

Company No. 81130

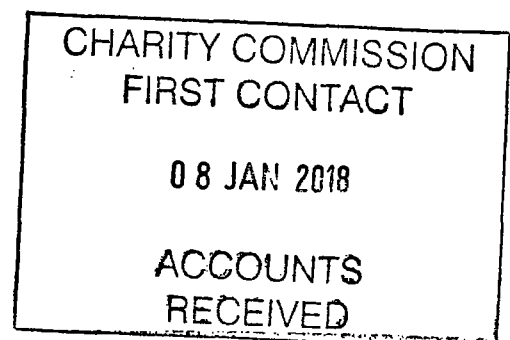
Charity No. 311057



# *Bishop's Stortford College*

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

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



**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

Contents	Page
<u>Governors, Directors and Charity Trustees</u>	2
<u>Annual Report</u>	3-13
<u>Directors' Report</u>	3-9
<u>Strategic Report</u>	10 - 13
<u>Statement of Accounting and Reporting Responsibilities</u>	14
<u>Independent Auditor's Report</u>	15-16
<u>Statement of Financial Activities</u>	17
<u>College Balance Sheet</u>	18
<u>Cash-flow Statement</u>	19
<u>Notes to the Financial Statements</u>	20-33
<u>Trading Subsidiary</u>	34

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

## GOVERNORS, DIRECTORS AND CHARITY TRUSTEES

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

	1	2	3	4	5	6	
P. J. Hargrave, (Chairman)		•	•	•	•		
Sir Stephen Lander, (Vice Chair)	•	•	•	•	•		Chair of the Education Committee.
G. E. Baker, (Vice Chair Designate)	•	•	•	•		•	
A. J. W. Conti						•	Elected 17 <sup>th</sup> March 2017.
L. J. Farrant	•	•		•			Chair of Finance Committee, (Until 31 <sup>st</sup> December 2016).
M. Goitiandia		•			•		
R. C. V. Harrison				•		•	Chair of the Finance Committee, (From 1 <sup>st</sup> January 2017).
P. Mullender		•					
I. M. Pearman	•		•	•			Chair of the Development and Estates Committees.
C. P. Solway			•			•	
D. F. Thomson							Elected 17 <sup>th</sup> March 2017.
R. J. Wells		•					

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

The following were Representative Governors: Mr C. P. Solway; Mr R. C. V. Harrison; Mrs L. J. Farrant and Ms M Goitiandia.

### OFFICERS OF THE COLLEGE:

**Headmaster:** J.M. Gladwin.

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

### ADVISERS:

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

**Auditors:** Crowe Clark Whitehill LLP, St Bride's House, 10 Salisbury Square, London, EC4Y 8EH.

**Solicitors:** Stanley Tee LLP, High Street, Bishop's Stortford, Hertfordshire, CM23 2LU.

Veale Wasbrough Vizards LLP, Orchard Court, Orchard Lane, Bristol, BS1 5WS.

**Insurance:** Marsh Brokers Ltd, Capital House, Haywards Heath, West Sussex, RH16 3AS.

### OTHER INFORMATION:

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

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

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

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

## **DIRECTORS' REPORT**

### **REFERENCE AND ADMINISTRATION INFORMATION**

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

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

#### **Governing Document**

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

#### **Governing Body**

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

#### **Recruitment of Governors**

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

#### **Training of Governors**

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

#### **Organisational Structure**

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

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>st</sup> JULY 2017**

In addition, during the year, the work of the Estates and Finance Committees was supported by two Working Groups of Governors and advisers. The first Working Group assist with planning and the delivery of several major developments to the College facilities. The other Working Group looks at traffic and other associated transport and travel to and from school matters.

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

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

8. The College comprises three schools, three cross college departments, a support organisation and a development office as follows:

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

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

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

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

10. The College remained a selective co-educational day and boarding school that offers, in return for a fee, an education from the age of 4 to 18. The desired outcome was for pupils to achieve suitable public examination grades to allow them to make rewarding choices about their future. As part of the provision, pupils were given assistance in applying for university, work or gap year travel.
11. To support the attainment of the highest standards, the College actively interacted with other schools through membership of the Headmasters' and Headmistresses' Conference, the Independent Association of Preparatory Schools and the Independent Schools Bursars' Association, and, in the local area, through the Headmaster's membership of the Bishop's Stortford Educational Trust ([see paragraph 37](#)).
12. The Governors, via the Development Office, encouraged the fostering of links between former pupils, parents and present-day students. The College thus encouraged membership of an active society of ex-pupils, known as Old Stortfordians (OS), who meet on a regular basis at the College and other venues. The College benefited from the generosity of its former pupils, whose support continued to be greatly appreciated.

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

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

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

**Subsidiary Trading Company**

14. The Charity had a wholly owned non-charitable subsidiary, the Maze Green Pool Company Limited. The College closed the company on 31<sup>st</sup> August 2016 and absorbed its activities back into the wider College operations. The trading performance for the subsidiary company is shown in Note 23.

**Employment Policy**

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

**Investment policy and objectives**

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

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

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

**OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

**Charitable Objects**

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

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

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

**Governors' Vision for the College**

21. It remains the Governors intention that the College should offer the opportunity of an all-through education to the age of 18 to those who would benefit from it. Against this background, the Governors envisaged that over the next ten years, the College would provide for:
- continued enhancements to the quality of the education provided;
  - development of the curriculum, accommodation and facilities at a pace consistent with financial prudence;
  - the retention of healthy numbers of hardworking, well-motivated and happy pupils;
  - a contented, effective and well managed workforce of academic and other staff; as well as
  - robust finances making possible the further development of the school and the successful management of annual variations in income and expenditure.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>st</sup> JULY 2017**

**Ethos, Aims and Intended Impact.**

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

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

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

**Primary Objectives**

27. Governors place great importance on ensuring that the College:

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

**Strategies to achieve the Primary Objectives**

28. The strategies adopted this year to achieve the Governing Council's objectives include:

- promoting high academic standards through:
  - an appropriately sized scholarship scheme and a mentoring scheme for those scholars;
  - the recruitment of high quality academic staff and succession planning for future staffing needs;
  - reviews of academic value added by the College to identify academic strengths and weaknesses;
  - continued enhancement of learning support provision; and
  - encouragement of academic ambition beyond school through the College's Higher Education and Careers Department
- providing a tried and tested, House-based, pastoral care system;
- providing extracurricular and sporting opportunities for each pupil;
- maintaining a Development Fund to help finance the improvement of College facilities;

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

- maintaining a full pupil roll;
- offering a broad range of subjects at public examinations to sustain the appeal of the College and the opportunities available to its pupils;
- encouraging a happy and well-motivated workforce delivering an effective and broad education;
- providing all staff, academic and non-academic, with appropriate training and development opportunities;
- the operation of performance management procedures;
- re-investing the operating surplus in the College infrastructure;
- actively promoting its means-tested financial assistance (bursary) programme for pupils; and, where possible
- sharing the College facilities with local schools and charitable community groups.

**29. Governors also:**

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

**30.** The Governing Body continued with the delivery of a number of major projects, subject to available funding. In particular, the Governors focussed on the delivery of the day and boarding facilities for the Senior School with the aim of freeing space for classrooms and administration areas. The projects will bring the majority of the Senior School boarding accommodation to a uniform and high standard.

**Principal Activity**

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

	Pre-Prep			Prep School						Senior School					Totals
	R	P1	P2	L5	U5	F1	F2	L3	U3	4F	L5	U5	L6	U6	
Form															
Totals	39	41	41	61	62	61	68	100	99	110	113	114	129	124	1162
Boarders	0	0	0	0	1	2	1	4	4	7	12	4	27	25	87
Flexi-B	0	0	0	3	4	9	8	11	8	9	15	22	16	9	114

**32.** To ensure the College continued to have a strong financial base and as wider reflection of outside society as possible, the key management team placed considerable emphasis on marketing the College, particularly on future admissions for the younger age groups and on attracting pupils from a wide range of social backgrounds. As a result, the numbers of potential pupils who are recorded as prospective pupils and have an interest in joining the College for entry up until 2022, are:

Year of Entry	Prospective	Previous Year
2017	Not Applicable	229
2018	251	69
2019	85	36
2020	28	12
2021	19	3
2022	3	Not Reported

**PUBLIC BENEFIT**

**Widening Access**

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

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



**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

### **Financial Assistance**

34. Financial assistance is available where a pupil meets the College entry requirements. It is funded by allocating a percentage of anticipated income to the scheme. Awards are available from full support by way of a 100% concession, to lesser awards where parental income is assessed to be at a higher level. When necessary, further support is provided; this can take a number of forms e.g. by way of a grant towards the costs for uniform, travel to and from the College or assistance with trips related to the curriculum. During the year, bursaries totalling £625,000 were awarded to provide means-tested financial assistance for 5.4% of the pupils attending the College. As a result, there were 11 pupils in receipt of a bursary worth 100% of the tuition fees, and a further 34 pupils receiving assistance of between 50% and 95% of the fees. The Governing Council aims to grow the percentage of fee income spent on means-tested bursaries to 4% from a current figure of 3.2% of the budgeted income.
35. The total value of bursaries, scholarships, grants, prizes and other awards made out of restricted funds was £22,000, whilst £1,832,000 was awarded out of unrestricted funds, this equates to 9.25% of income. The total number of children receiving assistance of all kinds was 298; equal to 25.6% of College pupils.
36. Where our existing parents find themselves in a difficult financial position, the College, where appropriate, will offer means-tested emergency support so that the pupils can at least reach the next natural break point of their education, for example so that a pupil may complete a public examination year.

### **Social Impact**

37. The Governing Council is committed to developing its programme of support and co-operation with others in education and wishes to ensure that the College is making an educational impact for as many children as possible. The College is part of a wider community in which its staff and pupils are encouraged to participate. In addition to educating 1162 pupils, the College also ensured that its facilities were available for use by others, particularly by children. Examples of support to local state schools and community organisations included:
- a close partnership with a large number of local maintained schools as a founder member of the Bishop's Stortford Educational Trust (BSET). BSET was established in 2015 to create a co-operative, forward-thinking educational organisation to support provision from Early Years to Post-16 and beyond for the town of Bishop's Stortford and its surrounding villages. The Trust was created to formalise an already effective partnership between local primary and secondary schools and draws on the individual strengths of each institution. This collaboration is not only community-based, but is quite possibly the only such Trust at present to include the state and independent sectors working together to provide high quality education.

The Trust's 10 key aims are to:

- provide a strategic overview of school provision to ensure sufficient places are made available for primary and secondary schools to meet local demand - this includes bidding to sponsor new and existing schools;
  - provide support and advice for schools in order to adhere to the Department for Education's (DfE) academisation programme by 2022;
  - provide effective professional development for staff and share school-to-school expertise;
  - provide peer-to-peer school support regarding educational standards;
  - support Initial Teacher Training and staff recruitment by providing local teacher placement and collective teacher recruitment;
  - invest in effective school-led research and development;
  - support financial procurement through collective purchasing power;
  - work collectively with regards to curriculum planning and resourcing;
  - develop and enhance school leadership and governance; and
  - engage fully with our local community to ensure that provision meets demand.
- the Ferguson Lecture Programme, which is a well-established community event, with a considerable number of local people attending free public lectures at the College;
  - the continued development of links with Mossbourne Community Academy in Hackney by the sharing of advice and practical support with UCAS and Oxbridge applications, and with the curriculum;
  - a weeklong Festival of Literature aimed primarily at children. The College actively encourages participation from other local schools. Several well-known authors took part in storytelling and helping to reach out to children;
  - the use of the College swimming pool by local clubs, youth groups and schools. The swimming pool is an 'Approved Training Centre' for the Institute of Qualified Lifeguards and the College offers spaces on this course for staff from other local schools and swimming clubs.
  - a local science group, 'Café Scientific', which uses the College facilities for their monthly meetings;
  - the use of College sports facilities by several sporting organisations, including Bishop's Stortford Rugby Club Under 12's side, the local hockey club using the Astro facilities twice a week, local cricket and netball clubs train

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>st</sup> JULY 2017**

at the College and the Hertfordshire U15's Cricket team played matches at the College against Middlesex and Sussex;

- working with the British Heart Foundation the College continued to provide two defibrillators on the Campus and (in an emergency) for the local community;
- Summer Activity Camps for children, including a multi-activity camp, a church based holiday bible week and a soccer coaching activity for children;
- a number of drama and music performances that are open to the local community;
- the Prep School Art Department launched an Arts Outreach Programme, offering assistance to over twenty local Primary Schools, the scheme included a drawing masterclass for Year 5 pupils.
- a programme of charitable works by the pupils. Highlights included:
  - the students who have worked at the Whitechapel Mission as volunteers; the Prep School used their Harvest Festival to provide food to be donated to the mission;
  - the pupils continued their support for SAFE-UK, an educational charity that helps orphans in Malawi, after raising £18,000, for the fifth time in ten years twelve members of the Sixth Form went there to help local volunteers decorate newly built facilities;
  - Senior School students who continued to produce their version of the talent show 'Stars in Their Eyes' in aid of the Niemann-Pick Disease charity, which supports young children who suffer from the condition;
  - the whole College charity day that raised £6,000 for The Dust Project, a charity which helps transform the lives of children, young people and communities through funding construction and education projects worldwide;
  - the College took part in Operation Christmas Child, nearly 400 children, many of whom will have endured hardship, conflict and fear, received a gift that lets them know they are loved and not forgotten;
  - the Prep School prefects raised £21,000 for the Guide Dogs for the Blind and the Helen Rollason Cancer Charity; and
  - many other worthy causes including an annual Christmas Party for local elderly people and facilities for the local Rotarians Young Musician Competition.

## STRATEGIC REPORT

### ACHIEVEMENTS AND PERFORMANCE

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

38. Although academic performance is by no means the only measure of achievement for pupils, the Governors were delighted to report excellent examination results once again this year with A Level and GCSE results that were above the national average. The following public examination results support the importance Governors attach to the 'all-through school' ethos which allows pupils to progress from the Pre-Prep through to the Senior School, with their individual educational and social needs regularly assessed and addressed.
39. At A level there were many outstanding performances and the number of pupils achieving high grades was impressive. With a 100% pass rate it was one of the best set of results on record. 24% of examinations received an A\* grade and 59% were awarded an A\* or A. 84% were graded A\*-B and 94% were A\*-C. 37% of pupils achieved at least 3 or more grades A/A\*.
40. The College continued to offer pupils an opportunity to participate in the Extended Project Qualification (EPQ) which aims to inspire, enthuse and motivate students by providing learners with the skills that Higher Education institutions and employers look for through the encouragement of independent study. Now firmly established at the College the qualification is ideal for improving transferable skills such as planning, research, analysis and evaluation as part of their academic curriculum, through the management of a skills-based assessed assignment. This year sixteen pupils took the qualification, 81% of the results were at A\*/A and all pupils gained a C or above.
41. At GCSE College pupils excelled in subjects across the board, 35% of all entries were awarded A\*; while 70% of exams were awarded A\* - A. All 114 pupils achieved 5 or more grade A\* to C passes. In addition to these excellent results within the core curriculum, all pupils studying Drama, Music and Spanish performed particularly well achieving at least an A grade. In the new Mathematics GCSE, 94% of pupils gained at least 5 or higher and 8% achieved the top grade 9 (well above the national average of 3.5%). Nearly one third of the 114 strong year group achieved an A\*/A in ten or more subjects. Seven pupils gained 10 A\* grades.
42. These academic achievements were complemented by other activities:

- Sport. Our philosophy is to strike the right balance between excelling at the highest level with our most talented pupils whilst at the same time ensuring that as many pupils as possible have the opportunity to enjoy the match experience and benefit from the excellent coaching available. Whilst striving for success, pupils learn that fair play and good manners are also important.

The College introduced an Elite Sports Provision that was specifically designed to enhance the provision already available in the core sports of Cricket, Hockey (boys' and girls'), Netball, Rugby and Swimming. The programme offers training opportunities outside of the main term for each sport, with the emphasis being on individual skills development, as well as regular master classes and training sessions from professional and international sportsmen and sportswomen. Three pupils competed for their country in Hockey, Rugby and Swimming.

- Art, Drama and Music. The College offered many opportunities for each pupil's creative spirit to be expressed and developed - individually or working with others, as a serious pursuit leading to qualifications and higher education, or simply as an enriching dimension to a full and satisfying life. The College ran a full programme of recitals, concerts and larger public performances, and the Prep and Senior Schools staged theatrical productions.

The Senior School Art Department continued to produce excellent results, at A level 22 out of 30 pupils achieved an A\*/A, 29 gained an A\*-B and all pupils were awarded a grade C or above. High quality art work adorns the modern Art Department building and other facilities across the College.

- Other activities. As part of the College's commitment to an all-round education, a busy activity programme exists within the timetable for pupils in Form 1 through to the Upper Sixth. This year, the programme enabled pupils, through active participation, to experience a wide variety of differing extra-curricular activities aimed at broadening their experience and developing new interests. Many extra-curricular activities existed outside the timetable, including academic societies, beekeeping, debating, local history, journalism and after school clubs in the Pre-Prep.
- Inspired Horizons. Pupils in the Senior School continued to benefit an initiative titled 'Inspired Horizons'. This is an academic enrichment programme that is a particularly important part of their development and aimed at developing their mind by encouraging pupils to try something new and, when they find they have been inspired by their new interest, to develop and share the recently acquired knowledge with others. The programme is extensive aimed to stimulate students with a particular passion for a subject, as well as those that are less subject-driven and more focused on broadening interests and knowledge. The Inspired Horizons provision is inclusive in nature and all students were encouraged to take part in activities and societies which they might find interesting. Following on from the success of this programme last year, the College entered a contingent of 68 pupils in the Student Investor Challenge. This is a UK-wide investment challenge for students. One of the teams progressed to the semi-finals only narrowly missing out on a place in the final. They finished 25<sup>th</sup> in the whole of the UK.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

43. The achievements of the College pupils confirmed the very high level at which the College was operating; producing excellent academic results, whilst maintaining a strong tradition of breadth in its wider activities. Overall, the College continued to be proud of its ability to add value to the education of its pupils so that they consistently produce outstanding results.
44. The College continued to provide a well-established and staffed Higher Education & Careers Department, and a resource library which is available to pupils at any time during the school day. Advice and guidance are particularly important in the Sixth Form as pupils prepare to make important decisions about their future. 97.4% of the year group went onto Higher Education, of which, 82% went to attend their first choice university. To help prepare for this a Higher Education and Careers Programme was provided. This ran throughout the Sixth Form starting in December of the Lower Sixth year.
45. While a significant part of the work of the department is with the Sixth Form, Careers Education and Guidance is part of the development of pupils throughout the Senior School via:
- the Futurewise Scheme (careers and aptitude assessments);
  - one-to-one meetings with a careers advisor;
  - the College's work experience programme at end of Upper Fifth (Year 11);
  - on-line careers exploration;
  - tutorials and the PSHE programme;
  - work-related learning - e.g. writing a CV and covering letter;
  - career assembly programme; and
  - a HE and Careers Bulletin, published regularly.
46. In February and March 2017 the College was inspected by the Independent Schools Inspectorate (ISI). The inspection comprised of two teams; one for the Senior School and the other visited the Prep School and Pre-Prep. The inspection teams examined the following areas:
- Compliance. The team reported on the three schools' compliance with the standards, including the National Minimum Standards for Boarding. The standards in all areas were met.
  - Educational Quality. The inspection reports on the quality of the three schools' work, focusing on the achievement of the pupils, including their academic development, and the personal development of the pupils. The team reported that the quality in both these areas for all three schools was excellent.
47. Further enhancement to the Campus included the replacement of the Cloisters Building and part of Young House roof and enhancement to ensure the campus can accommodate children and staff that requirement assistance to move between and around the buildings. The main effort during the year was to manage the projects that will provide two new boarding houses and a day house for the Senior School, as well as the refurbishment of the fire damaged boarding house known as Robert Pearce House.

#### **Fundraising Performance**

48. The College Development office completed its fourth year of operation. Expenditure on fundraising amounted to £162,000 and the total donations received or committed in cash or in kind during the year were £146,000 in value. The College regularly invites all constituents of the College to voluntarily take part in fundraising. Appeals are typically directed towards raising donation income towards bursaries, scholarships, academic and pastoral facilities. The College's fundraising programme is carried out by the Development Office and the College's Fundraising Policy sets out that the College will adhere to the standards set out by the Fundraising Regulator.

#### **Investment Policy**

49. The Articles of Association of the Charity allow the Governors to invest such part of the funds of the Association, as shall not be required to satisfy or provide for immediate demands upon such securities as they deem expedient, and may, from time to time, vary such securities and convert the same as occasion requires or as they may deem fit.
50. The investment funds held comprise units in the M & G Charifund, and a freehold farm and associated properties, which were bequeathed to the College by a former pupil. In both of these investments, the Governors have taken the view that a combination of low risk income and long-term capital growth should be their objective.
51. The investment strategy and performance is monitored by the Finance Committee. At the year end the College's long-term investments, including the units in M & G Charifund and property investments, were valued at £6,201,000. The overall investment return for the year was £150,000 (See Note 4). One investment property was sold releasing £339,000 as unrestricted income.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>st</sup> JULY 2017**

52. The Pre-Paid fee scheme while assisting some parents in managing the cost of their child or children's education continues to provide what amounts to be a stable reserve that can be used by the College to the benefit of the charity. The Finance Committee monitors the cost of running the Pre-Paid Fee scheme and this year the scheme cost £120,000 to run.

## **FINANCIAL REVIEW**

### **Results for the Year**

53. The College had another successful year and the level of surplus income meets the needs of the College. There were several capital projects that required funding throughout the period which reduced the free cash reserves of the College to a point, at the end of the financial year, where the College entered into an overdraft and loan agreement with the bank. The increased surplus was a result of income from the insurance claim following the fire in Robert Pearce House and the 4% increase in fees received. The net incoming resources for the year for unrestricted funds was £3,803,000. The net income surplus for the year for restricted funds was £129,000 and the total income surplus was £3,932,000 for the year. Capital expenditure amounted to £13,448,000

This stability will further contribute to the financial strength of the College and, as a result, the Trustees remain confident that the College is in a position to continue to deliver the current academic programme and planned physical development of the campus.

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

### **Reserves Level and Policy and Financial Viability**

55. In accordance with the objectives of the Association, and subject only to the normal constraints of prudence, it is the Governors' policy not to accumulate and retain funds but to spend, wisely, the available cash on maintenance, and on enhancement of the College's facilities. Such enhancements usually involve significant capital sums and are therefore, normally only undertaken as and when funds on a sufficient scale, built up over a number of years, become available. This policy means the College does not hold a large reserve for any length of time. Moreover, as the fees are paid in advance and the short-term flow of income and expenditure is relatively predictable, the College does not, as a matter of policy, hold reserves to cover say a whole term's operating costs.
56. Note 17 to the accounts sets out a full analysis of the assets attributable to the various funds. These assets are sufficient to meet the Charity's obligations on a fund-by-fund basis. See Note 1.10.
57. Details of the College's Restricted Funds and the underlying assets representing those Funds are set out in Note 16A to the accounts.
58. The College's Unrestricted Funds and the underlying assets representing those Funds are set out in Note 16B to the accounts. The most significant part of the Unrestricted Funds is invested in College buildings and other fixed assets used by the College in furtherance of its charitable objectives.
59. In the unusual circumstances where legacies to the College take the form of property, it is the Governors' policy to retain such investments and to look for capital appreciation while using any net income generated to support the Association's ongoing charitable objectives.
60. The College's total reserves of £29,507,000 at the year-end included £2,359,000 restricted funds and £27,148,000 unrestricted funds. The College has no free reserves at the balance sheet date due to the investment of funds in tangible fixed assets, largely buildings for use within the College. However, the Governors regularly examine the College cash flows alongside the development plans for the future and are satisfied that they are adequate for the purpose of meeting its working capital requirements and that they will also cover strategic capital expenditure when complimented with an appropriate amount of loan finance. Accordingly, the College is operating on a going concern basis.

## **RISK MANAGEMENT AND UNCERTAINTIES**

61. The Governors are responsible for the management of the risks faced by the College and a review of the College Risk Register is an annual standing item on the agenda of each of the various committees and the Governing Council itself. Following the review, the register is updated and action taken to address any risks that are insufficiently mitigated identified by the process. While it is recognised that any system can only provide reasonable but not absolute assurance, the Governors are satisfied that where the procedures described above have identified significant risks faced by the College, these have been adequately managed.
62. The key controls used include:
- detailed terms of reference and formal agendas for all committee and Governing Council activity;
  - comprehensive strategic planning, budgeting and management accounting;
  - monitoring key performance indicators, e.g. pupil numbers, ratios and trends;

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

- review, adjustment where necessary and approval by the Governors of all formal written policies;
  - spot checks by Governors on College records and ledgers to ensure approved procedures are being followed;
  - use of external professional advice;
  - clear authorisations for approved levels of expenditure; and
  - vetting procedures as required by law for the protection of children.
63. The principle risk identified by the Governors this year was the overall cost of the significant planned programme of building work mentioned in paragraphs 66 to 68 below. Management of this risk has been a particular focus of the Project Working Group (see paragraph 7 above), the Finance Committee and the Governing Council, with all key decisions being taken by the full Council itself. The Governors remain confident that the risk can be managed effectively through careful control of costs and because of the continuing strong demand for places at the College.
64. The Governors also consider the political and economic turbulence following the Referendum and the General Election to be an area that may cause difficulties for some parents in the future. The level of interest in a place at the College and the number of pupils that have accepted a place is welcome, but there is no room for complacency. The Governing Body is mindful of the affordability issues when setting the level of fees and, as a result, ensure that any increase to the fees are necessary for the future viability of the College.
65. Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the College is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment. Since Health and Safety is also a key area of risk, the College commissions an annual external audit to identify areas that may require attention. The subsequent report forms the basis of a College Health and Safety Action Plan which is monitored on a termly basis by the Estates Committee.

**LONGER TERM PLANS**

66. The College Business and Development Plans were reviewed again this year and the College plans for the future now include:
- planning for the changes that are being introduced to the curriculum and examinations;
  - active scrutiny and validation of the quality of the teaching and learning available, including the continuation of enhancing the provision of Spanish and, following a review of the way Learning Support is provided, we will proceed with enhancing the way this type of support is delivered;
  - continuing with the enhancement of physical facilities and buildings, including the reinstatement of Robert Pearce House;
  - continuing with developing the strategy for pupils to use appropriate ICT equipment as they progress through the College;
  - active encouragement and support of all pupils in choosing a place at university or other post school options that best suits their aspirations;
  - updating and improving the performance appraisal systems across the College; and
  - continuing with increasing Bursaries by making them more widely known about in our communications.
67. Work to rebuild Robert Pearce House commenced in July 2016 and the College anticipates taking over the building in December 2017. Governors continue to keep the funding arrangement for the betterment under review. As at the date of this Annual Report, the total cost to the College is yet to be finalised; however, the work will not affect the completion of the boarding and day houses described in paragraph 68 below.
68. The College continued work on constructing two boarding houses and a further day house for the Senior School which were taken over in October 2017. These developments will make way for School House to be redeveloped into classrooms for the Senior School academic departments and office and welfare facilities for staff.

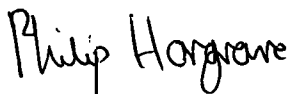
## **STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES**

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

### **AUDITORS**

72. Crowe Clark Whitehill LLP have expressed their willingness to continue as auditor for the next financial year.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of The Incorporated Bishop's Stortford College Association on 8<sup>th</sup> December 2017, including in their capacity as company directors approving the Strategic Report contained therein, and is signed on its behalf by:



P. J. Hargrave

Chair of the Governing Council

Date: 8/12/17



R. C. V. Harrison

Chair of the Finance Committee

Date: 8/12/17

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>st</sup> JULY 2017**

**INDEPENDENT AUDITOR'S REPORT**

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

**Opinions**

We have audited the financial statements of Bishop's Stortford College for the year ended 31<sup>st</sup> July 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31<sup>st</sup> July 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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

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

We have nothing to report in this regard.



**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>st</sup> JULY 2017**

**Opinions**

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

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



Mike Hicks

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

London

19.12.17

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

**STATEMENT OF FINANCIAL ACTIVITIES**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2017 Total £'000	2016 Total £'000
<b>Income from:</b>					
<b>Charitable activities</b>					
School fees receivable	2	17,591	-	17,591	16,968
Ancillary trading income	3	772	-	772	582
Income from Insurance Claim		2,856		2856	277
<b>Other trading activities</b>					
<b>Investments</b>					
Investment income	4	71	79	150	160
Bank and other interest		58	-	58	108
<b>Voluntary sources</b>					
Grants and donations	5	62	84	146	126
<b>Total income</b>		<b>21,410</b>	<b>163</b>	<b>21,573</b>	<b>18,221</b>
<b>Expenditure on:</b>					
<b>Raising funds</b>					
Financing costs	6	(120)	-	(120)	(236)
Fundraising & Development		(162)	-	(162)	(145)
<b>Total deductible costs</b>		<b>(282)</b>		<b>(282)</b>	<b>(381)</b>
<b>Charitable activities</b>					
Education and grant making	7	(17,325)	(34)	(17,359)	(16,577)
<b>Total expenditure</b>		<b>(17,607)</b>	<b>(34)</b>	<b>(17,641)</b>	<b>(16,958)</b>
<b>Net incoming funds from operations before transfers and investment gains</b>		<b>3,803</b>	<b>129</b>	<b>3,932</b>	<b>1,263</b>
Gains on investments			155	155	27
Gains on investment properties		68	-	68	600
<b>Total income and capital inflow</b>		<b>3,871</b>	<b>284</b>	<b>4,155</b>	<b>1,890</b>
<b>Net movement in funds for the year (brought forward)</b>		<b>3,871</b>	<b>284</b>	<b>4,155</b>	<b>1,890</b>
<b>Fund balances brought forward at 1 August 2016</b>		<b>23,277</b>	<b>2,075</b>	<b>25,352</b>	<b>23,462</b>
<b>Fund balances carried forward at 31 July 2017</b>		<b>27,148</b>	<b>2,359</b>	<b>29,507</b>	<b>25,352</b>

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

**BALANCE SHEET**

	Notes	2017 £'000	2016 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	31,991	19,713
Securities investments	10	1,972	1,816
Property investments	11	4,229	4,500
Investment in Subsidiary	23	-	10
		<b>38,192</b>	<b>26,039</b>
<b>CURRENT ASSETS</b>			
Debtors	12	716	915
Cash and Deposits		3,012	9,480
		<b>3,728</b>	<b>10,395</b>
<b>CURRENT LIABILITIES</b>			
Creditors payable within one year	13	(6,383)	(5,014)
<b>NET CURRENT (LIABILITIES) / ASSETS</b>		<b>(2,655)</b>	<b>5,381</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>35,537</b>	<b>31,420</b>
<b>LONG-TERM LIABILITIES</b>			
Creditors payable after one year	14	(6,029)	(6,067)
<b>NET ASSETS</b>		<b>29,508</b>	<b>25,353</b>
<b>REPRESENTED BY:</b>			
<b>SHARE CAPITAL</b>		<b>1</b>	<b>1</b>
<b>RESTRICTED FUNDS</b>	16(A)	<b>2,359</b>	<b>2,075</b>
<b>UNRESTRICTED FUNDS</b>			
General Fund	16(B)	23,733	19,751
Revaluation Reserve	16(B)	3,415	3,526
		<b>29,508</b>	<b>25,353</b>

These financial statements were approved by the Governing Body on 8<sup>th</sup> December 2017 and were signed on its behalf by:



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

Date: 8/12/17



P.J. Hargrave  
Chair of the Governing Council

Date: 8/12/17

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

**CASHFLOW STATEMENT**

	2017	2016
	£'000	£'000
Net Cash Inflow From Charitable Activities (Note 1)	6,293	2,861
Returns on investments and servicing of finance		
Investment income	150	
Interest received	57	
	207	268
	6,500	3,129
Capital Expenditure		
Disposal of Fixed Asset Investment	339	-
Payments to acquire tangible assets	(13,448)	(3,734)
Net Cash inflow/(outflow) after Capital Expenditure and before movement on prepaid fees	(6,609)	(605)
Financing		
Prepaid fees		
New contracts and revaluation in the year	2,599	
Utilised during the year	(2,458)	
	141	595
DECREASE IN CASH IN THE YEAR	(6,468)	(10)

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

	2017	2016
	£'000	£'000
Net incoming resources	3,932	1,263
Investment income	(150)	(160)
Interest received	(58)	(108)
Depreciation of tangible assets	1,170	1,222
Non-cash disposals of fixed assets	10	-
Decrease/(Increase) in debtors	199	(283)
Increase in creditors excluding prepaid fees	1,190	927
NET CASH INFLOW FROM CHARITABLE ACTIVITIES	6,293	2,861

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>st</sup> JULY 2017**

**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation**

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

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

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

Having reviewed the funding facilities available to the College together with the expected ongoing demand for places and the College's future projected cash flows, the Governors have a reasonable expectation that the College has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the College's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 14

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

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

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

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

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

**1.3 Fees and similar earned income**

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

**1.4 Investment Income**

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

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

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

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

Voluntary income for the College's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention is to be permanent or not. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the College in the case of donated services or facilities.

#### **1.6 Expenditure**

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

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

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

#### **1.7 Tangible fixed assets**

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

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

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

Freehold land and buildings	- over 50 years (anticipated useful life of over 50 years, over 10 years and over 5 years.
Astro Turf All Weather Surface	- over 10 years
Furniture and equipment	- over 10 years
Motor vehicles	- over 4 years
Computers	- over 3 years

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

#### **1.8 Investments**

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

The investment properties at Clapton Hall are stated at market value as at 31 July 2017, as calculated by Strutt and Parker. The Governors believe this to be an accurate estimate of the current open market value.

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets. Investments in subsidiaries are valued at cost less provision for impairment.

#### **1.9 Investment accounting**

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>st</sup> JULY 2017**

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

**1.10 Fund accounting**

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

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

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

**1.11 Pension costs**

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

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

**1.12 Operating leases**

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

**1.13 Financial instruments**

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

The College accepts prepayment of fees from parents for any period from 1 to 14 years. The terms on which prepayment of fees are accepted are reviewed from time to time in the light of investment returns and the level of increase in school fees. At present, fees are accepted on the basis that future years will be calculated at the base rate prevailing at the time the contract is made incremented by 2.5% per annum compound.

The liabilities under this scheme are treated as financial instruments. The present value of future costs arising from the difference between the fixed fee price offered and the projected fee price is provided for as a liability in the accounts.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

**2. CHARITABLE ACTIVITIES - FEES RECEIVABLE**

	2017	2016
	£'000	£'000
<b>Fees receivable consist of:</b>		
School fees	19,423	18,698
Scholarships Bursaries and Staff Concessions	(1,854)	(1,754)
	<u>17,569</u>	<u>16,944</u>
Add back: Bursaries and other awards paid for by restricted Funds	22	24
	<u>17,591</u>	<u>16,968</u>

Scholarships, bursaries, staff concessions and other awards were paid to 298 pupils (2016: 277). Within this means-tested bursaries totalling £625,000 were paid to 63 pupils (2016: £571,000 to 68 pupils).

**3. CHARITABLE ACTIVITIES - OTHER INCOME**

	2017	2016
	£'000	£'000
School Trips	525	432
Entrance and registration fees	29	26
Tuck Shop	3	2
Income From Letting School Facilities	215	122
Income from Insurance Claim	2,856	277
	<u>3,628</u>	<u>859</u>

The Income from insurance claim above is for claimable cost from the College insurers for the rebuilding cost expended in the year for the rebuilding of Robert Pearce House which was severely damaged by fire in September 2015.

**4. INVESTMENT INCOME**

	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
<b>Securities investment income:</b>				
Equities	-	79	79	75
<b>Property investment income</b>				
Rents Receivable	71	-	71	85
	<u>71</u>	<u>79</u>	<u>150</u>	<u>160</u>

**5. GRANTS AND DONATIONS RECEIVABLE**

	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Development donations	62	84	146	126



**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

**6. FINANCE AND OTHER COSTS**

	2017	2016
	£'000	£'000
Fees in Advance debt-financing cost	120	236

**7. ANALYSIS OF EXPENDITURE**

**(a) Total expenditure**

	Staff costs (note 8) £'000	Other £'000	Depreciation £'000	TOTAL 2017 £,000	Total 2016 £'000
<b>Costs of generating funds</b>					
Financing costs (note 6)	-	120	-	120	236
Development costs	98	64	-	162	145
<b>Total cost of generating funds</b>	<b>98</b>	<b>184</b>	<b>-</b>	<b>282</b>	<b>381</b>
<b>Charitable expenditure</b>					
<i>Education and grant making</i>					
Teaching	8,779	1,774	494	11,047	10,314
Welfare	875	1,183	-	2,058	1,952
Premises repair and maintenance	598	1,211	676	2,485	2,607
Support costs and governance	1,045	690	-	1,735	1,664
Grants, awards and prizes (note 7 (b))	-	34	-	34	40
<b>Total charitable expenditure</b>	<b>11,297</b>	<b>4,892</b>	<b>1,170</b>	<b>17,359</b>	<b>16,577</b>
<b>Total Expenditure</b>	<b>11,395</b>	<b>5,076</b>	<b>1,170</b>	<b>17,641</b>	<b>16,958</b>

**(b) Grants, awards and prizes**

	2017 £'000	2016 £'000
<b>From Restricted Funds:</b>		
Bursaries and other grants and awards	22	24
Prizes and leaving awards	12	16
	<b>34</b>	<b>40</b>

**(c) Governance included in support costs:**

	2017 £'000	2016 £'000
Remuneration paid to auditor for audit services	19	19
Reimbursement of personal expenses to Governors - travel costs	-	1
Other governance costs	19	17
	<b>38</b>	<b>37</b>

No expenses were reclaimed by member of the Governing Body. (2016:1)

In addition to the above audit remuneration the auditor received fees for taxation compliance services totalling £900 (2016: £2,000).

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

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

	2017	2016
The aggregate payroll costs for the year were as follows:	£'000	£'000
Wages and salaries	9,284	8,904
Social security costs	944	820
Apprentice Levy	10	-
Other pension costs	1,154	1,078
	<b>11,392</b>	<b>10,802</b>

	2017	2016
Key Personnel	£'000	£'000
Aggregate employee-benefits of key management personnel	<b>518</b>	<b>465</b>

	2017	2016
Number of higher paid employees in bands of:		
£60,001 to £70,000	2	-
£70,001 to £80,000	1	2
£80,001 to £90,000	1	-
£90,001 to £100,000	2	1
£100,001 to £110,000		1
£110,001 to £120,000	1	
£130,001 to £140,000		1
£140,001-£150,000	1	

All of these employees are in defined benefit pension schemes

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

	Gross 2017	FTE 2017	Gross 2016	FTE 2016
Teaching	189	166	182	159
Welfare	59	37	60	36
Premises	23	22	23	23
Support	33	28	34	28
Development	2	2	2	2
	<b>306</b>	<b>255</b>	<b>301</b>	<b>248</b>

During the year there were redundancy or termination payments made which amounted to £4,645 (2016-£1,249) there was £4,645 outstanding at the year end.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>st</sup> JULY 2017**

**9. TANGIBLE FIXED ASSETS**

	Freehold Land and Buildings £'000	Buildings under Construction £'000	Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
<b>Cost (or frozen* valuation)</b>					
At 1 August 2016	26,842	2,159	4,162	31	33,194
Additions	805	12,318	325	-	13,448
Fully depreciated Assets written off	-	-	(1,629)	-	(1,629)
<b>At 31 July 2017</b>	<b>27,647</b>	<b>14,477</b>	<b>2,858</b>	<b>31</b>	<b>45,013</b>
<b>Depreciation</b>					
At 1 August 2016	10,157	-	3,302	22	13,481
Charge for the year	676	-	486	8	1,170
Fully depreciated Assets written off	-	-	(1,629)	-	(1,629)
<b>At 31 July 2017</b>	<b>10,833</b>	<b>-</b>	<b>2,159</b>	<b>30</b>	<b>13,022</b>
<b>Net book value</b>					
<b>At 31 July 2017</b>	<b>16,814</b>	<b>14,477</b>	<b>699</b>	<b>1</b>	<b>31,991</b>
<b>At 31 July 2016</b>	<b>16,685</b>	<b>2,159</b>	<b>860</b>	<b>9</b>	<b>19,713</b>

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

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

**10. SECURITIES INVESTMENTS**

	2017 £'000	2016 £'000
<b>Investments comprise:</b>		
<b>Listed investments</b>		
Equity Unit Trusts	1,972	1,816

All of the cash raised through the fees in advance scheme are included in cash in current assets.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

**11. PROPERTY INVESTMENTS**

	2017	2016
	£'000	£'000
Valuation at 1 August 2016	4,500	3,900
Disposals	(271)	
Net revaluation gains in the year		600
<b>Valuation at 31 July 2017</b>	<b>4,229</b>	<b>4,500</b>

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

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

**12. DEBTORS**

	2017	2016
	£'000	£'000
Fees and extras	235	338
Staff loans	20	21
Other debtors	158	272
Other prepayments and accrued income	303	268
Amounts due from subsidiary companies	-	16
	<b>716</b>	<b>915</b>

All debtors are due within one year.

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

	2017	2016
	£'000	£'000
Deposits from parents	281	269
Fees received from parents in advance of term	505	462
Trade creditors	2,388	690
Taxation and social security	258	228
Other creditors	184	169
Fees in advance scheme	2,566	2,465
Fees in advance adjustment to fair Value	39	39
Defined benefit pension deficit provision	7	7
Obligations under finance lease	72	70
Accruals and deferred income	83	615
	<b>6,383</b>	<b>5,014</b>

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

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

	2017	2016
	£'000	£'000
Obligations under finance lease	74	146
Defined benefit pension deficit provision	89	95
Fees in advance scheme	5,301	5,261
Fees In advance adjustment to fair Value	565	565
	<b>6,029</b>	<b>6,067</b>

The Governors have reviewed the contract terms under which Pupil fee deposits are held by the school. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 July 2017 have been included within current liabilities. The prior year Pupil fee deposits balance has been similarly represented.

**15. FEES IN ADVANCE SCHEME**

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

	2017	2016
	£'000	£'000
After five years	748	1,061
Within two to five years	2,912	2,665
Within one to two years	1,641	1,535
	<b>5,301</b>	<b>5,261</b>
Within one year	2,566	2,465
	<b>7,867</b>	<b>7,726</b>
<b>Summary of movements in liability</b>		£'000
Balance at 1 August 2016		7,726
New contracts		2,742
Repayments		(143)
Amounts used to pay fees		(2,458)
<b>Balance at 31 July 2017</b>		<b>7,867</b>

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>st</sup> JULY 2017**

**16. FUNDS OF THE COLLEGE**

The College's funds are analysed under the following headings.

**A) RESTRICTED FUNDS**

The restricted funds of the college relate to donations from benefactors for three main reasons as follows:

Bursaries

Prizes for pupils

Alumni assistance after pupils have left the College.

	Prize Funds	Alumni Funds	Bursary/Scholarship Funds	Total
	£'000	£'000	£'000	£'000
Balance at 1 August 2015	81	804	1,118	2,003
Net Movement in Funds	3	39	30	72
Balance at 31 July 2016	84	843	1,148	2,075
Net Movement in Funds	8	168	108	284
<b>Balance at 31 July 2017</b>	<b>92</b>	<b>1,011</b>	<b>1,256</b>	<b>2,359</b>

**B) UNRESTRICTED FUNDS**

Unrestricted funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College

	General Fund	Revaluation Fund	Total
	£'000	£'000	£'000
Balance at 1 August 2015	18,410	3,049	21,459
Transfer depreciation	123	(123)	-
Net Movement in Funds	1,218	600	1,818
Balance at 31 July 2016	19,751	3,526	23,277
Transfer depreciation	111	(111)	-
Net movement in funds	3,871	-	3,871
<b>Balance at 31 July 2017</b>	<b>23,733</b>	<b>3,415</b>	<b>27,148</b>

The movement in the revaluation reserve in the prior year is from an increased valuation in Clapton Hall Farm carried out in July 2016.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

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

	Restricted	Unrestricted	Total 2017	Total 2016
	£'000	£'000	£'000	£'000
Tangible fixed assets	-	31,991	31,991	19,713
Property investments	-	4,229	4,229	4,500
Securities investments	1,972		1,972	1,816
Subsidiary	-	-	-	10
Fees in Advance Investments	-	-	-	7,726
Net current assets	387	(3,042)	(2,655)	(2,761)
Long term liabilities		(6,029)	(6,029)	(5,652)
	2,359	27,149	29,508	25,352

**18. PENSION SCHEMES**

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

**Defined benefit schemes**

**Teachers' Pension Scheme**

The College participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £991,908 (2016: £937,777) and at the year-end £138,397 (2016: £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 and 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 Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015.

The Department of Education has also devolved the scheme administration costs to scheme employers in the form of an administration charge of 0.08% of the employers' salary costs which has resulted in a total employer payment rate of 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the next actuarial valuation which is due at 31 March 2016. 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.

**Pensions Trust Independent School's Scheme**

This is a multi-employer scheme provided to 3 senior support staff.

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

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>st</sup> JULY 2017**

Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

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

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £110.0m, liabilities of £147.4m and a deficit of £37.4m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme. The College's additional contribution are £7,000 per annum payable monthly and increasing by 3% on 1<sup>st</sup> September each year with the last contributions being due in September 2030.

As the scheme is in deficit and the College has entered into a deficit funding arrangement a liability has been recognised for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement. The present value is calculated using a discount rate of 1.71% per annum (2016: 1.58% per annum). The discount rates are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions. The unwinding of the discount rate is recognised as a finance cost.

**The College Support Staff Pension Fund**

The College participates in group personal pension plans for non-teaching staff. The regular cost is charged to income and expenditure account and is based on 5% of salary. Contributions paid in the current year were £108,290 (2016 £103,268). In addition to the pension contributions, the College pays 1% for each of the participating employees for life assurance cover.

In February 2014 the College introduced Auto Enrolment in accordance with new legislation. This has resulted in some employees being enrolled in the NEST pension scheme at the minimum contribution of 1%. Contributions paid in the current year were £4,354, (2016-£4,076) was payable at the year end.

**19. CAPITAL EXPENDITURE CONTRACTED**

There were £3,538,000 of capital commitments at the year-end on 31<sup>st</sup> July 2017 (2016 -NIL) relating to remaining building works of new boarding houses and the refurbishment of Robert Pearce House being rebuilt after fire damage.

**20. RELATED PARTY TRANSACTIONS**

Travel and subsistence expenses of £603 were paid to one of the governors.

In the year the College made charges to its subsidiary The Maze Green Pool Company of £7,464 (2016-£34,542).

In the year the Subsidiary Company The Maze Green Pool Company made charges to the College of £7,538, (2016 -£46,447)

At the year end the balances payable to and receivable from The Maze Green Pool Company were

	2017	2016
	£000	£000
Payable to The Maze Green Pool Company	-	7,202
Receivable From The Maze Green Pool Company	-	15,738

On 1<sup>st</sup> September 2016 the Maze Green Pool Company transferred their business to the Company for £10,000.

On 13<sup>th</sup> June 2017 the Maze Green Pool Company was dissolved and removed from the register of Companies England and Wales.



**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

**21 FINANCIAL INSTRUMENTS**

	2017	2016
	£000	£000
Financial assets measured at amortised cost (a)	3,425	10,128
Financial liabilities measured at amortised cost (b)	(3,841)	(2,751)
Financial assets measured at fair value (c)	1,972	1,816
Financial liabilities measured at fair value (d)	(8,471)	(8,330)
Net financial (liabilities)/assets measured at amortised cost (a) - (b)	(416)	7,377

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

(b) Financial liabilities include deposits, fees in advance, trade creditors, and other creditors

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

A reduction of £6,000 in impairment losses was credited to financial assets measured at amortised cost in the year, in 2016-there was an impairment charge of £50,000.

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

**22 STATEMENT OF FINANCIAL ACTIVITIES - COMPARATIVE FIGURES BY FUND TYPE**

	Unrestricted Funds £'000	Restricted Funds £'000	2016 Total £'000
<b>Income from:</b>			
Charitable activities			
School fees receivable	16,968	-	16,968
Ancillary trading income	859	-	859
Other trading activities			
Investments			
Investment income	85	75	160
Bank and other interest	108	-	108
Voluntary sources			
Grants and donations	116	10	126
<b>Total incoming resources</b>	<b>18,136</b>	<b>85</b>	<b>18221</b>
<b>Expenditure on:</b>			
Raising funds			
Financing costs	(236)	-	(236)
Fundraising & Development	(216)	-	(216)
<b>Total deductible costs</b>	<b>(452)</b>		<b>(391)</b>
Charitable activities			
Education and grant making	(16,466)	(40)	(16,506)
<b>Total expenditure</b>	<b>(16,918)</b>	<b>(40)</b>	<b>(16,958)</b>
<b>Net incoming funds from operations before transfers and investment gains</b>	<b>1,218</b>	<b>45</b>	<b>1,263</b>
Gains on investments	-	27	27
Gains on investment properties	600	-	600
<b>Net income and capital inflow</b>	<b>1,818</b>	<b>72</b>	<b>1,890</b>
Net movement in funds for the year (brought forward)	1,818	72	1,890
Fund balances brought forward at 1 August 2015	21,459	2,003	23,462
<b>Fund balances carried forward at 31 July 2016</b>	<b>23,277</b>	<b>2,075</b>	<b>25,352</b>

**THE INCORPORATED BISHOP'S STORTFORD COLLEGE ASSOCIATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> JULY 2017**

**23 SUBSIDIARIES**

The College owns all of the issued share capital of The Maze Green Pool Company Limited, a company incorporated in England. This company carries out hire of the College Swimming Pool

The terminal financial statements of The Maze Green Pool Company Limited for the year to 31 August 2016 which are not consolidated with the Charity's financial statements, showed the following position.

<b>BALANCE SHEET</b>	<b>2016</b>
	<b>£'000</b>
<b>CURRENT ASSETS</b>	
Debtors	23
Cash at bank and in hand	19
	<hr/> 42
<b>CREDITORS: amounts falling due within one year</b>	<b>31</b>
<b>TOTAL NET ASSETS</b>	<hr/> <b>11</b> <hr/>
<b>CAPITAL AND RESERVES</b>	
Called up share capital	10
Profit and loss account	1
	<hr/> <b>11</b> <hr/>
<b>PROFIT AND LOSS ACCOUNT</b>	
Turnover	131
Operating costs	(122)
<b>GROSS PROFIT</b>	<hr/> <b>9</b>
Administrative expenses	(6)
<b>PROFIT ON ORDINARY ACTIVITIES</b>	<hr/> <b>3</b> <hr/>
Payment made under Gift Aid	(3)
<b>RETAINED PROFIT FOR THE YEAR</b>	<hr/> <b>-</b> <hr/>