	35,398,579
As at 31 August 2018	13,843,764	400,442	18,731,440	78,764	187,885	33,242,295

STONYHURST NOTES TO THE ACCOUNTS

For the year ended 31 August 2019

9. TANGIBLE FIXED ASSETS (CONTINUED)

The school land and buildings were revalued at "zero" by Gerald Eve, an independent firm of Chartered Surveyors, as at 16 November 2007, for the purposes of the transfer of assets from TRCP to a new charitable company. This reflects the unique nature of the school's historic buildings, the level of repairing liability, and the ongoing maintenance obligations. A boarding house, Weld House, was completed during 2011/12 and a refectory was completed during the 2014/15 and included in school land and buildings.

*The school had elected, in accordance with Section 35.10(d) of FRS102, to use the carrying value on 1 September 2014, the date of transition to FRS102, of any of the above residential properties previously carried at a valuation, as their deemed cost. The residential properties were revalued by Mortimers, a firm of independent Chartered Surveyors, as at 1 September 2014. This value was used as deemed cost with any subsequent enhancement expenditure being capitalised. In January 2018 certain residential properties were reviewed by Mortimers, and an impairment charge of £507,383 was recognised in the financial statements for the year ended 31 August 2017. For the year ended 31 August 2019, no such impairment charge is required.

In February 2020 residential properties were reviewed by Carter Jonas, a firm of independent Chartered Surveyors, and these were valued to be £18,994,116 which is an uplift of £1,031,614. As it is the school's policy to measure the residential properties at historic cost less any impairment, the properties have remained at the same value.

10. DEBTORS

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	654,448	570,002	578,302	525,975
Prepayments and accrued income	62,266	231,526	62,266	231,526
Other debtors	78,804	74,333	59,459	74,333
Secured loan	1,023,337	1,033,337	1,023,337	1,033,337
Amount due from group undertakings	–	–	197,796	257,684
	1,818,855	1,909,198	1,921,160	2,122,855

Secured loan above relates to a £1m loan to the Christian Heritage Centre (an independent charity which has restored and leased Theodore House within the grounds of Stonyhurst). The loan is secured on the Theodore House building.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Bank loan and overdraft	1,212,558	245,043	1,212,558	245,043
Creditors and accrued expenses	548,677	674,834	548,678	674,834
Fees received in advance (includes parental deposits)	5,188,400	3,793,024	5,188,400	3,793,024
Other taxes and social security	280,861	267,772	255,959	248,088
Other creditors	2,315,751	169,147	2,315,748	169,147
	9,546,247	5,149,820	9,521,343	5,130,136

The bank loan is secured by charges dated 18 December 2009 and 8 March 2012 over marketable securities held as part of the group's investment portfolio.

STONYHURST NOTES TO THE ACCOUNTS

For the year ended 31 August 2019

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

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Bank loan	4,064,476	4,309,520	4,064,476	4,309,520
Parental deposits	597,351	587,584	597,351	587,584
	4,661,827	4,897,104	4,661,827	4,897,104

	2019	2018
	£	£
Bank loans amounts payable within:		
1 year	245,043	245,043
1 to 2 years	245,043	245,043
2 to 5 years	3,819,433	4,020,038
More than 5 years	–	44,439
	4,309,519	4,554,563

Bank loans comprise a loan of £800,000 (with a balance which now stands at £560,000) repayable in quarterly instalments with a fixed interest rate over LIBOR, and a loan of £4,900,000 (with a balance which now stands at £3,994,563) with annual repayments of £213,044 which commenced in June 2014 with a final payment of £3,284,909 due in December 2021. The latter loan accrues interest at a fixed interest rate over LIBOR.

The bank loan is secured by charges dated 18 December 2009 and 8 March 2012 over marketable securities held as part of the group's investment portfolio.

Overseas parents pay to the school a deposit of £2,000 in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the school, refundable deposits will be applied as follows:

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Within 2 to 5 years	298,676	293,792	298,676	293,792
Within 1 to 2 years	298,675	293,792	298,675	293,792
	597,351	587,584	597,351	587,584
Within 1 year (included within fees in advance within note 11)	150,000	150,000	150,000	150,000
	747,351	737,584	747,351	737,584

STONYHURST NOTES TO THE ACCOUNTS

For the year ended 31 August 2019

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

Parents may pay to the school a number of years' fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice.

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Within 2 to 5 years	–	–	–	–
Within 1 to 2 years	587,584	293,792	587,584	293,792
Within 1 year (included within fees in advance within note 11)	3,793,024	3,349,232	3,793,024	3,349,232
	4,380,608	3,643,024	4,380,608	3,643,024

13. FINANCIAL INSTRUMENTS

	Group	
	2019	2018
	£	£
Financial assets		
Debt instruments measured at amortised cost	1,756,589	1,677,672
Financial liabilities		
Measured at amortised cost	5,933,434	5,292,451

14. ALLOCATION OF CHARITY NET ASSETS – 31 AUGUST 2019

	Fixed Assets	Net Current Assets	Long-Term Liabilities	Total
	£	£	£	£
GROUP				
Unrestricted funds (note 15)	75,089,428	(7,613,785)	(4,661,827)	62,813,816
Restricted (note 15)	293,919	(279)	–	293,640
	75,383,347	(7,614,064)	(4,661,827)	63,107,455
CHARITY				
Unrestricted funds (note 15)	62,436,718	(7,493,222)	(4,661,827)	50,281,669
Restricted (note 15)	293,919	(279)	–	293,640
	62,730,637	(7,493,501)	(4,661,827)	50,575,309

STONYHURST NOTES TO THE ACCOUNTS

For the year ended 31 August 2019

15. FUNDS

RESTRICTED FUNDS	Balance 1 September 2018	Incoming Resources	Resources Expended	Balance 31 August 2019
	£	£	£	£
GROUP AND CHARITY				
Donations and Annual Fund	251,651	449,682	(449,961)	251,372
Stonyhurst Children's Holiday Trust	42,268	–	–	42,268
	293,919	449,682	(449,961)	293,640

The Donations and Annual Fund is restricted as it comprises donations for specific purposes, including capital development work and for bursaries. The Stonyhurst Children's Holiday Trust is restricted as it comprises donations for the specific use of organising and administering holiday weeks for disabled children.

UNRESTRICTED FUNDS	Revaluation reserve	Other Unrestricted Funds	Total
	£	£	£
GROUP			
Balance brought forward as at 1 September 2018	3,484,813	62,237,837	65,722,650
Net expenditure before gains/losses on investment assets	–	(3,000,702)	(3,000,702)
Net gains on investment assets	–	91,867	91,867
Balance carried forward as at 31 August 2019	3,484,813	59,329,002	62,813,815

	Revaluation reserve	Other Unrestricted Funds	Total
	£	£	£
CHARITY			
Balance brought forward as at 1 September 2018	3,484,813	50,251,145	53,735,958
Net expenditure before gains/losses on investment assets	–	(3,117,272)	(3,117,272)
Net gains on investment assets	–	(337,017)	(337,017)
Balance carried forward as at 31 August 2019	3,484,813	46,796,856	50,281,669

STONYHURST NOTES TO THE ACCOUNTS

For the year ended 31 August 2019

16. CASH FLOW STATEMENT

	2019	2018
	£	£
Net (expenditure)/income	(£2,909,114)	(2,585,058)
Adjustments for:		
Gains on investment assets	(91,867)	(628,907)
Realised gains on investment properties	–	–
Revaluation on investment properties	(277,296)	–
Interest payable	124,161	112,570
Investment income	(1,338,582)	(1,422,553)
Depreciation charge	705,171	718,636
Impairment of tangible fixed asset (net of reallocations)	–	–
Loss on disposal of tangible asset	(25,058)	18,556
	(3,812,585)	(3,786,756)
Movement in working capital		
Increase/(Decrease) in debtors	90,342	(700,056)
Increase in creditors	3,438,679	465,215
Net cash (outflow)/inflow from operating activities	(6,268)	(4,021,597)

17. PENSION SCHEMES

VALUATION OF THE TEACHERS' PENSIONS SCHEME

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest Actuarial Valuation was carried out as at 31 March 2016 in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation being 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.

STONYHURST NOTES TO THE ACCOUNTS

For the year ended 31 August 2019

SUPPORT STAFF PENSION SCHEME

The Stonyhurst Pension Scheme is a defined contribution scheme available to support staff. Contributions are charged to the statement of financial activities as they become payable. Contributions to the scheme during 2019 totalled £448,218 (2018: £196,097). Pension Contributions paid to TPS in the year amounted to £1,297,278 (2018: £1,234,863) of which £781,975 (2018: £777,963) related to employees' contributions. At year end £nil (2018: £nil) was accrued in respect of contributions to this scheme.

18. RELATED PARTIES

Related parties consist of the Stonyhurst Charitable Fund (charity no. 265478) whose corporate trustee is Stonyhurst, and Stonyhurst College Developments Ltd (company no. 1482392) whose shares are held in the name of Stonyhurst.

Stonyhurst College Developments Limited paid back to Stonyhurst an amount of £53,118 (2018: received a loan of £139,377). The balance outstanding as at 31 August 2019 was £197,796 (2018: £243,184). There is interest due on this loan of £7,730 (2018: £7,098).

Stonyhurst Charitable Fund has provided a grant to Stonyhurst of £246,245 (2018: £343,849). No amounts were outstanding at 31 August 2019.

Related parties also consist of the Stonyhurst Foundation and Christian Heritage Centre who both share common trustees with Stonyhurst.

Stonyhurst is holding funds of £2,257,466 (2018: £Nil) on behalf of the Stonyhurst Foundation. The amount is included in investments and other creditors.

The Christian Heritage Centre repaid £10,000 (2018: Stonyhurst loaned £1,000,000) to Stonyhurst in the year. Interest of £33,337 (2018: £33,337) was charged on this loan. The capital amount due to Stonyhurst is £1,000,000 (2018: £1,000,000) with interest due of £23,337 (2018: £33,337).

Stonyhurst has three Members who are appointed by the Trustee of the Society of Jesus (Trustees for Roman Catholic Purposes "TRCP") after consultation with the Chairman of Trustees. There have been no transactions with TRCP during the year.

19. CONTINGENT LIABILITIES

Except with the prior written consent of the TRCP, Stonyhurst is required to pay £16m to the TRCP in the event that either both schools close or merge or transfer to a third party.

20. CAPITAL COMMITMENTS

Stonyhurst had the following capital commitments as at 31 August 2019:

Hurst Green Development - £1,052,606 is committed to be paid in respect of the 5 houses Stonyhurst will be purchasing as part of the development agreement.

Christian Heritage Centre (Theodore House) – a further £58,000 is committed as part of an on-going commitment to complete works associated with the site.

21. COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases in respect of IT equipment are as follows:

	2019	2018
	£	£
Amounts due:		
Within one year	36,383	36,383
Between one and five years	51,600	87,983
	87,983	143,888

22. POST BALANCE SHEET EVENTS

On 11 March 2020 the World Health Organisation declared a pandemic in relation to the coronavirus outbreak, and on 23 March 2020 the UK Government imposed strict 'lockdown' controls, meaning that only essential businesses should continue to operate as normal. As an independent boarding school this has severely impacted our ability to provide our normal levels of service. We successfully launched Stonyhurst Anywhere, an excellent online teaching experience for all our pupils; however, due to not being able to open the school our current fee income levels have been affected. We have introduced cost-saving initiatives including taking advantage of government assistance where available. We have furloughed over 250 staff members, who are not involved in the delivery of the continued education through Stonyhurst Anywhere, along with applying for the Government backed CBILS (Coronavirus Business Interruption Loan Scheme) and support from the British Jesuit Province. Although this currently puts the organisation in a strong position from a trading perspective, it is nevertheless difficult to quantify what overall effects the situation will have until the pandemic comes to an end.



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