

**PLYMOUTH COLLEGE AND  
ST DUNSTAN'S ABBEY SCHOOLS CHARITY  
(A company limited by guarantee)**

**Charity No: 1105544  
Company No: 05189426**

**REPORT AND FINANCIAL STATEMENTS**

**31 August 2018**

SATURDAY



A22

\*A7KTREBM\*

15/12/2018

#113

COMPANIES HOUSE

# PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

## REPORT AND FINANCIAL STATEMENTS 31 AUGUST 2018

CONTENTS	Page
Trustees, Officers and Advisors	1/2
Trustees' Annual Report (Including Trustees' Strategic Report)	3/10
Report of the Auditors	11/12
Consolidated Statement of Financial Activities	13
Balance Sheets	14
Consolidated Statement of Cash Flows	15
Notes Forming Part of the Financial Statements	16/30

## PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

### CHARITY INFORMATION

Charity Registration Number:	1105544
Company Registration Number:	05189426
Company Secretary:	Mrs S.J. Wills MEng ACA
Registered Office:	Plymouth College Ford Park Plymouth Devon PL4 6RN
Headmaster of the Senior School	Mr J.P. Standen BA, PGCE
Headmaster of the Prep School	Mr C.D.M.Gatherer BA Keele Cert.Ed
Finance Director and Clerk to Governors	Mrs S.J. Wills MEng, ACA

The day-to-day running of the College is delegated to the Headmasters and the Senior Leadership Teams respectively.

### TRUSTEES (DIRECTORS)

Details of trustees (directors) and officers of the company who served during the year are:

<b>CO-OPTED</b>	Mr D.R. Woodgate BSc, MBA	Chairman
	Mr C.J. Robinson MA	(Resigned 20/04/2018)
	Dr P. Atkinson MBChB, MRCGP Dip, SEM	Vice Chairman
	Mr P.H. Lowson FCA	
	Mrs A.C. Mills ACIS, MCIPD	
	Mrs R.J. Hattersley BA (Hons)	(Resigned 13/03/2018)
	Mr C. Thomson BSc, FCA	(Resigned 13/03/2018)
	Mrs C. Hammond BSc Econ	
	Ms. S. Coutinho	(Appointed 13/03/2018)
	Mr A. Brett BSc, MInst RE	(Appointed 13/03/2018)
	Mr C. Morton	(Appointed 13/03/2018)
	Cdre D. Pond RN	(Appointed 13/03/2018, Resigned 28/09/2018)

The co-opted trustees are appointed by the Board for a term of four years. They can be re-elected.

### **NOMINATED/REPRESENTATIVES**

Plymouth University	Mrs K. Davis FHEA, MEd, PGCE, BSc	(Appointed 09/02/2018)
University of St Mark and St John	Prof. A. Edwards BED (Hons), MPhil, PhD	(Resigned 07/09/2017)
Bishop of Exeter	Prof. D.A. Huntley BA, MA, PhD	
Bishop of Exeter	Mrs J. McKinnel	(Resigned 07/09/2017)
Bishop of Exeter	Dr S. Thorpe MBBS, MRCGP, DFFP	(Resigned 06/07/2018)
Flag Officer Sea Training	Not filled	
Rector of Minster Church of St Andrew's	Dr A. Williams BSc, MSC, PhD	(Appointed 09/02/2018)

**PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY**

**PROFESSIONAL ADVISORS**

Bankers:	Lloyds TSB Bank plc Royal Parade Plymouth Devon PL1 1HB
Solicitors:	Wolferstans 60/64 North Hill Plymouth Devon PL4 8EP
Auditors:	RSM UK Audit LLP Chartered Accountants and Statutory Auditors Hartwell House 55-61 Victoria Street Bristol BS1 6AD
Insurance Brokers:	Marsh Limited Capital House 1-5 Perrymount Road Haywards Heath West Sussex RH16 3SY

## **PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY**

### **TRUSTEES' ANNUAL REPORT INCLUDING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees, who are also directors of the company for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 August 2018. The financial statements comply with the requirements of the Charities Act 2011, the Charities SORP (FRS 102) and the Companies Act 2006.

#### **PUBLIC BENEFIT**

The Governors confirm that they have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

The Governors and College Officers actively encourage the contribution of time, money, resources and talent across the full range of the College community for the furtherance of public benefit at the local, regional and international levels.

A significant number of organisations in the local community, including local maintained schools, community groups and local charities, have benefitted from use of College facilities and from financial support, from pupils' fundraising initiatives and from the involvement of pupils and staff in events such as concerts and community events over the last year. Examples of such joint projects include, not exclusively:

#### **Supporting charities**

Our pupil led Charity Committee is a thriving organisation that, through a variety of fund-raising events, continually encourages support for charities which in the current year included Mountain Rescue, Cancer Research UK, Medic Malawi, Hurricane Irma victims fund, the NSPCC and SSAFA among others. In 2017-18 the Charity Committee donated a total of £12,649 to various charities. Through these opportunities to serve others and to participate with other communities, our pupils also benefit from a meaningful interaction with those outside our College community.

#### **Teaming up with local schools**

The Headmaster of the Senior School works to mentor senior leadership in the state sector through his membership of the National Learning Executive. This year he supported the head of a local university technical college.

The college encourages staff to take governor and trustee roles to local charities and schools to offer expertise and advice. For example the Finance Director is the Chair of Governors at a local secondary Academy, the Head of Admissions is a governor of a local primary school and the Director of Operations is a trustee of a charity.

The College recognises how fortunate it is to have its facilities and looks to give others the opportunity to benefit from them. During this year the sports pitches at all sites have been loaned to local schools. Our minibuses have been used by local schools and charities and the school buildings have been provided to local schools for hosting music exams.

We offer Junior Sports Leader Award (JSLA) accreditation for our pupils working with local schools. Under this scheme our pupils qualify as young sports leaders and are able to run events for local schools like the Festival of Sport noted below.

During the year we provided placements, support and professional development for trainee teachers who will work in any part of the education sector. We also provided placements for individuals either applying for a PGCE or about to start it to give them the experience they require before embarking on their course.

#### **Making our facilities available to the community**

We make our facilities available to the community in a number of ways, some of which are set out below. We are mindful of our own financial position and therefore, where we had to charge for some of the activities, these charges were kept to a minimum.

The Festival of Sport is a day where local primary schools visit Plymouth College for a sports day competing against each other. The event in the summer was run by our older pupils and staff and was attended by 4 schools (or over 100 pupils). Refreshments and lunch were provided and a great day was had by all.

Local Scout Groups this year hired our bunkhouse on Dartmoor for camps and outdoor activities. The groups also had use of the minibuses at just the cost of replacement fuel.

We have been running the Combined Cadet Force in conjunction with Stoke Damerel School for many years now. This is a joint project with a local maintained school where we provide the facilities and staff and both our pupils and visiting pupils come together to enjoy training trips and events. This year they took part in Remembrance Day services, adventurous training activities and a formal inspection of the contingent.

This year we were the main sponsor of the Plymouth Evening Herald Sports Awards. This is an important event for Plymouth and it recognises the hard work and determination of volunteers who work at both national and grassroots level.

## **PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY**

### **TRUSTEES' ANNUAL REPORT INCLUDING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2018**

During the summer we make our facilities available for the National Citizens' Service programme. Working alongside the Plymouth Argyle Community Trust we are able to provide accommodation, minibuses, our sports centre and many other facilities.

Plymouth College supports Plymouth Leander Swimming Club through the provision of coaches and the rent at below-commercial rates of the school swimming pool.

#### **Bursary programme**

In addition to the very substantial benefits the College brings to our pupils, the local community and society through the education we offer, our bursary programme creates a social asset without cost to the Exchequer (£516,735 of means tested bursaries were provided in the year 2017-18). The College does not have a permanent endowment of retained reserves for funding bursaries and so endeavours to ensure an appropriate balance is struck between parents paying full fees and those on bursaries.

There are certain other discounts offered by the College in addition to bursaries in order to help families maintain continuity in the education of their children, such as discounts for children whose parents serve in HM Armed Forces and sibling discounts where parents have more than one child at the College.

As a charity, all the income of the College must be applied for educational purposes. As an educational charity we enjoy tax exemptions on our educational activities provided these are applied for our charitable aims. As a charity we are also entitled to an 80% reduction on our business rates on the property we occupy for our charitable purposes. The financial benefits we receive for these tax exemptions are all applied for educational purposes and indirectly help us to maintain our bursary policies. We have recently registered for VAT; however, as an educational charity we are unable to reclaim VAT input tax on the majority of our costs as they are exempt for VAT purposes. We also pay tax as an employer through the PAYE and national insurance contributions we make.

## **OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

### **Objects**

The objects for which the Company is established are the advancement of the education of boys and girls in accordance with the Christian faith. In particular, but without prejudice to the generality of the foregoing, to provide and conduct a day or a day and boarding school or schools in which religious instruction is given in accordance with the doctrines of the Church of England and any ancillary or incidental and other associated activities for the benefit of the community.

The College provides continuous education from the pre-school stage to university entrance. Boarding is available from age 11, or earlier at the discretion of the Headmasters. Both the Senior and Preparatory Schools are fully co-educational. The College follows the broad thrust of the National Curriculum and, in the academic year 2017-18, the International Baccalaureate (IB).

### **Aims and Intended Impact**

Plymouth College seeks to produce happy, knowledgeable and caring young adults who gain confidence in learning and who strive to reach their full potential. We aim to provide a diverse and enriching education that promotes self-discipline, motivation and excellence in addition to consideration for others. The nine Plymouth College Principles (resilience, integrity, aspiration, respect, collaboration, service, communication, reflectiveness and resourcefulness) provide the foundation upon which the holistic education at the College is based and are integral to daily life. They offer guidance to all members of the Plymouth College community, build character and underpin everything that is done. Above all, we wish to see our pupils become independent and self-sufficient citizens who will succeed and contribute responsibly as members of a global community.

Plymouth College is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment. In the last Independent Schools' Inspectorate report, the pastoral care provided was described as 'excellent'. Parents are given regular information about their children's social and academic progress through parent evenings in addition to end of term and year reports. The College maintains regular contact with parents and guardians throughout the year through more informal contacts and newsletters.

The College welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that we will be able to educate and develop him/her to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy the College that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, race, religion or disability do not form part of our assessment process. We are an equal opportunity organisation and are committed to a working environment free from discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability.

## PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

### TRUSTEES' ANNUAL REPORT INCLUDING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2018

#### STRATEGIC REPORT

##### Overall Achievement and Performance.

The academic year 2017-18 was very successful for both parts of the College; Prep and Senior School. In academic terms, DfE League Tables published in January 2018 recorded that Plymouth College was once again the school in the local area with the most 'value added' in the sixth form in the prior academic year, performing better than both Independent and Maintained competitors. The School continues to provide an excellent level of education, with 49% of A Level grades at A\*-B (2017: 57%) and 35% of GCSE grades were at A\*-A (2017: 43%).

Our Sports Baccalaureate results were once again of a very high standard with a 100% pass rate, and sporting results at both the National Arena Cup and English Schools Swimming Association Championships were outstanding, along with excellent pentathlon, sailing, shooting and rugby performances. Four current pupils and eight alumni represented their countries at the Commonwealth Games in Australia, with our current pupils delivering many personal bests and breaking records for their home nations.

Our Prep School pupils also did extremely well academically, with many Year 6 pupils winning scholarships to the Senior School and doing themselves proud in the 11+ exams.

Examination results are very important for any school and securing the best possible set of results for our students always has been and will remain one of our principal concerns, but such results are not the only measure of success. As a school, we do not forget that whilst good examination grades are both a key to unlock further opportunities and an objective measure of learning at a particular stage of an individual's life, they are not the only reason that parents invest in a school such as ours. The richness and the diversity of all that goes on beyond the classroom and the formal curriculum plays just as important a part in shaping the lives of the young people who pass through this school.

##### Music and Drama

School productions remained strong and varied in both music and drama. The music scholars and the choir took part in the annual concerts around the City, often in aid of charity, whilst the Senior School put on a highly acclaimed and very lively performance of 'School of Rock'. Added to these highlights there were House Drama, House Music, A level productions, and a gala concert with the nationally acclaimed St Dennis Band. Particular features of this year were a piano concert at which pupils from both the Prep and Senior Schools performed to much acclaim and 'Music for a Summer's Evening' providing an uplifting end to the year's productions.

At the Prep School, there was a highly successful whole school music concert in addition to a Music Medley concert put on specifically by Years 5 and 6 and a beginners' (First steps) concert, and the school choir performed at various locations throughout Plymouth. Much historical role-play and dressing up took place during school trips to Saltram House, Lanhydrock House and Cothele House.

##### Sport

Cricket, Hockey, Netball, Athletics, Rugby and Football are all played in their appropriate seasons and many teams have been successful in a wide-ranging fixture list at all ages. The Rugby 1st XV followed on from their summer tour to New Zealand and Australia with a busy and successful fixtures list. Hockey continues to be successful, with the U13s in particular becoming Devon Champions this year.

In swimming, four pupils in our Elite Swimmers programme represented their countries at the Commonwealth Games in Australia, doing exceptionally well and delivering new national records and one pupil has been named as part of British Swimming's World Class Programme for this Olympic season. Our partnership with Plymouth Leander Club, where the College provides the majority of the elite swimmers, continues to deliver a hugely successful programme of coaching and competitions to our young athletes: Plymouth Leander has this year been crowned the top swimming club in the country at the National Arena Cup Final.

The Modern Pentathlon and Fencing Academy had another very successful year with several pupils winning medals at numerous domestic and international competitions. One student has been identified as a future Olympian and is participating in the UK talent development programme, a current Year 9 pupil has become the youngest ever winner of the English Open 25m (Air) Sport Pistol Champion and this year the Director of Modern Pentathlon became one of only 13 UIPM Level 3 Senior Coaches in the world. Plymouth College is affiliated with Pentathlon GB and is an approved PGB academy.

Equestrian pursuits play an increasing part in school life with many dedicated riders. Students have represented the school at a range of NSEA inter-school competitions as well as competing successfully at independent events such as the Winter National Dressage finals.

The Prep School Rugby A Team won the U11s Rugby Festival in Truro with an unbeaten record, and individual Prep School pupils have competed at international level in their sports, including trampolining, diving and skiing.

##### Other Activities

The Duke of Edinburgh Award Scheme, Ten Tors, Young Enterprise, Combined Cadet Force and Business competitions all remain extremely popular with pupils. This year 17 (2017:11) pupils out of 48 participants completed and received their bronze or silver D of E awards, with many more still working towards completing the scheme at all levels. The bronze team undertook their final expedition on

## **PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY**

### **TRUSTEES' ANNUAL REPORT INCLUDING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2018**

Exmoor, the silver team went to the Brecon Beacons and the gold team stayed closer to home this year, undertaking their expedition on Dartmoor.

The College once again entered 3 teams (18 pupils) into the annual Ten Tors event, which was the culmination of 9 months of hard training on Dartmoor for more than 20 pupils. This was made up of two 35 mile teams – one mixed team and one all-girl team - and a mixed team on the 55 mile route. All teams finished the event as a complete group of six; a remarkable achievement. Less formally, our dynamic Outdoor Education team also ran popular after-school outdoor clubs throughout the year, including weekend trips and overnight camps, on which students experienced diverse activities including canoeing, caving, coasteering and bushcraft. For the first time in several years, three groups of pupils also completed the Three Peaks Challenge.

The Drake Society also ran several events this year, including welcoming Mr Luke Pollard MP and Ms Sheryll Murray MP as guest speakers to answer questions from pupils across the full gamut of current political issues and concerns.

Prep School pupils from Years 5 and 6 were treated to a morning of science and engineering activities run in conjunction with the STEM organisation and run by STEM ambassadors from firms including Babcock International Group. On the residential front, Year 6 enjoyed spending a week in Normandy, while Year 5 experienced an overnight adventure at Camp Kernow. This year, Year 4 enjoyed a Tudor Day, giving them a feel for music, dance, dress and the history of this exciting period. The Prep School also undertook an exciting cultural exchange with pupils from the Nanhu International School, Jiaxing, which saw Chinese pupils integrating into Years 5 and 6 for three weeks of the Summer Term.

#### Pupil Numbers

The school roll averaged 686 across the academic year, of which 208 were pupils at the Preparatory School and 478 were at the Senior School.

#### Facilities

Comprehensive maintenance work is an ongoing cycle to refresh the 'envelope' of many of our older and listed buildings. A new gym facility including a modern strength and conditioning suite has been completed and is proving a great success with pupils and staff alike. Some major upgrades to teaching rooms were completed over the year, with both IT infrastructure and the overall teaching environments improved significantly. In addition, the Sixth Form Study Suite has been newly refurbished, allowing our older pupils to enjoy a greater facility for independent learning in preparation for university.

#### Health and Safety

An external consultant undertook a Health and Safety review and a firm direction of travel was outlined as a result of this annual process. The Governors have appointed a 'Competent External Adviser' as required under current legislation and he attends Health and Safety meetings annually and is available to advise and train staff. The School formally briefs all Governors on Health and Safety matters on an annual basis; in addition to this Health and Safety meetings with Governor representation are held termly and Health and Safety updates have become a standing agenda item at all meetings of the Full Board of Governors. A comprehensive Fire Risk Assessment, Asbestos inspection and Legionella assessment all provide a focus for maintenance issues.

#### Financial Review

The Trustees are delighted that the academic year 2017-18 saw a return to consolidated surplus of £242,457 on a consolidated basis, compared to a consolidated deficit of £371,670 in 2016-17. The trustees reviewed the financial model and strategy of the two schools and created a plan to make them operate more cost effectively without changing the quality of the teaching, the pastoral care provided to our pupils and staff and the maintenance of the facilities. There was also a focus on pupil recruitment and there is an ongoing curriculum review.

Key financial performance indicators, which the Trustees monitor closely to assess the School's financial performance, include overall surplus or deficit as described above, pupil numbers, percentage of gross fees offered as remissions and staff costs as a percentage of income. These combine over recent years to show the impact of restructuring to move towards the delivery of a curriculum offering that remains broad and balanced while being both sustainable for the School and more affordable for families. The key financial performance indicators are reviewed by the trustees at each meeting and during 2018-2019 these will be reviewed and further ones identified.

Most freehold assets are held in two holding charities, Plymouth College Trust and St Dunstan's Abbey School Trust, as detailed below; on a consolidated basis the group of charities holds reserves of £7,401,421 (2017: £7,158,965). The School's general reserves are in deficit by £2,567,463 at the year-end compared to £2,777,642 (2017). The need for day-to-day working capital is being met by careful management of short term liquid resources in the absence of free reserves.

Borrowings are currently secured over the freehold property of Plymouth College Trust; actions are being finalised to secure current borrowing facilities against the entire freehold property of the Group. The current market value of the freehold property owned by



## PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

### TRUSTEES' ANNUAL REPORT INCLUDING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2018

Plymouth College Trust and Plymouth College and St Dunstan's Abbey Schools Charity was valued at £5.0m on a market value basis in a report commissioned by Lloyds Bank in May 2016. These valuations have not been included in the financial statements. The property at the Millfields is not included in these figures: this site was valued at £5.45m on an existing use basis in August 2018 following disposal in-year of a redundant boarding house and this value has been included in the financial statements.

It is the Trustees' intention that free reserves of £1m would be desirable in order to cover the risks and uncertainties of operating as an independent educational establishment.

#### Grant-Making Policy

This year the total value of scholarships, bursaries and other allowances was £2.2m (2017: £2.2m 2016: £2.4m 2015: £2.5m, 2014: £2.4m, 2013: £2.2m and 2012: £1.8m) which represents 20% of gross income (2017: 21%, 2016: 22%, 2015: 22%, 2014: 21%, 2013: 21% and 2012: 19%). It is the Governors' policy to award scholarships on the basis of educational or co-curricular potential and rigorously means tested bursaries are granted where appropriate. The value of scholarships has increased in recent years as the difficulty in recruiting high quality pupils increased, though it has now stabilised and the international reputation of the school has continued to grow. There is currently no endowment sum to provide scholarships or bursaries, which are all provided from current income, but the Governors intend to build up a reserve which may eventually be used to offer education to a wider spectrum of society. Information about fee assistance through bursaries is provided on request to all applying to join the College and our 'Policy on Financial Assistance' is displayed on the College internet site and available to the public.

#### Assistance for Teaching Staff

As part of our emphasis on attracting and retaining high calibre staff, we offer a discount scheme where staff members chose to educate their children at our school.

#### Access Policy

It is important to the College that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which help our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives. Our grant-making policies, together with our many community links, contribute to a widening of access to the education we offer and the facilities we enjoy.

#### Plans for Future Periods

During the year the trustees met to start the strategic planning process for the 5 year strategic plan. The Estates Strategy Day in October focussed on the Master Plan and working alongside our property professional advisors explored all the opportunities available to Plymouth College together with the challenges of an ageing site which is placed on such a large and varied landscape. It was agreed that the priority was to meet the expectation of a top-quality 21<sup>st</sup> Century education judiciously mixed with character and personality and this had to be balanced with strong financial governance and financial stability. The trustees will meet in coming months to agree the Master Plan and the 5 year strategy.

#### Investment Policy

The Trustees are authorised by the Memorandum of Association and by the Trustee Act 2000 to deposit money and to invest funds in any manner provided that they obtain appropriate advice from a qualified individual and keep the investments under review. The School works with investment managers who manage the investments on a discretionary basis.

The Trustees intend that the real value of the College assets be maintained and enhanced over the long term by investment in a portfolio comprised of equities, fixed income stocks and cash. The specific objectives for restricted and unrestricted funds are as follows:

- Restricted Funds - Income (to supplement scholarships and bursaries)
- Unrestricted Funds - A balance of income and capital growth

Under the direction of the Charity Commission £10,000 is to be invested annually into new restricted funds, the income of which is to be used to help finance scholarships and bursaries.

## **PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY**

TRUSTEES' ANNUAL REPORT INCLUDING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2018

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

The charity is a charitable company limited by guarantee and was incorporated on 26 July 2004. It is governed by a Memorandum and Articles of Association. In the event of the company being wound up no member will have to pay an amount exceeding £10.

The company began operating on 1 September 2004 and was incorporated to run the combined schools of Plymouth College and Mannamead School (established 1877) and St Dunstan's Abbey School (established 1865). These schools were previously run by two separate charities.

The charities retained their freehold assets - the school buildings - and were renamed:

Plymouth College and Mannamead School	became Plymouth College Trust
St Dunstan's Abbey School	became St Dunstan's Abbey School Trust

The company has use of the assets of these two trusts under a licence agreement.

The company has consolidated the financial statements of Plymouth College Trust (charity number 306949) and St Dunstan's Abbey School Trust (charity number 306736) as required by Financial Reporting Standard (FRS) 102 'Accounting for Subsidiary Undertakings'.

Plymouth College Trust (formerly Plymouth College and Mannamead School) has secured the borrowings of the new company on its freehold property, which was valued at £4.7 million in May 2016 on an existing use basis.

St Dunstan's Abbey School Trust (formerly St Dunstan's Abbey School) has borrowed money from Plymouth College Trust to improve its freehold property and build a sports hall complex. Plymouth College Trust has taken a legal charge over the freehold property of this charity. The freehold property of this charity on a current use basis was valued at £5.9 million in September 2016 and this valuation has been adopted as deemed cost on transition to FRS 102.

At the balance sheet date Plymouth College Trust owes £1,534,254 (2017 - £1,534,254) to Plymouth College & St Dunstan's Abbey Schools Charity.

Induction training is provided for all Trustees on appointment, and further training is given from time to time during the year, specifically at 'Governor's Twilight Training' sessions. All Governors are registered as members of AGBIS and are able and encouraged to attend relevant courses run by that and other organisations.

The Board meets a minimum of three times per year, and more frequently if necessary. Each meeting is preceded by Education, Estates and Finance Committee meetings. Governance, Remuneration and Strategic Planning ad hoc sub committees meet when required. The Headmasters and Finance Director attend all meetings described above.

During the year AGBIS carried out a governance review of the College and in the April Board meeting the trustees agreed an action plan including the formalisation of a Governance and Nominations Committee.

### **Key Management Personnel**

The Trustees consider that they, together with the Headmasters, the Finance Director, the Operations Director, the Senior School Deputy Head and the Senior School Assistant Head are Key Management Personnel (see note 4 to the accounts):

All Trustees give of their time freely and no remuneration was paid during the year except legitimate travelling expenses.

The pay and remuneration of employed Key Management Personnel are set on appointment and reviewed annually. Several criteria are used in setting pay:

- Nature of the role and responsibilities
- Competitor salaries in the region
- The sector average salary for comparable positions
- Trends in pay

### **Statement of Trustees' Responsibilities**

The Trustees (who are also directors of Plymouth College and St Dunstan's Abbey Schools Charity for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

## **PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY**

### **TRUSTEES' ANNUAL REPORT INCLUDING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2018**

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the surplus or deficit of the group for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 charity will continue in business.

The Trustees are responsible for ensuring adequate accounting records are maintained that are sufficient to show and explain the charity's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and ensuring their proper application in accordance with charity law, and hence for taking steps for the prevention and detection of fraud and other irregularities.

### **RISK MANAGEMENT**

Risks are identified, assessed and controls established by the Trustees, assisted by the Leadership Support Group and Senior Management Teams, throughout the year. A formal review of the Charity's Risk Management processes is undertaken by the Board on an annual basis.

The Trustees have assessed the risks to which the College is exposed, including operational and financial risks. In the opinion of the trustees the Charity has established resources and review systems which should allow the risks identified to be mitigated to an acceptable level in its day to day operations. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The major risks are set out below with the College's strategy to address them.

#### **Pupil numbers**

Growing and maintaining pupil numbers is a major risk for the independent school sector as parents across the country are finding the increasing independent school fees are becoming less and less affordable. The demographic of Plymouth is finding this particularly challenging. Without effective marketing of what Plymouth College is able to offer, the additional benefit the College can bring to the pupil in terms of developing confident and talented young people and how this is perceived as comparing with comparable schools across the country and with secondary education in West Devon and East Cornwall the College will suffer a decline in pupil numbers.

#### **Quality of teaching**

The quality of teaching and coaching needs to be constantly monitored and upgraded and the environment for education needs to be modernised where appropriate: ongoing work to improve the utilisation of pupils' academic tracking data is being performed to focus attention as needed in this area. The costs of providing education is continually increasing including the cost of utilities and the cost of food.

#### **External risks**

There are a number of risks are outside our control, such as the current political climate, the threat of VAT being introduced on independent school fees and the potential loss of mandatory business rate relief. The recent announcement of the increase in teachers' pension contributions will have a significant impact on the financial viability of most schools including Plymouth College. These risks are firmly on the radar of Trustees, with financial strategy and contingency measures being developed to mitigate the risks.

#### **Reputational risks**

Finally, the risk to the business of the College that could be caused by a loss of reputation is an element that needs constant review through our recruitment of staff, provision of a safe environment and robust behavioural as well as Health and Safety policies.

### **GOING CONCERN AND LIQUIDITY RISK DISCLOSURE**

The Charity's core activities, together with factors likely to affect its development, performance and position within the Independent School sector are set out in the above paragraphs. Similarly, the financial positions of the charity, its cash flows, liquidity position and borrowing facilities are described both in the preceding paragraphs and in the detail of the audited accounts that follow.

## PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

### TRUSTEES' ANNUAL REPORT INCLUDING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The Charity meets its day-to-day working requirements through an overdraft facility, which was renewed in September 2018 and is due for renewal on 31<sup>st</sup> December 2018. The current economic conditions create uncertainty, particularly over the future level of pupil numbers and the increasing cost of teaching staff wages tied to national maintained sector pay scales and Teachers' Pension Scheme contribution levels.

The Charity's forecasts and projections, taking into account reasonable and possible changes in trading performance, show that the Charity should be able to operate within the level of its current facility, with predicted borrowing levels reducing as the business plan continues to be implemented. The Charity's key management personnel have carried out significant work over the last three years in order to reduce costs and secure income going forward in line with the new business plan; Trustees have carefully monitored this work to satisfy themselves as to its scope and efficacy. The Charity will open renewal negotiations with the bank in due course and has not sought any written commitment that the facility will be renewed. However, the Charity has held discussions with its bankers about future borrowing needs and advice has been received which is being acted upon by the Trustees and there is no suggestion that renewal may not be forthcoming on acceptable terms.

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going-concern basis in preparing the Annual Report and Financial Statements.

### AUDITORS

A resolution proposing that RSM be retained as auditors of the Charity and the Group was passed at the Annual General Meeting in March 2018.

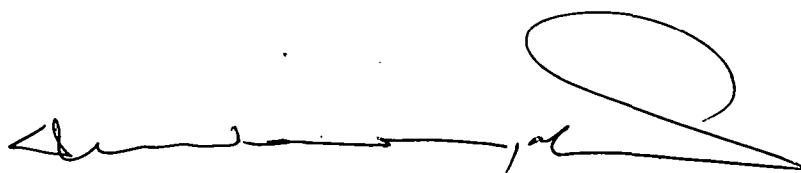
### Statement as to disclosure of information to Auditors

Each of the directors of the company who held office at the date of approval of this report, as set out above, confirm that:

- so far as each director is aware there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

This report was approved by the Board on 29 November 2018.

A handwritten signature in black ink, appearing to read 'D.R. Woodgate', followed by a large, stylized flourish or loop.

Mr D.R. Woodgate BSc, MBA  
(Chairman)

## **PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY**

### **INDEPENDENT AUDITORS REPORT**

TO THE MEMBERS OF PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

#### **Opinion**

We have audited the financial statements of Plymouth College and St Dunstan's Abbey School Charity Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

#### **Other information**

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

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

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

## PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

### INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

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

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report or the Strategic Report included within the Trustees' Annual Report.

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

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

#### Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on pages 8 and 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

#### Use of our report

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

*RSM UK Audit LLP*

Kevin Barwick (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
55-61 Victoria Street  
Bristol  
BS1 6AD

*17 December 2018*

# PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2018 £	Total Funds 2017 £
<b>INCOME AND ENDOWMENTS FROM:</b>						
<i>Charitable activities:</i>						
School fees	2	8,601,432	-	-	<b>8,601,432</b>	8,261,980
Ancillary income	3a	620,342	-	-	<b>620,342</b>	657,634
<i>Donations and legacies:</i>						
Donations	3b	26,030	-	-	<b>26,030</b>	46,243
<i>Other trading activities:</i>						
Letting income		209,218	-	-	<b>209,218</b>	144,332
Trading income		10,716	-	-	<b>10,716</b>	14,282
Investment income	3c	4,980	-	-	<b>4,980</b>	9,067
Gain on disposal of fixed asset		113,248	-	-	<b>113,248</b>	3,163
<b>TOTAL INCOME</b>		<b>9,585,966</b>	<b>-</b>	<b>-</b>	<b>9,585,966</b>	<b>9,136,701</b>
<b>EXPENDITURE ON:</b>						
<i>Charitable activities:</i>						
School operating costs		8,660,368	173	-	<b>8,820,824</b>	9,062,721
Cost of raising funds		32,963	-	-	<b>32,963</b>	41,880
<i>Other expenditure:</i>						
Trading and lettings		9,037	-	-	<b>9,037</b>	3,246
Governance costs		152,717	-	5,690	<b>158,407</b>	287,425
Finance costs		252,060	-	-	<b>252,060</b>	133,466
<b>TOTAL EXPENDITURE</b>	4	<b>9,267,428</b>	<b>173</b>	<b>5,690</b>	<b>9,273,291</b>	<b>9,528,738</b>
Net gains / (losses) on investments		(985)	-	5,767	<b>4,782</b>	20,367
<b>NET INCOME / (EXPENDITURE)</b>		<b>317,553</b>	<b>(173)</b>	<b>77</b>	<b>317,457</b>	<b>(371,670)</b>
Impairment of fixed assets		(75,000)	-	-	<b>(75,000)</b>	-
Transfers		(10,000)	-	10,000	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>232,553</b>	<b>(173)</b>	<b>10,077</b>	<b>242,457</b>	<b>(371,670)</b>
Fund balances brought forward		6,230,416	581,126	347,423	<b>7,158,965</b>	7,530,635
Fund balances carried forward		<b>6,462,969</b>	<b>580,953</b>	<b>357,500</b>	<b>7,401,422</b>	<b>7,158,965</b>

The notes on pages 16 to 30 form part of these financial statements.

The statement of financial activities includes all gains and losses in the year. All income and expenditure is derived from continuing activities. In the prior year all income and expenditure was unrestricted, with the exception of £12,950 of restricted income and £20,560 of expenditure in relation to restricted funds and £5,690 of income in respect of endowment funds.

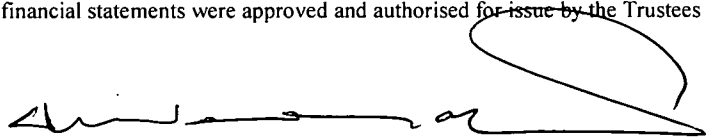
# PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

CONSOLIDATED AND CHARITY BALANCE SHEETS  
AS AT 31 AUGUST 2018

	Note	Group		Charity	
		2018 £	2017 £	2018 £	2017 £
<b>FIXED ASSETS</b>					
Intangible assets	5	210,000	225,000	210,000	225,000
Tangible assets	6	12,126,026	12,383,923	1,355,300	1,188,362
Investments	7	369,067	354,285	-	-
		<u>12,705,093</u>	<u>12,963,208</u>	<u>1,565,300</u>	<u>1,413,362</u>
<b>CURRENT ASSETS</b>					
Debtors	9	357,202	332,166	418,289	344,446
Debtors – Amounts falling due after one year		-	-	1,534,254	1,534,254
Cash at bank and in hand		555,303	63,093	13,856	10,753
		<u>912,505</u>	<u>395,259</u>	<u>1,966,399</u>	<u>1,889,453</u>
<b>Creditors: Amounts falling due within one year</b>	10	(5,283,151)	(6,107,645)	(5,201,976)	(6,024,266)
<b>NET CURRENT LIABILITIES</b>		<u>(4,370,646)</u>	<u>(5,712,386)</u>	<u>(3,235,577)</u>	<u>(4,134,813)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>8,334,447</b>	<b>7,250,822</b>	<b>(1,670,277)</b>	<b>(2,721,451)</b>
<b>Creditors: Amounts falling due after one year</b>	11	(932,025)	(90,857)	(882,025)	(40,857)
Deferred taxation		(1,000)	(1,000)	-	-
<b>TOTAL NET ASSETS / (LIABILITIES)</b>		<u><b>7,401,422</b></u>	<u><b>7,158,965</b></u>	<u><b>(2,552,302)</b></u>	<u><b>(2,762,308)</b></u>
<b>Funds</b>					
Permanent endowment fund:	13	357,500	347,423	-	-
Unrestricted funds:	14	6,390,332	6,153,469	(2,567,463)	(2,777,642)
Restricted funds	15	580,953	581,126	15,161	15,334
Designated funds	14	72,637	76,947	-	-
		<u>7,401,422</u>	<u>7,158,965</u>	<u>(2,552,302)</u>	<u>(2,762,308)</u>

The net income / (expenditure) of the parent charity for the year was £215,696 (2017: (£385,233)).

The financial statements were approved and authorised for issue by the Trustees on 29 November 2018 and signed on their behalf by:



Mr D.R. Woodgate BSc, MBA  
Trustee

Company Registration No. 05189426

The notes on pages 16 to 30 form part of these financial statements.



**PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated by operations	18	973,564	30,871
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income receipts		4,980	9,067
Purchase of tangible fixed assets		(257,254)	(138,337)
Proceeds from sale of tangible fixed assets		505,879	10,000
Payment for investments		(10,000)	(10,000)
<b>Net cash generated from / (used in) investing activities</b>		<b>243,605</b>	<b>(129,270)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of bank loans		(177,600)	(197,929)
Bank charges		(32,626)	(33,156)
Interest paid		(99,118)	(82,725)
<b>Net cash used in financing activities</b>		<b>(309,344)</b>	<b>(313,810)</b>
<b>INCREASE / (DECREASE) IN CASH</b>		<b>907,825</b>	<b>(412,209)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD</b>		<b>(2,736,398)</b>	<b>(2,324,189)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD</b>		<b>(1,828,573)</b>	<b>(2,736,398)</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
Cash at bank and in hand		555,303	63,093
Bank overdraft		(2,383,876)	(2,799,491)
<b>TOTAL CASH AND CASH EQUIVALENTS</b>		<b>(1,828,573)</b>	<b>(2,736,398)</b>

Included in the cash at bank and in hand is £500,059 (2017: £nil) in respect of amounts held in escrow, and which can only be used to fund certain future capital projects.

The notes on pages 16 to 30 form part of these financial statements.

# PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2018

### 1. Accounting Policies

#### (a) Charity information

Plymouth College and St Dunstan's Abbey Schools Charity is a registered charity and company limited by guarantee in England and Wales. The registered office is Plymouth College, Ford Park Road, Plymouth, PL4 6RN.

Plymouth College and St Dunstan's Abbey Schools Charity meets the definition of a public benefit entity under section 34 of FRS 102. The principal objectives of the charity are detailed in the Trustees' report found on page 3 of these financial statements.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

#### (b) Basis of preparation

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

#### (c) Going Concern

The accounts have been prepared on the going concern basis.

As highlighted in the Trustees' Annual Report, the Charity meets its day-to-day working requirements through an overdraft facility, which was renewed June 2018 and again in September 2018 and which is currently reviewed on a three-monthly basis. The current economic conditions create uncertainty particularly over the future level of pupil numbers and the increasing cost of teaching staff wages and pension contributions tied to national maintained sector pay scales.

The Charity's forecasts and projections, taking into account reasonable and possible changes in trading performance, show that the Charity should be able to operate within the level of its current facility, with predicted borrowing levels reducing as the new business plan is implemented. The Charity will open renewal negotiations with the bank in due course and has not sought any written commitment that the facility will be renewed. However, the Charity has held discussions with its bankers about future borrowing needs and advice has been received which is being acted upon by the Trustees and there is no suggestion that renewal may not be forthcoming on acceptable terms.

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going-concern basis in preparing the Financial Statements.

#### (d) Group accounts

These financial statements consolidate the results of the charity and its associated charities Plymouth College Trust and St Dunstan's Abbey School Trust on a line by line basis. The results of Plymouth College Trust include the results of its trading subsidiary, Plymouth College Enterprises Ltd and linked charity, Plymouth College General Charitable Trust, consolidated on a line by line basis.

The assets and liabilities of the charities are consolidated in the balance sheet. The gross income and gross expenditure of the charities are included in the consolidated Statement of Financial Activities.

A separate statement of financial activities for the charity itself is not presented because the charity has taken advantage of the exemption afforded by Section 408 Companies Act 2006 and paragraph 397 of the SORP.

FRS 102 allows qualifying entities certain disclosure exemptions. The charity, only, has taken advantage of the exemptions for the following disclosure requirement:

- Section 7 "Statement of Cash Flows" – presentation of an entity only Statement of Cash Flow and related notes and disclosures.

## PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2018

#### (e) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

Endowment Funds are funds where the capital must remain intact and only the income distributed for the stated purpose of the fund.

#### (f) Income

Income is recognised when the charity is legally entitled to the income, it is probable it will be received and the amount can be measured reliably.

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school.

Donations are recognised in the year in which the charity is entitled to receipt, it is considered probable that they will be received and the amount can be measured reliably. Donations received for the general purposes of the charity are included as unrestricted funds. Donations received for activities restricted by the wishes of the donor are included as restricted funds. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments – permanent or expendable according to the nature of the restrictions.

Investment income is accounted for on a receivable basis.

Legacies are included when it is probable that a payment will be made or property transferred that the school is entitled to and the amount or value can be reliably measured.

#### (g) Expenditure

All expenditure is accounted for on accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been apportioned according to pupil numbers.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with statutory requirements. Redundancy costs are reported when the School is demonstrably committed to incurring such costs.

#### (h) Intangible fixed assets

Amortisation is provided to write off the cost of the 'usage agreement' of the all-weather hockey pitch at UCP St Mark & St John over the length of the agreement (30 years).

#### (i) Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost, and then subsequently recorded at cost less accumulated depreciation.

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following rates:

Freehold Property	2% straight line
Computer Equipment	20% reducing balance
Fixed Plant	5% reducing balance
Motor Vehicles	25% reducing balance
Fixtures, Fittings and Equipment	20% reducing balance and 10% straight line

The trustees estimate that the residual values of the freehold buildings are equal to or greater than their cost and so depreciation has not been provided in the year on the grounds that it would not be considered material.

Expenditure on school equipment is charged to the revenue account as the expense is incurred.

## PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2018

#### (j) Investments

Listed investments are carried at their mid-market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sale proceeds and market value at the start of the year or subsequent cost and are credited or charged to the statement of financial activities in the year of disposal. Unrealised gains and losses represent the movement in the market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Unlisted investments are held at cost.

#### (k) Pension costs

The School participates in a multi-employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ("The Scheme"), for its teaching staff. As a result it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the School. The standard employers contribution rate was increased to 16.48% from 14.1% from 1 September 2015

From April 2012 the employee's contribution was increased. The percentage employee contribution for teachers is based on annual salary. There are seven bands (April 2013 onwards - eight bands) where employees percentage paid depends on which salary band an employee is in.

The School also contributes to a defined contribution scheme for non-teaching staff at 7% basic pay and now has a auto-enrolment scheme where it contributes 2% of pay.

The pension cost for these schemes is recognised as it becomes payable.

#### (l) Leased Assets

Rentals applicable to operating leases where substantially all of the risks and rewards of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

#### (m) Advance Fees Scheme

The charity offers parents the opportunity to pay boarding and tuition fees in advance in accordance with a written contract. Quotations are given based on an annual increase in fees each year. This is treated as deferred income until the pupil joins the school whereupon the fees for each school term are charged against the remaining balance and taken to income. All amounts are included in creditors split between amounts falling due within one year and amounts falling due after more than one year.

#### (n) Financial Instruments

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

Financial assets and liabilities are offset, within the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### Financial Assets

Basic financial assets which include trade and other receivables and cash and bank balances are initially recognised at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

##### Financial Liabilities

Basic financial liabilities including trade and other creditors are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

# PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2018

### (o) Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the 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 associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements:

#### Depreciation of tangible fixed assets

The Trustees exercise their judgement in assessing the expected remaining useful life of the assets held and expected residual values where appropriate.

#### Non-depreciation of historical buildings

In the opinion of the Trustees, the residual value of historical buildings is such that the resulting depreciation charge would be immaterial to the accounts and therefore no depreciation is provided against these buildings.

#### Multi-employer defined benefit pension schemes

Certain employees participate in a multi-employer defined benefit pension scheme (TPS). In the judgement of the Trustees, the charity does not have sufficient information on the plan assets and liabilities to be able to account reliably for its share of the defined benefit obligations and plan assets. Therefore, the scheme is accounted for as a defined contribution scheme.

### 2. School Fees

	2018 £	2017 £
Fees receivable consist of:		
Gross Fees	10,810,722	10,450,375
Less: Fee Remissions	(2,209,290)	(2,188,395)
	<u>8,601,432</u>	<u>8,261,980</u>

Note that the presentation of the prior year comparative has been revised due to change in accounting treatment. Commission and bad debt provision are now shown within School Operating Costs and Finance Costs respectively.

### 3. Other Income

#### a) Ancillary Income

	2018 £	2017 £
Unrestricted Funds:		
School meals receipts	410,693	406,715
Registration fees	16,244	16,040
Special needs income	42,073	28,032
Other income	54,159	79,636
Examination income	62,495	74,796
Learn to Swim	34,718	49,239
Teacher training	(40)	3,176
	<u>620,342</u>	<u>657,634</u>

#### b) Donations Income

	2018 £	2017 £
Restricted donations – Piano Fund	-	12,950
Other donations	26,030	33,293
	<u>26,030</u>	<u>46,243</u>

# PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2018

### c) Investment Income

	2018 £	2017 £
Investment dividend income	4,921	9,067
Interest received	59	-
	<u>4,980</u>	<u>9,067</u>

All investment income in both current and prior year is unrestricted. All investment gains in both current and prior year are in respect of endowment funds.

## 4. Analysis of Expenditure

### (a) Expenditure on Charitable Activities:

	Staff Costs £	Other Direct Costs £	Depreciation & Amortisation £	Total 2018 £	Total 2017 £
Teaching	4,603,399	550,466	68,183	5,222,048	5,676,514
Welfare	308,409	741,834	9,394	1,059,637	1,043,585
Premises	643,833	960,700	-	1,604,533	1,511,849
Support costs	562,356	372,250	-	934,606	827,527
	<u>6,117,997</u>	<u>2,625,250</u>	<u>77,577</u>	<u>8,820,824</u>	<u>9,059,475</u>
<b>Other Expenditure:</b>					
Governance costs	-	158,407	-	158,407	287,425
Fundraising costs	10,021	22,942	-	32,963	41,880
Trading and letting costs	-	9,037	-	9,037	3,246
Finance costs	-	252,060	-	252,060	133,466
	<u>10,021</u>	<u>442,446</u>	<u>-</u>	<u>452,467</u>	<u>466,017</u>
<b>Total Expenditure</b>	<b>6,128,018</b>	<b>3,067,696</b>	<b>77,577</b>	<b>9,273,291</b>	<b>9,525,492</b>

Note that the presentation of the prior year comparatives has been revised due to a change of accounting treatment. Commission and bad debt provision are now shown within School Operating Costs and Finance Costs respectively.

### Analysis of Support costs

	Educational Operations £	Marketing £	Governance £	Total 2018 £	Total 2017 £
Staff costs	427,319	93,493	-	520,812	487,189
Finance and administration	245,549	126,701	-	372,250	304,838
Redundancy	11,544	30,000	-	41,544	35,500
<b>Total Support costs</b>	<b>684,412</b>	<b>250,194</b>	<b>-</b>	<b>934,606</b>	<b>827,527</b>

### (b) Net income / expenditure is stated after charging / (crediting):

	2018 £	2017 £
Gain on disposal of tangible fixed assets	(113,248)	(3,163)
Depreciation of tangible fixed assets:	62,577	51,878
Amortisation of intangible fixed assets	15,000	15,000
Operating leases	34,317	41,586
Interest payable on bank overdraft including setup charges	94,351	73,968
Interest payable on bank loans	37,393	41,888
Auditors' remuneration for audit of annual financial statements	32,700	22,150
Other professional services from affiliates of audit firm:		
- Tax compliance services	1,860	1,800
- Other non-audit services	2,285	2,000
Bad debts	105,523	12,934

The above costs include irrecoverable VAT, where relevant

# PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2018

Three Trustees were reimbursed a total of £9,647 for travel expenses (2017 - £4,534 for travel expenses).

No other Trustee or person connected with them received any remuneration or other benefit during the year except for those listed in Note 20.

(c) Employer payroll costs (School and Group)	2018 £	2017 £
Wages and salaries	5,006,690	5,370,511
Social security costs	460,257	499,207
Pension contributions	571,514	625,157
Other allowances and costs	48,013	9,093
Redundancy	41,544	35,500
	<u>6,128,018</u>	<u>6,539,468</u>

Of the redundancy costs, £11,544 was included in creditors at the year end (2017 - £nil). These costs relate to restructuring of the staff body to align with the School's future curriculum demands and operating model.

The number of employees whose gross salaries amounted to £60,000 or over in the year was as follows:

	2018	2017
£60,000 - £70,000	1	3
£70,000 - £80,000	2	-
£110,000 - £120,000	1	1

The key management personnel of the School and the Group are detailed in the Trustees' Report. The total emoluments for these personnel in the year, including employers' NI and pension contributions, was £569,699 (2017: £580,075).

The average number of employees of the School and the Group analysed by function was:

	2018	2017
Charity:		
Teaching staff	85	97
Teaching support staff	31	20
Premises staff	34	45
Welfare staff	13	12
Support staff	59	66
	<u>222</u>	<u>240</u>

## 5. Intangible Fixed Assets

### Group and Charity:

	Astroturf Pitch Usage £
<b>Cost</b>	
At 1 September 2017	300,000
Additions	-
At 31 August 2018	<u>300,000</u>
<b>Amortisation</b>	
At 1 September 2017	75,000
Charge for the Year	15,000
At 31 August 2018	<u>90,000</u>
<b>Net Book Value</b>	
At 31 August 2018	<u>210,000</u>
At 31 August 2017	<u>225,000</u>

In 2013 the school entered into an agreement for 30 years with University College Plymouth St Mark & St John for the use of their Astroturf hockey pitch for £300,000. The agreement is that £300,000 is placed in an escrow account in joint names and is to be drawn down over the life of the usage period at the rate of £15,000 per annum for the first 15 years and £5,000 per annum for the remaining 15 years to reflect the usage of the pitch. The school is treating this expenditure as an enduring benefit and writing it down over a period of 30 years to reflect the payments taken from the escrow account each year.

# PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2018

### 6. Tangible Fixed Assets

<u>Group:</u>	Freehold Property	Assets Under Construction	Fixtures Fittings and Equipment	Motor Vehicles	Group Total
<b>Cost</b>	£	£	£	£	£
At 1 September 2017	12,034,167	-	782,328	148,788	12,965,283
Additions	-	26,899	198,515	31,840	257,254
Impairment	(75,000)	-	-	-	(75,000)
Disposal	(375,000)	-	(330)	(39,053)	(414,383)
At 31 August 2018	11,584,167	26,899	980,513	141,575	12,733,154
<b>Depreciation</b>					
At 1 September 2017	-	-	456,489	124,871	581,360
Charge for the Year	-	-	53,183	9,394	62,577
Eliminated on Disposal	-	-	(330)	(36,479)	(36,809)
At 31 August 2018	-	-	509,342	97,786	607,128
<b>Net Book Value</b>					
At 31 August 2018	11,584,167	26,899	471,171	43,789	12,126,026
At 31 August 2017	12,034,167	-	325,839	23,917	12,383,923

The historical cost equivalent of the freehold property is £9,655,481 (2017: £9,969,941)

<u>Charity:</u>	Freehold Property	Assets Under Construction	Fixtures Fittings and Equipment	Motor Vehicles	Charity Total
<b>Cost</b>	£	£	£	£	£
At 1 September 2017	846,154	-	782,328	78,323	1,706,805
Additions	-	26,899	198,515	-	225,414
Disposal	-	-	(330)	(15,993)	(16,323)
At 31 August 2018	846,154	26,899	980,513	62,330	1,915,896
<b>Depreciation</b>					
At 1 September 2017	-	-	456,489	61,954	518,443
Charge for the Year	-	-	53,183	3,693	56,876
Eliminated on Disposal	-	-	(330)	(14,393)	(14,723)
At 31 August 2018	-	-	509,342	51,254	560,596
<b>Net Book Value</b>					
At 31 August 2018	846,154	26,899	471,171	11,076	1,355,300
At 31 August 2017	846,154	-	325,839	16,369	1,188,362

### 7. Investments

(a) Group:	Unrestricted £	Permanent Endowment £	Total 2018 £	Total 2017 £
Balance at 1 September 2017	12,553	341,732	354,285	323,918
Additions (Net of management fee)	-	10,000	10,000	10,000
Gain on revaluation	(985)	5,767	4,782	20,367
Balance at 31 August 2018	11,568	357,499	369,067	354,285
Listed on the Stock Exchange	11,568	295,476	307,044	302,262
Cash deposits	-	62,023	62,023	52,023
	11,568	357,499	369,067	354,285

The historical cost of the listed investments is £178,123 (2017: £178,123)



# PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2018

(b) Investments held in the portfolio at the year end were:-

	2018 £	2017 £
<b>Permanent Endowment Funds</b>		
M & G Charifund - Income Units	104,181	104,384
Schroder UK Growth Fund	34,920	30,825
Invesco Fund	27,538	28,050
Mellon Investment Funds	27,699	27,073
Invesco Managers	12,967	13,325
M & G Securities	23,437	22,400
Henderson UK Property	11,413	10,913
ISHARES II Plc – Barclays Capital	6,710	6,950
Standard Life – UK SMLLR Acc Retail	10,687	8,847
Standard Life – Global Absolute Return Strat	5,676	5,841
FIL Investment – Fidelity Moneybuilder Income	10,977	11,448
Allianz Global Invest – Allianz Gilt Yield Fund A Inc	16,218	16,506
Barclays Multi-Manager Fund – GlobalAccess GBL High Yield	3,053	3,147
<b>Unrestricted Funds</b>	<b>11,568</b>	<b>12,553</b>
	<b>307,044</b>	<b>302,262</b>

## 8. Group Undertakings' Financial Results

### (a) Plymouth College Trust

The consolidated position reported in these financial statements includes Plymouth College Trust, registered charity number 306949, which was created prior to the merger with St Dunstan's Abbey School in 2004 to hold the assets previously owned by Plymouth College. The consolidated trading results for the Trust, including its subsidiary Plymouth College Enterprises Ltd are shown below:

	2018 £	2017 £
Income	124,139	112,161
Trading expenses and financing costs	(74,445)	(65,475)
Gross surplus	49,694	46,686
Governance costs	(1,750)	(1,450)
Donations to Plymouth College and St Dunstan's Abbey Schools Charity	(50,837)	(51,041)
Net gains on investments	4,782	20,367
Retained surplus	1,889	14,562

The donations to Plymouth College and St Dunstan's Abbey Schools Charity of £50,837 (2017: £51,041) are eliminated on consolidation.

The assets of Plymouth College Trust were:

	2018 £	2017 £
Tangible fixed assets	5,320,726	5,295,561
Investments	369,167	354,285
Current Assets	2,585,103	2,611,798
Creditors – falling due within one year	(144,458)	(133,095)
Creditors – falling due after one year	(1,584,254)	(1,584,254)
Deferred Taxation	(1,000)	(1,000)
<b>Net assets</b>	<b>6,545,284</b>	<b>6,543,295</b>

# PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2018

### (b) Plymouth College Enterprises Limited

Plymouth College Enterprises Limited, registered company number 03911069, is a wholly owned subsidiary of Plymouth College Trust. From 1 May 2000 it operated the School Shop which sold school uniform and limited educational supplies. During 2001 it diversified into transport. In November 2002 Schooltogs (formerly Pinder and Tuckwell Limited) took over the running of the School Shop paying commission quarterly based on Shop Turnover.

The trading results of the company for the year are consolidated within the Plymouth College Trust financial statements. The trading results for the company as extracted from the audited financial statements are summarised below:

	2018 £	2017 £
Turnover	78,817	70,858
Cost of sales	(19,037)	(13,246)
Gross profit	59,780	57,612
Administrative expenses	(55,607)	(50,968)
	4,173	6,644
Corporation tax	-	-
Deferred tax	-	-
Donation of profit	(5,291)	(10,976)
Retained loss for the year	(1,118)	(4,332)

Profits will be gifted to the Trust in future years under the gift aid provisions.

The assets of Plymouth College Enterprises Limited were:

	2018 £	2017 £
Tangible fixed assets	32,713	7,548
Current assets	47,639	71,946
	80,352	79,494
Creditors amounts falling due within one year	(11,918)	(9,942)
Deferred taxation	(1,000)	(1,000)
	67,434	68,552
Representing:		
Share capital	100	100
Profit and loss account	67,334	68,452
	67,434	68,552

### (c) St Dunstan's Abbey School Trust

The consolidated position reported in these financial statements includes St Dunstan's Abbey School Trust, registered charity number 306736, which was created prior to the merger with Plymouth College in 2004 to hold the assets previously owned by St Dunstan's Abbey School. The financial results for the Trust are shown below:

	2018 £	2017 £
Income	2,295	-
Expenditure	(2,080)	(1,000)
Net gains on disposal of fixed assets	105,347	-
Losses on impairment of fixed asset	(75,000)	-
Net surplus / (deficit)	30,562	(1,000)

The governance costs comprise the audit fee for the financial statements.

# PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2018

The assets of St Dunstan's Abbey School Trust were:

	2018 £	2017 £
Tangible fixed assets	5,450,000	5,900,000
Current Assets	502,198	5,117
Creditors – falling due within one year	(22,435)	(5,916)
Creditors – falling due after one year	(2,521,224)	(2,521,224)
<b>Net assets</b>	<b>3,408,539</b>	<b>3,377,977</b>

All of the above subsidiaries have the same registered office as the School.

### 9. Debtors

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Fees receivable – current	138,027	237,429	138,027	237,429
Loan Plymouth College Trust – long-term	-	-	1,534,254	1,534,254
Group debtors	-	-	87,825	6,728
Other debtors	127,980	73,310	101,242	78,862
Prepayments	91,195	21,427	91,195	21,427
	<b>357,202</b>	<b>332,166</b>	<b>1,952,543</b>	<b>1,878,700</b>

The assets of Plymouth College Trust provide the security for the bank borrowing of the charity (see note 11).

### 10. Creditors: Amounts falling due within one year

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Bank overdraft (secured)	2,383,876	2,799,491	2,383,876	2,799,491
Trade creditors	381,159	413,896	377,969	335,276
Group creditors	-	-	-	35,714
Other creditors	897,615	677,871	822,405	642,158
Tax and social security	132,099	130,226	132,099	128,541
Accruals	135,983	91,577	133,208	88,502
Fees received in advance	1,252,303	968,758	1,252,303	968,758
Bank loans (secured)	100,116	1,025,826	100,116	1,025,826
	<b>5,283,151</b>	<b>6,107,645</b>	<b>5,201,976</b>	<b>6,024,266</b>

The bank borrowing is secured by a charge over the freehold property of Plymouth College Trust and a fixed and floating charge over the assets of the charity.

On 29 November 2011 a mortgage debenture was created over the entire assets of the company in favour of Lloyds TSB Bank, to secure the bank borrowing. The aggregate of secured liabilities is £3,232,102 (2017 - £3,825,317).

The consolidated bank loan originally for £760,000 is being repaid over 15 years.

The loan for the freehold property, The Haven, was for £280,000 and is being repaid over 15 years.

The third loan was for £717,000, which was for various works, refurbishment of the school's all weather pitch, renovations to The Haven freehold property and £300,000 for a long licence for use of AstroTurf (see note 20).

Interest on these loans is at varying fixed rates and is shown in Note 4(b).

In prior year, the entire balance owing on secured bank loans was shown as a current liability in these financial statements due to a technical breach of lending covenants at the 31<sup>st</sup> August 2017: no waiver of the covenants was obtained for this breach in advance of the financial year end, although the charity's bank provided a waiver after the year end confirming that they did not seek repayment of the full loan balances within one year. The amount that the bank expected to be repaid within the financial year 2017-18 was £174,818.

# PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2018

### 11. Creditors: Amounts falling due after more than one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
OPM loan	50,000	50,000	-	-
Bank loans (secured)	748,110	-	748,110	-
Fees received in advance	133,915	40,857	133,915	40,857
	<u>932,025</u>	<u>90,857</u>	<u>882,025</u>	<u>40,857</u>

### 12. Financial Instruments

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
<i>Financial assets that are debt instruments measured at amortised cost:</i>				
Fees	138,027	237,429	138,027	237,429
Other debtors	127,980	73,310	101,242	78,862
Other amounts due from group undertakings	-	-	1,534,254	1,534,254
	<u>266,007</u>	<u>310,739</u>	<u>1,773,523</u>	<u>1,850,545</u>
Equity instruments measured at market value	<u>295,476</u>	<u>289,709</u>	<u>-</u>	<u>-</u>
<i>Financial liabilities measured at amortised cost:</i>				
Bank overdraft	2,383,876	2,799,491	2,383,876	2,799,491
Bank loans	848,226	1,025,826	848,226	1,025,826
Trade creditors	381,159	413,896	377,969	335,276
Other creditors	897,615	677,871	822,405	642,158
Accruals	135,983	91,577	133,208	88,502
OPM loan	50,000	50,000	-	-
	<u>4,696,859</u>	<u>5,058,661</u>	<u>4,565,684</u>	<u>4,891,253</u>

### 13. a) Allocation of the Group's Net Assets

	Fixed Assets	Net Current Liabilities	Long-Term Liabilities	Total
	£	£	£	£
<b>Endowment Funds</b>	357,500	-	-	357,500
<b>Unrestricted Funds</b>				
General reserve	11,782,747	(4,459,390)	(933,025)	6,390,332
Designated funds	-	72,637	-	72,637
<b>Restricted Funds</b>				
Foundation	-	334	-	334
J.C. Herringshaw – Chemistry	-	4,827	-	4,827
Astronomy donation – Prep School	-	10,000	-	10,000
Appeal funds	564,846	-	-	564,846
St Dunstan's Abbey funds	-	946	-	946
<b>Group</b>	<u>12,705,093</u>	<u>(4,370,647)</u>	<u>(933,025)</u>	<u>7,401,422</u>

# PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2018

### b) Allocation of the Charity's Net Liabilities

	Fixed Assets £	Net Current Liabilities £	Long- Term Liabilities £	Total £
<b>Unrestricted Funds</b>				
General reserve	1,565,300	(3,250,738)	(882,025)	(2,567,463)
<b>Restricted Funds</b>				
Foundation	-	334	-	334
J.C. Herringshaw – Chemistry	-	4,827	-	4,827
Astronomy donation – Prep School	-	10,000	-	10,000
<b>Charity</b>	<b>1,565,300</b>	<b>(3,235,577)</b>	<b>(882,025)</b>	<b>(2,552,302)</b>

### 14. Unrestricted Funds – Movement in the Year

#### a) Group

	Balance at 1 September 2017 £	Income £	Expenditure £	Impairment / URGL / Transfers £	Balance at 31 August 2018 £
General Reserve	6,153,469	9,585,966	(9,273,118)	(75,985)	6,390,332
Designated funds	76,947	-	5,690	(10,000)	72,637
	<b>6,230,416</b>	<b>9,585,966</b>	<b>(9,267,428)</b>	<b>(85,985)</b>	<b>6,462,969</b>

#### b) Charity

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2018 £
General Reserve	(2,777,642)	9,477,433	(9,267,254)	-	(2,567,463)

The general reserve represents the free funds of the charity which are not designated for any particular purpose.

### 15. Restricted Funds – Movement in the Year

#### a) Group

	Balance at 1 September 2017 £	Income £	Expenditure £	Balance at 31 August 2018 £
Foundation	7,944	-	(7,610)	334
J.C. Herringshaw – Chemistry	5,000	-	(173)	4,827
Astronomy donation – Prep School	10,000	-	-	10,000
St Dunstan's Abbey – Restricted Funds	946	-	-	946
Appeal Funds	557,236	7,610	-	564,846
<b>Restricted Funds - Group</b>	<b>581,126</b>	<b>7,610</b>	<b>(7,783)</b>	<b>580,953</b>

The reallocation between appeal funds and Foundation represents a correction of balances reported in prior year.

# PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2018

### b) Charity

	Balance at 1 September 2017 £	Income £	Expenditure £	Balance at 31 August 2018 £
Foundation	334	-	-	334
J.C. Herringshaw – Chemistry	5,000	-	(173)	4,827
Astronomy donation – Prep School	10,000	-	-	10,000
<b>Restricted Funds - Charity</b>	<b>15,334</b>	<b>-</b>	<b>(173)</b>	<b>15,161</b>

#### Foundation

In previous years the Foundation office raised £7,944 for specific projects. The majority was utilised in the prior financial year towards a new gym. However some funds remain where the project donated for has a balance that has not yet reached the target necessary to fulfil the specific appeal.

#### J.C Herringshaw – Chemistry

In the year ended 31<sup>st</sup> August 2015 the College received £5,000 from the estate of Jillian Clara Herringshaw for the furtherance of chemistry study at Plymouth College. Part of these funds were utilised in year to purchase a cup to be awarded for Chemistry: the remainder has not been utilised as yet.

#### Astronomy Donation – Prep School

The Prep School received a £10,000 donation towards the furtherance of Astronomy at the school. This has not been utilised as yet.

### 16. Operating Leases – Group and Charity

At 31 August 2018, there were outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	35,933	31,633
Between two and five years	73,407	86,863
Over five years	-	1,571
	<b>109,340</b>	<b>120,067</b>

### 17. Contingent Liabilities

- (a) The music/hospitality suite was completed and brought into use during 2004. An agreement between Plymouth College Trust and the OPM Club was reached whereby the OPM Club paid a lease premium of £439,303 for the granting of a 999 year landlord repairing lease of the hospitality suite, for a peppercorn rent. The Plymouth College and St Dunstan's Abbey Schools Charity pays the OPM Club for the use of the facilities during school hours.

Under the terms of the agreement, should the OPM Club have to vacate the premises for various reasons (the likelihood of which is considered remote) then the Trust will have to repay to the OPM Club an amount equal to the lease premium, together with interest compounded annually in line with the RPI. During the year 2016-2017, the OPM Club resolved to freeze this RPI escalator for ten years effective from 1<sup>st</sup> September 2016.

The Trust believes the possibility of repayment is remote and so has recognised the income and has not incorporated the contingent liability into the accounts. The annual value accruing will be presented annually by way of note to the accounts.

The contingent liability at 31 August 2018 was £610,765 (2017 £610,765).

The OPM Club has taken a charge over part of the freehold property of the Trust.

# PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2018

- (b) Since August 2006, the assets of Plymouth College Trust have been used to secure the bank borrowing of Plymouth College and St Dunstan's Abbey Schools Charity by guarantee to Lloyds Bank plc. Assets at the Ford Park site owned by Plymouth College Trust are subject to this charge. The level of borrowings currently secured under this charge is £2,383,876.

The trust believes the possibility of the bank exercising this charge is remote and so no provision has been included in the accounts.

### 18. Notes to the Statement of Cash Flows

Reconciliation of net expenditure to net cash inflow / (outflow) from operating activities:

	2018 £	2017 £
Net Income / (Expenditure)	242,457	(371,670)
<i>Non-operating cash flows eliminated:</i>		
Interest received and investment income	(4,980)	(9,067)
Interest payable	99,118	82,725
Bank charges	32,626	33,156
Depreciation charges	62,577	54,389
Amortisation charges	15,000	15,000
(Profit) / Loss on disposal of fixed assets	(113,248)	(3,163)
Loss on impairment of fixed assets	75,000	-
(Increase) / Decrease in debtors	(25,036)	1,395
Increase in creditors	594,832	248,473
Gain on revaluation of investments	(4,782)	(20,367)
<b>Net cash inflow from operating activities</b>	<b>973,564</b>	<b>30,871</b>

### 19. Pension Schemes

#### Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable (and paid) to the TPS of £505,386 (2017: £560,712).

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially from September 2019.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

The School also runs a defined contribution scheme and an auto-enrolment scheme for its non-teaching staff. £66,128 was payable (and paid) for the year ended 31 August 2018 (2017: £64,385).

Contributions are charged in the statement of financial activities as they accrue.

## PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2018

#### 20. Related Parties

During the year the school received legal advice from Wolferstans Solicitors totalling £57,772 (2017: £11,808). C Hammond, a Trustee, is employed by that firm. The legal authority for such payments to a Trustee's firm is a power in the Articles of Association.

Certain governors may have children at the school who receive bursaries or scholarships; these are assessed and awarded on the same terms available to all parents.

As at 31 August 2018, Plymouth College Trust owes £1,534,254 (2017: £1,534,254) to Plymouth College and St Dunstan's Abbey Schools Charity.

As at 31 August 2018, St Dunstan's Abbey School Trust owes £1,000 (2017: £2,680) to Plymouth College and St Dunstan's Abbey Schools Charity. This balance relates to audit fees settled by Plymouth College and St Dunstan's Abbey Schools Charity on behalf of St Dunstan's Abbey School Trust.

Other group entities were recharged costs totalling £46,606 (2017: £46,512) by Plymouth College and St Dunstan's Abbey Schools Charity, and invoiced the same entity £68,101 (2017: £56,576) for services provided. Plymouth College Enterprises will donate its taxable profits for the year (2017: £5,291) to Plymouth College and St Dunstan's Abbey Schools Charity in the next financial year.

In the year, governors elected to pay an honorarium of £10,000 (2017: £10,000) to the wife of the Headmaster of the senior school in recognition of her services to the school.

There are no other related party transactions or balances to disclose.