

CHARITY NO. 309243

**RADLEY COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

RADLEY COLLEGE
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FOR THE YEAR ENDED 31 JULY 2017

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RADLEY COLLEGE
MEMBERS OF THE COUNCIL AND ADVISORS
FOR THE YEAR ENDED 31 JULY 2017

M E Hodgson FRICS ^{1 2}	Chairman
T O Seymour	
M J W Rushton ^{1 2}	
N J Henderson FRCS ^{1 2 3}	Vice Chairman
D C S Smellie ¹	
Mrs D J Pluck FCA ³	Chairman of the Audit and Risk Committee
G A Kaye FRICS ^{1 2 3}	Chairman of the General Purposes Committee
Mrs E McKendrick	
W S H Laidlaw ¹	
J C Bridcut MVO	
T M Durie ACA FCSI ²	
R H Warner FCA ^{1 3}	
Sir Charlie Mayfield MBA	
Sir John Holmes GCVO, KBE, CMG	
R N L Huntingford FCA ^{1 a}	
P E F Watson FRGS	
Mrs E J Martineau	
H J R Willis ^{1 2}	Chairman of Investment Sub-Committee
Rt Revd Stephen Conway	Resigned August 2016
S J B Shaw ACA ^a	
Ms L F Nixon	Appointed December 2016
Revd Dr S Hampton	Appointed March 2017

¹ General Purposes Committee ² Investment Sub-Committee ³ Audit and Risk Committee ^a Radleian Society nominee

The above includes all who have served during the year ended 31 July 2017 and any subsequent changes up to the date of signing of these financial statements. The members, who do not receive any remuneration, are elected by the Council, although the Radleian Society is entitled to nominate two members^(a). Overall, the Council shall consist of no fewer than twelve nor more than twenty-one members.

Registered office	Radley College Abingdon Oxfordshire OX14 2HR
Website	www.radley.org.uk
Warden	J S Moule MA ⁴
Officers	
Bursar and Secretary to the Council	A Ashton MA ACIB ⁴
Sub-Warden	B J Holden MA ⁴
Academic Director	S Rathbone BA ⁴
Senior Masters	H D Hammond BSc ⁴ N Murphy MA ⁴ R D Shaw MA ⁴
Development Director	C J Dudgeon MA ⁴
Finance Bursar	J K Fletcher BA ACA
Estates Bursar	D Y Anderson BSc MRICS

⁴ Member of the Senior Management Team (Key Management Personnel).

RADLEY COLLEGE
MEMBERS OF THE COUNCIL AND ADVISORS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

Independent Auditor	Crowe Clark Whitehill LLP Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1PL
Bankers	National Westminster Bank plc 11 Market Place Abingdon Oxfordshire OX14 3HH
Investment Advisors	Investec Wealth & Investment Limited 2 Gresham Street London EC2V 7QN
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
	Knights Professional Services Limited Midland House West Way Botley Oxford OX2 0PH
	Cater Leydon Millard Limited 18c Milton Park Abingdon Oxfordshire OX14 4RP
Pension Advisors	Mattioli Woods plc Cheveley House Fordham Road Newmarket Suffolk CB8 7XN

RADLEY COLLEGE
STATEMENT FOR THE YEAR ENDED 31 JULY 2017
BY MICHAEL HODGSON – CHAIRMAN OF THE COUNCIL

I am delighted to present the annual report of Radley College for the year ended 31 July 2017.

In October 2016 members of the Radley community gathered for the launch of the Radley College Vision. As part of this, we have defined what it is that we seek to achieve with a Radley education and we have set out our strategic priorities. Full details are included on the College's website (www.radley.org.uk), and this report provides a summary of progress in the most recent year.

For any school embarking on a programme of change, it is important that the present is not forgotten – each and every year, two out of five year groups at Radley sit important external exams – the Fifth Form with their GCSEs, and the 6.2s who sit A Levels and also have to make critical decisions on university entry. Indeed, Removes and 6.1s also sometimes sit individual external exams a year early. Each year, too, is a year when boys from all five year groups at Radley will have life forming experiences – academically and across a variety of co-curricular arenas. This report, by its nature, is a report on the past year, and written in the context of our financial statements, and financial health, but importantly it seeks to present this in the context of a school seeking to deliver great outcomes year on year while also preparing for the future, in a changing world.

Section 3 of the report provides an update on school achievements. Exam results and university entry statistics indicate another strong year. We have also seen a resurgence in performance across a number of sports in the past year, and believe this is early payback following a strategic review of sport at Radley. We also had an excellent year in terms of music, art and drama as well as many of the cultural and other exchanges that have taken place. We report specifically in Section 3.4 of this report on public benefit. Council considers the College's contribution to public benefit each year. Beyond its own activities as a school, which include an emphasis on growing bursary funding, the College was delighted to receive excellent feedback over the year on the beneficial impact of its role with respect to Desborough College in Maidenhead. We were specifically pleased to have been able to second one of our senior masters to Desborough in the year where he fulfilled the role of Vice Principal and where his leadership has helped further develop links between the schools.

A financial review of the year is summarised in Section 4 of the report. Two events of note took place in the year. Firstly, a private placement exercise that raised £25m for the College, taking advantage of prevailing low long term interest rates, in order to restructure existing debt and to fund future campus development. Secondly, there has been a revaluation of the College's land holdings, recognising two parcels of land owned by the College have been allocated for development in the Vale of White Horse Local Plan 2031, and good progress has been made in navigating these through the planning process. In consequence, this, together with another healthy year financially, has meant the College has seen a step change in its balance sheet, ending the year with consolidated net assets of £95.3m (2016: £67.4m).

It is important to recognise the role of the Radley Foundation in underpinning the College's financial health and in helping to enable the delivery of our strategy. The Foundation is subject to its own annual report, but its assets are included in the College's consolidated accounts, and 2016/17 was a record year for the Foundation with £2.5m raised – and, on behalf of Council, I would like to thank our donors for their generosity and their pivotal role in helping Radley develop.

Council has been delighted to welcome two new members in the past year. We welcomed Lucia Nixon in December and Revd Dr Stephen Hampton in March, and are grateful to both for giving their time, wisdom and experience to support Radley in the years ahead. We also said goodbye - at the very start of the year - to Bishop Stephen Conway who retired from Council, but who made such a helpful contribution to College strategy during his time on Council.

In conclusion, and on behalf of Council, I am pleased to report on what has been a successful year for Radley, and one that was so productive in helping define and communicate our Vision for the years ahead, and put in place some important building blocks towards its delivery.

Michael Hodgson
Chairman of the Council

RADLEY COLLEGE
ANNUAL REPORT OF THE COUNCIL
FOR THE YEAR ENDED 31 JULY 2017

1. Structure, governance and management

1.1 Introduction

The Council presents its annual report and audited financial statements for the year ended 31 July 2017.

The information with respect to members of the Council and advisors set out on pages 1 and 2, together with the Statement by the Chairman on page 3, form part of this report. The financial statements comply with Radley College's Royal Charter, applicable Accounting Standards in the United Kingdom, and the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102), and the Charities Act 2011.

1.2 Status and administration

This report and consolidated financial statements for the year ended 31 July 2017 relate to the total activities of the entities described below.

Radley College

St Peter's College, Radley, generally known as Radley College (or "the College"), is an independent boys' boarding school providing education to boys from all backgrounds between the ages of 13 and 18. It was founded in 1847, incorporated under a Royal Charter dated 14 November 1890 and registered with the Charity Commission under charity registration number 309243.

The College is governed and managed by the Council acting in accordance with the Statutes and Regulations ("the Statutes") under the provisions of this Charter.

Radley College Services Limited

The College owns the whole of the issued share capital of Radley College Services Limited, a company registered in England. This company undertakes external lettings, provides transport services and acts as design and build contractor on certain major building contracts. It prepares its financial statements for the year ending 31 July and gifts the whole of its taxable profit to Radley College. The results and net assets of the company for the year are detailed on page 30 of the financial statements.

Radley College Leisure Limited

The College is the sole member of Radley College Leisure Limited, a company limited by guarantee and registered in England. This subsidiary company provides sports facilities to fee-paying members. It prepares its financial statements for the year ending 31 July and gifts the whole of its taxable profit to Radley College. The results and net assets of the company for the year are detailed on page 30 of the financial statements.

The Radley Foundation

The Radley Foundation is an associated charity registered separately with the Charity Commission. This charity exists primarily to foster, promote and advance such charitable purposes connected with Radley College as the trustees shall determine. It also prepares its financial statements for the year ending 31 July. The results and assets of the Foundation are consolidated with those of Radley College, since the Foundation is considered to be controlled by the College.

The Radleian Society

The Radleian Society is registered with the Charity Commission as a subsidiary of Radley College. The Society is the body through which all Radleians and friends of Radley can maintain their links with the College and with each other around the world. The Society is managed by a small committee of Old Radleians. The Radleian Society accounts are maintained and prepared by the Society's Treasurer and are consolidated within the College's Group accounts.

RADLEY COLLEGE
ANNUAL REPORT OF THE COUNCIL (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

Radley College War Memorial Funds

The Radley College War Memorial Funds are registered with the Charity Commission as subsidiary funds of Radley College, and are managed independently by the War Memorial Committee. The Funds' assets are split between three component funds and their combined income is applied periodically to pay for War Memorial Bursaries, against defined qualifying criteria. While the capital is not available to provide bursaries, accumulated income can be spent in subsequent years.

The War Memorial Funds accounts have been independently reviewed and are consolidated within the College's Group accounts.

1.3 Organisational structure

The Council meets three times per year and has three principal committees: the General Purposes Committee, the Investment Sub-Committee and the Audit and Risk Committee. The first two each meet three times per year, when they review the latest financial forecasts, investments and other progress of the College, and the Audit and Risk Committee meets twice per year. Whilst the committees are empowered to take certain actions, all matters are reported to the Council. Other Council sub-committees, including Senior Salaries, Nominations and Bursaries, are convened as necessary.

The Warden and the Bursar, who attend all Council and most committee meetings, are, together with other members of the Senior Management Team, responsible for the day to day running of the College in accordance with the decisions taken and budgets set by the Council.

Individual members of the Council also sit as trustees of the Radley Foundation, as members of the Radley College War Memorial Committee, as trustees of the Radley College Pension & Assurance Scheme, and as representatives with Common Room.

Members of the Council are appointed in accordance with the Statutes. The Nominations Sub-Committee meets as necessary to plan the future membership of the Council in light of likely retirements, including reviewing the particular skills and expertise that the Council might find beneficial. The Sub-Committee reports regularly to the Council, and reviews all suggestions that it receives to fill any vacancy. All names are then brought back to the Council for formal nomination, before any invitations to join the Council are issued.

New members of the Council receive, shortly after appointment, a full induction at Radley College appropriate to their particular professional qualification or area of expertise. Further details relating to members of the Council are included in note 11 to the financial statements.

1.4 Risk management

The major risks the College faces are reviewed at least once a year and are underpinned by relevant policies, each with a regular review regime, backed up from time to time by independent external reviews. The Council has examined the principal areas of the College's operations and considered the major risks faced in each of these areas. In the opinion of the Council, Radley College has established resources, internal control and review systems, which, under normal circumstances, should allow these risks to be mitigated to an acceptable level in its day to day operations.

The most significant risks are summarised below:

- Child welfare matters, managed by an effective Safeguarding Policy and other welfare policies under the auspices of an effective pastoral team with clear escalation paths;
- Economic factors (including fee affordability), managed through effective cost management, financial planning and control, bursary policy, and maintaining a quality product; and
- College reputation, managed by effective management and escalation frameworks.

RADLEY COLLEGE
ANNUAL REPORT OF THE COUNCIL (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

2. Objectives and activities

2.1 Charitable objects

The objects of the College are set out in the 1890 Charter and can be summarised as being for “the education of youth”. The College meets these objects through its primary aim of providing a boarding school education for boys aged between 13 and 18.

Between the ages of 13 and 18 boys are at Radley for the majority of their time, and it is our aim to see that they are happy, fulfilled and that they develop their individual talents. The College has always prided itself on the excellent relations between boys and the teaching staff, and parents are given regular information about their sons’ social and academic progress through regular contact with Tutors and Form Masters, in addition to end of term and year reports.

In addition to academic and all round excellence, our school is committed to safeguarding and promoting the welfare of our pupils and expects all staff to share this commitment.

The trustees of Radley College are known as the Council and also act as trustees for various permanent endowments and un-endowed trust funds held for special purposes in connection with the development of the College’s facilities and for bursaries, scholarships, prizes and other educational purposes. The Council’s policy, in line with that of other independent schools, is to make scholarship awards on the basis of the individual’s academic ability. Where the award is out of restricted funds, this is subject to any conditions imposed by the original donor or, where this is no longer possible, conditions subsequently agreed with the Charity Commission. Bursary awards are made only after due consideration of a parent’s detailed financial circumstances (see Section 2.3.1).

The Charity Commission issues guidance on public benefit to promote awareness and understanding. Trustees have to have due regard to such guidance when exercising their powers or duties to which it is relevant. In the light of the purposes of the College laid down by the 1890 Charter, and the professional advice received, the trustees remain satisfied that the College’s charitable purposes are for the public benefit through the provision of secondary education in the form of a boarding school for boys, with open access.

The policies and practices of the College in relation to means-tested bursaries, scholarships and providing facilities for, and supporting education in, the wider community all provide additional examples of the way in which the College is benefitting the public at large. Further details are set out in Section 3.4: Public benefit.

2.2 The Radley Foundation and fundraising

Recognising that much greater resources are needed to fund bursaries and maintain the College’s facilities at the very highest level, the Council agreed in 2000 to the setting up of the Radley Foundation. Since then approximately £14.3m of cash or short term pledges, or £20.0m including outstanding legacy pledges, has been donated or pledged to the Foundation.

The Foundation played a leading role in helping articulate Radley’s Vision to its donor community, and has an immediate goal to raise £10m over five years, to invest in our strategy, and particularly the provision of bursaries.

The College funds the Foundation’s overheads, in order that the full amount of all donations can be put towards the charitable purposes anticipated by each donor. As well as the cost of fundraising activity, this also covers the staff costs of the Radleian Society and the maintenance of a database used by both the Foundation and the Radleian Society.

RADLEY COLLEGE
ANNUAL REPORT OF THE COUNCIL (CONTINUED)
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2.3 Grant making policy

2.3.1 Bursaries

The Council adopts a policy of granting “enabling bursaries” to support the parents of those boys who for financial reasons would not otherwise be able to come to Radley and “sustaining bursaries” to support parents of those boys who fall upon sudden and unexpected financial hardship while their sons are already at Radley.

Enabling bursaries are advertised through the College’s prospectus, on its website, in targeted publications, and through ongoing contact with schools and other relevant groups.

Bursary awards are made solely on the basis of parental means. In assessing means, a number of factors are taken into consideration including family income, investments and savings and family circumstances (such as dependent relatives and number of siblings). However, the College does not have a large endowment and, in funding awards for parents who already make considerable personal sacrifices for their children’s education, a balance is struck between those who need lower value top-up bursaries, and those who need higher value or full bursaries.

The Council manages a number of bursary funds, the largest of which are:

The Dennis Silk Trust Fund - a fund created in 1991 from donations by parents and others on the retirement of Dennis R W Silk after 23 years as Warden. Awards follow certain criteria and are made to boys who are not already at Radley, and, for financial reasons, would not otherwise be able to come to Radley.

The Radley Fund - a major legacy from the late Mr Spencer Ell (OR) and his wife to be applied for the benefit of Radley or Radley pupils.

Hugo Rutland Memorial Fund - a fund created by the Radley Foundation and Mrs Claire Rutland in 2006 as a memorial to Hugo Rutland (OR) who was tragically drowned in an accident a few weeks prior to his eldest son starting at Radley. The fund’s aim is to enable, or continue, the education of children whose parents find themselves in unexpected financial difficulties, or those children with talent whose parents could not otherwise afford a place at Radley.

In addition, the Council continues to support a policy (adopted in 1994) of setting aside each year a proportion of the College’s unrestricted funds (currently one percent of net fee income) to build the designated **General Bursary Fund**. This fund assists parents who encounter financial hardship, and difficulty paying the fees, during their son’s time at Radley, and also contributes towards entrance bursaries for those otherwise unable to attend Radley. In the year to 31 July 2017 a total of £130k was paid out (2016: £99k).

For the academic year 2016/17, a total of 58 boys were in receipt of bursaries ranging in value from 10% to 100% of full fees (2016: 49 boys). It is the College’s intention to grow significantly year-on-year the number of bursaries to ensure more boys of talent from all backgrounds can come to Radley.

RADLEY COLLEGE
ANNUAL REPORT OF THE COUNCIL (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

2.3.2 Scholarships

Scholarships are awarded by the College as a result of outstanding achievement in the scholarship examinations set by the College. Typically, these scholarships can be honorary, with no fee remission, or for 5% to 10% of fees.

As with bursaries, the College manages a number of scholarship funds, the income from which is used towards scholarship funding. In addition to a **General Scholarship Fund**, there is a number of named funds, the largest of which are:

J V P Thompson Scholarship Trust Fund - a gift and a legacy from James V P Thompson (Tutor of C Social from 1950-1964) to create a fund "...which shall be applied to assist boys seeking to enter the College who are of particular merit but who do not necessarily attain the standard of an open scholarship".

The John Philip Couzens Scholarship Fund - a major bequest by Captain George Edwin Couzens who died in 1954 and who wished to found a scholarship in memory of his OR son who died on active service in 1942. The funds are generally applied to fund one or more major scholarships each year.

For the academic year 2016/17, a total of 152 boys were in receipt of scholarships or exhibitions, of whom 30 also received bursaries (*2016: 150 and 23 boys respectively*), and a further 15 boys were in receipt of free instrumental or singing lessons (*2016: 15 boys*).

2.3.3 Other

The Council also manages a number of other restricted funds, including:

The Malcolm Robinson Memorial Fund – a fund created by the Radley Foundation and launched in 2008 following the death from cancer that year of Malcolm Robinson, a former teacher at Radley who had a far-reaching influence on pupils and academic life. Income from the fund is used to pay for Radleians to study at the William & Mary College in Virginia, USA on their "Pre-Collegiate Summer Programme". Since its launch, 9 boys have benefitted in this way.

The Rhona Parkinson Fund - the residue of the estate of Miss Rhona Parkinson who had taught at Radley for over 40 years and who died in 1989. The fund is applied for the benefit and appreciation of music generally at Radley.

Radley Youth & Social Services Trust – created in 1969. The income and capital is applied for the purpose of encouraging and training pupils of Radley College in community work within Abingdon or its neighbourhood.

Other smaller funds are invested jointly within the Consolidated Fund and are itemised in note 20 to the financial statements.

RADLEY COLLEGE
ANNUAL REPORT OF THE COUNCIL (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

3. Review of achievements

3.1 Achievements against objectives

The Council reviewed in June the College's achievements against detailed objectives for the year covering the full range of College life, and was satisfied that it remains on track against these.

In addition, during the year a Vision for Radley was launched, with three strategic pillars of:

People - to provide opportunities for a greater number of talented and deserving boys, from diverse backgrounds, to enjoy the benefits of a Radley education.

Place – to ensure that the school provides, and is known for providing, world-class teaching within world-class facilities.

Purpose – to give all our boys the understanding, skills and global awareness to contribute positively to a changing world.

Section 6 of this report summarises the key themes underpinning this Vision, with deliverables planned over a rolling five-year timeframe.

The remainder of the Section that follows provides a summary of a number of the highlights in the year that illustrate progress made against delivering the Vision.

3.2 College performance

During the year there were 687 pupils (2015/16: 688). The College retains an Open Entry List, whereby it encourages boys of merit to enter by sitting the 11+ ISEB pre-test before being shortlisted for interview, and this is open for any candidates entering from 2020 to 2028. The 2019 Open Entry List attracted 271 entries, we shortlisted 138 boys and offered 60 firm places, keeping 62 boys on our waiting lists. In addition, we continue to accept boys onto the Radley List as far ahead as 2031, but this list is now closed for entry before 2028.

Against the record high of the previous year, examination results remained strong with 90% of A Level exams graded at A*/A/B (2016: 93%). Of these, 63% of exams were graded against the higher benchmark of A*/A. At GCSE and IGCSE, results were almost in line with the previous year, with 83% of all papers passed at A* or A grade (2016: 84%), and 54% A* (2016: 59%).

The College also had a successful year in terms of university admissions. Radleians continued to aim high, with the majority of leavers securing a desired university place. Nine Oxbridge places and offers were secured in 2017, being a conversion rate of 20% of the 45 applicants. The majority of boys went to top Russell Group universities, notably Edinburgh, Durham, Bristol and Exeter, though a growing number accepted offers from London-based institutions and foreign universities.

In Sport, there were many highlights at individual and team level. Of particular note was an excellent year for the rowers, including a first ever win at the Head of the Charles regatta in Boston, and second place (and top British schoolboy VIII) in the prestigious Princess Elizabeth Cup at Henley. Cricket had a particularly strong season, with the first XI winning the majority of its fixtures and the footballers successfully defended the LV Cup. There were great performances in many other sports – at all levels – and encouraging signs for the future.

Music at Radley has continued to thrive, now under a new Precentor, including a memorable Warden's Music event this year. In Drama the highlight of the year was a production of Titanic – but there were many other performances to remember including an open air staging of Wind in the Willows at the Boathouse. The Art Department continued to showcase boys' art and hosted many high profile public exhibitions over the year.

RADLEY COLLEGE
ANNUAL REPORT OF THE COUNCIL (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

3.3 Facilities

The focus of the year was on detailed master planning for the projects that would be necessary to deliver the College's Vision.

The College also made progress in articulating the designs for an extended Chapel and for the planned eleventh Social. A design was also agreed for an extended and refurbished Science Department to provide more extensive science teaching facilities. Finally, planning permissions were received for a Strength and Conditioning Centre, and a relocated site for the Countryside Centre, with work commencing on the former during the year.

As part of a five-year rolling programme, work also commenced on the refurbishment of J and K Socials in the summer.

3.4 Public benefit

Further to the statements made in Section 2.1, the Council considers that the College's charitable purposes are for the public benefit by reference to the provision of secondary education with open access. The Council considers that, in addition, it contributes to the public benefit through the provision of means-tested awards, and through its contribution to education in the wider local community. Specifically, the Council has quantified the College's contribution in the following areas:

Financial

A total of £1.9m (2016: £1.9m) was provided in the form of scholarships, means-tested bursaries, discounts or free music lessons. Additionally, Radley College has further increased its General Bursary Fund by setting aside one percent of net fee income. Hardship awards totalling £80k were made out of this fund during the financial year (2016: £49k) together with a further £50k being applied to other means-tested bursaries (2016: £50k). The War Memorial Committee also supported the funding of one bursary award during the year, totalling £12k (2016: £11k).

The Council is committed to increasing the College's provision of bursaries. As such, it has additionally committed that the income from the net proceeds of any future land sales should initially be pledged to fund additional scholarships and bursaries.

Educational

The College welcomes pupils from all backgrounds who pass our entry criteria.

Radley College has sought to share its teaching resources locally, and further afield, through several initiatives. Foremost among these is the provision of academic input to Desborough College, Maidenhead. Radley's input included senior staff being dedicated to liaison with Desborough, two senior Radley staff members appointed to Desborough's governing body, and frequent liaison between academic and sporting departments. Notably during the year, a senior member of Radley's teaching staff was seconded to Desborough as Vice Principal. One example, among many, of positive engagement, has been sessions run across two terms by sixteen Radley dons, for 40 to 50 gifted and talented Desborough boys.

During the year, Radley was delighted to establish, in conjunction with Oxford High School, and with funding from the Swire Group, the Swire Chinese Language Centre for Oxford in which children across a number of State schools in the area will benefit with free Mandarin tuition.

Academic departments and Radley boys also assisted children from eight local schools, one of which is a school for pupils with learning disabilities. In addition, links continue to be developed with schools further afield, domestically and overseas.

RADLEY COLLEGE
ANNUAL REPORT OF THE COUNCIL (CONTINUED)
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3.4 Public benefit (continued)

Music, sport and arts within the community

The College chapel choir operates a choristership scheme under which 24 boys from local schools receive choral training and free music lessons. Choristers are selected on a “needs-blind” basis and music tuition is provided free of charge. During the year, the sum of these benefits had a total cost to the College of £26k (2016: £33k).

Radley’s excellent music, sports and arts facilities were again used by many local groups in the community.

Other

As a result of fundraising activities organised by Radley boys over the course of the year, over £270k was raised for other charities.

Sixth Form boys also visited Tanzania for a sixth successive year in July 2017, where once again they joined up with Gehandu Secondary School, in Mbulu, to help with teaching in a range of subjects, most importantly English. Fundraising each year additionally helps in the provision of resources.

Finally, Radley College educated 687 boys at nil cost to the State, thereby relieving pressure on the State sector and also saving the Exchequer in the order of £3m to £4m during the year, based on published expenditure per pupil data in State schools. In addition, the College paid £885k in irrecoverable VAT during the year (2016: £677k).

More detail on Radley’s contribution to public benefit, including detail on its various community partnerships is available on the College’s website.

4. Financial review

4.1 Review of activities and future developments

The Consolidated Statement of Financial Activities for the year is set out on page 19 of the financial statements. A summary of the financial results and the work of the College is set out below.

4.2 The financial results

The Consolidated Statement of Financial Activities for the Radley College Group shows net movement in funds of £28.0m (2016: £5.2m), net of a depreciation charge of £2.5m (2016: £2.5m). This included a £23.0m (2016: £2.6m) uplift in the value of investment properties following updated valuations.

Net movement in funds of Radley College activities – unrestricted, restricted and endowed – was £25.8m (2016: £3.9m). The net current assets of the College of £12.4m (2016: *net current liabilities* £6.6m) include cash of £17.8m (2016: £1.0m) following a private placement (see below) and include, within creditors, liabilities of £2.5m (2016: £2.7m) due to be covered by termly credits from the Fees in Advance Scheme during the year.

The College raised £25m of long term debt during the year by means of a private placement. The proceeds of this were used to repay existing term bank debt, with the balance to contribute to future campus development, including the building of a new Social. A summary of the College’s debt structure is shown on page 39 of the financial statements. The Council believes it is benefitting from the current low interest rates in place nationally, and debt structure remains under constant review in order that the College does not borrow more than it is comfortable with, and that servicing costs do not strain cash flow.

RADLEY COLLEGE
ANNUAL REPORT OF THE COUNCIL (CONTINUED)
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4.2 The financial results (continued)

The valuation of the Radley College Pension & Assurance Scheme ('Scheme') in accordance with FRS102 (see note 23 on page 46) shows a movement from a deficit of £1,214k at 31 July 2016 to a deficit at the year-end of £1,232k. The most recent triennial valuation exercise, based on Scheme value as at 1 August 2016, resulted in a Scheme surplus at that date of £587k. The Scheme is for non-teaching staff and was closed to new members from 31 August 2005 and the College now operates a defined contribution Group Personal Pension Scheme for new employees.

The Fees in Advance Scheme (see note 18 on page 41) attracted new compositions of £0.6m (2016: £2.8m). While the Scheme made a deficit during the year, it continues to operate successfully, and is fully supported by the College.

4.3 Investment policy and performance

The Statutes govern the College's investment powers. Since 13 July 2007 the College's funds have been managed by Investec Wealth & Investment Limited ('Investec') in conformity with the policies and benchmarks agreed by the Council, operating through its Investment Sub-Committee.

Income targets are in place for the fund portfolios managed by Investec in part to plan for the cost of scholarships and bursaries, but consideration is also given to the need to protect and grow capital, in order to fund awards into the future. The funds achieved net growth in the year between 11% and 14%, and each fund exceeded its annual performance target.

Compositions received into the Fees in Advance Scheme are currently invested in UK Government securities and sterling-denominated European Investment Bank (EIB) fixed interest bonds to match related fee liabilities.

4.4 Remuneration

The College's key management personnel are named on page 1 of this report. Arrangements are in place for setting the remuneration for these personnel and, in the case of the Warden and Bursar, comprise a Senior Salaries Committee of the Council that has due regard to benchmark information and market pay for these roles. This exercise, together with the overall remuneration of other personnel, forms part of the Council's annual salary review, as part of the budget process, which again takes account of market rates of pay and relevant benchmark reports.

4.5 Fundraising

As a Charity the College seeks to maximise opportunities for fundraising. The Radley Foundation is the primary vehicle for this, and its report and financial statements are published separately, which summarise fundraising activities for the year.

4.6 Reserves policy

The Charity Commission requires all charities to adopt a formal policy in respect of their financial reserves, and, in particular, to explain for what future needs, opportunities, contingencies and risks they are required. At the year end unrestricted funds for the Group, excluding those that have been designated for specific purposes, stood at £43.9m (2016: £43.4m). After deducting the carrying value of tangible fixed assets held for the College's own use, adjusted for borrowing and capital commitments, free reserves, as defined by the Charity Commission, were £5.2m (2016: £4.0m).

RADLEY COLLEGE
ANNUAL REPORT OF THE COUNCIL (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

4.6 Reserves policy (continued)

As reserves assist in managing cashflow, funding investments and providing financial security, the College has an aspiration to have reserves of the equivalent of one term's gross income, or £9.5m at the year end. The College seeks to grow reserves towards this target by budgeting for a modest surplus each year and through effective financial management.

To provide operational flexibility, the College also maintains an unrestricted fund, named the "Reserve Fund", holding assets freely available for the general purpose of the charity. The benefit of the Reserve Fund is the flexibility it continues to give to the Council to plan and fund major capital works. This fund had a value of £7.5m at the year-end (2016: £7.2m) and includes £2.0m of freehold investment properties (2016: £2.2m), together with more easily realisable financial investments which stood at a value of £5.5m (2016: £5.0m) at the year end.

4.7 Going concern

The College makes occasional use of its revolving loan facilities to meet its day to day working capital requirements. Current forecasts indicate the College expects to be able to operate within these facilities for the foreseeable future. The Council is not aware of any circumstances that may adversely affect renewal of these facilities. Accordingly, the Council believes it is appropriate to prepare the annual financial statements on the going concern basis of accounting.

4.8 Changes in fixed assets

The movements in tangible fixed assets during the year are set out in note 13 to the financial statements.

4.9 Asset cover for funds

Note 22 to the financial statements sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the College's obligations in respect of each individual fund.

5. Changes since the year end

There have been no significant changes since the year end and the College is expected to operate on a similar basis in the foreseeable future.

6. Future plans

The Council, with the Warden, the Bursar, and the rest of the Senior Management Team, routinely reviews the College's longer term aims, together with ten-year rolling financial projections.

Specific progress against the College's aims in the last year has been commented on in Section 3. The College's Vision was launched in October 2016. This included a statement of what it seeks to deliver in providing a Radley education:

"Radley has always inspired boys to become outstanding young men and we believe that our core values should never change: the timeless Christian qualities of humanity, compassion and understanding of others. Yet as the world changes, so we must look at things afresh: we must make our values and the educational opportunity we provide genuinely relevant in a world of technology and expanding diversity, cultures and attitudes. Our vision is to create global citizens of the future: those who care for and about others (citizens) and who can do so in any environment or place (global). We want all our boys to be ready to embrace the challenges of a future not yet realised."

RADLEY COLLEGE
ANNUAL REPORT OF THE COUNCIL (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

6. Future plans (continued)

Within this context, the plan has established strategic priorities for the period up to 2020 under the following themes:

1. **Intellectual curiosity:** We will seek, through the curriculum and beyond, to ensure that Radley is an intellectually stimulating place where boys are inspired to think for themselves, to develop their own opinions and to shape them through debate and reflection.
2. **Curriculum change:** As GCSEs and A Levels change, we will manage our curriculum innovatively to deliver outstanding results, to prepare boys for life beyond Radley and to develop high levels of core knowledge and skills.
3. **Global awareness:** A broadening outlook, through exchanges, trips, academic partnerships, online learning, language teaching, societies, and speakers will help Radleians become knowledgeable, imaginative, sensitive and engaged global citizens.
4. **Breadth of intake:** Through the Open Entry and Scholarship processes, we will gradually introduce greater diversity – ethnically and socially – in our pupil body.
5. **Funded Places:** The College is committed to significant year-on-year growth in funded places to ensure more boys of talent from all backgrounds can come to Radley.
6. **Partnerships:** We will strengthen our links with the city and university of Oxford and with the local village, and we will develop new partnerships with schools and other organisations - academic and commercial - at home and abroad.
7. **Spiritual and mental health:** Pastoral care remains our highest priority. We will, underpinned by our Christian ethos, strive to develop values, confidence, and resilience in boys which will strengthen and prepare them for the challenges they face.
8. **Preparation for the world beyond Radley:** Through careers advice, university preparation, curriculum innovation, effective links with Old Radleians, and our global perspective, Radleians will be better prepared to engage with the world beyond our gates: locally, nationally and internationally.
9. **Technology:** Infrastructure will continue to develop, and appropriate use of technology in teaching and learning will grow: we will enable boys to become safe, skilled and innovative in a digital age.
10. **Reputation:** Through a new website and increased communication with parents, the wider College community and beyond, we will ensure that Radley is known for what it is, not what people think it to be.
11. **Size of school:** We will identify the optimum size of the school, considering College ethos, cost structures, educational requirements and facility management, and begin to implement, if and when necessary, any required change.
12. **Estates planning:** A ten-year site development plan will be drawn up with detailed logistical and financial planning and the identification of fund-raising opportunities. Implementation will begin according to plan.

RADLEY COLLEGE
ANNUAL REPORT OF THE COUNCIL (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

7. Responsibilities of the Council

The Council is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the Group and of the incoming resources and application of resources of the Group for that period. In preparing these financial statements, the Council is required to:

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

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. It is also responsible for safeguarding the assets of the charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council is responsible for the maintenance and integrity of the corporate and financial information included on the College website.

Approved by and signed on behalf of the Council on

M E Hodgson
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF RADLEY COLLEGE FOR THE YEAR ENDED 31 JULY 2017

Opinion

We have audited the financial statements of Radley College for the year ended 31 July 2017 which comprise the Group and College statement of financial activities, the Group and College balance sheets, the Group cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2017 and of 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.

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. 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.

Basis for opinion

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

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF RADLEY COLLEGE FOR THE YEAR ENDED 31 JULY 2017 (CONTINUED)

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Council is inconsistent in any material respect with the financial statements; 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

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF RADLEY COLLEGE FOR THE YEAR ENDED 31 JULY 2017 (CONTINUED)

Responsibilities of trustees

As explained more fully in the Responsibilities of the Council statement set out on page 15, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

CROWE CLARK WHITEHILL LLP
Statutory Auditor

Aquis House
49-51 Blagrove Street
Reading
RG1 1PL

Date:

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

RADLEY COLLEGE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2017

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	Total funds 2017 £'000	Total funds 2016 £'000
INCOME AND ENDOWMENTS						
FROM:						
Charitable activities						
School fees	5	23,308	-	-	23,308	22,442
Other educational income	6	337	-	-	337	311
Other ancillary trading income	6	705	-	-	705	736
Other trading activities						
Activities for generating funds						
Trading turnover -						
Radley College Services Limited	7a	474	-	-	474	550
Radley College Leisure Limited	7b	450	-	-	450	471
Trading income	6	12	-	-	12	14
Other incoming resources	6	32	-	-	32	345
Investments						
Investment income	6	101	610	-	711	938
Donations and legacies						
Donations	4	<u>25</u>	<u>2,510</u>	<u>50</u>	<u>2,585</u>	<u>1,570</u>
Total		<u>25,444</u>	<u>3,120</u>	<u>50</u>	<u>28,614</u>	<u>27,377</u>
EXPENDITURE ON:						
Raising funds						
Fundraising - Radley College		20	-	-	20	8
Fundraising – Radley Foundation		521	-	-	521	481
Fundraising - Radleian Society		-	88	-	88	85
Fundraising trading –						
Radley College Services Limited		280	-	-	280	304
Radley College Leisure Limited		11	-	-	11	11
Bank and loan interest		415	-	-	415	262
Investment management costs		<u>28</u>	<u>59</u>	<u>13</u>	<u>100</u>	<u>85</u>
		1,275	147	13	1,435	1,236
Charitable activities						
School and grantmaking		<u>23,176</u>	<u>1,232</u>	<u>-</u>	<u>24,408</u>	<u>23,030</u>
Total	8a	<u>24,451</u>	<u>1,379</u>	<u>13</u>	<u>25,843</u>	<u>24,266</u>
Net income/(expenditure) before gains		993	1,741	37	2,771	3,111
Investment property revaluation	14	22,473	500	-	22,973	2,649
Investment gains	14	<u>721</u>	<u>1,213</u>	<u>237</u>	<u>2,171</u>	<u>762</u>
Net income	9	24,187	3,454	274	27,915	6,522
Transfer between funds	19,20	<u>-</u>	<u>32</u>	<u>(32)</u>	<u>-</u>	<u>-</u>
		24,187	3,486	242	27,915	6,522
Other recognised losses						
Pension scheme remeasurements	23	<u>70</u>	<u>-</u>	<u>-</u>	<u>70</u>	<u>(1,352)</u>
Net movement in funds		24,257	3,486	242	27,985	5,170
<i>Fund balances at 1 August 2016</i>		<u>46,175</u>	<u>17,978</u>	<u>3,211</u>	<u>67,364</u>	<u>62,194</u>
Fund balances at 31 July 2017		<u>70,432</u>	<u>21,464</u>	<u>3,453</u>	<u>95,349</u>	<u>67,364</u>

All amounts derive from continuing activities. All gains and losses recognised in the year are included in the Statement of Financial Activities. The notes on pages 25 to 53 form part of these financial statements

RADLEY COLLEGE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2017

	Notes	Unrestricted funds £'000	Restricted Funds £'000	Endowed funds £'000	Total funds 2017 £'000	Total funds 2016 £'000
INCOME AND ENDOWMENTS FROM						
Income from charitable activities						
School fees	5	23,308	-	-	23,308	22,442
Other educational income	6	337	-	-	337	311
Other ancillary trading income		906	-	-	906	934
Other trading activities						
Activities for generating funds						
Trading income	6	12	-	-	12	14
Other incoming resources	6	32	-	-	32	345
Investments						
Investment income		42	440	-	482	775
Donations and legacies						
Donations	4	136	1,248	50	1,434	705
Total		<u>24,773</u>	<u>1,688</u>	<u>50</u>	<u>26,511</u>	<u>25,526</u>
EXPENDITURE ON						
Raising funds						
Fundraising - Radley College		20	-	-	20	8
Fundraising - Radley Foundation		615	-	-	615	624
Fundraising trading - Radley College Services Limited		69	-	-	69	55
Bank and loan interest		415	-	-	415	262
Investment management costs		21	38	13	72	63
		1,140	38	13	1,191	1,012
Charitable activities						
School and grantmaking		22,874	1,135	-	24,009	22,455
Total	8a	<u>24,014</u>	<u>1,173</u>	<u>13</u>	<u>25,200</u>	<u>23,467</u>
Net income/(expenditure) before gains		759	515	37	1,311	2,059
Investment property revaluation	14	22,473	500	-	22,973	2,649
Investment gains	14	535	686	237	1,458	541
Net income		23,767	1,701	274	25,742	5,249
Transfer between funds	19,20	-	32	(32)	-	-
		23,767	1,733	242	25,742	5,249
Other recognised losses						
Pension scheme remeasurements	23	70	-	-	70	(1,352)
Net movement in funds		23,837	1,733	242	25,812	3,897
<i>Fund balances at 1 August 2016</i>		<u>44,281</u>	<u>13,038</u>	<u>3,211</u>	<u>60,530</u>	<u>56,633</u>
Fund balances at 31 July 2017		<u>68,118</u>	<u>14,771</u>	<u>3,453</u>	<u>86,342</u>	<u>60,530</u>

All amounts derive from continuing activities. All gains and losses recognised in the year are included in the Statement of Financial Activities.

The notes on pages 25 to 53 form part of these financial statements

RADLEY COLLEGE
CONSOLIDATED BALANCE SHEET
31 JULY 2017

	Notes	2017 £'000	2016 £'000
FIXED ASSETS			
Tangible fixed assets	13	47,742	48,788
Investments	14	<u>68,021</u>	<u>42,477</u>
		115,763	91,265
CURRENT ASSETS			
Stocks	15	214	246
Debtors: amounts falling due within one year	16	1,103	1,335
Cash at bank and in hand		<u>18,466</u>	<u>1,297</u>
		19,783	2,878
Creditors: amounts falling due within one year	17a	<u>(6,636)</u>	<u>(9,303)</u>
NET CURRENT ASSETS/(LIABILITIES)		13,147	(6,425)
TOTAL ASSETS LESS CURRENT LIABILITIES		128,910	84,840
Creditors: amounts falling due after more than one year	17b	<u>(32,329)</u>	<u>(16,262)</u>
Net assets excluding pension liability		96,581	68,578
Pension liability	23	<u>(1,232)</u>	<u>(1,214)</u>
NET ASSETS		<u>95,349</u>	<u>67,364</u>
FUNDS			
Endowment funds	19	3,453	3,211
Restricted funds	20	21,464	17,978
Unrestricted funds – general	21	43,873	43,366
Unrestricted funds – designated	21	<u>26,559</u>	<u>2,809</u>
TOTAL FUNDS		<u>95,349</u>	<u>67,364</u>

The financial statements were approved and authorised for issue by the Council and were signed on its behalf on _____ by:

.....
M E Hodgson
Chairman

.....
N J Henderson
Vice Chairman

The notes on pages 25 to 53 form part of these financial statements

**RADLEY COLLEGE
BALANCE SHEET
31 JULY 2017**

	Notes	2017 £'000	2016 £'000
FIXED ASSETS			
Tangible fixed assets	13	47,712	48,747
Investments	14	<u>59,751</u>	<u>35,817</u>
		107,463	84,564
CURRENT ASSETS			
Stocks	15	214	246
Debtors: amounts falling due within one year	16	968	1,479
Cash at bank and in hand		<u>17,795</u>	<u>953</u>
		18,977	2,678
Creditors: amounts falling due within one year	17a	<u>(6,537)</u>	<u>(9,236)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>12,440</u>	<u>(6,558)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		119,903	78,006
Creditors: amounts falling due after more than one year	17b	<u>(32,329)</u>	<u>(16,262)</u>
Net assets excluding pension liability		87,574	61,744
Pension liability	23	<u>(1,232)</u>	<u>(1,214)</u>
NET ASSETS		<u>86,342</u>	<u>60,530</u>
FUNDS			
Endowment funds	19	3,453	3,211
Restricted funds	20	14,771	13,038
Unrestricted funds – general	21	43,672	43,207
Unrestricted funds – designated	21	<u>24,446</u>	<u>1,074</u>
TOTAL FUNDS		<u>86,342</u>	<u>60,530</u>

The financial statements were approved and authorised for issue by the Council and were signed on its behalf on _____ by:

.....
M E Hodgson
Chairman

.....
N J Henderson
Vice Chairman

The notes on pages 25 to 53 form part of these financial statements

RADLEY COLLEGE
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2017

	Notes	2017 £'000	2016 £'000
Net cash provided by operating activities	(i)	<u>3,322</u>	<u>1,586</u>
Cash flows from investing activities			
Investment income		711	938
Purchase of fixed asset investments		(5,607)	(6,310)
Purchase of tangible fixed assets		(2,086)	(3,434)
Proceeds from sale of fixed assets		6	366
Proceeds from sale of fixed asset investments		<u>5,916</u>	<u>5,229</u>
Net cash used in investing activities		<u>(1,060)</u>	<u>(3,211)</u>
Cash flows from financing activities			
Bank interest paid		(415)	(262)
New borrowings (net of fees)		24,854	-
Bank loan repaid		<u>(9,615)</u>	<u>(668)</u>
Net cash provided by/(used in) financing activities		<u>14,824</u>	<u>(930)</u>
Cash flows from fees in advance scheme			
Cash introduced to scheme		637	2,796
Income from investments		424	458
Interest receivable		1	3
Refunds and other costs		<u>(216)</u>	<u>166</u>
Net cash provided by fees in advance scheme		<u>846</u>	<u>3,423</u>
Change in cash and cash equivalents in the year		17,932	868
Cash and cash equivalents at the beginning of the year		<u>1,895</u>	<u>1,027</u>
Total cash and cash equivalents at the end of the year		<u>19,827</u>	<u>1,895</u>
		2017 £'000	2016 £'000
Cash awaiting investment		1,361	838
Overdraft		-	(240)
Cash at bank and in hand		<u>18,466</u>	<u>1,297</u>
		<u>19,827</u>	<u>1,895</u>

The notes on pages 25 to 53 form part of these financial statements

RADLEY COLLEGE
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2017

(i) Reconciliation of cash flows from operating activities

	2017	2016
	£'000	£'000
Net movement in funds	27,985	5,170
Depreciation charge	2,458	2,467
Profit on sale of fixed assets	(4)	(349)
Interest paid	415	262
Investment income	(711)	(938)
Investment gains	(1,685)	(1,229)
Investment property revaluations	(22,973)	(2,649)
Decrease/(increase) in stock	32	(22)
Decrease/(increase) in debtors	232	(326)
Movement in pension fund surplus/deficit	18	1,284
Fees in advance scheme non-cash items	(3,111)	(2,947)
Increase in creditors (excluding fees in advance)	666	863
	<hr/>	<hr/>
Net cash provided by operating activities	<u>3,322</u>	<u>1,586</u>

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

1. CHARITY INFORMATION

The objects of the College are set out in the 1890 Charter and can be summarised as being for “the education of youth”. The College meets these objects through its primary aim of providing a boarding school education for boys aged between 13 and 18. The unincorporated charity incorporated under a Royal Charter dated 14 November 1890 (charity number 309243), is domiciled in the UK. The address of the registered office is Radley College, Abingdon, Oxfordshire, OX14 2HR.

2. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

a) Basis of accounting

Radley College meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The College makes occasional use of its existing bank facilities to meet its day to day working capital requirements. Current forecasts indicate the College expects to be able to operate within these facilities for the foreseeable future. These facilities are reviewed annually. The Council is not aware of any circumstances that may adversely affect renewal of these facilities. Accordingly, the Council believes it is appropriate to prepare the annual financial statements on the going concern basis of accounting.

b) Basis of consolidation

The consolidated statement of financial activities, the consolidated balance sheet and the consolidated cash flow statement include the financial statements of the College and its subsidiary undertakings (together, the Group) made up to 31 July 2017 using the acquisition method of accounting. The subsidiary undertakings are Radley College Services Limited (a trading company, company number 02909412), Radley College Leisure Limited (a trading company, company number 06960168), The Radley Foundation (a registered charity, charity number 27671), The Radleian Society and Radley College War Memorial Funds.

c) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the College from its unrestricted funds, but include contributions received from endowed and designated funds for scholarships, bursaries and other grants.

d) Donations and legacies

Donations and legacies are credited to revenue on a receivable basis. No amounts are included in the financial statements for services donated by volunteers.

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

e) Resources expended

Expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year.

Governance costs comprise the cost of running the charity, including strategic planning for its future development, internal and external audit, any legal advice for the Council, and all the costs of complying with constitutional and statutory requirements, such as the costs of Council and Committee meetings and of preparing statutory accounts and satisfying public accountability.

f) Tangible fixed assets

Fixed assets are stated at cost, with those costing below £5,000 not capitalised. Land is not depreciated. Depreciation is provided to write off the cost or valuation of tangible fixed assets over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Buildings	-	straight line over 50 years
Improvements to buildings	-	straight line over 5 – 25 years
Furniture and equipment	-	straight line over 5 – 25 years
Motor vehicles	-	straight line over 5 years
Computer equipment	-	straight line over 3 years

g) Stocks

Stocks are stated at the lower of cost and net realisable value. Stock is measured using the FIFO (First in first out) method.

h) Investments

Listed investments are stated at market value. Purchases are recognised at the point of purchase. Realised and unrealised gains and losses on investments are dealt with through the Statement of Financial Activities and are recognised at the point of sale.

Freehold property investments are shown at an estimate of market value determined by a suitably qualified officer of the College as deemed appropriate (but at intervals no longer than every five years) or by external independent professional valuers.

The funds referred to above, except for the General Bursary Fund, are supervised by the Investment Sub-Committee of the Council. Investec Wealth & Investment Limited is responsible for the day to day fund management.

i) Fees in Advance Scheme

Funds to meet future fee obligations are invested in gilt-edged and European Investment Bank securities. A liability is recorded in the balance sheet to reflect the net present value of the future fee obligations. The annual surplus/deficit from the Fees income generated in the year by the Fees in Advance Scheme is taken to the Statement of Financial Activities.

Charles Stanley & Co. Limited manages the Fees in Advance Scheme funds on an execution-only basis.

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

j) Pension funds

A number of non-teaching staff of the College are members of the Radley College Pension and Assurance Scheme, a defined benefit pension scheme which provides benefits additional to the State Pension Scheme. This was closed to new members from 31 August 2005, since when non-teaching staff have been able to join the Radley College Group Personal Pension Plan. The financial statements reflect at fair value the assets and liabilities arising from the College's retirement benefit obligations and any related funding. The operating costs of providing retirement benefits to employees are recognised in the accounting period(s) in which the benefits are earned by the employees, and the related finance costs and any other changes in value of the assets and liabilities are recognised in the accounting periods in which they arise.

The College's professional teaching staff are generally members of the Teachers' Pension Scheme administered by Teachers' Pensions who bear responsibility for the pension liability. As a result, it is not possible to identify the assets and liabilities of the scheme that are attributable to the College. Accordingly, the scheme is accounted for as if it were a defined contribution scheme.

k) Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

l) Irrecoverable VAT

Any irrecoverable VAT is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, where appropriate.

m) The College's funds

A fund is a pool of unexpended resources, held and maintained separately from other pools because of the way in which the resources were originally received or the way in which they have subsequently been treated. A fund may be unrestricted, restricted, designated or endowed as follows:

- (1) Unrestricted funds are expendable at the discretion of the Council in furtherance of the objects of the College.
- (2) Restricted funds are received for particular projects, usually from appeals, and expenditure is restricted to that particular project.
- (3) Designated funds are unrestricted funds which have been established for a specific purpose by the Council.
- (4) Endowed funds are received for particular projects, scholarships for example, and expenditure is restricted to that particular project. All endowments are permanent endowments and the capital must be maintained. Income is utilised for the purposes for which the fund was originally created.

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

n) Financial instruments

Basic financial instruments include debtors and creditors. Debtors and creditors are initially recognised at transaction value and subsequently measured at amortised cost. Note 26 provides more information on financial instruments where future cash flows are anticipated, with financial assets referring to debtor balances excluding prepayments, and financial liabilities referring to all creditor balances excluding social security and other taxes, deferred income and fees in advance scheme.

o) Bursaries, grants and allowances payable

Grants from restricted funds are included as expenditure in the period for which the award is given. Bursaries and allowances from unrestricted funds towards school fees at the College are treated as a reduction in those fees.

p) Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the College's accounting policies, which are described in note 2, the Council are required to make judgements, estimates and assumptions about the carrying values 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 on-going 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 affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

- Valuation of investment property
- Actuarial assumptions on defined benefit pension scheme

4. DONATIONS, GIFTS AND LEGACIES – RADLEY COLLEGE AND GROUP

Donations, gifts and legacies amounted to £2,585k (2016: £1,570k) for the Group and £1,434k (2016: £705k) for the College.

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

5. FEE INCOME – RADLEY COLLEGE

	2017 £'000	2016 £'000
School fees	24,368	23,683
Less: scholarships, bursaries and exhibitions	<u>(1,886)</u>	<u>(1,915)</u>
	22,482	21,768
Add: scholarships, bursaries, etc, paid for by endowed and restricted funds	<u>826</u>	<u>674</u>
	<u><u>23,308</u></u>	<u><u>22,442</u></u>

6. OTHER INCOME - GROUP

	2017 £'000	2016 £'000
Other educational income		
Entrance and registration fees	327	291
Late payment and fee administration charges	<u>10</u>	<u>20</u>
	<u><u>337</u></u>	<u><u>311</u></u>
Other ancillary income		
Insurance commissions	10	10
Music lessons and learning support	325	329
Shop and other	<u>370</u>	<u>397</u>
	<u><u>705</u></u>	<u><u>736</u></u>
Trading income		
Cellar	<u>12</u>	<u>14</u>
Other incoming resources		
Other	<u>32</u>	<u>345</u>
Investment income		
Listed investments	800	692
Rental income	104	97
Fees in Advance Scheme (deficit)/surplus (see note 18)	(226)	126
Staff fund income	19	16
Bank interest	<u>14</u>	<u>7</u>
	<u><u>711</u></u>	<u><u>938</u></u>

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

7a. INCOME FROM TRADING ACTIVITIES – RADLEY COLLEGE SERVICES LIMITED

		2017	<i>2016</i>
		£'000	<i>£'000</i>
Turnover	- external	474	<i>550</i>
	- Radley College	80	<i>1,291</i>
Cost of sales	- external	(232)	<i>(1,250)</i>
	- Radley College	<u>(172)</u>	<i><u>(403)</u></i>
Gross profit		150	<i>188</i>
Administration expenses	- external	(48)	<i>(40)</i>
Gift Aid donation	- Radley College	<u>(112)</u>	<i><u>(126)</u></i>
Result for the year		<u><u>(10)</u></u>	<i><u><u>22</u></u></i>

Net assets at 31 July 2017 equalled £17,815 (2016: £27,406).

'Turnover - external' represents external customer sales, and 'Turnover - Radley College' represents services undertaken for Radley College, including design and build projects. 'Cost of Sales - external' represents design and build supplier purchases, and 'Cost of Sales - Radley College' represents expenditure incurred by Radley College recharged to external customer sales.

7b. INCOME FROM TRADING ACTIVITIES – RADLEY COLLEGE LEISURE LIMITED

		2017	<i>2016</i>
		£'000	<i>£'000</i>
Turnover	- external	450	<i>471</i>
Cost of sales	- external	(5)	<i>(6)</i>
	- Radley College	<u>(363)</u>	<i><u>(351)</u></i>
Gross profit		82	<i>114</i>
Administration expenses	- external	(6)	<i>(5)</i>
	- Radley College	(52)	<i>(51)</i>
Gift Aid donation	- Radley College	<u>(24)</u>	<i><u>(58)</u></i>
Result for the year		<u><u>-</u></u>	<i><u><u>-</u></u></i>

Net assets at 31 July 2017 equalled £Nil (2016: £Nil).

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

8a. RESOURCES EXPENDED

GROUP	Staff costs £'000	Depreci- ation £'000	Other costs £'000	Total 2017 £'000	Total 2016 £'000
Cost of Raising Funds					
Financing costs	-	-	415	415	262
Investment management	-	-	100	100	85
Fundraising for voluntary resources	358	-	271	629	574
Net costs of Radley College Services Limited	-	-	280	280	304
Net costs of Radley College Leisure Limited	-	-	11	11	11
Total for Group	<u>358</u>	<u>-</u>	<u>1,077</u>	<u>1,435</u>	<u>1,236</u>
Charitable activities					
Teaching	9,179	96	960	10,235	9,919
Welfare	2,365	-	1,669	4,034	3,737
Premises	865	2,362	2,499	5,726	5,798
Support costs of schooling	<u>2,026</u>	<u>-</u>	<u>1,395</u>	<u>3,421</u>	<u>3,025</u>
Total operating costs	14,435	2,458	6,523	23,416	22,479
Grants, awards and prizes (note 8b)	-	-	976	976	538
Radley College War Memorial Funds	-	-	16	16	13
Total	<u>14,435</u>	<u>2,458</u>	<u>7,515</u>	<u>24,408</u>	<u>23,030</u>
Total resources expended – Group	<u>14,793</u>	<u>2,458</u>	<u>8,592</u>	<u>25,843</u>	<u>24,266</u>

Included within total resources expended is £598k of irrecoverable VAT and a further £287k of VAT is capitalised in fixed assets.

Included within support costs of schooling are governance costs of £102k (2016: £100k), these costs are further analysed in note 10.

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

8a. RESOURCES EXPENDED (continued)

RADLEY COLLEGE	Staff costs £'000	Depreciation £'000	Other costs £'000	Total 2017 £'000	<i>Total 2016 £'000</i>
Cost of raising funds					
Financing costs	-	-	415	415	262
Investment management	-	-	72	72	63
Fundraising for voluntary resources	<u>358</u>	<u>-</u>	<u>346</u>	<u>704</u>	<u>687</u>
Total	<u>358</u>	<u>-</u>	<u>833</u>	<u>1,191</u>	<u>1,012</u>
Charitable activities					
Teaching	9,179	96	960	10,235	9,919
Welfare	2,365	-	1,669	4,034	3,737
Premises	865	2,353	1,766	4,984	4,927
Support costs of schooling	<u>2,026</u>	<u>-</u>	<u>1,457</u>	<u>3,483</u>	<u>3,084</u>
Total operating costs	14,435	2,449	5,852	22,736	21,667
Grants, awards and prizes (note 8b)	<u>-</u>	<u>-</u>	<u>1,273</u>	<u>1,273</u>	<u>788</u>
Total	<u>14,435</u>	<u>2,449</u>	<u>7,125</u>	<u>24,009</u>	<u>22,455</u>
Total resources expended – Radley College	<u><u>14,793</u></u>	<u><u>2,449</u></u>	<u><u>7,958</u></u>	<u><u>25,200</u></u>	<u><u>23,467</u></u>

Included within support costs of schooling are governance costs of £102k (2016: £97k). These costs are further analysed in note 10.

8b. Grants, awards and prizes

	Group		Radley College	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
From Restricted Funds				
Busarries and other grants and awards	529	374	529	374
Prizes and leaving awards	309	5	309	5
From Unrestricted Funds				
Busarries and other grants and awards	138	149	435	399
Prizes and leaving awards	<u>-</u>	<u>10</u>	<u>-</u>	<u>10</u>
	<u>976</u>	<u>538</u>	<u>1,273</u>	<u>788</u>

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

9. NET INCOME – GROUP

Net income is stated after charging:	2017	<i>2016</i>
	£'000	<i>£'000</i>
Depreciation - owned assets	2,458	<i>2,467</i>
Profit on disposal of tangible fixed assets	<u>(4)</u>	<u><i>(349)</i></u>

10. GOVERNANCE COSTS – GROUP

Governance costs include:	2017	<i>2016</i>
	£'000	<i>£'000</i>
Auditor's remuneration - audit		
Radley College	25	<i>24</i>
The Radley Foundation	3	<i>3</i>
Radley College Services Limited	3	<i>3</i>
Radley College Leisure Limited	3	<i>3</i>
Auditor's remuneration – other services		
Accounts preparation	4	<i>6</i>
Council meeting expenses	17	<i>13</i>
Administration and management costs - Bursary	39	<i>37</i>
Other professional fees	<u>8</u>	<u><i>11</i></u>
	<u>102</u>	<u><i>100</i></u>

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

11. EMPLOYEE INFORMATION – RADLEY COLLEGE AND GROUP

	2017 No.	2016 No.
Average number of employees		
Teaching	218	205
Welfare	156	161
Premises	29	31
Support	<u>37</u>	<u>44</u>
	<u>440</u>	<u>441</u>
	2017	2016
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	12,000	11,539
Social security costs	1,185	1,022
Pension costs	1,548	1,441
Staff restructuring costs	<u>60</u>	<u>-</u>
	<u>14,793</u>	<u>14,002</u>

The number of employees whose remuneration exceeded £60,000 was:

	2017 No.	2016 No.
Between £60,001 - £70,000	24	23
Between £70,001 - £80,000	9	9
Between £80,001 - £90,000	3	2
Between £90,001 - £100,000	-	1
Between £100,001 - £110,000	2	1
Between £110,001 - £120,000	-	1
Between £120,001 - £130,000	1	1
Between £130,001 - £140,000	1	-
Between £140,001 - £150,000	-	1
Between £150,001 - £160,000	1	-
Between £160,001 - £170,000	-	1
Between £170,001 - £180,000	-	-
Between £180,001 - £190,000	1	-
Between £190,001 - £200,000	-	1
Between £200,001 - £210,000	-	-
Between £210,001 - £220,000	-	-
Between £220,001 - £230,000	-	-
Between £230,001 - £240,000	<u>1</u>	<u>-</u>
	<u>41</u>	<u>39</u>

The above figures include benefits in kind. Of the above, thirty-seven staff members have benefits accruing under the defined benefit Teachers' Pension Scheme, and none under the Radley College Pension and Assurance Scheme. Three of the four other employees are members of the Radley College Group Personal Pension Scheme. Contributions totalling £492k (2016: £407k) were paid during the year.

No members of the Council received remuneration. Three (2016: four) members received travel expenses amounting to £156 (2016: £266). Two (2016: two) members of the Council each had sons being educated at Radley College at full cost.

Key management personnel received aggregate remuneration of £1,245k (2016: £1,187k).

The staff restructuring costs of £60k are non-statutory/non-contractual payments.

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

12. TAXATION

The College is a registered charity and, as such, is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the College's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The College is registered as partially exempt for VAT, and, as a result of this, some of its expenditure is recorded inclusive of VAT incurred.

Radley College Services Limited and Radley College Leisure Limited are registered for VAT, and consequently all of their income and expenditure is recorded net of VAT. Both companies gift all of their taxable profits to the College, resulting in no liability to corporation tax.

13. TANGIBLE FIXED ASSETS

GROUP

	Freehold land and buildings £'000	Improve- ments to buildings £'000	Assets in the course of construc- tion £'000	Furniture, equipment and computers £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 August 2016	40,694	20,863	-	11,648	286	73,491
Additions	390	393	677	597	29	2,086
Transfer to investment property	(672)	-	-	-	-	(672)
Disposals	-	-	-	(360)	(31)	(391)
At 31 July 2017	<u>40,412</u>	<u>21,256</u>	<u>677</u>	<u>11,885</u>	<u>284</u>	<u>74,514</u>
Depreciation						
At 1 August 2016	8,928	9,227	-	6,336	212	24,703
Charge in year	840	805	-	794	19	2,458
Disposals	-	-	-	(360)	(29)	(389)
At 31 July 2017	<u>9,768</u>	<u>10,032</u>	<u>-</u>	<u>6,770</u>	<u>202</u>	<u>26,772</u>
Net book value						
At 31 July 2017	<u><u>30,644</u></u>	<u><u>11,224</u></u>	<u><u>677</u></u>	<u><u>5,115</u></u>	<u><u>82</u></u>	<u><u>47,742</u></u>
<i>At 31 July 2016</i>	<i><u>31,766</u></i>	<i><u>11,636</u></i>	<i><u>-</u></i>	<i><u>5,312</u></i>	<i><u>74</u></i>	<i><u>48,788</u></i>

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

13. TANGIBLE FIXED ASSETS (continued)

RADLEY COLLEGE

	Freehold land and buildings £'000	Improve- ments to buildings £'000	Assets in the course of construc- tion £'000	Furniture, equipment and computers £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 August 2016	40,694	20,863	-	11,600	195	73,352
Additions	390	393	677	597	29	2,086
Transfer to investment property	(672)	-	-	-	-	(672)
Disposals	-	-	-	(360)	(14)	(374)
At 31 July 2017	<u>40,412</u>	<u>21,256</u>	<u>677</u>	<u>11,837</u>	<u>210</u>	<u>74,392</u>
Depreciation						
At 1 August 2016	8,928	9,227	-	6,290	160	24,605
Charge in year	840	805	-	791	13	2,449
Disposals	-	-	-	(360)	(14)	(374)
At 31 July 2017	<u>9,768</u>	<u>10,032</u>	<u>-</u>	<u>6,721</u>	<u>159</u>	<u>26,680</u>
Net book value						
At 31 July 2017	<u><u>30,644</u></u>	<u><u>11,224</u></u>	<u><u>677</u></u>	<u><u>5,116</u></u>	<u><u>51</u></u>	<u><u>47,712</u></u>
<i>At 31 July 2016</i>	<u><u>31,766</u></u>	<u><u>11,636</u></u>	<u><u>-</u></u>	<u><u>5,310</u></u>	<u><u>35</u></u>	<u><u>48,747</u></u>

In addition to the capitalised fixed assets held for the College's own use, Radley College also has other artefacts whose intrinsic value is bound up with the College's history. These are items to which no reliable cost or value can be attributed and accordingly these assets have not been capitalised in the financial statements.

Certain buildings included as part of the original foundation of the College are not capitalised as no cost information is available and conventional valuation approaches lack reliability. These buildings are inalienable, there is no market data available and their depreciated costs are considered to be immaterial.

The market value of the freehold land owned by the College is thought to be considerably in excess of its carrying value in the balance sheet. An open market value for the property cannot be reliably ascertained without undue expense.

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

14. INVESTMENTS

	Fees in Advance Scheme £'000	Other £'000	Group 2017 Total £'000	Group 2016 Total £'000	Radley College 2017 £'000	Radley College 2016 £'000
Listed investments						
Cost or valuation						
At 1 August 2016	12,559	22,902	35,461	33,151	29,338	27,853
Additions	561	5,046	5,607	6,310	3,704	4,614
Disposals	(1,904)	(4,012)	(5,916)	(5,229)	(4,901)	(4,000)
Revaluations	(486)	2,171	1,685	1,229	972	871
	10,730	26,107	36,837	35,461	29,113	29,338
Cash	-	1,361	1,361	838	815	301
Freehold investment properties at valuation						
At 1 August 2016	-	6,178	6,178	3,529	6,178	3,529
Transfer from fixed assets	-	672	672	-	672	-
Revaluations	-	22,973	22,973	2,649	22,973	2,649
	-	29,823	29,823	6,178	29,823	6,178
Net book value at 31 July 2017	<u>10,730</u>	<u>57,291</u>	<u>68,021</u>	<u>42,477</u>	<u>59,751</u>	<u>35,817</u>

Radley College's investments comprise the following:

	Reserve fund £'000	Invest- ment land fund £'000	Endowment and Restricted funds £'000	Fees in Advance Scheme £'000	Total 2017 £'000	Total 2016 £'000
Listed on UK Stock Exchange (see below)	5,360	-	13,023	10,730	29,113	29,338
Cash	157	-	658	-	815	301
Freehold investment properties at valuation	<u>2,023</u>	<u>23,300</u>	<u>4,500</u>	-	<u>29,823</u>	<u>6,178</u>
Net book value at 31 July 2017	<u>7,540</u>	<u>23,300</u>	<u>18,181</u>	<u>10,730</u>	<u>59,751</u>	<u>35,817</u>
Listed investments						
Cost or valuation						
At 1 August 2016	4,886	-	11,893	12,559	29,338	27,853
Additions	892	-	2,251	561	3,704	4,614
Disposals	(953)	-	(2,044)	(1,904)	(4,901)	(4,000)
Revaluations	535	-	923	(486)	972	871
Net book value at 31 July 2017	<u>5,360</u>	<u>-</u>	<u>13,023</u>	<u>10,730</u>	<u>29,113</u>	<u>29,338</u>

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

14. INVESTMENTS – (continued)

Freehold properties held as investments (totalling £2.0m) were revalued during 2017 by David Anderson BSc MRICS, an officer of the College, based on an assessment of local market values. External valuations (totalling £27.8m) were undertaken in the year by Cushman Wakefield, Chartered Surveyors and Savills Plc, Chartered Surveyors.

At the year end no investments (2016: *nil*) represented more than 5% of the total investments.

Included in investments listed on the London Stock Exchange are holdings of overseas equities totalling £4.8m (2016: £6.2m).

15. STOCKS – GROUP AND RADLEY COLLEGE

Stocks comprise school shop, maintenance and departmental assets held for use in the future. The Council is of the opinion that the replacement cost of stocks would not be significantly different from the value shown in the financial statements.

16. DEBTORS: Amounts falling due within one year

	Group		Radley College	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Fees receivable	138	94	138	94
Trade debtors	12	7	7	-
Amounts owed by group undertakings	-	-	255	532
Other debtors and prepayments	<u>953</u>	<u>1,234</u>	<u>568</u>	<u>853</u>
	<u>1,103</u>	<u>1,335</u>	<u>968</u>	<u>1,479</u>

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

17a. CREDITORS: Amounts falling due within one year

	Group		Radley College	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Overdraft (secured)	-	240	-	240
Bank loans (secured) (see note 17b)	-	2,886	-	2,886
Other loans (Real Tennis Court)	-	14	-	14
Trade creditors	1,045	989	1,036	980
Tax and social security	319	306	319	306
Other creditors and accruals	<u>2,753</u>	<u>2,142</u>	<u>2,663</u>	<u>2,084</u>
	4,117	6,577	4,018	6,510
Fees in advance (see note 18)	<u>2,519</u>	<u>2,726</u>	<u>2,519</u>	<u>2,726</u>
	<u><u>6,636</u></u>	<u><u>9,303</u></u>	<u><u>6,537</u></u>	<u><u>9,236</u></u>

17b. CREDITORS: amounts falling due after more than one year

	Group		Radley College	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Bank loans (secured)	-	6,729	-	6,729
Bond notes	24,854	-	24,854	-
Fees in advance (see note 18)	<u>7,475</u>	<u>9,533</u>	<u>7,475</u>	<u>9,533</u>
	<u><u>32,329</u></u>	<u><u>16,262</u></u>	<u><u>32,329</u></u>	<u><u>16,262</u></u>

The maturity of the bank loans (excluding overdraft) and bond notes are analysed as follows:

	2017 £'000	2016 £'000
Within one year	-	2,900
Between one and five years	-	6,729
More than five years	<u>24,854</u>	<u>-</u>
	<u><u>24,854</u></u>	<u><u>9,629</u></u>

On 9 May 2017 the College took out a private placement totalling £25m. £10m is subject to a fixed interest rate of 3.05% and is repayable on 9 May 2052. The remaining £15m is subject to a fixed interest rate of 3.00% and is repayable on 9 May 2056. Professional fees incurred of £147k are being amortised on a straight line basis over the life of the shortest placement, being 35 years.

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

17b. CREDITORS: Amounts falling due after more than one year (continued)

In the prior year there were five loans: four bank loans (for the construction of College buildings and the purchase of one house) and one interest-free loan (for the Real Tennis Court). The College had hedging instruments in place against two of its bank loans to protect itself against increases in interest rates in line with its risk management policy.

All five loans were repaid in full in May 2017, on inception of the private placement. The two hedging arrangements were also settled.

(i) The first bank loan was secured by the following:

- a charge over investments to a minimum value of £2.5m.
- a first legal charge over the freeholds of a number of College houses within Radley village.

This bank loan, being £Nil at 31 July 2017 (*2016: £1.0m*), was due to be repaid over the next year. The hedging instrument on this loan fixed the interest at 3.50% until June 2018.

(ii) The second bank loan was secured by a charge over investments to a minimum value of £3.0m.

This bank loan, being £Nil at 31 July 2017 (*2016: £2.3m*), was a revolving five year facility of up to £3.0m (with seasonal peaks to £4.5m), on an interest-only basis until September 2016, and was therefore included in creditors due within one year in note 17a. The interest rate was 1.10% above LIBOR and was not hedged.

(iii) The third bank loan was secured by a charge over investments to a minimum value of £4.6m.

This bank loan, being £Nil at 31 July 2017 (*2016: £3.8m*), was due to be renegotiated ahead of the final repayment date in August 2017. The interest rate was fixed at 2.815%.

(iv) The fourth bank loan was secured by the following:

- a charge over the purchased property for which the loan was required.
- a charge over investments, such that the minimum market value of the overall security was £2.52m.

This bank loan, being £Nil at 31 July 2017 (*2016: £2.5m*), was on a five year interest-only basis ending in September 2017. The hedging instrument on the loan fixed the interest rate at 3.30%.

(v) One interest-free loan was in existence in the year for the Real Tennis Court. The loan amounted to £Nil at 31 July 2017 (*2016: £14,000*), with £10,000 being repaid September 2016 and the remaining £4,000 repaid May 2017.

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

18. FEES IN ADVANCE SCHEME – RADLEY COLLEGE AND GROUP

	2017 £'000	2016 £'000
At 1 August 2016	12,259	11,783
Cash introduced to scheme	637	2,796
Applied to fees	(2,424)	(2,499)
Income from investments	424	458
Interest receivable	<u>1</u>	<u>3</u>
	<u>10,897</u>	<u>12,541</u>
Change in realised and unrealised losses on investments	(486)	52
Discount element of fees paid	(427)	(374)
Refunds and other costs	<u>(216)</u>	<u>166</u>
	<u>(1,129)</u>	<u>(156)</u>
	9,768	12,385
Loss/(surplus) to revenue account	<u>226</u>	<u>(126)</u>
Balance at 31 July 2017 (included in creditors)	<u>9,994</u>	<u>12,259</u>

The income deficit generated in the year by the Fees in Advance Scheme has been taken to the revenue account.

Money received may be returned, subject to specific conditions, on the receipt of one term's notice. Assuming that all boys, in respect of whom fees have been paid in advance, remain at or join the College or, alternatively, attend other fee-paying charitable schools, fees in advance will be applied as follows:

	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Within one year		2,519		2,726
Within 1 - 2 years	2,089		2,437	
Within 2 - 5 years	3,872		4,817	
After 5 years	<u>1,514</u>		<u>2,279</u>	
		<u>7,475</u>		<u>9,533</u>
		<u>9,994</u>		<u>12,259</u>
Represented by:				
Investments at market value		10,729		12,559
Cash balances		(757)		12
Amounts due to the College		<u>22</u>		<u>(312)</u>
		<u>9,994</u>		<u>12,259</u>

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

19. ENDOWMENT FUNDS: MOVEMENTS IN THE YEAR

	<i>Value at 1 August 2016 £'000</i>	Income £'000	Expenditure £'000	Net investment gains £'000	Inter-fund transfers £'000	Value at 31 July 2017 £'000
Endowment funds						
John Philip Couzens Scholarship	2,182	-	(9)	158	(22)	2,309
Otway Scholarship (Whitby)	61	-	-	4	(2)	63
Arden Memorial Trust	61	-	-	4	(1)	64
The Radley Fund	739	-	(3)	55	(7)	784
Malcolm Robinson Memorial Fund	<u>168</u>	<u>50</u>	<u>(1)</u>	<u>16</u>	<u>-</u>	<u>233</u>
Total endowment funds	<u><u>3,211</u></u>	<u><u>50</u></u>	<u><u>(13)</u></u>	<u><u>237</u></u>	<u><u>(32)</u></u>	<u><u>3,453</u></u>

The restricted funds listed in Note 20 of the financial statements have arisen largely as a result of legacies and donations to the College. The Radley Fund, the John Philip Couzens Scholarship Fund, the Otway Scholarship (Whitby) Fund, the Arden Memorial Trust Fund and the Malcolm Robinson Memorial Fund are permanent endowments.

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

20. RESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	<i>Value at 1 August 2016 £'000</i>	Income £'000	Grants and expenditure £'000	Net investment gains/(losses) £'000	Inter-fund transfers £'000	Value at 31 July 2017 £'000
Restricted funds						
JVP Thompson Scholarship Trust	5,723	74	(77)	640	-	6,360
The Dennis Silk Trust	2,861	98	(102)	210	93	3,160
General Scholarship	2,315	163	(169)	210	417	2,936
Rhona Parkinson	223	8	(8)	18	-	241
Latymer Bursaries	254	9	(9)	21	-	275
Leyton Thomas Trust	87	3	-	5	-	95
Rosemary Porter Memorial	85	3	-	5	-	93
Moore Charitable	48	2	(2)	5	-	53
Hollington Park Trust	94	3	(3)	4	-	98
Radley Youth & Social Services Trust	81	3	(1)	7	-	90
Projects and smaller funds	171	46	(299)	14	267	199
Foundation Award Fund	-	-	(297)	-	297	-
Hugo Rutland Memorial	618	20	(14)	49	5	678
Wates Memorial Scholarship	63	2	-	5	-	70
Richard Morgan Award	56	4	(74)	(6)	51	31
John Philip Couzens Scholarship Fund *	94	77	(72)	(14)	22	107
Otway Scholarship (Whitby) *	11	2	(4)	(1)	2	10
Arden Memorial Trust *	-	2	-	-	1	3
The Radley Fund *	238	33	(42)	12	7	248
Malcolm Robinson * Memorial Fund	<u>16</u>	<u>6</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>24</u>
Total restricted funds – College	13,038	558	(1,173)	1,186	1,162	14,771
Radley Foundation funds **	4,248	2,534	(98)	458	(1,197)	5,945
Radleian Society	134	4	(88)	36	67	153
Radley College War Memorial Funds	<u>558</u>	<u>24</u>	<u>(20)</u>	<u>33</u>	<u>-</u>	<u>595</u>
Total restricted funds – Group	<u>17,978</u>	<u>3,120</u>	<u>(1,379)</u>	<u>1,713</u>	<u>32</u>	<u>21,464</u>

* These funds represent the restricted income funds for the permanent endowment funds listed in Note 19.

** Radley Foundation funds incorporate a number of funds whose details can be seen in the Radley Foundation statutory accounts. Inter-fund transfers from Radley Foundation funds to the College are used for the restricted purpose for which the donation was given.

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

21. UNRESTRICTED FUNDS – MOVEMENTS IN THE YEAR

	<i>Value at 1 August 2016 £'000</i>	Income £'000	Expenditure £'000	Net investment gains* £'000	Inter- fund transfers £'000	Value at 31 July 2017 £'000
Unrestricted funds						
College**:						
General	36,062	24,442	(23,710)	50	(697)	36,147
Reserve	7,182	235	(21)	23,008	(22,864)	7,540
The Radley Foundation	<u>122</u>	<u>594</u>	<u>(522)</u>	<u>-</u>	<u>(8)</u>	<u>186</u>
Total unrestricted funds	<u>43,366</u>	<u>25,271</u>	<u>(24,253)</u>	<u>23,058</u>	<u>(23,569)</u>	<u>43,873</u>
Designated funds						
Staff Fund	159	19	(61)	-	-	117
General Bursary Fund	915	-	(130)	-	244	1,029
Investment Land	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,300</u>	<u>23,300</u>
	1,074	19	(191)	-	23,544	24,446
The Radley Foundation	<u>1,735</u>	<u>154</u>	<u>(7)</u>	<u>206</u>	<u>25</u>	<u>2,113</u>
Total designated funds	<u>2,809</u>	<u>173</u>	<u>(198)</u>	<u>206</u>	<u>23,569</u>	<u>26,559</u>
Total unrestricted	<u><u>46,175</u></u>	<u><u>25,444</u></u>	<u><u>(24,451)</u></u>	<u><u>23,264</u></u>	<u><u>-</u></u>	<u><u>70,432</u></u>

Funds:

i) **Reserve and Staff Funds**

The Reserve Fund has been established for the general support of the College, and the Staff Fund exists to provide support to employees in cases approved by the Council. Income derived from the Reserve Fund non-property assets is apportioned seven-eighths to the College and one-eighth to the Staff Fund.

ii) **General Bursary Fund**

A fund, to which currently 1.0% of net fee income per annum is allocated, exists to provide bursaries, including for cases of unexpected financial hardship whilst a pupil is at Radley College.

Investment Land

iii) The College has committed that the income from the net proceeds of any future land sales should initially be pledged to fund additional scholarships and bursaries.

iv) **The Radley Foundation**

Unrestricted funds received by Radley Foundation given to support the long-term endowment of the College in the form of a central fund, the capital of which as well as the income of which can be used to support the College over the longer term as and when the Foundation trustees consider it appropriate.

* Including investment property revaluation changes, investment gains (see note 14) and actuarial losses on pension scheme (see note 23).

** The unrestricted funds of Radley College in the consolidated financial statements include the activities of Radley College Services Limited and Radley College Leisure Limited. At 31 July 2017 the unrestricted funds of Radley College only were £43.7m (2016: £43.2m).

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

22. ALLOCATION OF NET ASSETS – GROUP

	Fixed assets £'000	Invest- ments £'000	Net current assets £'000	Long term liabilities* £'000	Intra fund balances £'000	Total £'000
Endowment funds						
John Philip Couzens Scholarship Fund	-	2,309	-	-	-	2,309
Otway scholarship (Whitby) Fund	-	63	-	-	-	63
Arden Memorial Trust Fund	-	64	-	-	-	64
The Radley Fund	-	784	-	-	-	784
Malcolm Robinson Memorial Fund	-	233	-	-	-	233
	-	<u>3,453</u>	-	-	-	<u>3,453</u>
Restricted funds						
Consolidated Scholarship and similar funds	-	14,771	-	-	-	14,771
The Radley Foundation	-	5,453	492	-	-	5,945
Radleian Society	3	142	8	-	-	153
Radley College War Memorial Funds	-	562	33	-	-	595
	<u>3</u>	<u>20,928</u>	<u>533</u>	-	-	<u>21,464</u>
Unrestricted funds						
College:						
General Reserve	47,739 -	10,687 7,540	12,428 -	(33,561) -	(1,146) -	36,147 7,540
The Radley Foundation	-	-	186	-	-	186
	<u>47,739</u>	<u>18,227</u>	<u>12,614</u>	<u>(33,561)</u>	<u>(1,146)</u>	<u>43,873</u>
Designated funds						
Staff Fund	-	-	-	-	117	117
General Bursary Fund	-	-	-	-	1,029	1,029
Investment Land	-	23,300	-	-	-	23,300
The Radley Foundation	-	2,113	-	-	-	2,113
	-	<u>25,413</u>	-	-	1,146	<u>26,559</u>
At 31 July 2017	<u><u>47,742</u></u>	<u><u>68,021</u></u>	<u><u>13,147</u></u>	<u><u>(33,561)</u></u>	<u><u>-</u></u>	<u><u>95,349</u></u>

* Including pension liability of £1,232k per note 23.

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

23. PENSION SCHEMES

Radley College Pension and Assurance Scheme

The College operates a funded pension scheme, which provides a number of non-teaching employees with benefits, based upon final pensionable pay, additional to those provided by the State Pension Scheme. This scheme has been closed to new members with effect from 31 August 2005. The assets of the scheme are held separately by Investec Wealth & Investment Limited. The scheme is administered by five trustees, three appointed by the Council and two as member-nominated trustees. Mattioli Woods plc is retained as pension consultant. The most recent triennial valuation exercise based on Scheme value as at 1 August 2016, resulted in a Scheme surplus at that date of £587k.

The net liability is calculated using the FRS102 basis, which is based on financial conditions on a particular date. Financial conditions are likely to change over time. It is also possible for there to be large changes over short time periods.

The amounts recognised in the balance sheet are as follows:

	2017	2016
	£'000	£'000
Present value of funded obligations	(11,014)	(9,903)
Fair value of scheme assets	<u>9,782</u>	<u>8,689</u>
Deficit	<u>(1,232)</u>	<u>(1,214)</u>
Amounts in the balance sheet		
Assets	-	-
Liabilities	<u>(1,232)</u>	<u>(1,214)</u>
Net liability	<u>(1,232)</u>	<u>(1,214)</u>

Changes in the present value of the defined benefit obligation are as follows:

	2017	2016
	£'000	£'000
Opening defined benefit obligation	9,903	8,208
Current service cost	211	227
Past service cost	1	13
Interest cost	238	300
Remeasurements	704	1,207
Actual employee contributions	70	79
Benefits paid	<u>(113)</u>	<u>(131)</u>
Defined benefit obligation at the end of the year	<u>11,014</u>	<u>9,903</u>

Changes in the fair value of scheme assets are as follows:

	2017	2016
	£'000	£'000
Opening fair value of scheme assets	8,689	8,278
Interest income	210	306
Actual return on plan assets, excluding interest income	774	(145)
Employer contributions	152	302
Employee contributions	70	79
Benefits paid	<u>(113)</u>	<u>(131)</u>
Fair value of scheme assets at the year end	<u>9,782</u>	<u>8,689</u>

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

23. PENSION SCHEMES (continued)

The amounts included within the Statement of Financial Activities are as follows:

	2017	<i>2016</i>
	£'000	<i>£'000</i>
Interest income	210	<i>306</i>
Interest expense	(238)	<i>(300)</i>
Current service cost	(211)	<i>(227)</i>
Past service cost	(1)	<i>(13)</i>
Employer contributions	152	<i>302</i>
Total amount (debited)/credited within net income	(88)	<i>68</i>
Remeasurements	70	<i>(1,352)</i>
Total amount transferred to the Statement of Financial Activities	(18)	<i>(1,284)</i>

Radley College contributed £263k (2016: £243k) to its defined benefit pension scheme during the year. The College expects to contribute a further £250k in 2017/18.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2017	<i>2016</i>
Equities	62%	<i>61%</i>
Corporate bonds	14%	<i>13%</i>
Cash	3%	<i>5%</i>
Property	14%	<i>14%</i>
Gilts	7%	<i>7%</i>

The overall expected rate of return on the scheme assets is determined by reference to relevant indices, and this is calculated by weighting the individual rates in accordance with the distribution of assets held at the start of the year.

	2017	<i>2016</i>
	£'000	<i>£'000</i>
The actual return on the scheme assets in the year was:	984	<i>161</i>

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

23. PENSION SCHEMES (continued)

Principal assumptions at the balance sheet date (expressed as weighted averages):

	2017	2016
Discount rate at 31 July	2.5%	2.4%
Rate of increase in salaries	3.4%	3.8%
Rate of increase of pensions in payment	3.4%	2.8%
Rate of increase of pensions in deferment	2.5%	1.9%
Assumed life expectations on retirement age 65:		
Retiring today – males	21.3	20.4
Retiring today – females	23.2	22.5
Retiring in 20 years – males	22.3	21.7
Retiring in 20 years – females	<u>24.4</u>	<u>23.9</u>

The amounts for the current and previous periods are as follows:

	2017 £'000	2016 £'000	2015 £'000	2014 £'000	2013 £'000
Defined benefit obligation	(11,014)	(9,903)	(8,208)	(7,343)	(7,509)
Scheme assets	<u>9,782</u>	<u>8,689</u>	<u>8,278</u>	<u>7,685</u>	<u>6,917</u>
(Deficit)/Surplus	<u>(1,232)</u>	<u>(1,214)</u>	<u>70</u>	<u>342</u>	<u>(592)</u>

In addition to the funded pension scheme described above, the College currently pays ex-gratia pension supplements to two former masters. These supplements amount to £9k per annum (2016: £9k) and are charged against the College's administration costs.

Radley College Group Personal Pension Scheme

This defined contribution scheme was created for new employees no longer able to join the Radley College Pension and Assurance Scheme (closed to new members with effect from 31 August 2005). At the year end there were 187 members (2016: 170).

During the year contributions of £258k (2016: £259k) were made in respect of the defined contribution scheme.

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

23. PENSION SCHEMES (continued)

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 £962k (2016: £909k) and at the year-end £81k (2016: £79k) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2014. 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 following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016 and completed in 2018, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

24. COMMITMENTS

Leasing and lease commitments

At 31 July 2017 the College had future minimum lease payments under non-cancellable operating leases as follows:

	2017	2016
	£'000	£'000
Equipment		
Not later than 1 year	43	43
Later than 1 year and not later than 5 years	93	134
Later than 5 years	<u>-</u>	<u>2</u>

The operating lease costs for the year were £43k (2016: £40k).

Capital commitments

At 31 July 2017 there were capital commitments of £621k (2016: £245k) contracted for but not yet provided.

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

25 RELATED PARTY TRANSACTIONS

During the year to 31 July 2017, Radley College engaged the services of Farrer & Co LLP, of which Mr D C S Smellie (a member of the Council) is a partner, for legal advice. Payments made to Farrer & Co amounted to £69,243 (2016: £9,506) and a balance of £636 (2016: £7,368) was outstanding at the year end.

During the year, donations totalling £518,289 were received from Members of Council.

Radleian Society

The Radleian Society receives funding from Radley College by way of a notional annual charge per pupil. During the year the amount received was £62k (2016: £62k). The Society otherwise manages its own financial affairs including the investment of assets which were valued at £142k at the year end (2016: £135k). Resources expended are primarily on various grants to Radleians, funding of events and publication of the Old Radleian magazine. At the year end £2k was owed to The Radleian Society by Radley College (2016: owed by Radleian Society: £8k).

Radley College War Memorial Funds

The Council currently nominates up to two trustees to the Committee that manages the War Memorial Funds. The Committee manages the investment of these funds through Common Investment Funds and meets at least once each year to consider applications made to it in respect of enabling awards to boys entering Radley College.

Net assets were valued at £595k at the year end (2016: £554k), comprising unrestricted funds of £253k (2016: £249k) and endowed funds of £342k (2016: £305k). No balances were outstanding with Radley College at the year end (2016: Nil).

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

26. FINANCIAL INSTRUMENTS

	2017	<i>2016</i>
	£'000	<i>£'000</i>
Group		
Financial assets measured at fair value	38,198	36,299
Financial assets measured at amortised cost	19,034	2,258
Financial liabilities measured at amortised cost	<u>28,644</u>	<u>12,951</u>

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	2017	<i>2016</i>
	£'000	<i>£'000</i>
Interest income and expense:		
Total interest income for financial assets held at amortised cost	14	6
Total interest expense for financial liabilities held at amortised cost	<u>415</u>	<u>262</u>

	2017	<i>2016</i>
	£'000	<i>£'000</i>
Radley College		
Financial assets measured at fair value	29,928	29,639
Financial assets measured at amortised cost	18,247	2,058
Financial liabilities measured at amortised cost	<u>28,545</u>	<u>12,884</u>

The College's income, expense, gains and losses in respect of financial instruments are summarised below:

	2017	<i>2016</i>
	£'000	<i>£'000</i>
Interest income and expense:		
Interest income	14	6
Interest expense	<u>415</u>	<u>262</u>

Financial assets measured at amortised cost comprise cash and cash equivalents, fees receivable, trade debtors, amounts owed by group undertakings and other debtors excluding prepayments.

Financial liabilities measured at amortised cost comprise bank loans and overdraft, other loans, trade creditors, other creditors, and accruals excluding deferred income.

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

Consolidated	Unrestricted funds	Restricted funds	Endowed funds	Total funds 2016 £'000
INCOME AND ENDOWMENTS FROM:	£'000	£'000	£'000	£'000
Charitable activities				
School fees	22,442	-	-	22,442
Other educational income	311	-	-	311
Other ancillary trading income	736	-	-	736
Other trading activities				
Activities for generating funds				
Trading turnover -				
Radley College Services Limited	550	-	-	550
Radley College Leisure Limited	471	-	-	471
Trading income	14	-	-	14
Other incoming resources	345	-	-	345
Investments				
Investment income	447	491	-	938
Donations and legacies				
Donations	<u>507</u>	<u>1,063</u>	-	<u>1,570</u>
Total	<u>25,823</u>	<u>1,554</u>	-	<u>27,377</u>
EXPENDITURE ON:				
Raising funds				
Fundraising - Radley College	8	-	-	8
Fundraising - Radley Foundation	481	-	-	481
Fundraising - Radleian Society	-	85	-	85
Fundraising trading -				
Radley College Services Limited	304	-	-	304
Radley College Leisure Limited	11	-	-	11
Bank and loan interest	262	-	-	262
Investment management costs	<u>24</u>	<u>49</u>	<u>12</u>	<u>85</u>
	1,090	134	12	1,236
Charitable activities				
School and grantmaking	<u>22,367</u>	<u>663</u>	-	<u>23,030</u>
Total	<u>23,457</u>	<u>797</u>	<u>12</u>	<u>24,266</u>
Net income/(expenditure) before gains	2,366	757	(12)	3,111
Investment property revaluation	49	2,600	-	2,649
Investment gains	<u>216</u>	<u>408</u>	<u>138</u>	<u>762</u>
Net income	2,631	3,765	126	6,522
Transfer between funds	-	-	-	-
	2,631	3,765	126	6,522
Other recognised losses				
Pension scheme remeasurements	<u>(1,352)</u>	-	-	<u>(1,352)</u>
Net movement in funds	1,279	3,765	126	5,170
<i>Fund balances at 1 August 2015</i>	<u>44,896</u>	<u>14,213</u>	<u>3,085</u>	<u>62,194</u>
Fund balances at 31 July 2016	<u><u>46,175</u></u>	<u><u>17,978</u></u>	<u><u>3,211</u></u>	<u><u>67,364</u></u>

RADLEY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (continued)

Radley College	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	Total funds 2016 £'000
INCOME AND ENDOWMENTS FROM				
Income from charitable activities				
School fees	22,442	-	-	22,442
Other educational income	311	-	-	311
Other ancillary trading income	934	-	-	934
Other trading activities				
Activities for generating funds				
Trading income	14	-	-	14
Other incoming resources	345	-	-	345
Investments				
Investment income	409	366	-	775
Donations and legacies				
Donations	<u>690</u>	<u>15</u>	-	<u>705</u>
Total incoming resources	<u>25,145</u>	<u>381</u>	-	<u>25,526</u>
EXPENDITURE ON				
Raising funds				
Fundraising - Radley College	8	-	-	8
Fundraising - Radley Foundation	624	-	-	624
Fundraising trading - Radley College Services Limited	55	-	-	55
Bank and loan interest	262	-	-	262
Investment management costs	<u>18</u>	<u>33</u>	<u>12</u>	<u>63</u>
	967	33	12	1,012
Charitable activities				
School and grantmaking	<u>21,826</u>	<u>629</u>	-	<u>22,455</u>
Total	<u>22,793</u>	<u>662</u>	<u>12</u>	<u>23,467</u>
Net income/(expenditure) before gains	2,352	(281)	(12)	2,059
Investment property revaluation	49	2,600	-	2,649
Investment gains	<u>138</u>	<u>265</u>	<u>138</u>	<u>541</u>
Net income	2,539	2,584	126	5,249
Transfer between funds	<u>(442)</u>	<u>442</u>	-	-
	2,097	3,026	126	5,249
Other recognised losses				
Pension scheme remeasurements	<u>(1,352)</u>	-	-	<u>(1,352)</u>
Net movement in funds	745	3,026	126	3,897
<i>Fund balances at 1 August 2015</i>	<u>43,536</u>	<u>10,012</u>	<u>3,085</u>	<u>56,633</u>
Fund balances at 31 July 2016	<u>44,281</u>	<u>13,038</u>	<u>3,211</u>	<u>60,530</u>