

Company No. 81130

Charity No. 311057



# *Bishop's Stortford College*

**THE INCORPORATED  
BISHOP'S STORTFORD COLLEGE ASSOCIATION**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
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**YEAR ENDED 31<sup>st</sup> JULY 2020**

Contents	Page
Governors, Directors and Charity Trustees	2
Annual Report	3-14
Directors' Report	3-13
Energy Report	13
Strategic Report	14 - 19
Statement of Accounting and Reporting Responsibilities	20
Independent Auditor's Report	21-22
Statement of Financial Activities	23
College Balance Sheet	24
Cash-flow Statement	25
Notes to the Financial Statements	26-43

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

## GOVERNORS, DIRECTORS AND CHARITY TRUSTEES

The Governors of the Incorporated Bishop's Stortford College Association are the trustees of the charity and the directors of the charitable company. The trustees who served on the Governing Council during the year were:

	1	2	3	4	5	6	
G. E. Baker, (Chairman)	•	•	•	•	•		
I. M. Pearman (Vice Chair)	•		•	•			Chair of Development Committee, resigned as Chair of Estates Committee 1 <sup>st</sup> September 2020
D. M. Alexander			•				Elected as Chair of Estates Committee from 1 <sup>st</sup> Sep 2020
G. W. W. Barker		•					
A. J. W. Conti				•		•	
P. E. Dodd		•					
M. Goitiandia		•			•		Resigned as Chair of Nominations Committee and Governor on 20 <sup>th</sup> September 2020
P. J. Hargrave		•	•	•	•		Elected as Chair of Nominations Committee from 20 <sup>th</sup> September 2020.
R. C. V. Harrison	•			•		•	Chair of the Finance Committee
P. Mullender		•		•			Chair of the Education Committee
S. Nurbhai		•			•		
C. P. Solway			•				
D. F. Thomson	•		•	•			

1. Member of the Development Committee.
2. Member of the Education Committee.
3. Member of the Estates Committee.
4. Member of the Finance Committee.
5. Member of the Nominations Committee.
6. Parent of a pupil at the College.

The following were Representative Governors: G. W. W. Barker, A. J. W. Conti, P. E. Dodd, R. C. V. Harrison, S. Nurbhai and C. P. Solway.

### OFFICERS OF THE COLLEGE:

**Headmaster:** J.M. Gladwin, retired 31<sup>st</sup> August 2020.

**Secretary and Bursar:** P.M Stanley

### ADVISERS:

**Bankers:** Lloyds TSB Bank plc, 20 North Street, Bishop's Stortford, Hertfordshire, CM23 2LN

**Auditors:** Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

**Solicitors:** TEES, Tees House, 95 London Road, Bishop's Stortford, Hertfordshire, CM23 3GW  
 Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol BS1 4QA

**Insurance:** Endsleigh Insurances (Brokers) Limited, Shurdington Road, Cheltenham Spa, Gloucestershire, GL51 4UE

### OTHER INFORMATION:

**Address and Registered Office:** 10 Maze Green Road, Bishop's Stortford, Hertfordshire, CM23 2PJ

**Website:** [www.bishops-stortford-college.herts.sch.uk](http://www.bishops-stortford-college.herts.sch.uk)

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

The Governors, who are also the directors and charity Trustees, have pleasure in submitting their one hundred and sixteenth annual report together with the audited financial statements for the year, and confirm they comply with the requirements of the Memorandum and Articles of Association, the Charities Act 2011 and the Companies Act 2006.

## **DIRECTORS' REPORT**

### **REFERENCE AND ADMINISTRATION INFORMATION**

1. The Incorporated Bishop's Stortford College Association, known as Bishop's Stortford College ("the College") was founded in 1868. It is constituted as a private limited company (Number 81130) with charitable status (Number 311057). The College operates three schools known as the Pre-Prep, the Prep School and the Senior School.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Document**

2. The College is governed by its Memorandum and Articles of Association incorporated on 2<sup>nd</sup> June 1904, as amended by Special Resolutions, passed on 30<sup>th</sup> June 1978 and 29<sup>th</sup> June 2001 and further amended by determination on 20<sup>th</sup> March 2015. The Governors continued to keep the Memorandum and Articles under review to ensure they remain appropriate.

#### **Governing Body**

3. The Governing Council is a self-appointing body that may comprise of up to ten elected Governors and six representative Governors. Up to, but no more than, one third of the elected body is required to retire by rotation each year. They are then eligible for re-election at the Annual General Meeting should they wish to stand. There is one Governing Body for all parts of the College and the Governors, executive officers, principal advisors and business addresses are listed on [page 2](#) above.
4. Representative Governors are nominated by the Baptist Union and the United Reformed Church. In addition, the Memorandum and Articles permit four other suitable representatives such as College parents, to serve on the Governing Council. Representative Governors retire each year but are eligible for re-election should they wish to stand. Parent Governors play an important role in bringing the views of the parent community to the attention of the Governing Council.

#### **Recruitment of Governors**

5. A Nominations Committee is responsible for identifying, interviewing and recommending candidates who are not representatives of outside bodies to join the Governing Council. After considering the candidate's eligibility, personal competence, skills and availability, the Governing Council decide, by a vote, to either accept or reject the nominated person. The Baptist Union and the United Reformed Church identify and recommend their own representatives to the elected Governors. The Governing Council then decide, by a vote, to either accept or reject the recommended person.

#### **The Charity Governance Code**

6. The Trustees are aware of the Charity Governance Code published in 2018 which sets out the principles and recommended practice for good governance within the sector. The Trustees are satisfied that the Charity applies the principles of the code within its current Governance arrangements.

#### **Training of Governors**

7. New Governors are inducted into the workings of the College, including the policies and procedures of the Governing Council and its Committees, by a series of meetings with the Chairman and the Clerk to the Governing Council and through opportunities to attend during their first year, committee meetings. External courses are also made available to incoming Governors as part of their induction process. Governors are encouraged to further develop their skills and knowledge, by attending relevant seminars, training events and presentations.

#### **Organisational Structure**

8. The Governors, as the Trustees of the Charity, are legally responsible for the overall control and supervision of the College and they meet as a full Governing Council no less than three times per year. In between meetings, the Chair of the Governing Council, or the Vice Chair in their absence, are available to provide guidance or advice to the College if it is needed. In addition to the work of the Nominations Committee, the work of devising and implementing the majority of the policies agreed by the Governing Council is devolved to one of the following four Committees, which meet once each term:
  - Education Committee, which is responsible for academic, pastoral, staffing, welfare and other operational issues.
  - Estates Committee, which is responsible for the built estate, staff accommodation, maintenance, leasing of property, health and safety, security and building project planning.
  - Finance Committee, which is responsible for financial planning and investment strategies, as well as, scrutinising revenue and capital expenditure, the budget, salaries and monitoring agreed key performance indicators.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

- Development Committee, which is responsible for scrutinising strategies and plans to raise additional funds via grants, gifts, legacies and endowments and to foster links with alumni, friends and other like-minded organisations.

In addition, during the year, the Governing Council established a Project Working Group to provide oversight of major College projects, a Remuneration Working Group and a Contingency Working Group to review external risks and identify appropriate planning and mitigation of those risks.

As part of the strategic planning process the Governing Council meets annually at an 'Away Day' to discuss matters of importance, to review key documents and policies, as well as considering future plans and initiatives.

#### **Structure of the Charity**

9. The College comprises three schools, three cross college departments, a support organisation and a Development Office as follows:
  - **Pre-Prep.** The Pre-Prep comprises three year groups from the age of 4. The Pre-Prep operates from purpose-built facilities.
  - **Prep School.** The Prep School comprises six year groups from the age of 7 (Year 3). From the Pre-Prep the children move to the Shell which provides a transition from the Pre-Prep into the Prep School, which offers subject-based teaching from the age of 9 (Year 5). The transfer age to the Senior School is 13 (Year 9).
  - **Senior School.** The Senior School has five year groups and prepares pupils for the GCSE and A-Level public examinations, university entrance and for adult life.
  - **Cross College Departments.** Learning Support, Music and Sport are taught across the three schools by single departments. In this way we make best use of specialist teaching, coaching and support staff and are able to develop skills from an early age.
  - **College Professional Services.** College Professional Services provide College-wide support to all sections. The main functions are: bursary administration, marketing and admissions, finance, information technology services, human resources, estates and facilities, health & safety, development, commercial and medical.
  - **Development Office.** The Development function reports directly to the Bursar and is responsible for raising additional funds through grants, gifts, legacies and endowments. In addition, it also encourages other non-financial gifts to the College such as offers of work experience to current pupils, and supports the College's relationship with its alumni.

#### **Management Structure and Other Relationships**

10. The day-to-day running of the College was delegated to the Headmaster who was also the Senior School Head. The three schools were managed by the Senior School Head and Management Team, the Prep School Head and Management Team and the Head of Pre-Prep.

The College Headmaster, the Prep School Head, the Head of Pre-Prep and the Bursar were the Key Management Personnel (the College Executive Team) who met regularly throughout the year. The Headmaster and Bursar also attend all meetings of the Governing Body, almost all of which are also attended by the Prep School Head and the Head of Pre-Prep.

Jeremy Gladwin, retired in August 2020 as Headmaster of Bishop's Stortford College, having taken up post in 2011 and delivered the most significant period of development in the history of the College. He is replaced by Kathy Crewe-Read, as the new Head of the College. Kathy was Head of Wolverhampton Grammar School, an award-winning co-educational day school, where she has been Head since 2013.

11. The College remained a selective co-educational day and boarding school that offers, in return for a fee, an education from the age of 4 to 18. The desired outcome was for pupils to achieve suitable public examination grades to allow them to make rewarding choices about their future. As part of the provision, pupils were given assistance in applying for university, work or gap year travel.
12. To support the attainment of the highest standards, the College actively interacted with other schools through membership of the Headmasters' and Headmistresses' Conference, the Independent Association of Preparatory Schools and the Independent Schools Bursars' Association, and, in the local area, through the Headmaster's membership of the Bishop's Stortford Educational Trust (see paragraph 41).

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

13. The Governors, via the Development Office, encouraged the fostering of links between former pupils, parents and present-day students. The College thus encouraged membership of an active society of ex-pupils, known as Old Stortfordians (OS), who meet on a regular basis at the College and other venues. The College benefited from the generosity of its former pupils, whose support continued to be greatly appreciated.

The volunteer support of parent groups, such as the Friends of the Prep School, was similarly valued. To develop these links further the College retained a programme that includes Parent Evenings and links with the wider community. These were considered to be an important aspect of ensuring the delivery of the charitable aims of the Trust.

14. Remuneration is set by the Governing Body, with the policy objective of attracting and retaining talented and motivated people to deliver the College's charitable purpose and it recognises that it is primarily dependent on our key management personnel. The appropriateness and relevance of the remuneration is reviewed annually, including reference to comparisons with other organisations and benchmarking reports to ensure that the College remains sensitive to the broader issues of pay and employment conditions elsewhere.

#### **Employment Policy**

15. The Governing Council recognised that staff engagement was vital to the success of the College, and appreciated the contribution made by academic and non-academic staff to that success. Senior management promoted a culture of cooperation and partnership between staff in different sections and departments within the College. The aim was to create a culture of mutual respect, and good internal communications. The College remained an equal opportunities employer and was fully committed to safeguarding and promoting the welfare of children. Accordingly, recruiting procedures for College staff followed published guidance. At least one member of any interview panel will have attended 'Safeguarding and Recruitment' training and all appointments are subject to Executive safer recruiting review before employment commences.
16. The Governing Council and management were committed to staff development. Training was delivered as part of an ongoing INSET programme to meet identified priorities. All staff who were new to the College received induction training that included the College's safeguarding policies and guidance on safe working practices. Senior leadership development was facilitated through 360 degree feedback.

#### **Equality Policy**

17. The College's equality policy applies to all the pupils, staff and visitors at Bishop's Stortford College and is held on the College website. The policy sets out how the College's practice and policies have 'due regard' to the need to
- Eliminate discrimination, harassment and victimisation;
  - Advance equality of opportunity; and
  - Foster good relations between groups.

It explains how the College aims to listen to and involve pupils, staff, parents and the community in achieving better outcomes for its children and young people. The College's aim is for everyone to be able to take an active part within the College community, where everyone feels valued, understands their rights and are respectful of the rights of others.

The equality policy also includes the College's vision statement on equality:

The College seeks to foster warm, welcoming and respectful environments, which allow us to question and challenge discrimination and inequality, resolve conflicts peacefully and work and learn free from harassment and violence. We recognise that there are similarities and differences between individuals and groups, but we will strive to ensure that our differences do not become barriers to participation, access and learning and to create inclusive processes and practices, where the varying needs of individuals and groups are identified and met. We therefore cannot achieve equality for all by treating everyone the same. We will build on our similarities and seek enrichment from our differences, and so promote understanding and learning between and towards others to create cohesive communities.

#### **Investment policy and objectives**

18. The College's investment objectives are to balance the current and future needs by:

- maintaining (at least) the value of the investments in real terms;
- producing a consistent and sustainable amount to support expenditure; and
- delivering these objectives within acceptable levels of risk.

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification in order to produce an appropriate balance between risk and return. The investment strategy is monitored by the Finance Committee, as is investment performance, which is reported below within the Strategic Report.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

**Charitable Objects**

19. The objects of the Charity, as set out in its Trust Deed, can be summarised as to promote and provide for the advancement of education and thus, to conduct, carry on or acquire and develop in England any boarding or day school for the education of children.

In addition, some small trust funds are held to make awards for purposes specified by the donor, embracing both the development of the College's facilities and the provision of funds for bursaries, scholarships, prizes and other educational purposes.

20. The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the general and sub-sector guidance issued by the Charity Commission. In this connection, the Governing Council monitored the guidance on public benefit produced by the Charity Commission together with its supplemental guidance on fee-charging.
21. In furtherance of these objects the College currently operates three schools: the Prep-Prep, Prep School and the Senior School. In addition, the College administered bursaries, grants and awards, as well as managing property, endowments, bequests and gifts given, or established, in pursuance of these objects.

**Governors' Vision for the College**

22. It remains the Governors intention that the College should offer the opportunity of an all-through education to the age of 18 to those who would benefit from it. It is the vision of the Governors that over the next period the College should deliver:

- Continued enhancement to the quality of education provided to ensure exceptionally good outcomes for all pupils;
- some opportunities for further growth in the size of the school, and in the proportion of its pupils who board on a full time or weekly basis, without reducing the quality of the intake;
- development of the curriculum, accommodation and facilities at a pace consistent with that growth and with financial prudence;
- increased involvement and success in a variety of non-academic endeavours;
- hardworking, well-motivated and happy pupils who are helped to understand, and to meet, their life aspirations;
- a contented, appropriately trained and developed, effective and well directed workforce of academic and other staff;
- well managed income and expenditure making possible, during a time of some financial uncertainty, further improvements to the quality of education provided and, at the same time, recognise the challenges of fee affordability; as well as
- a caring, inclusive, safe and attractive environment for all who learn and work at or visit the College.

**Ethos, Aims and Intended Impact.**

23. The Trustees were mindful of the guidance issued by the Charity Commission about the need to provide public benefit and on fee charging, as well as the requirements of the Charities Act 2011. The Governing Council monitored the activities of the College closely to ensure its aims and activities aligned with the guidance and the requirements of the Act.
24. The College remained first and foremost a place of learning but was also a place where children enjoyed opportunities to become fulfilled, confident, skilful and happy young men and women. It was the College's aim to provide this process of all round growth, academically, morally, spiritually, athletically and creatively. Every pupil was encouraged, taught and challenged to fulfil his or her true potential, by being immersed in an environment of discovery and committed participation. The College thus allowed time and space for academic work to be balanced by sport, art, music, drama and a diverse choice of other extra-curricular activities, including community service.
25. The College had its roots in the Christian faith, but welcomes and values young people from all faiths and none. It encouraged each pupil's spiritual discovery and expression in work overseen by the College Chaplain. The College House system was at the heart of the experience offered to pupils.

The aim of the House system is to provide small enough units to achieve a real sense of belonging and community, and the family atmosphere that results is, quite deliberately, a strong one. Through this approach, the College aimed to allow its young people to acquire a confidence in their relationships both with each other and also with adults.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

26. The College gave sixth formers, as they approach adulthood, opportunities to exercise responsibility and leadership as well as to show appropriate care and concern for others. The aim was that as the result of an education here, they should be sufficiently self-confident to contribute constructively to society at large and play a full role in it, whatever their chosen path.
27. Overall, the College aimed to provide a secure and structured community for all its pupils, in which they can fulfil their potential while learning to live and work together in a spirit of co-operation, kindness, respect and enthusiasm.

**Primary Objectives**

28. Governors place great importance on ensuring that the College:
- remained academically strong, but without losing a breadth of education that ensured that pupils leave as well-rounded, socially responsible, articulate and confident individuals;
  - achieved levels of success in public examinations that both maintained the College's standing but also ensured that all pupils achieve their full potential;
  - promoted activities that encourage pupil participation with an aim of fostering an interest in the arts, music and drama, and a desire to participate helpfully in the wider community;
  - developed the provision of, and participation in, the sports played at the College so that skills are developed and team spirit and a winning mentality fostered;
  - provided financial assistance to those who would benefit from an education at the College, but would without such assistance be precluded from it; and, in furtherance of these objectives;
  - planned for, such development of the College facilities as the Governors, on advice from the Headmaster and the Bursar, judged necessary.

**Strategies to achieve the Primary Objectives**

29. The strategies adopted this year to achieve the Governing Council's objectives include:
- promoting high academic standards through:
    - an appropriately sized scholarship scheme and a mentoring scheme for those scholars;
    - the recruitment of high quality academic staff and succession planning for future staffing needs;
    - reviews of academic value added by the College to identify academic strengths and weaknesses;
    - continued enhancement of learning support provision; and
    - encouragement of academic ambition beyond school through the College's Higher Education and Careers Department
  - providing a tried and tested, House-based, pastoral care system;
  - providing extracurricular and sporting opportunities for each pupil;
  - maintaining a Development Fund to help finance the improvement of College facilities;
  - maintaining a full pupil roll;
  - offering a broad range of subjects at public examinations to sustain the appeal of the College and the opportunities available to its pupils;
  - encouraging a happy and well-motivated workforce delivering an effective and broad education;
  - providing all staff, academic and non-academic, with appropriate training and development opportunities;
  - the operation of performance management procedures;
  - re-investing the operating surplus in the College infrastructure;
  - actively promoting its means-tested financial assistance (bursary) programme for pupils; and, where possible
  - sharing the College facilities with local schools and charitable community groups.



**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

30. Governors also:

- kept under review the:
  - Memorandum and Articles to ensure they remained relevant;
  - Its Business Plan; and
  - The Head of College's Development Plan.
- reviewed College policies and supporting procedures on a rolling cycle; and
- prepared for external inspections and audits: ISI, Boarding, UKVI etc., so that the College passes these tests and, thereby, enhances its reputation in the local and wider community.

31. The Governing Body continued with the delivery of a number of major projects, subject to available funding. In particular, the Governors focussed on the completion of the Site Master plan and the preparation for the completion of the School House project that will provide 12 new classrooms for the Senior School and a new home for College administration.

**Principal Activity**

32. The principal activity was to provide an education to children between the ages of 4 and 18 in a co-educational day/boarding environment. The number of pupils at the College at the end of the year was:

33.

Form	Pre-Prep			Prep School						Senior School					Totals
	R	P1	P2	LS	US	FI	F2	L3	U3	4F	L5	U5	L6	U6	
Totals	40	36	43	60	65	64	80	100	106	114	113	115	121	119	1176

Due to the national COVID-19 lockdown, the College's five boarding houses were not operational during the Summer Term. The number of boarders at the end of the Spring Term was:

Form	Prep School						Senior School					Totals
	LS	US	FI	F2	L3	U3	4F	L5	U5	L6	U6	
Full/Weekly	0	1	0	0	5	6	13	13	15	21	26	100
2/3 Day							22	16	11	12	5	66
Flexi-Boarders	1	0	2	9	6	15						33
Total Boarders	1	1	2	9	11	21	35	29	26	33	31	199

34. To ensure the College continued to have a strong financial base and as wider reflection of outside society as possible, the key management team placed considerable emphasis on marketing the College, particularly on future admissions for the younger age groups and on attracting pupils from a wide range of social backgrounds. As a result, the numbers of potential pupils who are recorded as prospective pupils and have an interest in joining the College for entry up until 2025, are:

35.

Year of Entry	Prospective	Previous Year
2020	Not Applicable	250
2021	484	73
2022	151	28
2023	83	12
2024	28	6
2025	17	Not Reported

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**PUBLIC BENEFIT**

**Impact on the UK Economy**

36. ISC Research (The impact of independent schools on the British Economy, October 2018) suggests that ISC Schools saved the taxpayer an estimated £3.0 billion in 2017, as a result of pupils not taking up a place at a state maintained school. This equates to a per pupil sum of £6,640 per annum. Using this figure, the College could be estimated to have saved the taxpayer £7.8 million over the last academic year.

**Widening Access**

37. One of the College aims continued to be to ensure that it can make '*excellence affordable*'. In addition to setting fees at a level that widens the number of families that can afford to provide their children with a private education, the College also aims to provide opportunities for those who would not ordinarily be able to afford the opportunity to send their children to the College to do so through a bursary scheme. Means-tested financial assistance is, therefore, provided so that such families are able to benefit from our charitable objectives.

The Governing Council regularly reviews the admissions process to ensure that those who would benefit from attending the College, are encouraged to apply even if their families may lack the necessary financial resources. Annual advertising of the College's bursary scheme is undertaken.

**Financial Assistance**

38. Financial assistance is available where a pupil meets the College entry requirements. It is funded by allocating a percentage of anticipated income to the scheme. Awards are available from full support by way of a 100% concession, to lesser awards where parental income is assessed to be at a higher level. When necessary, further support is provided; this can take a number of forms e.g. by way of a grant towards the costs for uniform, travel to and from the College or assistance with trips related to the curriculum. During the year, bursaries totalling £724,000 were awarded to provide means-tested financial assistance. As a result, there were 18 pupils in receipt of a bursary (17 in the previous year) worth 100% of the tuition fees, and a further 23 pupils (28 in the previous year) receiving assistance of between 50% and 90% of the fees. The Governing Council aims to grow the percentage of fee income spent on means-tested bursaries to 4% from a current figure of 3.6% of gross fee income.
39. The total value of bursaries, scholarships, grants, prizes and other awards made out of restricted funds was £38,000 (2019: £27,000), whilst £1,952,000 (2019: £1,914,000) was awarded out of unrestricted funds, this equates to 9.8% (2019: 9.1%) of gross fee income. The total number of children receiving assistance of all kinds was 342 (2019: 319); equal to 29.1% (2019: 27.2%) of College pupils.
40. Where our existing parents find themselves in a difficult financial position, the College, where appropriate, will offer means-tested emergency support so that the pupils can at least reach the next natural break point of their education, for example so that a pupil may complete a public examination year.

**Social Impact**

41. The Governing Council is committed to developing its programme of support and co-operation with others in education and wishes to ensure that the College is making an educational impact for as many children as possible. The College is part of a wider community in which its staff and pupils are encouraged to participate. In addition to educating 1176 pupils, the College also ensured that its facilities were available for use by others, particularly by children. Examples of support to local state schools and community organisations included:
- the Ferguson Lecture Programme, which is a well-established series of community events, with a considerable number of local people attending free public lectures at the College;
  - the continued development of links with Mossbourne Community Academy in Hackney by the sharing of advice and practical support with UCAS and Oxbridge applications, and with the curriculum;
  - a weeklong Festival of Literature aimed primarily at children. The College actively encourages participation from other local schools. Several well-known authors took part in storytelling and helping to reach out to children;
  - Pupil Voice Network, established by the College in 2017, with the aim of establishing a new network in Bishop's Stortford, enables representatives from different Pupil/ School Councils to get together to share good practice, and learn more about the value of the Pupil Voice in the local community;
  - the use of the College swimming pool by local clubs, youth groups and schools. The swimming pool is an '*Approved Training Centre*' for the Institute of Qualified Lifeguards and the College offers spaces on this course for staff from other local schools and swimming clubs. The College is also a PADI Educational Facility.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

- In January 2020, the College became an MCC Foundation Cricket Hub giving greater access to superb cricket facilities to a wider group of young people. The MCC Foundation, the charitable arm of the MCC, runs a network of Hubs across the UK, providing free coaching and match-play to state-educated 11-15 year old boys and girls with the aim of improving their cricket ability and boosting their confidence on and off the pitch.
- a local science group, 'Café Scientifique', which regularly uses the College facilities for their meetings;
- local choirs, Bishop's Stortford Sinfonia, Herts & Soul Community Choir and Cantate use our Memorial Hall and Ferguson Lecture Theatre for regular concerts to raise money for local charities;
- the use of the College facilities for the Trinity Music Exam Centre;
- the use of College sports facilities by several sporting organisations, including Bishop's Stortford Rugby Club Under 12's side, the local hockey club using the Astro facilities twice a week, local cricket, netball and triathlon clubs train at the College.
- Bishop's Stortford Scouts and Police Cadets hold regular meetings using College facilities;
- working with the British Heart Foundation the College continued to provide two defibrillators on the Campus and (in an emergency) for the local community;
- Summer Activity Camps for children, including a multi-activity camp and soccer and tennis coaching activities for children and the children of key workers;
- the churches of Bishop's Stortford hold their annual holiday bible camp at the College, although not held in 2020 due to COVID-19;
- a number of drama and music performances that are open to the local community, including the Water Lane Church Lunchtime Recitals;
- a programme of charitable works by the pupils. Highlights included:
  - through a number of fundraising activities, the Prep School raised £12,200 for a number of charities. The sum was split between five different charities including Guide Dogs for the Blind, the Salvation Army, Samaritans, Bishop's Stortford Winter Night Shelter, Bishop's Stortford Food Bank, Grove Cottage and Just One Tree;
  - the whole College charity day raised over £7,150 for Transforming Lives for Good (TLG), a charity whose objective is to help feed struggling families and children;
  - three Senior School staff members raised a further £1,000 for TLG by tackling their own version of an Ironman Relay Race;
  - the College collected needed 'tins and toiletries' for the Whitechapel Mission and Sixth Formers completed the breakfast challenge, preparing and serving breakfast to the homeless;
  - The Second-Hand Uniform Shop raised £600 for Transforming Lives for Good. Unsold uniform has been sent to Lifeline Romania;
  - Allott and Collett Houses raised over £750 for their chosen charity;
  - the Senior School raised almost £2,500 for the College's project school, the Ungana Academy, in Nakuru, Kenya;
  - Senior School Carol Services raised £1,500 for the Winter Night Shelter;
  - the Senior School Stars in Their Eyes event raised over £500 for the Niemann Pick Research Foundation and The Turner Syndrome Support Society;
  - Hundreds of pairs of gloves, goggles and face shields were donated to the Bishop's Stortford Police and Addenbrookes Hospital to help with the national effort to fight COVID-19. The Design & Technology Department also worked in tandem with an Upper Sixth student to produce face shields and donated them to local organisations such as care homes and dental practices;
  - Pupils across all 3 sections of the College undertook various charitable activities during the lockdown to raise money for causes such as the Bishop's Stortford Food Bank and the Princess Alexandra Hospital;
  - An Upper Sixth student delivered newspapers during the lockdown to his local elderly neighbours who could not leave their homes;
  - Grimwade House donated old furnishings to a local upcycling charity, Recover;
  - Pre-Prep and Prep School pupils created messages of thanks in bunting and on posters for key workers during lockdown;

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

- many other worthy causes including an annual Christmas Party for local senior citizens, Christmas cards to local care homes, annual shoebox appeal for Teams4U and facilities for the local Rotarians Young Musician Competition.
- a close partnership with a large number of local maintained schools as a founder member of the Bishop's Stortford Educational Trust (BSET). BSET was established in 2015 to create a co-operative, forward-thinking educational organisation to support provision from Early Years to Post-16 and beyond for the town of Bishop's Stortford and its surrounding villages. The Trust was created to formalise an already effective partnership between local primary and secondary schools and draws on the individual strengths of each institution. This collaboration is not only community-based, but is quite possibly the only such Trust at present to include the state and independent sectors working together to provide high quality education.

BSETs ten key aims are to:

- provide a strategic overview of school provision to ensure sufficient places are made available for primary and secondary schools to meet local demand - this includes bidding to sponsor new and existing schools;
- provide support and advice for schools in order to adhere to the Department for Education's (DfE) academisation programme by 2022;
- provide effective professional development for staff and share school-to-school expertise;
- provide peer-to-peer school support regarding educational standards;
- support Initial Teacher Training and staff recruitment by providing local teacher placement and collective teacher recruitment;
- invest in effective school-led research and development;
- support financial procurement through collective purchasing power;
- work collectively with regards to curriculum planning and resourcing;
- develop and enhance school leadership and governance; and
- engage fully with our local community to ensure that provision meets demand.
- In January 2020, 28 BSET NQT's undertook training at the College.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**Section 172 Statement**

42. This statement is intended to be a discrete factual statement on how the directors (the College Governors) have regard for stakeholder interests in performing their duties as required under section 172 of the Companies Act. Bishop's Stortford College identifies its principal stakeholders as pupils, parents, prospective parents and pupils, teachers and staff, Old Stortfordians, suppliers, contractors and our local community leaders, businesses and neighbours. Stakeholders are identified by contractual engagement in terms of parent, pupils, staff and external licensees or by virtue of effect and impact of College activity and support opportunities to our community.
43. The College is very much rooted in the community, with approximately 89% of pupils being day pupils and hence living locally; due to it being one of the largest employers in Bishop's Stortford; and from the social interaction described in paragraph 41. Stakeholder views are secured through communications strategies specific to groups, for example prospective parents and pupils through admissions and events; pupils, teachers and staff through school routines; parents' evenings, meetings and newsletters, community and neighbours through town business forums and groups. Engagement with all of our community informs strategy, decisions and outcomes. The success of the College is predicated on balancing short and long term planning and aspiration, to effectively:
- consider the long term likely consequences of any College decision on our community
  - consider the interests of the College's employees
  - foster relationships with suppliers, customers and others
  - evaluate the impact of College operations on the community and the environment
  - maintain a reputation for high standards of business conduct, and
  - ensure that members of the College act fairly between themselves,

The Governors identify and consider issues and factors affecting the College by:

- maintaining Memorandum of Articles and governance of The Incorporated Bishop's Stortford College Association in accordance with the law and the Charity Commission Regulations;
- maintaining a long term strategy that recognises and balances the needs of all stakeholders;
- developing a culture and ethos founded on fairness, Christianity and compliance with the law and the requirements of the Charity Commission;
- managing risk and impact on the College and community through active risk management as it affects all stakeholders;
- complying with legal obligations relating to the impact the College is making on the environment and meets its obligations in relation to the Energy Savings Opportunity Scheme;
- developing clear contractual relationships with employees supported by effective, informal and informal dialogue between employees and the senior leadership of the College;
- maintaining strong links with neighbours, local schools and local businesses in order to be mutually supportive and cognisant of their needs;
- operating professionally and appropriately with business practices and in payment terms; as a significant employer and contractor of services;
- employing staff under terms and conditions encapsulated in the staff handbook to ensure that people act fairly and considerately to each other, to our pupils, parents and other stakeholders; and
- declaring interests and conflicts, annually and before any governance meeting.

Paragraphs 8 to 41 of the Directors' Report provide further detail of the Governors' engagement with different key stakeholders.

44. The Governors have engaged with employees through governance, leadership and direction inclusion the forming of strategies and policy and through oversight of the Executive Team and College activities. The Governors' visits to the College are frequent and activities recorded. Senior employees are present at Governing Council meetings to report, facilitate oversight and receive direction. The reports contain a broad spectrum of employee activity, pupil pastoral and academic performance and detail of staff wellbeing. The Governors receive outputs from the Health and Safety Committee, security audits, and staff wellbeing activities alongside gender pay reporting and remuneration benchmarking data. The directors oversee the remuneration policy and decisions through a dedicated working group in order to make annual recommendation on policy and pay awards. Paragraphs 22 and 29 of the Directors' Report provide further detail on the Governors' vision and strategies including those relating to employees.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

45. The key decisions made during the year were:

- The selection for appointment of the new Head of College, Kathy Crewe-Read.
- Responding to the COVID-19 Pandemic through;
  - The protection and prioritisation of pupil facing resources and teaching during national lockdown and provide teaching facilities to children of key works as part of the national response to the COVID-19 pandemic;
  - The reduction of Summer Term fees in recognition of financial hardship resulting from COVID-19 pandemic; and
  - Realising in-year budgetary saving to sustain financial resilience and facilitation of fees reduction.
- To grow the College through marginal class size increases which, with no detriment to teaching and learning, delivers benefit through economies of scale and allows us to better manage the challenges of fee affordability.

### **ENERGY REPORT**

46. The College's green house gas (GHG) emissions and energy consumption for the year to 31<sup>st</sup> July 2020 are detailed in the table below.

Activity	kWh	tCO <sub>2</sub> e	% of total
Natural gas	3,791,972	697.23	70.16%
Vehicle fleet	32,252	7.69	0.77%
<b>Sub-total</b>	<b>3,824,224</b>	<b>704.92</b>	<b>70.94%</b>
Electricity	1,228,459	286.40	28.82%
<b>Sub-total</b>	<b>1,228,459</b>	<b>286.40</b>	<b>28.82%</b>
Grey fleet	10,271	2.40	0.24%
<b>Sub-total</b>	<b>10,271</b>	<b>2.40</b>	<b>0.24%</b>
<b>Total gross consumption and emissions</b>	<b>5,062,954</b>	<b>993.72</b>	<b>100%</b>
<b>Metric used:</b> Number of pupils		1,176	
<b>Intensity ratio:</b> Tonnes of CO <sub>2</sub> per Number of pupils		0.845	

#### **Intensity Ratio**

The intensity metric chosen was number of pupils (finishing the year). The resulting intensity ration of tCO<sub>2</sub>e/number of pupils best reflects changes in operation and energy consumption over time.

#### **Finance & Investment**

The College has continued to invest in LED lighting, both as part of a rolling programme and where re-active repairs have been required, in order to increase energy efficiency. Furthermore, in combining the insight gained from the ESOS report carried out during the year, with a condition based asset survey undertaken in 2019, an Estates Management Plan has been formulated to identify efficiency opportunities. This plan informs budgetary requirements and supports business cases to replace life expired assets or advance the need to do so in order to achieve energy savings.

#### **Quantification and Reporting Methodology**

The methodology used to calculate the College's GHG emission and energy consumption has been taken from The GHG Protocol Corporate Accounting and Reporting Standard. The 2013 UK Government Environmental Reporting Guidelines (updated March 2019) have been followed and the 2020 UK Government's Conversion Factors for Company Reporting have been used. The energy efficiency narrative methodology has been created based on energy management best practice.

#### **Organisational Boundary**

The College reports on all sources of environmental impact over which it has financial control (financial control approach).

## **STRATEGIC REPORT**

### **ACHIEVEMENTS AND PERFORMANCE**

#### **Review of achievements and performance for the year**

47. In order to deal with the impact of COVID-19, during the Easter holidays the College invested in new IT equipment and staff training. This enabled the whole College to switch to remote learning from the start of the Summer Term. The challenge of moving to a new way of teaching and learning in a very short space of time was met with dedication and hard work from both teachers and pupils, supported at home by parents. Academic progress was sustained and a variety of creative and non-curricular activities also took place. Pupil welfare was prioritised, and the pastoral teams monitored wellbeing across the College, ensuring support was in place where needed.
48. Public examination results are always the most visible measure of academic achievement at an all-through school. This year, examinations were cancelled nationally due to the Coronavirus pandemic and students were awarded Centre Assessed Grades by the Awarding Bodies.
49. At Bishop's Stortford College, A Level students received grades which reflected the College's usual high levels of Value Added (as independently measured by CEM analysis). 86% (80% in 2019) of pupils achieved A\*-B grades, with 62% (50% in 2019) gaining straight A\*s and As.
50. In line with the Governors' primary objectives to advance a broad curriculum, study skills at sixth form extend beyond the A Level curriculum. Independent Research Projects are undertaken by all students and this year and a greater number of students took the Extended Project Qualification. Results were excellent with 88% (92% in 2019) of grades being awarded at A\*-B grade and 27% (15% in 2019) receiving the prestigious A\*.
51. Despite the complex university landscape in August 2020, caused by the Government's response to A Level grades and Centre Assessed Grading, 79% (68% in 2019) of our students received places at their first choice university. Places included 2 to Cambridge who met their offers. 69 (61%) (64 (52%) in 2019) students went on to study at Russell Group universities. The average UCAS score for this cohort was 148.6 (138.9 in 2019).
52. At GCSE 79% (76% in 2019) of examinations were graded 9-7 with 31% (31% in 2019) being graded at the highest Grade 9. Top performers every year are awarded the prestigious Ten Club membership, which is gained for achieving 10 or more grades 10-7; this year 48 (42%) Ten Club memberships were achieved.
53. In the Prep School, although importance is placed on teaching core subjects, humanities are taught separately, language learning is introduced early and creativity is well supported through weekly drama, design technology, ICT, music and art lessons for every child. Curriculum breadth is viewed as central to the ethos of providing rich and varied opportunities for our pupils.
54. Subject specialist teaching from Year 5 provides academic rigour and allows the curriculum to expand further with three modern foreign languages and Latin on the curriculum for Years 7 and 8.
55. In the Pre-Prep, the positive learning environment is paramount to supporting the delivery of the curriculum. In Reception, the children have a nurturing learning experience. They enjoy the free-flow environment, involving inside and outside learning; playing and exploring; active learning and creating and thinking critically to interconnect the seven areas of development in the Early Years. The children enjoy working towards their hundredth day, which is celebrated as a numeracy day.
56. In Key Stage One, the curriculum is delivered through umbrella topics which provide breadth and a wealth of opportunity to develop thinking skills and grow in academic confidence.
57. The Governors place great importance on the pupils' participation in arts, music and drama. In support of this, last year, the College ran a full programme of activities in which each pupil's creative spirit could be expressed and developed as a serious pursuit leading to qualifications and higher education, or simply as an enriching dimension to a full and satisfying life. Pupils participated in a range of events including the Senior School's annual 'Stars in their Eyes' performances in aid of charity, lunchtime concerts, a series of weekly recitals, choral concerts, and soloists performed in a local church. Pupils also participated in national music competitions and the Senior School performance of the musical 'Oliver!'.
58. In the Prep School every Year Group has a drama production, with mass participation up to Form One (Year 5). In music, there is an instrumental concert for each Year Group as well as opportunities to perform with choirs, ensembles and the Prep School Orchestra at Prep School and Whole College recitals. We have regular entries to the IAPS Art competition and often exhibit children's work locally.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

59. Pre-Prep, children are encouraged to participate in front of larger audiences. At the start of the year, all the children perform in the Harvest Festival, where they carry out dances, sing, recite poetry and read prayers. In December, all children take part in the celebration of Christingle with songs and each Year Group performs in a musical production. During the spring term, all the classes present an assembly, in which the children's artwork and writing are celebrated. In March, Year Two lead the Pre-Prep at an Easter Service. During the summer term, the Pre-Prep Choir (Key Stage One), sing in the Pre-Prep Concert, with Year Two children performing on recorders, violins, 'cellos and piano. All the children participate in a Sports Day, at which they compete for their leagues. Year Two hold a swimming gala in the summer term.
60. In sport, the College's aim is to strike the right balance between excelling at the highest level with its most talented pupils whilst at the same time ensuring that as many pupils as possible have the opportunity to enjoy the match experience and benefit from the excellent coaching available. Students from Pre-prep to Sixth Form are encouraged to participate in a wide range of sport (core sports being Cricket, Hockey, Netball, Rugby and Swimming) and until the national Lockdown was announced in March 2020, fixtures were played against a range of neighbouring schools. Highlights of the sporting year included the U14 and 16 boys reaching Hockey National finals, pupils' selection for Lambs (Rugby) and National hockey squads, and the College ranked in the top 100 schools nationally for cricket. A number of our swimmers were ranked in the 25 in the country and competed at the national championships earlier in the year.
61. The Prep School had sporting success in several different sports. The U13 football team won the IAPS National Championships while the U13 girls hockey team won the County hockey championship. The whole Prep School engaged in virtual sports days during lockdown. The Pre-Prep children were also invited to take part in a virtual sports day and enjoyed a variety of events. Many chose sporting activities to raise money for the Pre-Prep charity.
62. The College's Elite Sports provision continues to enhance the sporting offer already available. The Elite programme offers extra training opportunities outside of the main term for each sport, and until March, included master classes and additional conditioning training. During lockdown, this was delivered through a virtual programme, including podcasts by international coaches and sportsmen, training programmes, and advice on nutrition and sport psychology.
63. In addition to these key areas of extra-curricular provision, pupils at the College in the Senior School are offered the opportunity to take part in a wide range of activities, dependent on their age. CAD Design, History Film Club, Model United Nations, Music Tech, Vive La France and French Film Club, Go Chess, Origami, Police Cadets, Water Polo, Amnesty International, Coding, The Jean-Paul Sartre Club. Prep School children's activity sessions include golf, street dance, cookery, yoga, outdoor activities and photography. The Pre-Prep have football and tennis clubs and ballet classes after school. In school, the children can join the Pre-Prep Choir or gardening club.

#### **Fundraising**

64. The College's approach to fundraising.

The College has fundraised for a number of projects throughout its history and since September 2013, a Development Office was established to manage all aspects of alumni relations and fundraising. Fundraising is mainly directed at people who have a clear relationship with the College, namely parents and alumni. Development activities include both formal and informal reunions and sporting and cultural events, most of which are free of charge to attend. Fundraising is carried out via virtual and live events, inserts in hard copy publications, dedicated fundraising mailings and appropriate e-mails, online in the Stortfordian Foundation portal and one to one meetings. Telephone fundraising campaigns have been used as an additional fundraising channel in the past. However, due to GDPR, it has been decided not to use this method for now.

65. Work with, and oversight of, any commercial participators/professional fundraisers.

From time to time, the College engages companies to assist us with fundraising activities. This includes using a mailing house to manage the distribution of the magazine, and dedicated fundraising mailings. From time to time, the College also engages specialist fundraising consultants to support industry best practice and conduct more successful community engagement fundraising.

66. Fundraising conforming to recognised standards.

The College is a member of the Institute for Development Professionals in Education (IDPE). Development Office staff, SMT members and Governors regularly attend IDPE training events to ensure that best practice in alumni relations and fundraising is being used. Guidance issued by the Fundraising Regulator (including the latest updates to the Fundraising Code of Practice) and the Information Commissioner's Office are observed. The College uses "legitimate interest" as its lawful basis to process personal data for the purposes of fundraising and this approach has been ratified by the College's Governing Council. The College's Fundraising and Development Privacy Notice is publicly available and promoted to parents and alumni. The Notice makes the College's approach to fundraising clear and if anyone objects to their personal data being used for the legitimate purpose of fundraising, these wishes are respected. Upon registration to a new portal, [www.stortfordianfoundation.org](http://www.stortfordianfoundation.org), constituent users are able to specify their preferences, enhancing GDPR compliance.



**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

67. Monitoring of fundraising carried out on our behalf.

When consultants are used to assist the College in its fundraising efforts, they are data processors, not data controllers. In addition, their work is monitored closely by the Development Director to ensure there can be no reputational damage.

68. Fundraising complaints

The Development Office has a sophisticated CRM database.. If anyone who receives a fundraising communication objects to it, this is noted on the database to ensure future communications are not sent.

69. Protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

As stated above, the Development Office operates a sophisticated CRM database. If anyone who receives a fundraising communication objects to it, this is noted on the database to ensure future communications are not sent. In addition, if a family member contacts the Development Office to advise that their relative has, for instance moved into residential care due to serious health condition and should not be contacted again, this is respected. Also, the College does not buy or sell donor lists and does not attempt to fundraise with the wider public who have no direct connection or interest in the College. Fundraising activities are mostly directed towards people who have a clear relationship with the College, namely parents and alumni.

70. The College Development office completed its seventh year of operation. Expenditure on fundraising amounted to £140,000 and the total donations received or committed in cash or in kind during the year were £68,000 in value. The fundraising capability of the College was constrained during the year as all of the staff in the Development office were on furloughed leave for the last four months of the year. The College regularly invites all constituents of the College to voluntarily take part in fundraising. Appeals are typically directed towards raising donation income towards bursaries, scholarships, academic and pastoral facilities.

**Investment Policy**

71. The Articles of Association of the Charity allow the Governors to invest such part of the funds of the Association, as shall not be required to satisfy or provide for immediate demands upon such securities as they deem expedient, and may, from time to time, vary such securities and convert the same as occasion requires or as they may deem fit.

72. The investment funds held comprise units in the M & G Charifund, and a freehold farm and associated properties, which were bequeathed to the College by a former pupil. In both of these investments, the Governors have taken the view that a combination of low risk income and long-term capital growth should be their objective.

73. The investment strategy and performance is monitored by the Finance Committee. At the year end the College's long-term investments, including the units in M & G Charifund and property investments, were valued at £4,917,000 (2019: £5,336,000). The overall investment return for the year was £150,000 (2019: £142,000) (See Note 4). The performance of investments has not met expectations this year as the value of the M & G Charifund investments has decreased by £419,000 this year (2019: £32,000 decrease) due to the impact of COVID-19 on global stock markets. It is anticipated, however that capital growth will be achieved over the longer term. In the prior year property investments were sold releasing £1,776,000 as unrestricted income.

74. The Pre-Paid fee scheme while assisting some parents in managing the cost of their child or children's education continues to provide what amounts to be a stable reserve that can be used by the College to the benefit of the charity. The Finance Committee monitors the cost of running the Pre-Paid Fee scheme and this year the scheme generated an income of £2,000 (2019: £115,000).

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>st</sup> JULY 2020**

**FINANCIAL REVIEW**

**Results for the Year**

75. Like many organisations, the College was financially affected by COVID-19. The Summer Term fees were discounted by 20% in anticipation of providing a remote educational offering to all pupils for the whole of the Summer Term. As the boarding houses were not operating during the Summer Term, boarding fee income for the year was also reduced by one third. Therefore, although pupil numbers increased by 4, gross fee income was reduced by £1,018,000 compared to the prior year and was £1,700,000 lower than the Governors' approved budget for the year ended 31 July 2020.

Excluding exceptional income of insurance claims relating to the rebuild of the RPH boarding house and profit on the disposal of fixed assets the College, net incoming funds from operations before transfers and investment gains reduced by £828,000 compared to the prior year. This reduction of incoming resources is after the receipt of grant income from the Government's Job Retention Scheme of £633,000.

The College further benefited from the settlement of a number of insurance claims during the year. These related to the rebuild of the RPH boarding house and cancelled school trips and the £1,863,000 insurance income resulted in the College's cash reserves remaining strong as at 31 July 2020 with a cash balance of £5,913,000. Furthermore, the College returned to onsite education for all pupils in September 2020 with an additional 40 pupils across the year groups and strong demand for places in future years creating financial resilience for the future.

The Trustees remain confident that the College is in a strong financial position to continue to deliver the current academic programme and planned physical development of the campus.

76. The College continued to be adversely affected by the low interest rates available to it on its cash balances. Continuing confidence in the forecasted number of future pupils, however, allowed the College to continue developing the facilities to meet the aspirations outlined in the Headmaster's Development Plan.

**Reserves Level and Policy**

77. In accordance with the objectives of the Association, and subject only to the normal constraints of prudence, it is the Governors' policy not to accumulate and retain funds but to spend, wisely, the available cash on maintenance, and on enhancement of the College's facilities. Such enhancements usually involve significant capital sums and are therefore, normally only undertaken as and when funds on a sufficient scale, built up over a number of years, become available. This policy means the College does not hold a large reserve for any length of time. Moreover, as the fees are paid in advance and the short-term flow of income and expenditure is relatively predictable, the College does not, as a matter of policy, hold reserves to cover say a whole term's operating costs.
78. Note 17 to the accounts sets out a full analysis of the assets attributable to the various funds. These assets are sufficient to meet the Charity's obligations on a fund-by-fund basis. See Note 1.10.
79. Details of the College's Restricted Funds and the movements in the year by fund are set out in Note 16 to the accounts.
80. The College's Unrestricted Funds and the underlying assets representing those Funds are set out in Note 17 to the accounts. The most significant part of the Unrestricted Funds is invested in College buildings and other fixed assets used by the College in furtherance of its charitable objectives.
81. In the unusual circumstances where legacies to the College take the form of property, it is the Governors' policy to retain such investments and to look for capital appreciation while using any net income generated to support the Association's ongoing charitable objectives.
82. The College's total reserves of £39,694,000 (2019: £37,212,000) at the year-end included £2,151,000 (2019: £2,519,000) restricted funds and £37,542,000 (2019: £34,693,000) unrestricted funds. The College has no free reserves at the balance sheet date due to the investment of funds in tangible fixed assets, largely buildings for use within the College.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**Financial Viability and Going Concern**

83. The Governors regularly examine the College cash flows alongside the development plans for the future and are satisfied that they are adequate for the purpose of meeting its working capital requirements and that they will also cover strategic capital expenditure when complimented with an appropriate amount of loan finance.
84. Financial forecasts are produced, stress tested and reviewed by the Executive Team and the Governors at least termly to assess the impact of actual and potential favourable and adverse impacts to the College's finances. The stress testing includes potential future financial impacts of COVID-19 as well as other financial scenarios that may impact the College. This allows the Governors to quickly respond quickly to financial changes to ensure the financial stability of the College.
85. The Governors are satisfied that the College has maintained an acceptable level of profitability in the year to 31st July 2020 to allow it to carry out its objectives and will continue to do so in the future. The educational offering has been tailored, including excellent remote teaching and learning and will continue to be modified to match the requirements of these challenging times. To this end the College is conducting market research and reviewing its cost base and development plan.
86. The impact of COVID-19 has been managed to date through utilisation of Government support schemes and budget savings. The College has been able to stimulate further interest and demand in places due to the positive response to its lockdown initiatives. Demand for places has allowed the College to grow from 1176 to 1215 pupils by the start of the new 2020-21 academic year. Accordingly, the College is operating on a going concern basis.

**RISK MANAGEMENT AND UNCERTAINTIES**

87. The Governors are responsible for the management of the risks faced by the College and a review of the College Risk Register is an annual standing item on the agenda of each of the various committees and the Governing Council itself. Following the review, the register is updated and action taken to address any risks that are insufficiently mitigated as identified by the process. While it is recognised that any system can only provide reasonable but not absolute assurance, the Governors are satisfied that where the procedures described above have identified the risks faced by the College and that these have been adequately managed.

The key risk currently faced by the College is the COVID-19 pandemic. In the first order it represents a risk to health and learning. Second order risks relate to the potential for harmful impact on the economy and the affordability of fee paying education. The Governing Council and Executive are proactively managing all related risks. The safety of pupils and staff are subject to rigorous assessment of risks, carefully conceived and resourced mitigating control measures in line with Government direction and active learning and development of our safe processes. The affordability of fees is monitored through fee payment tracking and open channels with parents who are finding themselves in unexpected hardship. Budgeting and mid-term planning are prudently considered against needs of financial resilience and capacity to cope with further COVID-19 related impacts.

88. The key controls used include:
- detailed terms of reference and formal agendas for all committee and Governing Council activity;
  - comprehensive strategic planning, budgeting and management accounting;
  - monitoring key performance indicators, e.g. pupil numbers, ratios and trends;
  - review, adjustment where necessary and approval by the Governors of all formal written policies;
  - spot checks by Governors on College records and ledgers to ensure approved procedures are being followed;
  - use of external professional advice;
  - clear authorisations for approved levels of expenditure;
  - safer recruitment and vetting procedures as required by law for the protection of children; and
  - COVID-19 contingency planning scenarios, risk assessment oversight and reporting of effectiveness.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

89. A further key risk identified by the Governors this year was the planning and payment for the significant building works, including School House along at a time of great political and market uncertainty coupled with the unannounced increase in employer contributions to the Teachers Pensions Scheme. The Management of this risk has been a particular focus of the Project Working Group, the Remuneration Working Group and the Contingency Working Group, reporting into the Estates Committee, the Finance Committee and the Governing Council respectively. The College has appropriately recognised the principle and potentially combined risks of; loss of business rate relief and the application of VAT on fees. The Governors are looking to increase resilience and capacity to tolerate the impacts should the risks materialise but overall, they are confident that the risks are being managed effectively through careful control of operational costs and due to the strong demand for places at the College.
90. The Governing Council remain mindful of affordability issues when setting the level of fees and, as a result, ensure that any increase to the fees are necessary for the future viability of the College.
91. The Health and Safety related risk connected to the College estate are clearly identified and efficiently treated through policies, risk assessments and planned preventative maintenance and measures. The College has commissioned condition surveys of its oldest buildings to better quantify medium term planning and the prioritisation of resources. The College Health and Safety Committee has broad representation and agenda to ensure that the College is continually improving in safety and learning in order to ensure that the College is safe for pupils, staff and visitors. The College make great reliance on external competence in assessing and mitigating risk, areas of consultation include; fire risks, legionella and water safety, electrical safety, gas and asbestos.

**LONGER TERM PLANS**

92. The College Business and Development Plans were reviewed again this year and the College plans for the future now include:
- continue actively to scrutinise and validate the quality of the teaching and learning available throughout the school, including through recently introduced systems of performance management;
  - continuing with the enhancement of physical facilities and buildings, including a review of the site master plan and the refurbishment of School House to provide 12 new class rooms and the College administrative headquarters.
  - continuing with developing the strategy for pupils to use appropriate ICT equipment as they progress through the College;
  - active encouragement and support of all pupils in choosing a place at university or other post school options that best suits their aspirations;
  - updating and improving the performance appraisal systems across the College; and
  - continuing with increasing bursaries by making them more widely known about in our communications.
93. Work has continued on the School House project. This refurbishment of the most significant building on the College site will provide 12 additional classrooms and the opportunity to bring together in one building the Senior School Leadership and the College administrative staff has continued over this year. Project completion is anticipated to be in early 2021.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>st</sup> JULY 2020**

**STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES**

94. The Trustees, who are also Directors of The Incorporated Bishop's Stortford College Association for the purposes of company law, are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and relevant accounting standards. Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve those financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:
- select suitable accounting policies and then apply them consistently;
  - observe the methods and principles in the Charities SORP;
  - make judgments and estimates that are reasonable and prudent;
  - state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
  - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.
95. The Trustees are also responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the Charity's constitution. They are in addition responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. To that end, the Chair of the Finance Committee makes regular spot checks of ledgers and other financial records to ensure the integrity of the College's accounting procedures.
96. Each of the Directors, as members of the Governing Body, at the date of approval of this Report, confirms that they are aware of no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware. In that context, each Governor has taken all the steps that he or she should have taken as a Governor, in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

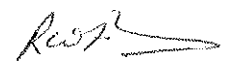
**AUDITORS**

97. Crowe U.K. LLP have expressed their willingness to continue as auditor for the next financial year.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of The Incorporated Bishop's Stortford College Association on 11<sup>th</sup> December 2020, including in their capacity as company directors approving the Strategic Report contained therein, and is signed on its behalf by:

  
G. Baker  
Chair of the Governing Council

Date: 11/12/20

  
R. C. V. Harrison  
Chair of the Finance Committee

Date: 11/12/20

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>st</sup> JULY 2020**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**

**Opinions**

We have audited the financial statements of Bishop's Stortford College for the year ended 31<sup>st</sup> July 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard, applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

We have nothing to report in this regard.

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

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

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

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>ST</sup> JULY 2020**

**Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 20, 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 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 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**

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

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

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

**Use of our report**

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Thomas  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
London, UK

Date: 20 January 2021

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**STATEMENT OF FINANCIAL ACTIVITIES**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total £'000	2019 Total £'000
<b>Income from:</b>					
<b>Charitable activities</b>					
School fees receivable	2	18,373	-	18,373	19,429
Ancillary trading income	3	375	-	375	676
Income from insurance claims	3	1,863	-	1,863	51
Grant income	3	633	-	633	-
Profit on disposal of fixed assets	3	-	-	-	1,668
<b>Other trading activities</b>					
<b>Investments</b>					
Investment income	4	63	87	150	142
Interest receivable and similar income	6	27	-	27	136
<b>Voluntary sources</b>					
Grants and donations	5	9	59	68	138
<b>Total income</b>		<b>21,343</b>	<b>146</b>	<b>21,489</b>	<b>22,240</b>
<b>Expenditure on:</b>					
<b>Raising funds</b>					
Interest payable and similar charges	6	-	-	-	(2)
Fundraising & Development	7	(140)	-	(140)	(152)
<b>Total deductible costs</b>		<b>(140)</b>	<b>-</b>	<b>(140)</b>	<b>(154)</b>
<b>Charitable activities</b>					
Education and grant making	7	(18,378)	(71)	(18,449)	(18,421)
<b>Total expenditure</b>		<b>(18,518)</b>	<b>(71)</b>	<b>(18,589)</b>	<b>(18,575)</b>
<b>Net incoming funds from operations before transfers and investment gains</b>		<b>2,825</b>	<b>75</b>	<b>2,900</b>	<b>3,665</b>
Gains/(losses) on investments		-	(419)	(419)	(32)
Profit on disposal of investment properties		-	-	-	1,776
<b>Total income and capital inflow</b>		<b>2,825</b>	<b>(344)</b>	<b>2,481</b>	<b>5,409</b>
Transfer between funds during the year		24	(24)	-	-
<b>Net movement in funds for the year</b>		<b>2,849</b>	<b>(368)</b>	<b>2,481</b>	<b>5,409</b>
<b>Fund balances brought forward</b>		<b>34,694</b>	<b>2,519</b>	<b>37,213</b>	<b>31,804</b>
<b>Fund balances carried forward</b>		<b>37,543</b>	<b>2,151</b>	<b>39,694</b>	<b>37,213</b>

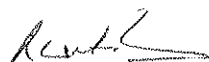


**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**BALANCE SHEET**

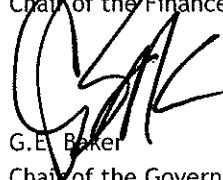
	Notes	31 July 2020		31 July 2019	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	9		37,089		35,277
Securities investments	10		1,554		1,973
Property investments	11		3,363		3,363
			<u>42,006</u>		<u>40,613</u>
<b>CURRENT ASSETS</b>					
Debtors	12	730		808	
Cash and Deposits		<u>5,913</u>		<u>6,045</u>	
		<u>6,643</u>		<u>6,853</u>	
<b>CURRENT LIABILITIES</b>					
Creditors payable within one year	13	<u>(5,183)</u>		<u>(6,007)</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>1,460</u>		<u>846</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>43,466</u>		<u>41,459</u>
<b>LONG-TERM LIABILITIES</b>					
Creditors payable after one year	14		<u>(3,772)</u>		<u>(4,246)</u>
<b>NET ASSETS</b>			<u>39,694</u>		<u>37,213</u>
<b>REPRESENTED BY:</b>					
<b>SHARE CAPITAL</b>			1		1
<b>RESTRICTED FUNDS</b>	16(A)		2,151		2,519
<b>UNRESTRICTED FUNDS</b>					
General Reserve	16(B)	35,178		32,329	
Revaluation Reserve	16(B)	<u>2,364</u>		<u>2,364</u>	
			<u>37,542</u>		<u>34,693</u>
			<u>39,694</u>		<u>37,213</u>

These financial statements were approved by the Governing Body on 11<sup>th</sup> December 2020 and were signed on its behalf by:



R.C.V. Harrison  
Chair of the Finance Committee

Date: 11/12/20



G.E. Baker  
Chair of the Governing Council

Date: 11/12/20

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**CASHFLOW STATEMENT**

	2020	2019
£'000	£'000	£'000
<b>Net Cash Inflow From Charitable Activities (Note 1)</b>	<b>4,167</b>	<b>5,341</b>
<b>Returns on investments and servicing of finance</b>		
Investment income	150	
Interest received	27	
	177	278
	4,344	5,619
<b>Capital Expenditure</b>		
Disposal of Fixed Asset Investment	-	2,282
Payments to acquire tangible assets	(3,322)	(1,494)
<b>Net Cash inflow/(outflow) after Capital Expenditure and before movement on prepaid fees</b>	<b>1,022</b>	<b>6,407</b>
<b>Financing</b>		
<b>Prepaid fees</b>		
New contracts, repayments and revaluations during the year	1,568	
Utilised during the year	(2,722)	
	(1,154)	(449)
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>	<b>(132)</b>	<b>5,958</b>

**RECONCILIATION OF NET INCOMING RESOURCES TO  
NET CASH INFLOW FROM CHARITABLE ACTIVITIES**

	2020	2019
	£'000	£'000
Net incoming resources	2,900	3,665
Investment income	(150)	(142)
Interest received	(27)	(136)
Depreciation of tangible assets	1,510	1,374
(Increase)/Decrease in debtors	78	(55)
Increase/(Decrease) in creditors excluding prepaid fees	(144)	635
<b>NET CASH INFLOW FROM CHARITABLE ACTIVITIES</b>	<b>4,167</b>	<b>5,341</b>

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**1. ACCOUNTING POLICIES**

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by shares. It was incorporated on 2 June 1904 company number: 081130 and registered as a charity on 22 July 1964 charity number: 311057.

**1.1 Basis of preparation**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2015.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

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

Having reviewed the funding facilities available to the College together with the expected ongoing demand for places and the College's stress tested future projected cash flows, the Governors have a reasonable expectation that the College has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the College's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on [page 20](#).

**1.2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, Trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

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

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

**1.3 Fees and similar earned income**

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the College against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

The College accepts prepayment of fees from parents for any period up to five years from the commencement of the following academic year. The terms on which prepayment of fees are accepted are reviewed from time to time in the light of investment returns and the level of increase in school fees. At present, fees are accepted on the basis that future years will be calculated at the base rate prevailing at the time the contract is made incremented by 2.5% per annum compound.

The present value of future costs arising from the difference between the fixed fee price offered and the projected fee price is provided for as a liability in the accounts.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**1.4 Investment Income**

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

Rental income (including incentives received or paid) for operating leases on investment property are recognised in profit or loss on a straight-line basis over the lease term.

**1.5 Donations, legacies, grants and other voluntary incoming resources**

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

Voluntary income for the College's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention is to be permanent or not. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the College in the case of donated services or facilities.

Grant income is recognised on an accruals basis, in the period in which it occurs.

**1.6 Expenditure**

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. The direct costs incurred in preserving the College's ancient buildings and their contents are shown as a charitable activity distinct from that of education and grant making. Irrecoverable VAT is included with the item of expenditure to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments. Governance costs comprise the costs of complying with constitutional and statutory requirements.

Intra-group sales and charges between the College and its subsidiaries are excluded from trading income and expenditure

**1.7 Tangible fixed assets**

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £1,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £1,000 are capitalised and carried in the balance sheet at historical cost. ICT equipment costs are written off as incurred. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiaries is charged to the Statement of Financial Activities as incurred.

Depreciation is provided on all tangible fixed assets in use at rates and bases calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	- over 50, 10 or 5 years
Astro Turf All Weather Surface	- over 10 years
Furniture and equipment	- over 10 years
Motor vehicles	- over 4 years
Computers	- over 3 years

The Governors have carried out an impairment review of the assets and are satisfied that they are not impaired. The Governors will undertake future reviews in accordance with Financial Reporting Standard 102.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**1.8 Investments**

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

The investment properties at Clapton Hall are stated at market value as at 31 July 2016, as calculated by Strutt and Parker. The Governors believe this to be an accurate estimate of the current open market value.

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. Investments in subsidiaries are valued at cost less provision for impairment.

**1.9 Investment accounting**

Investment returns are accounted for on a receivable basis of their income.

**1.10 Fund accounting**

The charitable trust funds of the College are accounted for as restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

**Unrestricted** income belongs to the College's corporate reserves, spendable at the discretion of the Governors either to further the College's Objects or to benefit the College itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

**Restricted** income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

**1.11 Pension costs**

The Charity contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS 102, therefore the scheme is accounted for as a defined contribution scheme.

The company participates in a Group Personal Pension Plan for non-teaching staff to provide individual pension accounts for participating employees. Individual pension policies accrue to each individual participating, and are underwritten by the Scottish Widows. In addition, the College as employer will pay premiums under a Group Life Policy, the annual contributions are expensed as incurred.

**1.12 Operating leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

**1.13 Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**2. CHARITABLE ACTIVITIES - FEES RECEIVABLE**

	2020	2019
	£'000	£'000
<b>Fees receivable consist of:</b>		
School fees	20,325	21,343
Scholarships Bursaries and Staff Concessions	(1,990)	(1,941)
	<u>18,335</u>	<u>19,402</u>
Add back: Bursaries and other awards paid for by restricted Funds	38	27
	<u>18,373</u>	<u>19,429</u>

Scholarships, bursaries, staff concessions and other awards were paid to 341 pupils (2019: 319). Within this means-tested bursaries totalling £724,000 were paid to 60 pupils (2019: £703,000 to 58 pupils).

**3. CHARITABLE ACTIVITIES - OTHER INCOME**

	2020	2019
	£'000	£'000
School Trips	174	380
Entrance and Registration Fees	35	28
Income from Letting School Facilities	165	253
Income from Anniversary Celebrations	1	15
Income from Insurance Claims	1,863	51
Grant Income	633	-
Profit on Disposal of Fixed Assets	-	1,668
	<u>2,871</u>	<u>2,395</u>

Income from Insurance Claims results from the following insurance claims:

- £1,782k (2019: £51k) of claimable cost from the College insurers for the rebuilding cost of Robert Pearce House which was severely damaged by fire in September 2015. This is the final settlement of this insurance claim.
- £81k (2019: £nil) of claimable cost from the College insurers for school trips cancelled due to the COVID-19 pandemic.

The grant income received is for claims made by the College to the Government Job Retention Scheme for the period from March-July 2020. During this period the maximum number of employees claimed for under the scheme in any single month was 153.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**4. INVESTMENT INCOME**

	Unrestricted	Restricted	Total	Total
			2020	2019
	£'000	£'000	£'000	£'000
Securities investment income:				
Equities	-	87	87	87
Property investment income				
Rents Receivable	63	-	63	55
	<u>63</u>	<u>87</u>	<u>150</u>	<u>142</u>

**5. GRANTS AND DONATIONS RECEIVABLE**

	Unrestricted	Restricted	Total	Total
			2020	2019
	£'000	£'000	£'000	£'000
Development donations	9	59	68	138

**6. NET INTEREST INCOME**

**(a) Interest receivable and similar income**

	2020	2019
	£'000	£'000
Bank interest receivable	25	21
Fees in Advance debt-financing income	2	115
Total interest receivable and similar income	<u>27</u>	<u>136</u>

**(b) Interest payable and similar charges**

	2020	2019
	£'000	£'000
Bank Interest	-	(2)
Total interest payable and similar charges	<u>-</u>	<u>(2)</u>

**(c) Net interest income/(expense)**

	2020	2019
	£'000	£'000
Interest receivable and similar income	27	136
Interest payable and similar charges	-	(2)
Net interest income/(expense)	<u>27</u>	<u>134</u>

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**7. ANALYSIS OF EXPENDITURE**

**(a) Total expenditure**

	Staff costs (note 8) £'000	Other £'000	Depreciation £'000	TOTAL 2020 £,000	Total 2019 £'000
<b>Costs of generating funds</b>					
Interest payable and similar charges (note 6)	-	-	-	-	2
Development costs	103	37	-	140	152
<b>Total cost of generating funds</b>	<b>103</b>	<b>37</b>	<b>-</b>	<b>140</b>	<b>154</b>

**Charitable expenditure**

**Education and grant making**

Teaching	9,856	1,130	340	11,326	11,149
Welfare	944	966	-	1,910	2,157
Premises repair and maintenance	581	1,133	1,170	2,884	3,107
Support costs and governance	1,296	962	-	2,258	1,968
Grants, awards and prizes (note 7 (b))	-	71	-	71	40
<b>Total charitable expenditure</b>	<b>12,677</b>	<b>4,262</b>	<b>1,510</b>	<b>18,449</b>	<b>18,421</b>
<b>Total Expenditure</b>	<b>12,780</b>	<b>4,299</b>	<b>1,510</b>	<b>18,589</b>	<b>18,575</b>

<b>(b) Grants, awards and prizes</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>

**From Restricted Funds:**

Bursaries and other grants and awards	38	27
Prizes and leaving awards	8	13
Sporting equipment	25	-
	<b>71</b>	<b>40</b>

<b>(c) Governance included in support costs:</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Remuneration paid to auditor for audit services	20	22
Other governance costs	1	1
	<b>21</b>	<b>23</b>

In addition to the above audit remuneration the auditor received fees for taxation compliance services totalling £nil (2019: £1,800).



**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**8. STAFF COSTS AND RELATED PARTY TRANSACTIONS**

	2020	2019
The aggregate payroll costs for the year were as follows:	£'000	£'000
Wages and salaries	10,063	9,756
Social security costs	1,017	986
Apprentice Levy	35	33
Other pension costs	1,665	1,180
	12,780	11,955

Key Personnel	2020	2019
	£'000	£'000
Aggregate employee-benefits of key management personnel	677	595

	2020	2019
Number of higher paid employees in bands of:		
£60,001 to £70,000	6	6
£70,001 to £80,000	1	1
£80,001 to £90,000	-	-
£90,001 to £100,000	1	-
£100,001 to £110,000	-	1
£110,001 to £120,000	1	1
£120,001 to £130,000	1	1
£130,001 to £140,000	-	-
£140,001 to £150,000	-	-
£150,001 to £160,000	-	-
£160,000 to £170,000	-	1
£170,000 to £180,000	1	-

10 of these employees are in a defined benefit pension scheme (2019: 10) and 1 employee is in a defined contribution pension scheme (2019: 1).

The table below sets out the College employee numbers shown by average monthly gross amount and full time equivalent.

	Gross 2020	FTE 2020	Gross 2019	FTE 2019
Teaching	195	157	192	160
Welfare	63	38	61	38
Premises	19	20	21	21
Support	43	33	40	32
Development	3	3	2	2
	323	251	316	253

During the year there were redundancy or termination payments made which amounted to £19,000 (2019: £5,000) there was £nil outstanding at the year end (2019: £nil).

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**9. TANGIBLE FIXED ASSETS**

	Freehold Land and Buildings £'000	Buildings under Construction £'000	Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
<b>Cost (or frozen* valuation)</b>					
At 1 August 2019	46,170	885	2,890	29	<b>49,974</b>
Additions	1,161	1,799	351	11	<b>3,322</b>
Assets Transferred	463	(511)	48	-	-
Fully depreciated Assets written off	-	-	(319)	(7)	<b>(326)</b>
<b>At 31 July 2020</b>	<b>47,794</b>	<b>2,173</b>	<b>2,970</b>	<b>33</b>	<b>52,970</b>
<b>Depreciation</b>					
At 1 August 2019	12,567	-	2,105	25	<b>14,697</b>
Charge for the year	1,168	-	338	4	<b>1,510</b>
Fully depreciated Assets written off	-	-	(319)	(7)	<b>(326)</b>
<b>At 31 July 2020</b>	<b>13,735</b>	<b>-</b>	<b>2,124</b>	<b>22</b>	<b>15,881</b>
<b>Net book value</b>					
<b>At 31 July 2020</b>	<b>34,059</b>	<b>2,173</b>	<b>846</b>	<b>11</b>	<b>37,089</b>
<i>At 31 July 2019</i>	<i>33,603</i>	<i>885</i>	<i>785</i>	<i>4</i>	<i>35,277</i>

All tangible fixed assets are held for use on charitable activities.

\*The College has substantial long-held historic assets used in the course of the College's educational activities. These comprise listed buildings on the College campus, together with their contents comprising works of art, ancient books and manuscripts and other treasured artefacts. Because of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Governors the depreciated historical cost of these assets would now be immaterial.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**10. SECURITIES INVESTMENTS**

	2020	2019
	£'000	£'000
Investments comprise:		
Listed investments		
Equity Unit Trusts	1,554	1,973

The movement in the value of investments is due to revaluation to market value.

**11. PROPERTY INVESTMENTS**

	2020	2019
	£'000	£'000
Valuation at 1 August	3,363	3,739
Disposals	-	(376)
Valuation at 31 July	3,363	3,363

Investment properties consist of a legacy from a College Alumnus consisting of farm land and buildings near to Great Dunmow.

A formal valuation of the properties was prepared by Beatrice Ramsey, FRICS of Strutt and Parker as at 31 July 2016.

**12. DEBTORS**

	2020	2019
	£'000	£'000
Fees and extras	54	248
Staff loans	15	16
Other debtors	150	93
Government debtor - Job Retention Scheme	127	-
Insurance claim debtor	49	-
Taxation and social security	-	4
Other prepayments and accrued income	335	447
	730	808

All debtors are due within one year.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**13. CREDITORS: amounts falling due within one year**

	2020	2019
	£'000	£'000
Deposits from parents	327	288
Fees received from parents in advance of term	1,049	678
Trade creditors	234	580
Taxation and social security	256	255
Contributions due to pension schemes	212	166
Other creditors	34	91
Fees in advance scheme	2,312	2,925
Fees In advance adjustment to fair value	74	147
Defined benefit pension deficit provision	10	10
Accruals and deferred income	675	867
	<b>5,183</b>	<b>6,007</b>

**14. CREDITORS: amounts falling due after more than one year**

	2020	2019
	£'000	£'000
Defined benefit pension deficit provision	100	106
Fees in advance scheme	3,622	4,017
Fees In advance adjustment to fair Value	50	123
	<b>3,772</b>	<b>4,246</b>

The Governors have reviewed the contract terms under which Pupil fee deposits are held by the school. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 July 2020 have been included within current liabilities. The prior year Pupil fee deposits balance has been similarly represented.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**15. FEES IN ADVANCE SCHEME**

Parents may enter into a contract to pay the College in advance for contributions towards the tuition fees for up to fourteen years in return for a fixed price on their fees. The money may be returned subject to specific conditions on the receipt of notice. Assuming pupils will remain in the College, fees in advance will be applied as follows:

	2020	2019
	£'000	£'000
After five years	83	206
Within two to five years	1,036	2,201
Within one to two years	2,503	1,610
	<b>3,622</b>	<b>4,017</b>
Within one year	2,312	2,925
	<b>5,934</b>	<b>6,942</b>
<b>Summary of movements in liability</b>		£'000
Balance at 1 August 2019		6,942
New contracts		2,029
Repayments		(315)
Amounts used to pay fees		(2,722)
<b>Balance at 31 July 2020</b>		<b>5,934</b>

**16. SUMMARY OF MOVEMENTS ON MAJOR FUNDS**

	1 August 2019	Income	Expenditure	Transfer between funds & revaluation	31 July 2020
	£'000	£'000	£'000	£'000	£'000
<b>Share Capital</b>	1	-	-	-	1
<b>Unrestricted Funds</b>					
General Reserve	32,329	21,343	(18,518)	24	35,178
Revaluation Reserve	2,364	-	-	-	2,364
	<b>34,693</b>	<b>21,343</b>	<b>(18,518)</b>	<b>24</b>	<b>37,542</b>
<b>Restricted Funds</b>					
Bursary/Scholarship Funds	1,349	109	(37)	(229)	1,192
Alumni Funds	998	30	(6)	(176)	846
Prize Funds	98	4	(2)	(15)	85
Building Funds	27	2	-	(24)	5
Sporting Expenditure Funds	25	1	(25)	-	1
Library Archiving Fund	22	-	-	-	22
	<b>2,519</b>	<b>146</b>	<b>(70)</b>	<b>(444)</b>	<b>2,151</b>

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**16. SUMMARY OF MOVEMENTS ON MAJOR FUNDS**

	1 August 2018	Income	Expenditure	Transfer between funds & revaluation	31 July 2019
	£'000	£'000	£'000	£'000	£'000
<b>Share Capital</b>	1	-	-	-	1
<b>Unrestricted funds</b>					
General Reserve	26,053	23,890	(18,535)	921	32,329
Revaluation Reserve	3,304	-	-	(940)	2,364
	29,357	23,890	(18,535)	(19)	34,693
<b>Restricted funds</b>					
Bursary/Scholarship Funds	1,292	78	(27)	6	1,349
Alumni Funds	980	31	(6)	(7)	998
Prize Funds	96	4	(1)	(1)	98
Building Funds	23	2	-	2	27
Sporting Expenditure Funds	31	7	(13)	-	25
Library Archiving Fund	24	2	(5)	1	22
Music Expenditure Fund	-	1	(1)	-	-
	2,446	125	(53)	1	2,519

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Restricted	Unrestricted	Total 2020	Total 2019
	£'000	£'000	£'000	£'000
Tangible fixed assets	-	37,089	37,089	35,277
Property investments	-	3,363	3,363	3,363
Securities investments	1,554	-	1,554	1,973
Net current assets/(liabilities)	597	863	1,460	846
Long term liabilities	-	(3,772)	(3,772)	(4,246)
	2,151	37,543	39,694	37,213

	Restricted	Unrestricted	Total 2019	Total 2018
	£'000	£'000	£'000	£'000
Tangible fixed assets	-	35,277	35,277	35,287
Property investments	-	3,363	3,363	3,739
Securities investments	1,973	-	1,973	2,005
Net current assets	546	300	846	(4,177)
Long term liabilities	-	(4,246)	(4,246)	(5,050)
	2,519	34,694	37,213	31,804

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**18. PENSION SCHEMES**

Retirement benefits to employees of the College are provided through two defined benefit schemes and four defined contribution schemes, which are funded by the College's and employees' contributions.

**Defined benefit schemes**

**Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,498,000 (2019: £1,014,000) and at the year-end £nil (2019: £137,000) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgement 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. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against the unforeseen changes in the 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 raise 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. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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 the consultation and the cost cap mechanism review are completed 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.

**Pensions Trust Independent School's Scheme**

The College participates in the scheme, a multi-employer scheme which provides benefits to some 66 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the College to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.



**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

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

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2017. This actuarial valuation was certified on 27 December 2018 and showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

**Deficit contributions**

From 1 September 2019 to 30 April 2030: £2,387,357 per annum  
 (payable monthly and increasing by 3% on each 1<sup>st</sup> September)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £110.0m, liabilities of £147.4m and a deficit of £37.4m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

From 1 September 2016 to 31 August 2029: £2,341,000 per annum  
 (payable monthly and increasing by 3% on each 1<sup>st</sup> September)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

The following schedule sets out the deficit reduction contributions agreed between the Company and the scheme under the deficit funding arrangement:

Year ended:	2020 £'000	2019 £'000
31 <sup>st</sup> July 2020	10	10
31 <sup>st</sup> July 2021	11	10
31 <sup>st</sup> July 2022	11	11
31 <sup>st</sup> July 2023	11	11
31 <sup>st</sup> July 2024	12	11
31 <sup>st</sup> July 2025	12	12
31 <sup>st</sup> July 2026	12	12
31 <sup>st</sup> July 2027	13	12
31 <sup>st</sup> July 2028	13	13
31 <sup>st</sup> July 2029	10	13
31 <sup>st</sup> July 2030	-	10

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

The movement on the defined benefit pension scheme liability during the year was as follows:

	2020	2019
	£'000	£'000
Balance at 1 August 2019	116	88
Unwinding of the discount factor (interest expense)	1	2
Deficit contribution paid	(10)	(8)
Remeasurements - impact of any change in assumptions	2	5
Remeasurements - amendments to the contribution schedule	-	29
Balance at 31 July 2020	<u>110</u>	<u>116</u>

The impact of income and expenditure during the year was as follows:

	2020	2019
	£'000	£'000
Interest expense	1	2
Remeasurements - impact of any change in assumptions	2	5
Remeasurements - amendments to the contribution schedule	-	29
Contributions paid in respect of future service	-	15
	<u>3</u>	<u>51</u>

The net present value calculation to determine the value of the provision has been made on the basis of discount rates of 0.84% as at 31 July 2020 and 1.24% as at 31 July 2019. These rates are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

This defined benefit scheme was provided to 2 support staff during the year ended 31 July 2019. Both staff ceased to be employed by the College before the year ended 31 July 2019 and 1 member of support staff was entered into the defined contribution section of the pension scheme during the year ended 31 July 2020. Contributions paid to the defined contribution section of the pension scheme in the current year were £1k (2019: £nil).

**The College Support Staff Pension Plan**

The College participates in 2 group personal pension plans for non-teaching staff. The regular cost is charged to income and expenditure account and is based on 5% of salary. Contributions paid in the current year were £116,000 (2019: £112,000) and £nil was payable at the year end (2019: £19,000). In addition to the pension contributions, the College pays 1% for each of the participating employees for life assurance cover.

In February 2014 the College introduced Auto Enrolment in accordance with new legislation. This has resulted in some employees being enrolled in the NEST pension scheme at the minimum contribution levels. Contributions paid in the current year were £16,000 (2019: £12,000) and £3,000 was payable at the year end (2019: £nil).

In addition the College pays employer contributions into a further defined contribution scheme for one employee under a salary sacrifice scheme. During the year the College paid contributions of £16,000 into the scheme (2019: £19,000) and £3,000 was payable at the year end (2019: £4,000).

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**19. CAPITAL EXPENDITURE CONTRACTED**

There were £2,989,000 of capital commitments as at 31<sup>st</sup> July 2020. Of this committed sum, £2,960,000 relates to the refurbishment of School House which is anticipated to be completed in early 2021. The capital commitments at the year-end on 31<sup>st</sup> July 2019 were £1,142,000 and related to several improvements to properties, sports facilities and traffic management on site.

**20. OPERATING LEASE COMMITMENTS**

As at 31 July 2020 the College had future minimum lease payments under non-cancellable operating leases for each of the following lease periods:

	2020	2019
	£000	£000
Not later than one year	65	1
Later than one year and not later than five years	99	2

**21. RELATED PARTY TRANSACTIONS**

One Governor made unrestricted donations of £240 to the College (2019: 2 Governors made unrestricted donations of £330).

Travel and subsistence expenses of £208.84 were paid to one Governor (2019: £114 was paid to 3 of the Governors for travel and subsistence expenses).

Mr Conti and Mr Harrison are parents of pupils in the School. These families are paying School fees in accordance with the School's standard terms and conditions.

In the prior year the College paid £210 for lunch and refreshments at a meeting held with Governors and employees at a Business Centre operated by Mantle Business Centres Ltd, of which Mr Baker is a Director.

**22. FINANCIAL INSTRUMENTS**

	2020	2019
	£000	£000
Financial assets measured at amortised cost (a)	6,182	6,402
Financial liabilities measured at amortised cost (b)	(594)	(959)
Financial assets measured at fair value (c)	1,554	1,973
Net financial assets/(liabilities) measured at amortised cost (a) - (b)	5,588	5,443

(a) Financial assets include cash, trade and fee debtors, staff loans, other debtors and accrued income.

(b) Financial liabilities include bank overdraft, deposits, trade creditors, and other creditors

(c) Financial assets held at fair value include assets held as investments

A reduction of £nil in impairment losses was credited to financial assets measured at amortised cost in the year, in 2019 there was an impairment charge of £nil.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2020**

**23. STATEMENT OF FINANCIAL ACTIVITIES - COMPARATIVE FIGURES BY FUND TYPE**

	Unrestricted Funds £'000	Restricted Funds £'000	2019 Total £'000
<b>Income from:</b>			
<b>Charitable activities</b>			
School fees receivable	19,429	-	19,429
Ancillary trading income	676	-	676
Income from Insurance Claim	51	-	51
Profit on disposal of fixed assets	1,668	-	1,668
<b>Other trading activities</b>			
<b>Investments</b>			
Investment income	55	87	142
Interest receivable and similar income	136	-	136
<b>Voluntary sources</b>			
Grants and donations	99	39	138
<b>Total incoming resources</b>	<b>22,114</b>	<b>126</b>	<b>22,240</b>
<b>Expenditure on:</b>			
<b>Raising funds</b>			
Interest payable and similar charges	(2)	-	(2)
Fundraising & Development	(152)	-	(152)
<b>Total deductible costs</b>	<b>(154)</b>	<b>-</b>	<b>(154)</b>
<b>Charitable activities</b>			
Education and grant making	(18,381)	(40)	(18,421)
<b>Total expenditure</b>	<b>(18,535)</b>	<b>(40)</b>	<b>(18,575)</b>
<b>Net incoming funds from operations before transfers and investment gains</b>	<b>3,579</b>	<b>86</b>	<b>3,665</b>
Gains/(losses) on investments	-	(32)	(32)
Profit on disposal of investment properties	1,776	-	1,776
<b>Net income and capital inflow</b>	<b>5,355</b>	<b>54</b>	<b>5,409</b>
Transfer between funds during the year	(19)	19	-
<b>Net movement in funds for the year</b>	<b>5,336</b>	<b>73</b>	<b>5,409</b>
Fund balances brought forward at 1 August 2018	29,358	2,446	31,804
<b>Fund balances carried forward at 31 July 2019</b>	<b>34,694</b>	<b>2,519</b>	<b>37,213</b>