

Stonyhurst

TRUSTEES' REPORT AND ACCOUNTS

for the year ended 31 August 2018



Company registered no. 06632303

Registered charity no. 1127929

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INFORMATION

TRUSTEES AND CHARITY TRUSTEES

All Trustees and Charity Trustees are directors of Stonyhurst. They have all served in office throughout the year except where indicated.

Mr J Cowdall^*#V=+ (resigned 31 August 2018)
Mr M J Belderbos*= (resigned 31 August 2018)
Mr R F Brumby*
Mr A Chitnis*\ +^ Chairman of Governors (from 1 September 2018)
Mr M I Davis*/+ Deputy Chairman of Governors
Mr D Finn*/ "
Dr M A J Guzkowska#/**
Mrs C Keunen\ (appointed 8 December 2017)
Mr S Glassbrook " (appointed 1 September 2017)
Mr M Riley (resigned 22 January 2018)
Fr R Dawson SJ / (appointed 1 May 2017)
Fr M J Power SJ^# =
Dr N B M Mellows#**
Mr J Stoer# (resigned 31 August 2018)
Mr S Withnell* (resigned 31 August 2018)
Ms S Raffray # (appointed 1 September 2018)
Mr G Lagerberg # + (appointed 1 September 2018)

^ Foundation Members

* Members of the Finance and General Purposes Committee (Chair: Mr M I Davis)

Members of the Education Committee (Chairs: Mr J Stoer to 31 August 2018, Mr G Lagerberg from 1 September 2018)

\ Members of the Libraries, Archives and Collections Committee (Chairs: Mr A Chitnis to 31 August 2018, Mrs C Keunen from 1 September 2018)

/ Members of the International Committee (Chair: Dr M A J Guzkowska)

= Members of the Nominations Committee (Chair: Fr M J Power SJ to 31 August 2018, Mr A Chitnis from 1 September 2018)

+ Members of the Remuneration Committee (Chair: Mr A Chitnis)

" Members of the External Relations Committee (Chair: Mr S Glassbrook)

** Members of the Safeguarding Committee (Chair: Dr N B M Mellows)

OFFICERS (key management personnel)

Listed below:

COMPANY SECRETARY

Mr S P Marsden

HEADMASTERS

Mr J R Browne

Mr I Murphy - St Mary's Hall

BURSAR AND CLERK TO THE TRUSTEES

Mr S P Marsden

SOLICITORS

Employment Lawyers :

Weightmans LLP
100 Old Mall Street
Liverpool
L3 3QJ

Education Lawyers:
Veale Wasbrough Vizards LLP
Orchard Court
Bristol
BS1 5WS

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Estate and Property Lawyers:
Blackhurst Swainson Goodier LLP
10 Chapel Street
Preston
PR1 8AY

ADDRESS OF REGISTERED CHARITY

Stonyhurst
Clitheroe
Lancashire
BB7 9PZ
www.stonyhurst.ac.uk

BANKERS

Nat West
Spinningfields Square
182 Deansgate
Manchester
M3 3LY

AUDITOR

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

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TRUSTEES' REPORT AND STRATEGIC REPORT

REFERENCE AND ADMINISTRATIVE INFORMATION

The School's Trustees, Headmasters, Bursar and the principal address of the charity are listed on pages 1 and 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees, who are the Directors for the purposes of company law, present the annual report and the financial statements of Stonyhurst ("the School") for the year ended 31 August 2018. Stonyhurst comprises Stonyhurst College, and its preparatory school, St Mary's Hall.

This report has been prepared in accordance with the Companies Act 2006 and the Charities Act 2011, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP (FRS 102).

Constitution

Stonyhurst was incorporated as a company limited by guarantee (registered number 06632303) on 27 June 2008 and is registered as a charity, number 1127929. It commenced to operate as an independent charity on 1 September 2009. The charitable company's governing document is the Memorandum and Articles of Association.

Trustees

The governance of Stonyhurst is provided by up to thirteen appointed Trustees, and three Foundation Members, who act together as the Governing Body. They are supported by Standing Committees and working groups of Trustees and senior management. Meetings of the Governing Body and its committees are usually held on a termly basis with additional meetings convened as and when required.

Recruitment and training of Trustees

The Trustee selection process aims to ensure that the Board collectively has the skills and experience to properly fulfil its functions. Our Trustees are chosen for their expertise and attend training courses as appropriate.

The Trustees who served during the year are shown on Page 1. The Trustees are also the Trustees of the charity.

Organisational Structure

The governance of Stonyhurst is accomplished through the requisite meetings of the Members and meetings of the Board of Trustees and its constituent committees. The day to day management of Stonyhurst is delegated to the two Heads and the Bursar and Clerk to the Trustees, as the key management personnel. They are all appointed by the Board of Trustees. Both Stonyhurst College and St Mary's Hall are subject to external inspection of education and pastoral care by various statutory bodies.

The remuneration of key management personnel is set by the Board through the Remuneration Committee, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

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TRUSTEES' REPORT AND STRATEGIC REPORT

Group structure and relationships

The School has a wholly owned non-charitable subsidiary, Stonyhurst College Developments Ltd. It undertakes commercial activities that do not conflict with the educational and religious character of the school. Its annual profits are donated to the School under the Gift Aid Scheme.

Stonyhurst is also the sole corporate trustee for the Stonyhurst Charitable Fund and Stonyhurst International Limited (dormant).

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

Employment policy

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the School through regular staff training days.

Principal risks and uncertainties

The Trustees have identified the principal risks to which Stonyhurst is exposed, several of which arise out of the continuing uncertain economic environment. The principal risks are pupil recruitment, reputational risk through an adverse incident, poor academic results and a lack of funds and liquidity to meet future cash and capital expenditure commitments. These risks are managed as follows:

- monitoring financial resources and performance indicators such as pupil numbers, costs and cash flow including the use of benchmarking
- maintaining high standards of education throughout the School
- ensuring controls over key financial systems
- having appropriate insurance cover
- maintaining high standards in the care of the fabric of the School
- encouraging ownership by staff of published policies and procedure for health and safety, pastoral care and best professional practice and safeguarding
- maintaining a programme of training for Trustees and for staff and encouraging regular visits to school activities by Trustees
- reviewing the strategic plans and the detailed annual budgets.

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

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OBJECTIVES AND ACTIVITIES

The charitable objectives of Stonyhurst are to:

- advance the Roman Catholic religion; and
- advance education

By the conduct of one or more Roman Catholic schools in the charism of the Society of Jesus and by ancillary religious and educational activities for the benefit of the community at large.

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

Public Benefit

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

The Trustees are committed to the Jesuit ideals set out in the Stonyhurst Mission Statement, at the heart of which is the formation of men and women of faith who will be at the service of others. Stonyhurst aims furthermore to support and promote the apostolic works of the Society of Jesus in Britain.

Stonyhurst continues to provide access to talented young people who would otherwise be excluded due to the level of fees, with bursaries being awarded where there is genuine need. During the year Stonyhurst welcomed further recipients of the St Francis Xavier (SFX) Awards. The SFX Award serves to help UK boarders most likely to benefit from and contribute to life as full boarders in a Catholic boarding school. In total, over half of pupils at Stonyhurst receive some assistance with the fees, and a small number of young people have a free place at the School.

Stonyhurst provides significant benefits to the local community. Public access is available to many of the facilities in the schools as well as to many of the cultural programmes of activities that take place throughout the year. It is also a major employer in the Ribble Valley and as a consequence of its operations it generates annual payroll taxes in excess of £3.0m. Stonyhurst is outward looking and welcoming to all, locally, regionally, nationally and internationally, with currently pupils coming from 30 different nationalities.

Through our Arrupe volunteering programme over sixty Stonyhurst Sixth Formers spend one afternoon per week volunteering in the local community. This has included helping in local primary schools as classroom assistants and sports coaches, supporting the local food bank, helping with special needs children's groups and offering care and support to the elderly. The value of this is evident from the degree of disappointment on those occasions when our pupils are unexpectedly unable to attend. Another group host the pupils who visit us from Newfields school every week for wheelchair dancing – a partnership which is now in its 21st year, and which also led to a fundraising effort last year to provide Newfields with some new musical instruments.

Numbers attending our annual primary schools' science fair have increased year on year due to positive feedback, to the extent that places now have to be limited, given the need to prioritise health and safety in the laboratories. This year's musical production of *The Pirates of Penzance* included a dedicated matinée for local primary schools, which was very well attended.

St Joseph's School, Hurst Green, is a state primary school, which shares our Jesuit identity. We continue to work very closely indeed with St Joseph's, providing their catering on a daily basis, and providing teaching assistants and help with sport via the Arrupe programme. We also share a Jesuit Chaplain with St Joseph's and the parish of Hurst Green, and the three communities work closely together. In 2017 a plot of land was donated by Stonyhurst to St Joseph's, to enable them to create a new football pitch. Five members of the Stonyhurst staff also serve as volunteer governors of St Joseph's.

We enjoy a very close relationship with the Church of England parish of Hurst Green, and with the village community. Hurst Green's annual Remembrance Sunday parade and service is a significant occasion, and Stonyhurst provides a cadet guard of honour and a marching band.

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OBJECTIVES AND ACTIVITIES (CONTINUED)

A change in leadership at the Faith Primary School in Everton, Liverpool, has resulted in the reawakening of our strong historic links with this school, located in one of the most disadvantaged wards in the UK. In addition to renewing the scheme through which Stonyhurst pupils mentor younger children at the Faith Primary School, we have also begun to share with them the educational benefits of the Stonyhurst Historic Collections, through the Time Tunnel project. This project has also led to a number of local schools visiting the Stonyhurst Collections, which make up one of the oldest Christian heritage museum collection in the world. There has also been a significant increase in the number of days per year on which Stonyhurst opens its doors to the public for guided tours and other events including food and antique fairs and weddings. The creation of a new gym and a tennis dome have led to significant growth in the Stonyhurst Sports Centre membership, which is open to the public, as is the College's nine hole golf course and the on-site Christian Heritage Centre, named Theodore House.

Pupils at the School raise funds for a range of charitable causes throughout the year. During the current year, more than £20,000 was raised for good causes in this way. Beneficiaries included the Xavier Project, which provides education and support for refugees in East Africa; the Rainbow Trust; Jesuit Missions; Aid to the Church in Need; Stonyhurst Lourdes Pilgrimage Trust; CAFOD and the Hummingbird Project (see below). In July 2018, pupils and staff also ran their annual holiday week for disabled children, many of whom attend local state schools, providing valuable respite care for their parents or guardians. Funding for this was raised by pupils and parents through various activities and events.

By far the most ambitious project during this period, however, has been the Hummingbird Project. This was the brainchild of a group of sixth formers and aims to facilitate the relocation of a Syrian refugee family to our local village of Hurst Green. The family will live in Hurst Green in a College property and the children will attend St Joseph's Roman Catholic Primary School, Hurst Green. Local residents have fully embraced the project and are now working closely with us to make it a reality. At the time of writing, a Stonyhurst property has been selected and renovated, and, through the generosity of pupils, parents and the local community, fully furnished. All being well, our new Syrian friends are due to arrive in mid-2019.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

For both schools, this section has been divided by our three strategic themes; Educational Excellence, Faith That Does Justice and Perspectives and Horizons.

Stonyhurst College

As Stonyhurst prepares for the 425th anniversary of foundation by Robert Persons in 1593 it has started to discern how to respond to the call of the world conference of Jesuit Educators in Rio de Janeiro:

'to be spaces for educational investigation, true laboratories in innovation and teaching, from which we can draw new teaching methods or models. Schools need to know how to educate and train in a new way for a different future.'

Educational excellence

Stonyhurst was placed in the top 100 schools in The Times Independent Schools League Table for A Level results. Grades were consistent with the previous year: A*/A at 37% and A*/B at 65%. The *Department of Education* review of A Level value added performance placed Stonyhurst pupils in the top 15% of schools nationally. Likewise, GCSE results were in line with performance in the previous year (and the previous five years) with 45% A*/A, 88% A*-C. International Baccalaureate (IB) pupils again scored strongly with an average points score of 34, with one pupil achieving 40 points (top 3% of candidates worldwide). This compares favourably with a world average of 30 points and a UK average of 34 points. 92% of candidates were awarded a Bilingual Diploma compared to a World average of 22.6%.

As a result of a Curriculum Review the following initiatives were implemented: provision for greater choice and academic depth for the Lower Grammar (Year 9) curriculum; the College was accredited to run the *International Baccalaureate Careers Pathway* (IBCP) in order to provide Higher Line pupils with three potential Sixth Form pathways and the previous Faculty of English and Learning Support was split into two faculties to give each more focus and capacity for development. A new Head of English and a new Director of Music were appointed.

The Headmaster was appointed as a member of The Headmasters and Headmistresses Conference (HMC) Academic Policy Committee.

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Faith that does Justice

Fr Tim Curtis SJ was appointed as Parish Priest of St Joseph's Hurst Green and Chaplain to the College, St Mary's Hall and St Joseph's Primary School, Hurst Green.

To ensure our Safeguarding is maintained at the highest level, an external Safeguarding Audit was commissioned. The findings were structured into an ongoing development plan which is co-ordinated successfully by the Safeguarding Committee.

The Chaplaincy continue to work on the Hummingbird Project to sponsor a refugee family under the Home Office 'community sponsorship' scheme. We are supported in this pupil-led initiative by Caritas Diocese of Salford. Pupil engagement with the Xavier Project, the Stonyhurst College Holiday Week and the Lourdes Pilgrimage continue to be strong.

Following an extensive Pastoral Review five Assistant Heads posts (called Heads of Playroom) were created and appointed to each of the five year groups. This is a major investment in the provision for pupils. Each Head of Playroom manages a team of staff (boarding and day) around the needs of each individual child and accompanies the year group during their whole time at the College.

Perspectives and Horizons

Both Headmasters attended the Jesuit European Committee for Primary and Second Education (JECSE) Heads of Jesuit Schools Conference in Loyola, Spain.

The College has a strong educational relationship with a group of eight (mainly Jesuit) international schools. During 2017/18 links were further strengthened with the Lycée Ribot in Saint-Omer (site of the original Stonyhurst in 1593) and Colégio Seminario, Montevideo in Uruguay (founded from Stonyhurst in 1880).

Work progressed on the establishment of Stonyhurst International School Penang, Malaysia in partnership with LSHIP PTE Ltd. Ecclesiastical and legal agreements were completed. It is anticipated that the school will open in September 2020 and provide exciting educational opportunities for Stonyhurst UK pupils and staff.

Following an external review greater resources were devoted to the areas of Admissions, Development and Marketing and a more integrated approach adopted. Joint Stonyhurst Family events were held in Dubai, Dublin, Edinburgh, Kuala Lumpur, London and Rome. A new Director of Admissions was appointed and a new post of Director of Marketing created. Stonyhurst was very favourably reviewed by the *Good Schools Guide*.

In July the College hosted the Vatican 1st XI Cricket Team as part of their 4th Light of Faith Tour. The Cricket Pavilion was refurbished by the Stonyhurst Association for the occasion.

The Stonyhurst Historic Collections hosted a large number of schools and visitors. In October 2017 the College co-hosted an exhibition in Saint-Omer to celebrate the restoration of the Jesuit Church. In April 2018 the College co-hosted an Exhibition at the Venerable English College in Rome entitled: 'Memory, Martyrs and Mission: Aspects of the History of the English Hospice and the Venerable English College, Rome 1362-2018'.

The friendship and educational partnership between St Vincent's School, Liverpool (a specialist school for sensory impairment and other needs) on the *Sightbox*TM project continues to delight inspire all connected. Stonyhurst and St Vincent's are partners in a *Heritage Lottery Fund* bid to develop resources from the Stonyhurst Historic Libraries for young people with visual impairments.

Stonyhurst St Mary's Hall (SMH)

Educational Excellence

The reorganisation of the structure of the school day during this academic year has made a very positive contribution to the understanding and education of the whole person and has further promoted *cura personalis* in relation to our senior pupils (Year 7/8). Both academic and pastoral monitoring and tracking of progress is increasingly consistent at an individual level, and across cohorts through improved use of standardised data to supplement professional input.

The quality of teachers (including their appreciation of our mission and identity) continues to be the most important resource we can offer the child. It is the teachers who can drive forward change and improvement. It is teachers (alongside all adults) who provide the role models and Christian witness. It is the work of the teacher, walking alongside

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the child, who ultimately leads to the transformation we are seeking, and helps produce the tangible reality that reflects the dream of Jesuit education.

In addition to the curriculum based opportunities through drama and the Performing Arts the LAMDA programme grows from strength to strength, with over 112 children involved in verse speaking/acting/musical theatre. Outstanding results in LAMDA exams and recent festivals – for example, of the 30 pupils from SMH who took part in the Lytham Festival of Speech and Drama, 15 won their classes outright. Approximately 70% of entrants achieved a distinction in the LAMDA exams.

We continue to focus upon a sporting programme that is completely inclusive. Our challenge is to ensure quality and equality of opportunity for boys and girls across the full age range. In addition, our individuals and teams are performing to an increasingly impressive standard and our more experienced/more able performers are benefitting from pathways to elite level. Highlights include 13 individual athletes who qualified for the National Finals and 12 individual swimmers have qualified for the IAPS National Finals in the London Olympic pool.

Faith That Does Justice

The children's efforts to Care for our Common Home were acknowledged with the Laudato Si Award from the Salford Diocese and it was a wonderful occasion when Bishop John Arnold came and spent the morning here in the Christmas term and made the award to the children as part of a morning assembly.

Increasingly, we supplement our work more locally with a broad international outlook – building upon the very strong links with the Xavier Project (Uganda and Kenya) and "Ray of Light" working on the streets with the children of Zimbabwe.

This international mindedness and its significance within our thematic primary curriculum in particular, is increasingly key as we strive to work together as a universal body, with a universal mission. In addition to this our global networking has been further reinforced by an excellent working relationship with the Educate Magis platform which is an on-line community for Jesuit teachers and educators to connect with other Jesuit teachers around the world. It was a great delight to welcome Ciara Beuster to SMH to meet with staff as a key focus in our April Inset day.

Chaplaincy endeavours to raise awareness of social justice concerns with pupils. An experiential activity to underline the plight of refugees, using CAFOD resources, was undertaken with a Lower Elements class. Lee House Exhibitions at the College provided another opportunity to step into the shoes of refugees. This was an audio-visual experience "accompanying" a refugee family as they fled civil war (two Figures, one Upper Elements RE classes). Class discussions included our support of refugees through the Xavier Project and the Hummingbird Project, in addition to references in the media.

Perspectives and Horizons

The Stonyhurst estate continues to provide a wonderful environment for the children of SMH. Learning enrichment for the children is enhanced with their access to the Stonyhurst Collections and the expertise of the Curator and her team who contribute to the richness of the SMH Experience. The Stonyhurst Curator has also given presentations to both schools. The parent body continues to contribute to the children's life, offering their professional and practical skills across the curriculum.

During the summer term there was great excitement among our Lower Elements pupils who embarked upon their new topic: 'Roots, Fruits and Shoots'. They particularly looked forward to some 'edible woodland' sessions where they used the Mission Garden for growing and cooking food. They visited the Square Library at the College to sketch the herbarium specimens and browse a 17th century plant catalogue for gardeners, and enjoyed a curator-led art tour, taking in some impressive Flemish and Italian still-life paintings of fruits, vegetables and flowers, learning to appreciate and gain inspiration from celebrated artists.

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FINANCIAL REVIEW

Through the ongoing development and monitoring of a Ten Year Plan, the Trustees consider that substantial progress is being made in strengthening the finances of Stonyhurst, despite the prevailing economic conditions. The awards of bursaries and continual investment in the maintenance and improvement of the grounds and heritage buildings of the whole estate will continue to make sizeable demands on the current and future finances. Consequently continued fundraising efforts to create an endowed bursary fund through a separate foundation, through donations and legacies, is of central importance to the future development of Stonyhurst. This objective will take many years of ongoing philanthropic development to meet demand.

The results for the year are shown on Page 16. Principal funding sources for Stonyhurst's activities comprise fee income, investment and trading income and generous contributions from donors. The return on the investment portfolio is an important component to sustaining the charitable objectives and, in particular, the provision of bursaries and scholarships, alongside the renewals and repairs of the estate, including the range of Grade 1 and 2 listed buildings.

During the year, Stonyhurst has invested substantially in the achievement of the Board's strategic plan, with the estate masterplan spend representing a large proportion of the net expenditure of (£2,585,058) (2017 - £58,490). The Trustees are mindful of the 'positive zero' valuation for the listed buildings of the two schools, resulting in significant expenditure on the buildings having to be expensed within the year in which work is undertaken, reflecting their nature as repairs rather than being capital improvements. The main features of this year's expenditure were accelerated funding of the residential portfolio, considerable improvements to the boarding accommodation and major grant support towards Theodore House, which is a Christian leadership and retreat centre within the campus grounds managed by the Trustees of the Christian Heritage Centre and is a separate charity, with similar aims and objectives. Stonyhurst provided a lease for the former derelict Grade Two listed Old Mill building; and a commercial loan of £1m and a grant to enable the charity to redevelop and complete the project, thus removing a number of risks and liabilities for Stonyhurst associated with the surrounding environment. Both charities have established a memorandum of understanding and will work in unison to meet the charitable aims. In addition, there has been the execution of medium term plans for pastoral care, compliance and long term future development across a number of areas of school life. The Board planned for this level of estate re-endowment and staffing investment in their Ten Year strategy.

Total income has increased to £17.1m (2017: £16.5m), mainly as a result of increased pupil numbers, with total expenditure increasing to £20.4m (2017: £19.5m), arising from employment costs. Due to stock market performance within the year the unrealised gains on investments has reduced by £939k, to £629k in this year from £1,568k in the previous. In the year ended 2017 Stonyhurst had a revaluation of its residential and investment properties which resulted in a net unrealised gain of £1.4m, with the values for year ended 2018 remaining constant. The 2018 trading performance for Stonyhurst without any unrealised gains/revaluations has improved by £346k over 2017.

Grants and donations totalled £353k (2017: £384k), with associated costs of £223k (2017: £147k), providing a ratio of 63% (2017: 38%) against the voluntary income raised. A strategy is in place to transform the fundraising performance, under the guidance of the External Relations Committee and the creation of the Stonyhurst Foundation that shall exist to fund bursaries for future generations.

Careful management of the investment portfolio and the control of resources has continued throughout the year, with performance monitoring being meticulously considered. The future plans section of this report provides more headline information about further investment in the resource structure and estate of Stonyhurst in the ongoing attainment of sustainability.

Key performance indicators

Trustees review internally as well as against a range of indicators which are benchmarked against peer group schools. The aim is to ensure always value and effectiveness, to know where and why Stonyhurst is not 'average'.

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Key performance indicators (continued)

The Trustees seek for Stonyhurst to be an exceptional school. Stonyhurst is structured and runs as a boarding school, and offers a 'boarding day' for the local market. The headline performance data, is as follows;

- Total pupil numbers are 716 pupils (2016/2017: 709)
- Full Boarder Equivalent (FBE) – The FBE for SMH is 160 pupils (2016/17: 144), and the FBE figure for Stonyhurst College is 387 pupils (2016/2017: 386).
- Payroll to income from charitable activities - 79% (2017: 76%)
- Payroll to total resources expended – 58% (2017: 56%)
- Teaching costs per pupil - £13,017 (2017: £12,473)
- Welfare, Premises and support costs per pupil - £13,387 (2017: £13,163)
- Capital spend per pupil - £1,669 (2017: £3,424)

Details of principal risks and uncertainties are detailed on Page 4.

Investment Policy

The investment powers of the Trustees are unrestricted. The investment portfolio is managed by independent fund managers who are required under the terms of their appointments to submit quarterly reports to the Trustees. The investment managers are instructed not to invest in any company or organisation whose work or products are inconsistent with the teaching of the Roman Catholic Church.

The Trustees have considered the most appropriate policy for investing funds commensurate with an acceptable level of risk and have decided to allow the fund managers to identify the best investment opportunities in order to generate both income and capital growth. The Trustees consider the return on investments is reasonable considering the state of the stock market over the period.

The funds are split between absolute return fund managers and general investment managers with expertise in the charitable sector.

The Trustees continue with the programme of managing investments for maximum benefit to the School by the transfer of value from investment properties. During the year the results reflect the realisation from investment property of £1m (2017: £nil). Post year end this program has continued with further realisations for different investment objectives.

The Trustees are excellently served by the Investment Committee, chaired by Richard Brumby, Governor, who brings a lifetime of experience of working in the investment sector. We thank Richard for the extensive work he does for Stonyhurst in this important area, and for providing a strong interface between our fund managers and the governing body.

Reserves Policy

Details of the School's funds are shown in note 15. An analysis of the School's net assets between the funds is also given in note 14. The School's assets are available and adequate to fulfil their obligations.

Unrestricted funds are required:

- a) to cover the working capital of the School and to maintain the School's buildings,
- b) to provide funds which can be designated to specific projects to enable these projects to be undertaken at short notice, and
- c) to cover direct charitable expenditure, administration costs, fundraising costs and support costs without which the School could not function.

The School's reserves policy is to maintain sufficient unrestricted income reserves (including investment assets valued at £38m, less all current and long term creditors of £10m, providing £28m as an unrestricted fund at year-end) to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall and to rely on the readily realisable investments of the Charity's general-purpose expendable funds (valued at £66m at the year-end) as adequate cover for the School's longer-term capital expenditure commitments and any longer-term financial obligations. Within the unrestricted fund of £28m, Stonyhurst has a contingent liability of £16m to the Trustees for Roman Catholic Purposes (TRCP), see note 19, leaving the free reserves at £12m. Whilst the Trustees consider these fund values to be adequate, albeit reliant on cash investments, the aim is to increase the reserves to in excess of £20m, which shall be achieved through raising funds through the Stonyhurst Foundation, maximising asset classifications and values, alongside ongoing prudent financial strategy.

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FUTURE PLANS

Now that the Strategic Plan has been developed, this will continue to be embedded throughout the organisation and appropriate resources allocated.

The College and St Mary's Hall have established targets for their school rolls (500 and 300 pupils respectively by 2022) and this will be achieved by building on existing overseas links and by working more closely with UK preparatory schools. An External Relations strategy will be produced and the School's international interests will continue to be progressed with the aim of establishing schools in other countries, in order to increase our incoming resources and global position.

Pupils will be encouraged to become more reflective and deeper learning will be stimulated through links with other Jesuit schools. The settlement of a refugee family in Hurst Green will be an important project for the forthcoming year.

The first pupils will be admitted to study for the International Baccalaureate Careers Pathway in September 2019. A greater emphasis will be given to utilising the historic Collections within the College to support the curriculum and further development of the co-curricular programme.

An improved staff appraisal scheme will be developed with appropriate links to the strategic plan. One year leadership posts are to be introduced to assist staff development.

The Financial Ten Year Plan will continue to be developed and monitored with the aim of ensuring that the school generates a surplus by the setting of appropriate financial targets. Additional funding will be encouraged via our OS alumni community by increasing the number of regular donors and by their involvement in campaigns for bursarial support and capital projects. A series of capital campaigns will also be launched. The Enterprises Strategy will continue to be developed to increase other appropriate funding streams.

As mentioned in the "Financial Review" section, Theodore House, arising from the renovation of the Old Mill at Stonyhurst, will open and it is expected that this will become fully utilised and financially successful.

THANKS AND APPRECIATION

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

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

To all the teaching staff we say thank you, especially to the way in which you deliver our ethos, our mission, our distinctiveness and our catholicity both in the classroom and in your everyday contact with our pupils. We are blessed in both schools with outstanding teachers who are able to teach and inspire the young people that they deal with. Every successful organisation can point to having first class support staff. This is certainly the case at Stonyhurst and we record our thanks and appreciation to every one of them in every department across the schools.

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

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

Stonyhurst

TRUSTEES' REPORT AND STRATEGIC REPORT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

AUDITOR

A resolution to re-appoint RSM UK Audit LLP, Chartered Accountants, as auditors will be put to the Governing Council at the next Board Meeting.

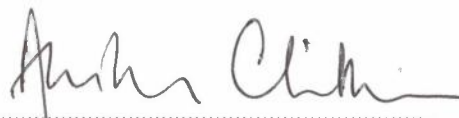
DISCLOSURE OF INFORMATION TO AUDITOR

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

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Annual Report including the Strategic Report was approved by the Board of Trustees of Stonyhurst in their capacity as trustees and company directors on and signed on its behalf by

29th March 2019



.....
Anthony Chitnis
Chairman of Trustees, Stonyhurst, Clitheroe, Lancashire, BB7 9PZ

22nd May 2019

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF STONYHURST

Opinion on financial statements

We have audited the financial statements of Stonyhurst (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2018 which comprise the consolidated Statement of Financial Activities (incorporating the Group Summary Income and Expenditure Account), the Group and Company Balance Sheets, the consolidated Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 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' 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' Report and the incorporated Strategic Report (prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF STONYHURST

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 12 the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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



DALE THORPE BSc FCA (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

28 May 2019

Stonyhurst

Consolidated Statement of Financial Activities (including Consolidated Income and Expenditure Account)

For the year ended 31 August 2018 (Registered Company No: 06632303)

	Notes	Unrestricted £	Restricted £	Total 2018 £	Total 2017 £
INCOME AND ENDOWMENTS FROM:					
Charitable activities					
School fees	1	14,688,136	-	14,688,136	14,046,919
Other ancillary income	2	301,159	-	301,159	325,037
Other trading activities					
Trading turnover	8	393,617	-	393,617	347,672
Voluntary Sources					
Donations & Fundraising	3	-	353,150	353,150	383,799
Investment income					
	4	1,422,553	-	1,422,553	1,444,148
Other income					
Loss on disposal of fixed assets		(18,556)	-	(18,556)	-
TOTAL		<u>16,786,909</u>	<u>353,150</u>	<u>17,140,059</u>	<u>16,547,575</u>
EXPENDITURE ON:					
Raising funds					
Trading expenses		426,584	-	426,584	346,262
Fundraising costs		222,524	-	222,524	147,426
Financing costs		435,388	-	435,388	484,147
		<u>1,084,496</u>	<u>-</u>	<u>1,084,496</u>	<u>977,835</u>
Charitable activities					
Education and grant making		18,905,232	364,295	19,269,527	18,500,469
TOTAL	6	<u>19,989,728</u>	<u>364,295</u>	<u>20,354,023</u>	<u>19,478,304</u>
NET GAINS ON INVESTMENTS					
Gains on investment assets	7	628,906	-	628,906	1,568,086
Realised gains on investment property	7	-	-	-	-
Revaluation of investment property	7	-	-	-	1,928,516
		<u>628,906</u>	<u>-</u>	<u>628,906</u>	<u>3,496,602</u>
NET (EXPENDITURE)/INCOME		<u>(2,573,913)</u>	<u>(11,145)</u>	<u>(2,585,058)</u>	<u>565,873</u>
Other recognised losses					
Revaluation of residential property		-	-	-	(507,383)
NET MOVEMENT IN FUNDS		<u>(2,573,913)</u>	<u>(11,145)</u>	<u>(2,585,058)</u>	<u>58,490</u>
Fund Balances brought forward at 1 September 2017		68,296,563	305,064	68,601,627	68,543,137
Fund Balances carried forward at 31 August 2018		<u>65,722,650</u>	<u>293,919</u>	<u>66,016,569</u>	<u>68,601,627</u>

The consolidated net incoming funds for the year are all derived from continuing operations.

The notes on pages 18 to 35 form part of these accounts.

Stonyhurst
BALANCE SHEETS
As at 31 August 2018

Registered Company No:06632303

		Group		Stonyhurst (charity)	
	Notes	2018 £	2017 £	2018 £	2017 £
FIXED ASSETS					
Investments	7	38,028,332	41,915,485	25,920,173	30,365,359
Tangible fixed assets	9	33,302,808	33,302,969	33,242,295	33,302,969
		<u>71,331,140</u>	<u>75,218,454</u>	<u>59,162,468</u>	<u>63,668,328</u>
CURRENT ASSETS					
Debtors	10	1,909,198	1,209,142	2,122,855	1,280,702
Cash at bank		2,823,155	2,000,785	2,771,794	1,978,585
		<u>4,732,353</u>	<u>3,209,927</u>	<u>4,894,649</u>	<u>3,259,287</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
Creditors	11	(5,149,820)	(4,886,374)	(5,130,136)	(4,847,233)
NET CURRENT LIABILITIES		<u>(417,467)</u>	<u>(1,676,447)</u>	<u>(235,487)</u>	<u>(1,587,946)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>70,913,673</u>	<u>73,542,007</u>	<u>58,926,981</u>	<u>62,080,382</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
Creditors	12	(4,897,104)	(4,940,380)	(4,897,104)	(4,940,380)
TOTAL NET ASSETS		<u>66,016,569</u>	<u>68,601,627</u>	<u>54,029,877</u>	<u>57,140,002</u>
Restricted funds	14	293,919	305,064	293,919	305,064
Unrestricted funds	14	65,722,650	68,296,563	53,735,958	56,834,938
TOTAL FUNDS		<u>66,016,569</u>	<u>68,601,627</u>	<u>54,029,877</u>	<u>57,140,002</u>

The financial statements were approved and authorised for issue by the Board of Trustees on and signed on its behalf by:



Mr A Chitnis
Chairman of Trustees



Mr S P Marsden
Bursar and Clerk to the Trustees

22nd May 2019

The notes on pages 18 to 35 form part of these accounts.

Stonyhurst

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 August 2018

		2018 £	2017 £
Cash absorbed by operations	16	(4,021,597)	(4,317,836)
Interest paid		(112,570)	(117,738)
Net cash used in operating activities		(4,134,167)	(4,435,574)
Investing activities			
Purchase of tangible fixed assets		(1,195,020)	(2,427,719)
Purchase of other investments		(3,900,000)	-
Cash drawdown in listed investments		7,416,060	2,379,387
Proceeds on disposal of listed investments		-	39,399
Proceeds from disposal of investment property		1,000,000	-
Proceeds on disposal of tangible fixed assets		457,988	-
Investment income received		1,422,553	1,184,873
Net cash from investing activities		5,201,581	1,175,942
Financing activities			
Repayment of borrowings		(245,044)	(245,044)
Net cash used in financing activities		(245,044)	(245,044)
		822,370	(3,504,676)
Cash and cash equivalents at beginning of year		2,000,785	5,505,461
Cash and cash equivalent at end of year		2,823,155	2,000,785
Relating to: -			
Bank balances and short-term deposits		2,823,155	2,000,785

Stonyhurst

NOTES TO THE ACCOUNTS

for the year ended 31 August 2018

LEGAL STATUS

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

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

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

BASIS OF ACCOUNTING

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

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

BASIS OF CONSOLIDATION

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

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

All financial statements are made up to 31 August 2018. The following accounting policies have been applied consistently in dealing with items that are considered material to the School's financial statements.

Reduced disclosures

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

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

GOING CONCERN

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

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

Stonyhurst

NOTES TO THE ACCOUNTS

for the year ended 31 August 2018

INCOME

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

DONATIONS AND LEGACIES

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

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

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

EXPENDITURE

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

TAXATION

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

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

FIXED ASSETS

- (i) The School land, buildings and residential property were revalued in 2007 by Gerald Eve & Mortimers for the purposes of the transfer of assets from TRCP to a new charitable company. These valuations were updated in 2010 and incorporated into the accounts as at 1 September 2009 as appropriate transfer values and deemed cost. Certain residential properties were reviewed by Mortimers in January 2018 and the trustees revalued the remainder of the properties on a similar basis.
- (ii) Motor vehicles, catering and IT equipment are incorporated in the accounts at cost less a provision for depreciation.

IMPAIRMENT OF FIXED ASSETS

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

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

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

Stonyhurst

NOTES TO THE ACCOUNTS

for the year ended 31 August 2018

INVESTMENT PROPERTIES

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

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

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

ASSETS UNDER CONSTRUCTION

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

DEPRECIATION

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

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

INVESTMENTS

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

LIABILITIES

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

PENSION SCHEMES

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

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

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

EMPLOYEE BENEFITS

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

Stonyhurst

NOTES TO THE ACCOUNTS

for the year ended 31 August 2018

FUND ACCOUNTING

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

Unrestricted funds	Funds which are expendable at the discretion of the Trustees in furtherance of the objects of the school. In addition to expenditure on tuition, such funds may be held in order to finance capital investment and working capital.
Restricted funds	Donations or legacies received which are earmarked by the donor for specific purposes within the overall aims of the School.

FINANCIAL INSTRUMENTS

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

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

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

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

LEASES

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

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

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The Trustees consider that there are no material sources of estimation uncertainty.

Critical areas of judgement

Fee debtor provision

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

Useful life of fixed assets

In making decisions regarding the depreciation of tangible fixed assets, management must estimate the useful life of said assets to the business. A change in estimate would result in a change in the depreciation charged to the statement of total comprehensive income in each year.

Stonyhurst

NOTES TO THE ACCOUNTS

for the year ended 31 August 2018

1	SCHOOL FEES		
		2018	2017
	FEES RECEIVABLE	£	£
	Total Gross Fees	17,967,576	16,732,818
	Less: College allowances, bursaries and scholarships	(3,465,446)	(2,875,116)
		<u>14,502,130</u>	<u>13,857,702</u>
	Plus: bursaries, scholarships and awards paid for by restricted funds	186,006	189,217
		<u>14,688,136</u>	<u>14,046,919</u>

The total of £3,465,446 (2017: £2,875,116) provided assistance to 392 (2017:322) individuals.

Fee income is generated by the School only and is credited to unrestricted funds in both 2018 and 2017.

2	OTHER ANCILLARY INCOME		
		2018	2017
		£	£
	Registration	37,057	38,767
	Grant commissions and rebates	40,707	61,947
	Educational activities	223,395	224,323
	Unrestricted	<u>301,159</u>	<u>325,037</u>

Other ancillary income is generated by the School only and is credited to unrestricted funds in both 2018 and 2017.

3	DONATIONS & FUNDRAISING		
		2018	2017
	Unrestricted	£	£
	Bursary Income	-	-
	Appeal Income	-	2,703
		<u>-</u>	<u>2,703</u>
	Restricted		
	Donations and Annual Fund	15,877	24,262
	Bursaries	186,006	189,217
	Restricted Other	139,092	114,204
	Stonyhurst Children's Holiday Trust	12,175	53,413
		<u>353,150</u>	<u>383,799</u>

4	INVESTMENT INCOME		
		2018	2017
		£	£
	Rent received	276,093	259,275
	Investment income – dividends from listed investments	1,146,460	1,184,873
		<u>1,422,553</u>	<u>1,444,148</u>

Stonyhurst

NOTES TO THE ACCOUNTS

for the year ended 31 August 2018

5	EXPENDITURE	2018	2017
		£	£
	EXPENDITURE ON CHARITABLE ACTIVITIES INCLUDES:		
	Depreciation	718,636	660,394
	OTHER EXPENDITURE INCLUDES:		
	Amounts payable to RSM UK Audit LLP and its associates		
	Audit services		
	- Statutory audit of parent and consolidated accounts	16,750	16,400
	- Statutory audit of subsidiary accounts	7,450	7,300
	- Teachers' Pension Scheme audit	1,400	1,500
	Other services		
	- Non-audit services	5,750	5,500
	Trustees' expenses – relating to travel and accommodation	26,410	17,898
	Expenses were reclaimed by 9 members (2017: 9) of the Governing Body.		
	FINANCE COSTS	2018	2017
		£	£
	Interest on bank loans	112,570	117,738
		112,570	117,738
	TOTAL STAFF COSTS COMPRISED:		
		2018	2017
		£	£
	Wages and salaries	9,809,771	9,180,383
	Social security costs	901,382	850,165
	Pension costs (note 17)	1,082,383	912,008
	Total	11,793,536	10,942,556
	The average number of people (not full time equivalents) employed by the Group during the year were:		
		2018	2017
		No.	No.
	Teaching/pastoral staff	224	220
	Support staff	197	186
		421	406

Stonyhurst

NOTES TO THE ACCOUNTS

for the year ended 31 August 2018

5 EXPENDITURE (continued)

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

	2018 No.	2017 No.
£60,001 - £70,000	6	9
£70,001 - £80,000	2	2
£80,001 - £90,000	1	-
£90,001 - £100,000	-	-
£100,001 - £110,000	2	2
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	-	-
£150,001 - £160,000	-	-
£160,001 - £170,000	-	1
£170,001 - £180,000	1	-

Included in the above higher paid employees were 11 (2017: 13) accruing benefits under defined benefit schemes. Contributions in respect of these individuals totalled £124,487 (2017: £140,149).

Included in the above higher paid employees was 1 (2017: 1) accruing benefits under a defined contribution scheme. Contributions in respect of this individual totalled £8,121 (2017: £5,393).

Key management personnel

The Group and School considers its key management personnel comprise the Headmasters and the Bursar. The total employment benefits including employer pension contributions of the key management personnel were £352,019 (2017: £305,676).

Stonyhurst

NOTES TO THE ACCOUNTS

for the year ended 31 August 2018

6 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £	Other £	Depreciation £	Total £
Expenditure on raising funds				
Trading DevCo	200,636	223,427	2,521	426,584
Interest and bank charges	-	272,816	-	272,816
Investment manager's fees	-	162,572	-	162,572
Fundraising costs	95,886	126,638	-	222,524
	<u>296,522</u>	<u>785,453</u>	<u>2,521</u>	<u>1,084,496</u>
Expenditure on charitable activities				
Teaching costs	7,865,720	1,172,602	281,824	9,320,146
Welfare	1,698,278	716,946	106,805	2,522,029
Premises	859,412	3,489,558	327,485	4,676,455
Support costs of schooling	1,073,604	1,312,997	-	2,386,601
Grants, awards and prizes	-	364,295	-	364,295
	<u>11,497,014</u>	<u>7,056,398</u>	<u>716,114</u>	<u>19,269,527</u>
Total resources expended	<u>11,793,536</u>	<u>7,841,851</u>	<u>718,636</u>	<u>20,354,023</u>
Governance costs (included within support costs of schooling)	-	26,410	-	26,410

All expenditure is charged to the unrestricted fund, with the exception of £364,295 (2017: £327,683) of grants, awards and prizes that are charged to the restricted fund.

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

Interest and bank charges include interest payable on bank loans of £112,570 (2017: £117,738).

Included within investment managers' fees above are fees of £59,132 (2017: £56,923) which are incurred within Stonyhurst Charitable Fund.

TAXATION

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

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

Stonyhurst

NOTES TO THE ACCOUNTS

for the year ended 31 August 2018

7 INVESTMENTS

GROUP	Listed investments	Cash	Investment properties	Total
	£	£	£	£
Market value				
At 1 September 2017	33,277,391	1,884,396	6,753,699	41,915,485
Net additions / (disposals)	3,900,000	-	(1,000,000)	2,900,000
Cash drawdown	(5,831,060)	(1,585,000)	-	(7,416,060)
Investment gains	628,907	-	-	628,907
Revaluation of investment property	-	-	-	-
At 31 August 2018	<u>31,975,238</u>	<u>299,396</u>	<u>5,753,699</u>	<u>38,028,332</u>
CHARITY				
	Listed investments	Cash	Investment properties	Total
	£	£	£	£
Market value				
At 1 September 2017	21,775,347	1,836,313	6,753,699	30,365,359
Net additions / (disposals)	3,900,000	-	(1,000,000)	2,900,000
Cash drawdown	(5,751,060)	(1,585,000)	-	(7,336,060)
Investment gains	(9,126)	-	-	(9,126)
Revaluation of investment property	-	-	-	-
At 31 August 2018	<u>19,915,161</u>	<u>251,313</u>	<u>5,753,699</u>	<u>25,920,173</u>

All listed investments relate to direct investment in listed securities.

	2018 £	2017 £
Investment assets in the UK	24,901,093	29,129,085
Investment assets outside the UK	13,127,239	12,786,400
	<u>38,028,332</u>	<u>41,915,485</u>

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

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

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

	Investment Property	
	2018 £	2017 £
Deemed cost	<u>2,906,280</u>	<u>2,906,280</u>
Aggregate depreciation	<u>423,153</u>	<u>415,016</u>

Stonyhurst

NOTES TO THE ACCOUNTS

for the year ended 31 August 2018

8 SUBSIDIARIES

Profit and loss amount for year ended 31 August 2018

Stonyhurst College Development Limited £

Turnover	393,617
Cost of Sales	(301,241)
Gross Profit	92,376
Administrative expenses	(118,246)
Operating loss	(25,870)
Loan interest payable to Stonyhurst	(7,098)
Net loss	(32,968)

Balance sheet as at 31 August 2018

Tangible fixed assets	60,512
Debtors	44,028
Cash at bank	51,359
Creditors	(34,184)
Net Current Assets	61,203
Total assets less current liabilities	121,715
Stonyhurst loan	(243,184)
Net liabilities	(121,469)
Share capital	3
Retained loss	(121,472)
Shareholder's funds	(121,469)

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

The loan is due to be repaid in September 2020 with a fixed interest rate of 6% or bank base rate, if this is higher.

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

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

Stonyhurst

NOTES TO THE ACCOUNTS

for the year ended 31 August 2018

8 SUBSIDIARIES (continued)

Statement of Financial Activities (Incorporating Income and Expenditure Account) as at 31 August 2018

	Stonyhurst Charitable Fund £
INVESTMENT INCOME	
Dividend income	402,981
TOTAL INCOME	<u>402,981</u>
EXPENDITURE	
COST OF RAISING FUNDS	
Investment management fees	59,132
CHARITABLE ACTIVITIES	
Grants to Stonyhurst College	423,849
TOTAL EXPENDITURE	<u>482,981</u>
Net gains on investment assets	<u>638,034</u>
NET MOVEMENT IN FUNDS	558,034
RECONCILIATION OF FUNDS	
Total funds brought forward	11,550,128
TOTAL FUNDS CARRIED FORWARD	<u>12,108,162</u>
Balance sheet as at 31 August 2018	
INVESTMENTS	
Quoted investments	12,047,235
Short-term deposits	<u>60,927</u>
	12,108,162
FUNDS	<u>12,108,162</u>
Unrestricted funds	<u>12,108,162</u>

Stonyhurst

NOTES TO THE ACCOUNTS

for the year ended 31 August 2018

9 TANGIBLE FIXED ASSETS

GROUP

	School land and buildings £	IT & catering equipment £	Residential properties £	Motor Vehicles £	Assets under construction £	Total £
Cost (or frozen* valuation)						
Brought forward	14,283,250	1,172,735	19,151,190	326,183	809,747	35,743,105
Additions	502,293	248,417	55,250	8,751	380,309	1,195,020
Disposals	-	-	(475,000)	(15,445)	-	(490,445)
Transfers	809,747	-	-	-	(809,747)	-
As at 31 August 2018	15,595,290	1,421,152	18,731,440	319,489	380,309	36,447,680
Depreciation						
Brought forward	1,277,540	738,886	-	231,288	192,424	2,440,138
Charge for the year	413,474	281,824	-	23,338	-	718,636
Disposals	-	-	-	(13,902)	-	(13,902)
As at 31 August 2018	1,691,014	1,020,710	-	240,724	192,424	3,144,872
As at 31 August 2018	13,904,276	400,442	18,731,440	78,765	187,885	33,302,808
As at 31 August 2017	13,005,710	433,849	19,151,190	94,895	617,323	33,302,969

CHARITY

	School land and buildings £	IT & catering equipment £	Residential properties £	Motor Vehicles £	Assets under construction £	Total £
Cost (or frozen* valuation)						
Brought forward	14,283,250	1,172,735	19,151,190	326,183	809,747	35,743,105
Additions	439,260	248,417	55,250	8,751	380,309	1,131,987
Disposals	-	-	(475,000)	(15,445)	-	(490,445)
Transfers	809,747	-	-	-	(809,747)	-
As at 31 August 2018	15,532,257	1,421,152	18,731,440	319,489	380,309	36,384,647
Depreciation						
Brought forward	1,277,540	738,886	-	231,288	192,424	2,440,138
Charge for the year	410,953	281,824	-	23,338	-	716,115
Disposals	-	-	-	(13,901)	-	(13,901)
As at 31 August 2018	1,688,493	1,020,710	-	240,725	192,424	3,142,352
As at 31 August 2018	13,843,764	400,442	18,731,440	78,764	187,885	33,242,295
As at 31 August 2017	13,005,710	433,849	19,151,190	94,895	617,323	33,302,969

Stonyhurst

NOTES TO THE ACCOUNTS

for the year ended 31 August 2018

9 TANGIBLE FIXED ASSETS (continued)

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

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

10 DEBTORS

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	570,002	710,634	525,975	690,285
Prepayments and accrued income	231,526	486,527	231,526	460,129
Other debtors	74,333	11,981	74,333	11,981
Secured loan	1,033,337	-	1,033,337	-
Amount due from group undertakings	-	-	257,684	118,307
	<u>1,909,198</u>	<u>1,209,142</u>	<u>2,122,855</u>	<u>1,280,702</u>

Secured loan above relates to a £1m loan to the Christian Heritage Centre (an independent organisation, which occupies Theodore House with the grounds of Stonyhurst). The loan is secured on the Theodore House building.

11 CREDITORS: Amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Bank loan	245,043	245,043	245,043	245,043
Creditors and accrued expenses	674,834	894,708	674,834	894,708
Fees received in advance (includes parental deposits)	3,793,024	3,309,030	3,793,024	3,309,030
Other taxes and social security	267,772	259,137	248,088	219,996
Other creditors	169,147	178,456	169,147	178,456
	<u>5,149,820</u>	<u>4,886,374</u>	<u>5,130,136</u>	<u>4,847,233</u>

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

Stonyhurst

NOTES TO THE ACCOUNTS

for the year ended 31 August 2018

12 CREDITORS: Amounts falling due after more than one year

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Bank loan	4,309,520	4,554,564	4,309,520	4,554,564
Parental deposits	587,584	385,816	587,584	385,816
	<u>4,897,104</u>	<u>4,940,380</u>	<u>4,897,104</u>	<u>4,940,380</u>

Maturity of debt

	2018 £	2017 £
Bank loans amounts payable within:		
1 year	245,043	245,043
1 to 2 years	245,043	245,043
2 to 5 years	4,020,038	735,129
More than 5 years	44,439	3,574,392
	<u>4,554,563</u>	<u>4,799,607</u>

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

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

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

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Within 2 to 5 years	293,792	192,908	293,792	192,908
Within 1 to 2 years	293,792	192,908	293,792	192,908
	<u>587,584</u>	<u>385,816</u>	<u>587,584</u>	<u>385,816</u>
Within 1 year (included within fees in advance within note 11)	150,000	150,000	150,000	150,000
	<u>737,584</u>	<u>535,816</u>	<u>737,584</u>	<u>535,816</u>

Stonyhurst

NOTES TO THE ACCOUNTS

for the year ended 31 August 2018

12 CREDITORS: Amounts falling due after more than one year (continued)

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

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Within 2 to 5 years	-	-	-	-
Within 1 to 2 years	293,792	192,908	293,792	192,908
Within 1 year (included within fees in advance within note 11)	3,349,232	2,966,122	3,349,232	2,966,122
	<u>3,643,024</u>	<u>3,159,030</u>	<u>3,643,024</u>	<u>3,159,030</u>

13 FINANCIAL INSTRUMENTS

	Group	
	2018 £	2017 £
Financial assets		
Debt instruments measured at amortised cost	1,677,672	722,617

	Group	
	2018 £	2017 £
Financial liabilities		
Measured at amortised cost	5,292,451	5,772,900

14 ALLOCATION OF CHARITY NET ASSETS – 31 AUGUST 2018

	Fixed Assets £	Net Current Assets £	Long Term Liabilities £	Total £
GROUP				
Unrestricted funds (note 15)	71,079,489	(459,735)	(4,897,104)	65,722,650
Restricted (note 15)	251,651	42,268	-	293,919
	<u>71,331,140</u>	<u>(417,467)</u>	<u>(4,897,104)</u>	<u>66,016,569</u>
CHARITY				
Unrestricted funds (note 15)	58,910,817	(277,755)	(4,897,104)	53,735,958
Restricted (note 15)	251,651	42,268	-	293,919
	<u>59,162,468</u>	<u>(235,487)</u>	<u>(4,897,104)</u>	<u>54,029,877</u>

Stonyhurst

NOTES TO THE ACCOUNTS

for the year ended 31 August 2018

14 ALLOCATION OF CHARITY NET ASSETS – 31 AUGUST 2017

	Fixed Assets £	Net Current Assets £	Long Term Liabilities £	Total £
GROUP				
Unrestricted funds (note 15)	74,966,803	(1,729,860)	(4,940,380)	68,296,563
Restricted (note 15)	251,651	53,413	-	305,064
	<u>75,218,454</u>	<u>(1,676,447)</u>	<u>(4,940,380)</u>	<u>68,601,627</u>
CHARITY				
Unrestricted funds (note 15)	63,416,675	(1,641,357)	(4,940,380)	56,834,938
Restricted (note 15)	251,651	53,413	-	305,064
	<u>63,668,326</u>	<u>(1,587,944)</u>	<u>(4,940,380)</u>	<u>57,140,002</u>

15 FUNDS

	Balance 1 September 2017 £	Incoming Resources £	Resources Expended £	Balance 31 August 2018 £
RESTRICTED FUNDS				
GROUP AND CHARITY				
Donations and Annual fund	251,651	353,150	(353,150)	251,651
Stonyhurst Children's Holiday Trust	53,413	-	(11,145)	42,268
	<u>305,064</u>	<u>353,150</u>	<u>(364,295)</u>	<u>293,919</u>

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

UNRESTRICTED FUNDS

GROUP	Revaluation reserve £	Other Unrestricted Funds £	Total £
Balance brought forward as at 1 September 2017	3,484,813	64,811,750	68,296,563
Net expenditure	-	(3,202,819)	(3,202,819)
Net gains on investment assets	-	628,906	628,906
Balance carried forward as at 31 August 2018	<u>3,484,813</u>	<u>62,237,837</u>	<u>65,722,650</u>
CHARITY	Revaluation reserve £	Other Unrestricted Funds £	Total £
Balance brought forward as at 1 September 2017	3,484,813	53,350,124	56,834,938
Net expenditure	-	(3,089,853)	(3,089,853)
Net gains on investment assets	-	(9,126)	(9,126)
Balance carried forward as at 31 August 2018	<u>3,484,813</u>	<u>50,251,145</u>	<u>53,735,958</u>

Stonyhurst

NOTES TO THE ACCOUNTS

for the year ended 31 August 2018

16 CASH FLOW STATEMENT

	2018 £	2017 £
Net (expenditure)/income	(2,585,058)	565,873
Adjustments for:		
Gains on investment assets	(628,907)	(1,568,086)
Realised gains on investment properties	-	-
Revaluation on investment properties	-	(1,928,516)
Interest payable	112,570	117,738
Investment income	(1,422,553)	(1,184,873)
Depreciation charge	718,636	660,394
Impairment of tangible fixed asset (net of reallocations)	-	192,424
Loss on disposal of tangible asset	18,556	-
	<u>(3,786,756)</u>	<u>(3,145,046)</u>
Movement in working capital		
Decrease in debtors	(700,056)	(30,033)
(Decrease) / Increase in creditors	465,215	(1,142,757)
Net cash (outflow) / inflow from operating activities	<u>(4,021,597)</u>	<u>(4,317,836)</u>

17 PENSION SCHEMES

TEACHERS' PENSION SCHEME

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out below the information available on the scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 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.

Pension costs paid to TPS in the year amounted to £1,234,863 (2017: £1,181,522), of which £777,963 (2017: £749,084) related to employer's contributions. At the year-end, £nil (2017: £nil) was accrued in respect of contributions to this scheme.

Stonyhurst

NOTES TO THE ACCOUNTS

for the year ended 31 August 2018

SUPPORT STAFF PENSION SCHEME

The Stonyhurst Pension Scheme is a defined contribution scheme available to support staff. Contributions are charged to the statement of financial activities as they become payable. Contributions to the scheme during 2018 totalled £196,097 (2017: £166,021).

18 RELATED PARTIES

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

Stonyhurst has provided a loan to Stonyhurst College Developments Limited in 2018 of £139,377 (2017: repaid loan of £14,688). The balance outstanding as at 31 August 2018 was £243,184 (2017: £118,307). There is interest due on this loan of £7,098 (2017: £7,980).

Stonyhurst has provided a grant to Stonyhurst Charitable Fund of £Nil (2017: £Nil). Stonyhurst Charitable Foundation has provided a grant to Stonyhurst of £343,849 (2017: £346,326). No amounts were outstanding at the 31 August 2018.

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

19 CONTINGENT LIABILITIES

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

20 CAPITAL COMMITMENTS

Stonyhurst had the following capital commitments as at 31 August 2018:

Hurst Green Development - £1,000,000 is committed to be paid in respect of the 5 houses Stonyhurst will be purchasing as part of the development agreement.

Christian Heritage Centre (Theodore House) – a further £368,000 is committed as part of an on-going commitment to complete works associated with the site.

21 COMMITMENTS UNDER OPERATING LEASES

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

	2018 £	2017 £
Amounts due:		
Within one year	36,383	143,888
Between one and five years	87,983	-
	<u>124,366</u>	<u>143,888</u>

