

ST DAVID'S COLLEGE TRUST

ST DAVID'S COLLEGE TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

Registered Charity number: 1075705
Registered Company number: 01351369

ST DAVID'S COLLEGE TRUST

FINANCIAL STATEMENTS

Year ended 31 August 2020

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ST DAVID'S COLLEGE TRUST

COMPANY INFORMATION

Year ended 31 August 2020

Legal Status

St David's College Trust is a registered charity incorporated as a company limited by guarantee under the Companies Act 2006.

Governors

The Governors of St David's College Trust who served during the year were:

Rev Dr P Gaskell +* "(Chairman and Chair of Finance Committee)

R Kenwell (Treasurer)*

Rt Rev K Sinclair

Viscount Chelsea

G Wilson * (appointed 25 February 2020)

R Leake + (Chair of Education Committee)

Miss C Hart +

Mrs B Hutchinson Smith +

Lord Mostyn *

P Hadley

Mrs A Seldon "(Nee Haydon) (Chair of Development Committee)

B Jackson * "(resigned 9 January 2020)

T Mueller

Mrs S Hepworth +(appointed 10 March 2020)

* Members of the Finance Committee

+ Members of the Education Committee

"Members of the Development Committee

Registered charity number	Company number	Registered office
1075705	01351369	St David's College Llandudno LL30 1RD

Operating name

The company operates as St David's College Trust.

The Headmaster

A Russell B.Sc., P.G.C.E., C.C.M. (SpLD)

The Bursar and Clerk to the Governors

K Baines B.Sc., ACA

ST DAVID'S COLLEGE TRUST

COMPANY INFORMATION

Year ended 31 August 2020

ADVISERS

Bankers	HSBC Bank Plc 60 Mostyn Street Llandudno Conwy LL30 2SF
Solicitors	Hill Dickinson LLP No 1, St Paul's Square Liverpool L3 9SJ
Auditors	RSM UK Audit LLP One City Place Queens Road Chester CH1 3BQ
Investments	Brewin Dolphin Limited 1 The Avenue Spinningfields Square Manchester M3 3AP
Property & Estates	Mostyn Estates Ltd (Landlord) Mostyn Court 2 Mostyn Street Llandudno LL30 2PS
Insurances	Circle Insurance Services PLC 2 John Bradshaw Court Alexandria Way Congleton Cheshire CX12 1LB

ST DAVID'S COLLEGE TRUST

GOVERNORS' ANNUAL REPORT

Year ended 31 August 2020

The Board of Governors, who are also the directors of the charity for the purpose of the Companies Act present their annual report for the year ended 31 August 2020, together with the audited financial statements for the year and confirm that the latter comply with the requirements of the Companies Act 2006, Charities Act 2011 and the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016).

Principal activities and objectives

St David's College Trust (the College) which operates from St David's College, Llandudno, LL30 1RD, is established to promote and provide for the advancement of education.

The College is incorporated as a company limited by guarantee registered in England and Wales, No. 01351369, and is registered with the Charities Commission under charity number 1075705. The Governors have obtained the consent of the Registrar of Companies to be exempt from the requirement to use the word 'Limited' in its name.

The Governors are also the company's directors and are shown on page 1.

Auditor

The auditor, RSM UK Audit LLP, has indicated its willingness to continue in office.

Structure, governance and management

Governing document

The College is governed by its Memorandum and Articles of Association, as revised in June 2006.

Governing Body

The company is governed by its Board which consists of no less than 7 and no more than 20 members. The governing body, assisted by the Headmaster, Mr A Russell, and Bursar, Miss K Baines, is responsible for formulating the strategy and policies for the company as a whole.

The Governors are appointed annually by the Board of Governors with a normal retiring age of 65 years which subject to re-election, may be extended to age 70.

Recruitment and training of Governors

Governors are recruited from all walks of life, including the clergy, business, the professions and alumni. Governors must subscribe to the College's statement of faith. On joining, Governors are inducted into the responsibilities of both directors of the company and trustees of the charity. Through membership of AGBIS, Governors attend appropriate external seminars and workshops; internally, periodic training days are arranged in College.

ST DAVID'S COLLEGE TRUST

GOVERNORS' ANNUAL REPORT

Year ended 31 August 2020

Organisational Management

The Governors meet as a Board at least three times a year to determine the general policy of the College and to review its overall management and control, for which they are legally responsible. The work of implementing most of the Board's policies is carried out by the Finance Committee which has met three times this year. The Education Committee met three times during the year, to discuss academic, pastoral and spiritual issues. The Governors submit a self-evaluation of their work which is incorporated into the College Development Plan. The day to day running of the College is delegated to the Head and Bursar supported by members of the School Leadership Team (SLT). The SLT meets every week and from 1 September 2019 is now comprised of the Headmaster, the Bursar, the Deputy Head, the Chaplain, the Registrar and Director of Strategic Development, two Assistant Heads and the SENCO. Prior to 1 September 2019 the Headmaster, the Bursar, the Deputy Head, the Chaplain and the Registrar and Director of Strategic Development formed the Executive Team.

Key management remuneration policy

The remuneration of key management personnel is set by the Board, 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 Company's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent colleges to ensure that the College remains sensitive to the broader issues of pay and employment conditions elsewhere. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence. Delivery of the College'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.

Related Parties

A number of the Governors are directors or officers of external companies and any transactions are disclosed in Note 21 of the accounts.

Investment policy and objectives

The Governors' investment policy complies with the Trustees Act 2000 and, in conjunction with working capital, is directed at covering the future liability of funds held in the Advanced Fee Payment Scheme (AFPS).

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

The principal objects of the company are set out in its Memorandum of Association. Within these objects the College aims:

- a. To develop the College as a Christian college for boys and girls.
- b. To acquire and carry on in the United Kingdom any other college or colleges for the education of children.

Aims and intended impacts

The College is a boarding and day college for up to 280 pupils aged 9-19. The College aims to develop "the whole person", through a broad education founded on Christian principles, a wide choice of interest and activity, and an achievable personal programme for each pupil. The College's expertise in helping dyslexic pupils is recognised internationally.

ST DAVID'S COLLEGE TRUST

GOVERNORS' ANNUAL REPORT

Year ended 31 August 2020

Objectives

The turbulent global reaction to the Covid-19 issue has impacted the school in many ways and as such the SLT and the staff body have reacted to the situation with fluidity and professionalism. The year has been effectively split into two semesters. The first 'real' period in the school calendar reflected outstanding sporting and academic achievement matched by the continued excellent quality of care and amazing results in both internal and external sporting competitions. The 'virtual' time during lockdown showed the effectiveness of the resilience and character education that has become synonymous with the St David's name. Pupils continued to flourish despite the restrictions placed upon socialisation and gathering. Classes were effectively taught through the Microsoft 365 platform; pastoral care was effectively administered on a twice daily basis through the tutor system and parents were supported in this provision with regular conversations and contact via the Housemaster and Heads of Year.

The background to the effectiveness and the efficiency of our ability to adapt was through a small series of events that took place in the first 6 months of the school year. The very successful Estyn Inspection in November was swiftly followed by an attack on our IT systems from outside. This led to a long period of software and hardware adjustment which provided the school with a sound base to teach every child through a digital medium. In February this system was successfully tested when we sent home our returning skiers from Italy just as the virus broke in Milan. This precautionary measure which resulted in all negative results validated the efficiency of our ability to teach the whole curriculum remotely. We were subsequently advised of the fact that schools were to close in the UK in the week beginning the 16th March 2020 and as such many of the overseas boarders either had or were about to leave the UK to ensure that they were able to return home unrestricted. Only three members of the student body were not able to return home and were accommodated by host families or guardians. As a result, the school moved seamlessly into an online provision which included outdoor education and games. The only subjects that fell by the wayside were GSE and Music due to the early retirement of two members of staff. This successful educational provision has manifested in increased demand for places at St David's College and a development of Cadogan Online and other potential future income streams.

In particular our Games departments has seen an increase in interest from very well-established schools around the UK eager to emulate our provision. We have also been shortlisted by the ISA for two awards, namely the Award for Outstanding Sport (Small School) and the Award for Outstanding Provision for Learning Support.

The College continues to embrace humanitarian projects, despite the current pandemic, as a means to help those less fortunate and also to build an awareness and character into our own students. Our Chaplain and his team retain close contact with our friends in Uganda during this very difficult time. It is of course very uncertain when international travel will be feasible so our virtual connection and prayers for their community remains of paramount importance. A digital speech day and virtual chapel are new this year.

The College has enhanced its marketing efforts by employing a new team as a result of the resignation of the Marketing Manager. We have employed a new Marketing Manager who leads a department of two others namely the Marketing and Events Assistant and the Digital and Website Co-ordinator. This team has already set out its Communication and Marketing plan to ensure that the admissions objectives are met and the school is effectively celebrated and promoted in the wider community. Retention of pupils features strongly in these initiatives.

The extension to Augusta Girls' Boarding House has been completed during the lockdown period and this has added a further 16 beds to the already full house. There has also been a change in personnel as a result of the decision of the long-standing house-parents to move out and focus on their own family commitments.

New developments have been and continue to be implemented to ensure the safety of the pedestrians on site, especially important as the day market has grown incredibly resulting in an increase in the amount of traffic daily. Internal and external renovations continue to add to the quality of the site as a resource under the watchful

ST DAVID'S COLLEGE TRUST

GOVERNORS' ANNUAL REPORT

Year ended 31 August 2020

eye of the Estate's Manager and we continue to work closely with architects and our landlords whilst collaborating on the Masterplan for the site over the next seven years.

The College regularly considers its allocation of resources and staff and makes adjustments in line with its financial projections.

Strategies

The College measures its success in many ways, some of which are easier to quantify than others.

Academically we measure success by raw examination results but more accurately by the value-added scores that are calculated annually when comparing the students' performance in exams with the levels as measured by national baseline testing when they joined the College. Equally important are the soft skills of leadership, teamwork, resilience, etc. These are almost impossible to attribute a testable quantity to, but we are proud of our success in ensuring that the majority of our pupils leave us with a strong sense of community, empathy and resilience.

Principal activities during the year

For the first part of the year many pupils continued to compete at a high level in sport, some at County and National level. Notable successes were achieved in rugby, swimming, sailing, cross country running and fell running. Outdoor education trips continue to be highly successful and included expeditions for all lower year groups which are proving to be exceptional. Year 10 expeditions were unfortunately cancelled this year however every member of the school from years 5 to 10 continued through lockdown with their outdoor education experience.

Public benefit

St David's College Trust remains committed to the aim of providing public benefit in accordance with its founding principles. Charity law has introduced the requirement to demonstrate that public benefit for charitable purposes where it has hitherto been presumed in the absence of evidence to the contrary.

The award of bursaries for the needy is a measurable means of providing public benefit. The Board takes the view that bursaries awarded to those who would not otherwise be able to afford the fees are important, but not to the exclusion of the much wider benefit that the College provides within the community. Those pupils who attend our college and who receive financial support contribute to the college community in a variety of ways. Hence the benefit is not purely to these pupils but to the whole College and, in some cases to the wider community. This year the College awarded scholarships, bursaries and other awards to the value of £592,135 10.3% of gross fees (2019 was £ 645,396, at 10.1% of gross fees) helping 117 children to pursue their education at the College. The Governors will continue to demonstrate public benefit by making awards based on academic ability and financial need. We continue to provide for LEA funded students and 2 students who are partially funded by external Charitable Trust Funds.

The College has offered its facilities to local schools, organising several events including sporting activities. The sports facilities are used by several local cricket teams on a non-profit making basis. Local groups continue to make use of our facilities for meetings and drama clubs. The College opens up its historic buildings to the public as part of an annual Heritage Scheme in the county.

Fundraising performance

In addition to the annual Children in Need, shoe bags for VetShed and Macmillan Cancer charity days, the parents and teachers have set up an independent Parent Teachers Association whose prime concern is to raise funds for both the school and charity. We are supporting the local food bank this year not only at Christmas but throughout the year.

ST DAVID'S COLLEGE TRUST

GOVERNORS' ANNUAL REPORT

Year ended 31 August 2020

Investment performance

The Governors' investment policy complies with the Trustees Act 2000 and, in conjunction with working capital, is directed at covering the future liability of funds held in the Advanced Fee Payment Scheme (AFPS). Funds held in the AFPS are £237,501 (2019: £258,833). The value of investments held is £118,174 (2019: £121,807). Investments have performed as expected.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

Despite the national fervour that resulted from the Government's decision to switch to Centre Assessed Grades and the impact on many schools across the nation due to results being changed, St David's had very few adjustments and indeed of those that were adjusted they were predominantly done so in an upward fashion.

The Summer 2020, Level 2 examination results (both GCSE and BTEC combined) have been excellent across the board. The pupils obtaining A/7 and above rose from 19.3% to 38.3% which is 12.4% above the figures for Wales and 10.7% for the UK. Deeper analysis indicates that the GCSE results 39.5% performed above the BTEC 31.25% at the A/7 and above boundary. There were many outstanding departmental results receiving 100% C/4 pass rates with English at 97% and Maths at 95% being particularly commendable.

Teaching staff differentiated tasks and homework to support these pupils to get the best that they could. Improvements have also been made that each pupil now has a pupil passport for MAT and will be reviewed throughout the whole of the year to ensure that independent learning and higher thinking skills are embedded throughout their time at SDC to ensure the highest possible success in examinations.

The results of pupils receiving C/7 grades at Level 2 was 95.1% which compares extremely favourably to the Wales figure of 74.5% and the UK figure of 78.8%. As a non-selective school we are very proud of these results in particular.

Within the sixth form those achieving A*-A/Distinction*- Distinction at Level 3 was 45.7% which included both A Levels and BTECs. A Levels alone accounted for 32.7% of the top grades, while comparably, in Wales it was 29.9% and 27.8% for the UK. The controversy will undoubtedly continue to rage regarding CAGs however we are extremely pleased with the results which saw 100% pass rate across the board at all levels and as many as 5 departments seeing 20% or more (maximum 67%) A and A* grades at Level 3. Of the leaving cohort, 5 are attending Russell Group Universities. Again, there have been incredible performances from the BTEC examination routes due to the appropriateness of the course and selection whilst progressing from Key Stage 4 to 5.

FINANCIAL REVIEW

Results for the year

The College's deficit of £149,318 (2019 £363,621 surplus) was above the target budgeted deficit of £194,220. This was due to additional pupils during the year and tight cost control. Operating costs tended to reduce against budget in most areas except for academic staffing costs where we incurred additional costs due to long term absence. Academic staffing costs were £3,033,572 (2019: £2,684,873).

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GOVERNORS' ANNUAL REPORT

Year ended 31 August 2020

Fees increased by 4.75% on 1st September 2019. The gross fee income decreased by £667,249 during the year due to the impact of Covid less the impact of the fee increase. Bursaries continued to be in demand, with the level awarded being 1.8% of gross fees at £102,468. Bursaries are awarded on a means tested basis. There was a decrease in net fees of £613,988.

Pupil numbers rose steadily from 251 to 258 by the year ended 31st August 2020 (258 during the year ended 31st August 2019). The new pupil intake at September 2019 was at a good level of 47. Pupil numbers at September 2020 are 262 and the new pupil intake is an excellent 75.

Covid has had detrimental effect on the finances for the year. Compared to the forecast done in January 2020 we lost approximately £900,000 of income but made substantial savings of approximately £700,000 with a net detrimental effect of approximately £200,000. The largest savings were made from the furlough scheme whereby we furloughed most of the support staff plus savings in catering, cleaning, utilities and estates from when the School was closed from 24 March 2020 to 31 August 2020. As the School was shut we had less capital projects in the year, the main one being the completion of the 17 bedroom extension to the Augusta girls boarding house which we opened in August 2020. We also continued our investment in boarding house refurbishments. Despite the deficit for the year we have maintained a strong balance sheet and cash reserves which have enable us to face the challenges the new year is presenting with the Covid pandemic.

Reserves Level and Policy and Financial Viability

The College's reserve policy is to maintain sufficient unrestricted income reserves 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 cash in bank and overdraft facility.

The College's total reserves are £2,656,340 (2019: £2,805,658) at the year end, of which £3,192,974 (2019: £2,725,159) relate to the fixed assets and investments of the school, leaving £(536,634) (2019: £80,499) of free reserves for the College. The Board deem this to be an adequate level of free reserves give the current climate and the availability of the £400,000 overdraft.

Restricted Funds of £110,610 (2019: £118,609) and Designated Funds of £179 (2019: £224) are held against various restricted activities, being the depreciating value of Tryfan Boarding House, the James Webb fund held for projects relating to the Assistive Technology Programme, the Boat fund which is held for the purchase and upkeep of school boats and the appeal value of Chelsea House. The Charity Commission has advised us that although the fund value of Tryfan must remain restricted, the cash surplus in respect of Chelsea may be used for other development purposes.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management

The Governors consider that previous years of economic turbulence, as well as the future uncertainties facing the country, could have an impact on our financial security through pupil numbers. Increased costs for manpower and other resources have been supported with an increase in fees. The Governors have also reviewed the risks faced in the principal areas of College operations, noting the continual risk assessments conducted by staff. The Governors remain of the opinion that the College has established resources and system which, under normal conditions, should allow risks to be mitigated to an acceptable level in the College's routine operations.

Again, this year, the Governors have monitored the requirements of the Charities Act on the College's charitable status. As reported under Public Benefit, the College can demonstrate its public benefit; the Governors see no necessity, therefore, to make any financial provision for the Charities Act requirements at this time.

ST DAVID'S COLLEGE TRUST

GOVERNORS' ANNUAL REPORT

Year ended 31 August 2020

The key controls used by the charity include:

- 1) Formal agendas for all Committee and Board activity
- 2) Detailed Terms of Reference for Finance, Education and Development Committees
- 3) Comprehensive strategic planning, budgeting and management accounting
- 4) Production of a College Development Plan which is continuously updated by the School Leadership Team
- 5) Established organisational structure and lines of reporting
- 6) Formal written policies and health and safety procedures
- 7) Vetting procedures as required by law for the protection of the vulnerable
- 8) Monitoring of cash flows on a termly basis

Through the risk management processes established for the College, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The main risks as identified by the Governors' are as follows:

Pupil Numbers

The Governing body review regularly the recruitment and retention of pupils. The College is pursuing many new marketing initiatives and has invested in its marketing budget and the appointment of a Registrar and Director of Strategic Development from September 2018 with a particular emphasis to grow boarding numbers.

Credit and Debt recovery Risk

The Governing body monitor the late and/or non-payment of fees and the steps in place to recover these debts, to prevent a detrimental effect on cash flow and income. Persistent debtors are pursued through legal channels to recover the debt. An adequate provision for bad debts that may not be recoverable is set each year to protect against any unpreventable losses.

Cash flow Risk

Cash flow is assessed on a monthly basis and reported to the Governing Body. The average cash balance by this year end was reported to be an adequate £1,148,268 (2019: £1,342,798)

Brexit

The Governing body are monitoring the impact of Brexit on the college in terms of its effect on the recruitment of pupils, supply of goods and services and travel to and from Europe.

Future Plans

The financial performance and positive cash flows, in recent years, has given the College the scope to consider the possibility of investing in more significant capital projects in the next few years.

- Refurbishment of boarding areas through our rolling upgrading and maintenance programme.
- Research of an improved sports facility either through the delivery of a multi-use games area or an indoor sports facility.
- Continue to develop a link to humanitarian projects in the UK and Europe, specifically for younger years to attend.
- Continue to improve ICT, technology for learning and communications systems within the college and boarding accommodation.
- Collaborate with the ODA in building a pavilion on the games pitch.
- Creating improved car-parking facilities for staff and visitors.
- Extra teaching staff.

ST DAVID'S COLLEGE TRUST

GOVERNORS' ANNUAL REPORT

Year ended 31 August 2020

Trustees/Governors' Responsibilities

The Governors (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Annual Report (incorporating the 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 Governors 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 of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Governors are required to:

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

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time to show and explain the charitable company's transactions, the financial position of the charitable company and enable them to ensure that the financial statements comply with the provisions applicable under the Companies Act 2006 and the charity's constitution.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Governors are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- as the Governors of the charity, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable for companies entitled to the small companies exemption.

Approved by the Board of Governors of St David's College Trust on and signed on its behalf by:

Rev.. Dr. Peter Gaskell, Chairman of Governors

ST DAVID'S COLLEGE TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ST DAVID'S COLLEGE TRUST

Opinion

We have audited the financial statements of St David's College Trust Ltd (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities (incorporating an income and expenditure account), the Statement of Financial Position, the Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

ST DAVID'S COLLEGE TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ST DAVID'S COLLEGE TRUST (continued)

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors report included within the Governors' Annual 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities (Page 11), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

ST DAVID'S COLLEGE TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ST DAVID'S COLLEGE TRUST (continued)

Use of our Report

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

Anna Spencer-Gray (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
One City Place
Queens Road
Chester
CH1 3BQ

Date

ST DAVID'S COLLEGE TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 August 2020

	Note	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2020 £	Total 2019 £
INCOME						
Income from Charitable Activities						
School fees	2	5,148,165	-	(14,450)	5,133,715	5,747,703
Other educational income	3a	5,516	-	-	5,516	52,691
Other ancillary income	3b	40,628	-	-	40,628	67,373
Donations	3c	-	-	27,350	27,350	-
Grant Income	3d	217,714	-	-	217,714	-
Investment income	4	3,130	-	-	3,130	2,806
Total income		<u>5,415,153</u>	<u>-</u>	<u>12,900</u>	<u>5,428,053</u>	<u>5,870,573</u>
EXPENDITURE						
Expenditure on Charitable Activities	8	5,452,987	45	20,899	5,473,931	5,457,393
Costs of raising funds	8	99,807	-	-	99,807	49,851
Total expenditure	8	<u>5,552,794</u>	<u>45</u>	<u>20,899</u>	<u>5,573,738</u>	<u>5,507,244</u>
NET EXPENDITURE AND NET MOVEMENT IN FUNDS BEFORE GAINS AND LOSSES ON INVESTMENTS		(137,641)	(45)	(7,999)	(145,685)	363,329
Net (losses) / gains on Investment	11	(3,633)	-	-	(3,633)	292
NET MOVEMENT IN FUNDS FOR THE YEAR		<u>(141,274)</u>	<u>(45)</u>	<u>(7,999)</u>	<u>(149,318)</u>	<u>363,621</u>
Fund balances as at 1 September		<u>2,686,825</u>	<u>224</u>	<u>118,609</u>	<u>2,805,658</u>	<u>2,442,037</u>
FUND BALANCES AT 31 AUGUST	17	<u>2,545,551</u>	<u>179</u>	<u>110,610</u>	<u>2,656,340</u>	<u>2,805,658</u>

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The notes on pages 17 to 34 form part of these financial statements

ST DAVID'S COLLEGE TRUST

Company Registration Number 01351369

STATEMENT OF FINANCIAL POSITION

As at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	3,074,800	2,603,352
Investments	11	118,174	121,807
Total fixed assets		<u>3,192,974</u>	<u>2,725,159</u>
Current assets			
Land held for sale	12	37,227	37,227
Stocks		25,776	22,794
Debtors due within one year	13	102,601	244,130
Cash at bank and in hand		613,190	1,097,389
		<u>778,794</u>	<u>1,401,540</u>
Creditors: amounts falling due within one year	14	(928,463)	(978,727)
Net current assets		<u>(149,669)</u>	<u>422,813</u>
Total assets less current liabilities		<u>3,043,305</u>	<u>3,147,972</u>
Creditors: amounts falling due after more than one year	15	(386,965)	(342,314)
Net assets		<u>2,656,340</u>	<u>2,805,658</u>
Funds			
Restricted funds	18a	110,610	118,609
Designated funds	18b	179	224
Unrestricted funds	18c	2,545,551	2,686,825
Total funds		<u>2,656,340</u>	<u>2,805,658</u>

The accounts have been prepared in accordance with the provision Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

The financial statements on pages 14 to 34 were approved and authorised for issue by the Board on and signed on its behalf by:

Rev.. Dr. Peter Gaskell, Chairman of Governors

The notes on pages 17 to 34 form part of these financial statements.

ST DAVID'S COLLEGE TRUST

STATEMENT OF CASH FLOWS

For the year ended 31 August 2020

	Note	2020		2019	
		£	£	£	£
Cash from operating activities	23		174,818		553,077
Interest paid		(7,881)		(6,724)	
Net cash from operating activities			<u>166,937</u>		<u>546,353</u>
Cash from/ (used in) investing activities					
Investment income		3,130		2,806	
Purchase of tangible fixed assets		(632,484)		(376,871)	
Cash used in investing activities			<u>(629,354)</u>		<u>(374,065)</u>
Fees in advance scheme	15a				
New fees in advance		175,759		310,651	
Amounts accrued to fees in advance contracts		2,946		2,965	
Amounts utilised		(200,487)		(250,896)	
			<u>(21,782)</u>		<u>62,720</u>
(Decrease)/Increase in cash and cash equivalents in the year			<u>(484,199)</u>		<u>235,008</u>
Cash and cash equivalents at beginning of the year			<u>1,097,389</u>		<u>862,381</u>
Cash and cash equivalents at end of the year			<u><u>613,190</u></u>		<u><u>1,097,389</u></u>

ST DAVID'S COLLEGE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

1 Accounting policies

Basis of preparation of the financial statements

St David's College Trust, Llandudno (the College) is an incorporated charitable company which is limited by guarantee, (registered company no. 01351369), (charity no. 1075705), registered in England & Wales. The College's registered address and principle place of business is St David's College, Llandudno, LL30 1RD.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value except for certain financial instruments at fair value. The Financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102), the Companies Act 2006 and the Charities Act 2011. The principal accounting policies adopted in the preparation of the accounting policies are set out below.

The College constitutes a public benefit entity as defined by FRS 102.

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

Going concern

The College's ability to continue operating is aided by the continued support of its bankers and the availability of adequate overdraft facilities, should they be required. The overdraft facility has been renewed up to November 2021. Detailed cash flow forecasts and budgets have been prepared and approved by the Governors to ensure the College can meet its financial commitments when they become due in the coming year. The College has implemented a strategy focused on pupil recruitment and a programme of cost cutting to ensure the College can operate within its agreed bank overdraft facilities. On this basis therefore it is appropriate to prepare financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the withdrawal of support from the College's bankers.

At the time of completing these accounts the Corona virus outbreak due to Covid-19 had been declared a pandemic with a second wave hitting the UK throughout the autumn of 2020. We have considered the impact of Covid19 within our financial modelling and have considered the impact of a large drop in pupil numbers and the Governors have concluded that it is reasonable to expect that the school will generate sufficient resources to continue in operational existence for the foreseeable future and meet all of its financial obligations. For this reason, the Governors have continued to adopt a going concern basis in preparing the School's financial statements.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the College, but include contributions received from Restricted Funds for Scholarships, Bursaries and other grants. Scholarships are assessed and awarded on a pupil's merit following an annual Scholarship Day held in the early Spring term. Bursaries are considered on the basis of a declaration of income and liabilities from the parents applying for such an award. Non-refundable fees received in advance of education to be provided in future years under an Advance Fee Payment Scheme contract are held as interest-bearing liabilities until either taken to income in the term when used or transferred to another school.

ST DAVID'S COLLEGE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

(continued)

Investment income

Investment income from bank balances and fixed asset investments are accounted for on an accruals basis.

Expenditure

Expenditure is accounted for on an accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

Costs of raising funds are those costs incurred in attracting income and those incurred in trading activities that raise funds.

Charitable activities include expenditure associated with the running of the school and include both the direct costs and support costs relating to those activities. Governance costs (included within support costs) comprise the costs of running the charity, including strategic planning for its future development, also internal and external audit, any legal advice for the College Governors, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. The capitalisation policy is that purchases of more than £1,000 and with a useful life of over 12 months are considered to be capital purchases.

Land and buildings are classified as fixed assets held primarily for charity use and do not include investment assets. Land deemed as to be put up for sale within 12 months is classified as current assets.

Depreciation is provided so as to write off the cost of the fixed assets less their estimated residual value over their estimated useful lives. The current depreciation rates are as follows:

Leasehold buildings	2% p.a. (2.5% in 2006 and prior years) – straight line
Portable buildings	10% p.a. – reducing balance
Equipment and furnishings	19% to 21% p.a. – reducing balance
Motor vehicles	25% p.a. – reducing balance
Assets in the course of construction	No depreciation

Investments

Listed investments are included in the financial statements at market value 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.

Stocks

Stocks are valued at the lower of cost and net realisable value. Stocks comprise of resources purchased during 2019/20, for use in the academic year 2020/21.

ST DAVID'S COLLEGE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

(continued)

Pension schemes

The College participates in the Teachers' Pension Scheme (England and Wales) (the TPS), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the College. The College, in accordance with FRS 102 therefore, the Scheme is accounted for as a Defined Contribution Scheme.

The College also participates in a defined contribution group personal pension scheme for employees who are not eligible for membership of the TPS. The employer contributions start from 8.35% up to a maximum of 12.35% in line with the amount the employee wishes to contribute personally.

Contributions to both schemes are charged in the SOFA as they become payable.

Operating leases

Rentals payable under operating leases are charged to resources expended on a straight-line basis over the period of the lease.

Unrestricted Funds and Designated fund

Funds are retained to cover the fixed assets, provide working capital and repay long-term loans. Funds are designated within Unrestricted Funds when there is a specific project to be undertaken.

The designated fund represents the depreciating value of the furniture and equipment of the Chelsea House along with the surplus in the specific designated bank account.

Restricted fund

The restricted fund represents the depreciating value of the Tryfan Boarding House and the James Webb Assistive Technology Suite.

Funds are restricted when they have been given or raised for a specific purpose.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

Financial instruments

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

Financial assets are recognised in the College's balance sheet when the school becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables (but not prepayments) not measured at amortised cost, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

ST DAVID'S COLLEGE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

(continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in Statement of Financial Activities.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement as, either, financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Critical accounting estimates and assumptions

The College makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Pension scheme valuation assumptions

Assumptions have been made by the actuary in calculating the valuation of the defined benefit pension scheme at the year end. Details of the assumptions made are included within the pension note.

Bad debt provision

Fee debtors are reviewed, annually, when the governors consider the requirement to write off any bad debts over 12 months old or those which are found to be non-recoverable. All fee debts, which are outstanding at the end of the financial year, less any amounts expected during the following financial year, will be covered by a bad debt provision, unless those fees are believed to be payable within the next 3 months.

Depreciation rates

Depreciation policies are applied to each asset category in order to reflect the useful economic life of the assets.

2 Income from charitable activities

School fees

	2020	Unrestricted 2019
	£	£
(a) The School's fee income comprised:		
Gross fees	5,725,850	6,393,099
Less: Bursaries and awards	(249,738)	(337,114)
Fee discounts	<u>(342,397)</u>	<u>(308,282)</u>
	<u>5,133,715</u>	<u>5,747,703</u>

For the year ended 31 August 2020
(continued)

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ST DAVID'S COLLEGE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

(continued)

4 Investment income

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Investment income	3,130	-	3,130	2,806
	<u>3,130</u>	<u>-</u>	<u>3,130</u>	<u>2,806</u>

The total income in 2019 was attributable to unrestricted funds.

5 Total staff costs comprised

	2020 £	2019 £
Wages and salaries	3,096,622	3,004,151
Social security costs	290,184	269,553
Pension contributions	537,036	371,166
	<u>3,923,842</u>	<u>3,644,870</u>

The average full-time equivalent number of employees employed by the School during the year was:

	2020	2019
Teaching	59	53
Welfare	16	16
Premises	8	8
Support	8	10
	<u>91</u>	<u>87</u>

The average number of employees on the payroll was

<u>127</u>	<u>125</u>
------------	------------

None of the Board members received remuneration in the year.

Governor travel and training expenses of £2,210 (2019: £5,266) – paid to Governors during the year to reimburse out of pocket expenses relating to travel.

An ex gratia payment of £2500 was paid during the year. The payment was in relation to a termination of employment settlement agreement.

ST DAVID'S COLLEGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020
(continued)

5 Total staff costs comprised (continued)

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

	2020	2019
£60,000- £70,000	1	1
£80,000-£90,000	-	1
£90,000- £100,000	1	-
£100,000-£110,000	1	-
£110,000- £120,000	-	1
	<u> </u>	<u> </u>

Contributions by the school for the higher-paid employee shown above amounting to £19,808 (2019 £13,514) were made to the Teachers' Pension Fund, a defined benefit scheme.

	2020	2019
Aggregate employee benefits of:		
Key management personnel	379,084	360,658
	<u> </u>	<u> </u>

The key management personnel are the Headmaster, the Bursar, the Deputy Head, the Chaplain and the Registrar and Director of Strategic Development

6 Analysis of Governance expenditure included within support costs

	2020	2019
	£	£
Auditors remuneration including VAT: for audit services	18,000	18,000
Governors travel expenses	2,210	5,266
	<u>20,210</u>	<u>23,266</u>

7 Net (expenditure)/income for the year

	2020	2019
	£	£
Operating leases:		
- Land & buildings	35,700	35,700
- Motor	43,224	30,118
- Equipment	21,368	22,068
Depreciation	<u>159,953</u>	<u>169,442</u>

ST DAVID'S COLLEGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020
(continued)

8 Expenditure

	Staff costs £	Other costs £	Depreciation £	2020 Total £	2019 Total £
Costs of raising funds:					
Financing costs	-	4,903	-	4,903	3,476
Bank interest and charges	-	2,978	-	2,978	3,249
Bad debts write off	-	91,926	-	91,926	43,127
	<u>-</u>	<u>99,807</u>	<u>-</u>	<u>99,807</u>	<u>49,851</u>
Charitable activities					
Teaching	3,102,103	257,880	44,310	3,404,293	3,050,308
Welfare	296,558	148,799	40,764	486,121	564,624
Premises	212,745	631,375	71,334	915,454	1,070,879
Support costs of schooling	312,436	352,082	3,545	668,063	771,582
School's operating costs	<u>3,923,842</u>	<u>1,390,136</u>	<u>159,953</u>	<u>5,473,931</u>	<u>5,457,393</u>
Total expenditure	<u>3,923,842</u>	<u>1,489,943</u>	<u>159,953</u>	<u>5,573,738</u>	<u>5,507,244</u>

Total expenditure was £5,573,931 (2019: £5,507,244) of which £20,999 (2019: £7,999) was restricted and £45 (2019: £56) was designated. Total remaining funds were unrestricted.

	Staff costs £	Other Costs £	Depreciation £	2020 Total £	2019 Total £
Support costs of schooling					
Salaries	312,436	-	-	312,436	441,198
PR & Marketing	-	139,852	-	139,852	148,721
Agents Commission	-	64,248	-	64,248	80,981
Legal and professional	-	84,272	-	84,272	29,282
Postage and stationery	-	33,619	-	33,619	36,967
Telephones	-	30,091	-	30,091	30,678
Depreciation	-	-	3,545	3,545	3,755
	<u>312,436</u>	<u>352,082</u>	<u>3,545</u>	<u>668,063</u>	<u>771,582</u>

ST DAVID'S COLLEGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020
(continued)

9 Taxation

The charity is exempt from tax on income and gains falling within Part 11 of the Corporation Taxes Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

10 Tangible fixed assets

	Assets in the course of construction £	Short Leasehold Land and Buildings £	Portable Buildings £	Motor Vehicles £	Equipment & Furnishings £	Total £
Cost						
At 1 September 2019	63,875	3,400,174	29,756	39,555	2,405,306	5,938,666
Additions	571,385	1,507	-	8,400	51,192	632,484
Disposals	-	-	-	(3,000)	(5,877)	(8,877)
At 31 August 2020	635,260	3,401,681	29,756	44,955	2,450,621	6,562,273
Depreciation						
At 1 September 2019	-	1,191,912	24,706	26,089	2,092,607	3,335,314
Charge for year	-	78,150	505	5,662	75,636	159,953
Disposals	-	-	-	(2,873)	(4,921)	(7,794)
At 31 August 2020	-	1,270,062	25,211	28,878	2,163,322	3,487,473
Net Book Value						
At 31 August 2020	635,260	2,131,619	4,545	16,077	287,299	3,074,800
At 31 August 2019	63,875	2,208,262	5,050	13,466	312,699	2,603,352

ST DAVID'S COLLEGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020
(continued)

11 Investments

	2020	2019
	£	£
Investments at market value at 1 September 2019	121,807	121,515
Additions	22,942	18,967
Disposals	(25,815)	(17,001)
Increase/ (Decrease) in Cash	1,673	(3,166)
Revaluation (loss)/surplus	(3,633)	292
Fees	1,200	1,200
	<u>118,174</u>	<u>121,807</u>
Investments at market value at 31 August 2020	<u>118,174</u>	<u>121,807</u>
	<u>113,710</u>	<u>115,629</u>
Historical Cost of investments	<u>113,710</u>	<u>115,629</u>

Listed investment assets in the UK

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Listed investments				
Quoted fixed interest securities	62,924	-	62,924	45,774
Other investments	51,199	-	51,199	73,655
Other investments				
UK cash held as part of portfolio	4,051	-	4,051	2,378
	<u>118,174</u>	<u>-</u>	<u>118,174</u>	<u>121,807</u>

All investments are primarily held to provide an investment return. All investments are carried at their fair value. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects.

At the year-end the College's long-term investments totalled £118,174. The overall total investment return was a decrease of £503 which is a satisfactory result given the economic climate and growth. Investments are made up of UK bonds, UK and overseas equities and a Sterling Capital Account.

12 Land held for sale

	2020	2019
	£	£
Land held for sale	37,227	37,227
	<u>37,227</u>	<u>37,227</u>

School fees which were previously secured by a Voluntary Legal Charge were realised during 2012/13 and the School took possession of land included at £37,227 the value of the outstanding debt.

ST DAVID'S COLLEGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020
(continued)

13 Debtors

	2020	2019
	£	£
Fees and extras in arrears	36,854	148,430
Other debtors	1,871	3,302
Prepayments	63,876	92,398
	<u>102,601</u>	<u>244,130</u>

Debts which have been written off during the year amounted to £19,190 (2019: £3,710). The provision for doubtful debts has increased £72,736 in the year.

14 Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	20,478	58,854
Accruals	134,782	128,423
Other creditors	62,519	79,481
School fees in advance	533,699	545,264
Deposits against recoveries	47,100	51,607
Tax and Social Security	66,487	65,686
Pension contributions	63,398	49,412
	<u>928,463</u>	<u>978,727</u>

School fees in advance include £237,051 (2019 £258,833) relating to the Advance Fee Payments Scheme, see note 15a for details. The remainder are for Autumn term 2020.

	2020	2019
	£	£
School fees in advance (excluding advance fee payment schemes)		
At 1 September 2019	347,481	412,236
Released from previous year	(347,481)	(412,236)
Resources deferred in the year	382,615	347,481
	<u>382,615</u>	<u>347,481</u>
Deferred income at 31 August 2020		

Bank overdraft

The bank overdraft is secured by a first mortgage dated 13 November 2000 over the College's leasehold property known as St David's College, Gloddaeth Hall and Cottages, Llandudno, LL30 1RP and the following debentures dated 7 December 2000 and 20 July 1999.

Debenture including Fixed Charge over all present freehold and leasehold property; First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future, and First Floating Charge over all assets and undertaking both present and future dated 7 December 2000.

ST DAVID'S COLLEGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020
(continued)

15 Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
School fees received in advance (see note 15a)	85,967	61,050
Deposits against recoveries	300,998	281,264
	<u>386,965</u>	<u>342,314</u>

The deposits are from parents and are disclosed as partly repayable after more than one year because they are repayable when the pupil leaves and it is reasonable to assume that many pupils will not be leaving within one year.

15a Advance fee payments

Parents may pay to the College up to the equivalent of 7 years tuition fees in advance. Ownership of the funds passes to the College on receipt, but advance payments can be repaid if a pupil does not come to St David's or leaves the College earlier than had been anticipated.

Assuming pupils will remain in the College, advance fees will be applied as follows:

	2020	2019
	£	£
Within 1 year	151,083	197,783
Within 2-5 years	<u>85,968</u>	<u>61,050</u>
	<u>237,051</u>	<u>258,833</u>

The balance included in creditors represents the accrued liability under the contracts. The capital movements during the year were:

	2020	2019
Balance at 1 September 2019	258,833	196,113
New scheme in year	175,759	310,651
Amounts accrued to contracts as debt financing costs	2,946	2,965
Amounts utilised in payment of fees	<u>(200,487)</u>	<u>(250,896)</u>
Balance at 31 August 2020	<u>237,051</u>	<u>258,833</u>

ST DAVID'S COLLEGE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

16

(continued)

Financial instruments

	2020 £	2019 £
<i>Carrying amount of financial assets</i>		
Financial assets measured at fair value	155,401	159,034
Debt instruments measured at amortised cost	<u>36,854</u>	<u>148,430</u>
<i>Carrying amount of financial liabilities</i>		
Measured at amortised cost	<u>(695,762)</u>	<u>(714,727)</u>

17 Allocation of the charity net assets

The net assets are held for the various funds as follows:

31 August 2020

	Fixed Assets £	Investments £	Net Current Assets £	Long Term Liabilities £	Total £
Restricted funds	108,852	-	1,758	-	110,610
Unrestricted funds:					
Unrestricted funds	2,965,769	118,174	(344)	(300,997)	2,782,602
Advance fees	-	-	(151,083)	(85,968)	(237,051)
Unrestricted funds:	179	-	-	-	179
Designated					
	<u>3,074,800</u>	<u>118,174</u>	<u>(149,669)</u>	<u>(386,965)</u>	<u>2,656,340</u>

31 August 2019

	Fixed Assets £	Investments £	Net Current Assets £	Long Term Liabilities £	Total £
Restricted funds	116,851	-	1,758	-	118,609
Unrestricted funds:					
Unrestricted funds	2,486,277	121,807	618,838	(281,264)	2,945,658
Advance fees	-	-	(197,783)	(61,050)	(258,833)
Unrestricted funds:	224	-	-	-	224
Designated					
	<u>2,603,352</u>	<u>121,807</u>	<u>422,813</u>	<u>(342,314)</u>	<u>2,805,658</u>

ST DAVID'S COLLEGE TRUST
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For the year ended 31 August 2020
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18a Restricted funds

31 August 2020	Balance at 1 September 2019 £	Incoming Resources £	Resources Expended £	Transfer £	Balance at 31 August 2020 £
Tryfan	110,816	-	(5,688)	-	105,128
James Webb	6,035	-	(2,311)	-	3,724
Boat fund	1,758	-	-	-	1,758
Donations	-	12,900	(12,900)	-	-
	<u>118,609</u>	<u>12,900</u>	<u>(20,899)</u>	<u>-</u>	<u>110,610</u>
31 August 2019	Balance at 1 September 2017 £	Incoming Resources £	Resources Expended £	Transfer £	Balance at 31 August 2019 £
Tryfan	116,504	-	(5,688)	-	110,816
James Webb	8,346	-	(2,311)	-	6,035
Boat fund	1,758	-	-	-	1,758
	<u>126,608</u>	<u>-</u>	<u>(7,999)</u>	<u>-</u>	<u>118,609</u>

Tryfan: The balance represents the depreciating value of the Boarding House.
James Webb Fund: The fund was set up to provide an assistive technology suite.
Boat Fund: Donations received towards the purchase and upkeep of boats.

ST DAVID'S COLLEGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020
(continued)

18b Unrestricted funds: Designated

31 August 2020	Balance at 1 September 2019 £	Incoming Resources £	Resources Expended £	Transfer £	Balance at 31 August 2020 £
Development Appeal	224	-	(45)	-	179
<hr/>					
31 August 2019	Balance at 1 September 2019 £	Incoming Resources £	Resources Expended £	Transfer £	Balance at 31 August 2019 £
Development Appeal	280	-	(56)	-	224
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Development Appeal: The balance represents the depreciating value of the Chelsea House furniture and equipment, which may now be used for other development purposes.

18c Unrestricted funds

31 August 2020	Balance at 1 September 2019 £	Incoming Resources £	Resources Expended £	Gains/ (Losses) £	Balance at 31 August 2020 £
General reserve	2,686,825	5,428,053	(5,565,694)	(3,633)	2,545,551
<hr/>					
31 August 2019	Balance at 1 September 2018 £	Incoming Resources £	Resources Expended £	Gains/ (Losses) £	Balance at 31 August 2019 £
General reserve	2,315,149	5,870,573	(5,499,189)	292	2,686,825
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ST DAVID'S COLLEGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020
(continued)

19 Contracts and commitments

There is a capital commitment for £16,030 at 31 August 2020 (2019: £440,097). This is to build a 17 bedroom extension to the Augusta girl's boarding house. The work is being done by Best Construction Limited.

20 Operating lease

The lease, covering the school buildings and the grounds, granted by Mostyn Estates expires in 2060.

Total Future minimum lease payments:

	2020	2019
	£	£
Under 1 year	93,829	104,172
1 – 5 years	302,757	315,601
After 5 years	<u>1,213,500</u>	<u>1,264,375</u>
	<u>1,610,086</u>	<u>1,684,148</u>

The leases relate to land and buildings, minibuses and equipment.

21 Related party transactions

Charlotte Hart (Governor) is an Associate at Hill Dickinson LLP. Hill Dickinson LLP provided legal services of £10,445 (2019: £8,174) during the year. This provision is in accordance with the College's governing document. There was a balance of £288 (2019: £6,300) outstanding at the end of the year.

P Gaskell (Governor) is a member of the Titus Trust who, during the previous year, conducted a summer camp at the College at a hire charge of £43,600; the charge is linked to the College's fees. There was no balance outstanding at the year end. The summer camp was cancelled in the current year due to Covid.

Lord Mostyn (Governor) is a director of Mostyn Estates Limited from whom the School leases its property under a lease which expires in 2060. The charge for the year was £35,700 (2019: £35,700). Mostyn Estates also charges the School buildings insurance which was £21,268 for the year (2019: £20,524). There is no balance outstanding at the year end.

Brent Jackson's (Governor) brother Stuart Jackson has undertaken a review of the College's IT-infrastructure using his company Multimedia Controls Limited. The total fee was £960. Of which half was paid in year ending 31 August 2019 £480 and half in year ending 31 August 2018. Nil in current year.

ST DAVID'S COLLEGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020
(continued)

22 Pension costs

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £494,830 (2019: £319,426) and at the year-end £55,873 (2019 - £41,668) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020 and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

ST DAVID'S COLLEGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020
(continued)

Group personal pension scheme

The College also participates in two defined contribution group personal pension schemes for employees who are not eligible for membership of the TPS. The costs for the year represent the College's contributions to those schemes of £42,206 (2019: £42,674) with a balance unpaid at the year-end of £6737 (2019: £7,374).

23 Cash generated from operations

	2020	2019
	£	£
Net (deficit)/ income for the year	(145,685)	363,329
Eliminations of non-operating cash flows:		
Investment income	(3,130)	(2,806)
Finance costs	7,881	6,724
Depreciation of tangible fixed assets	159,953	169,442
Profit on disposal of tangible fixed assets	(2,946)	(2,155)
Proceeds from the disposal of fixed assets	4,029	3,500
Operating cash flows before movements in working capital	<u>20,102</u>	<u>538,034</u>
 (Increase)/Decrease in stocks	 (2,982)	 2,811
Decrease/(Increase) in debtors	141,529	(8,634)
Increase in creditors (excluding fees in advance scheme)	16,169	20,866
 Cash generated from operations	 <u><u>174,818</u></u>	 <u><u>553,077</u></u>