

ALBERT MEMORIAL COLLEGE

FINANCIAL STATEMENTS

For the year ended 31 July 2020

ALBERT MEMORIAL COLLEGE

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ALBERT MEMORIAL COLLEGE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 JULY 2020

The Governors (who are also the Trustees for the purposes of charity law) present their report and the accounts for the year ended 31 July 2020.

Reference and Administrative details

The Corporation of the Albert Memorial College (known as Framlingham College and Framlingham College Prep School) is regulated by a Royal Charter granted on 30th July 1864, as amended by a Supplemental Royal Charter granted on 19th July 2005. The Corporation is a registered Charity with registration number 1114383. The charity is regulated by a Scheme of the Charity Commissioners dated 24th July 2006.

The principal address is Framlingham College, College Road, Framlingham, Suffolk, IP13 9EY.

Clare, Countess of Euston, The Lord Lieutenant of Suffolk Patron

Mr R J Sayer President

Present Trustees

Ex Officio Governors

Representative of the Bishop of Ipswich & St Edmundsbury –
The Rt Reverend G Knowles CVO FKC

Master of Pembroke College -
The Rt Hon Lord Smith of Finsbury PC MA PhD

The President of The Society of Old Framlinghamians –
Air Vice-Marshals S R C Dougherty

Governors

Air Vice-Marshal T W Rimmer	- Chairman of the Board of Governors
Mr C Packshaw	- Vice Chairman
Mrs S Ashurst	
Mrs B Clark	
Mrs P Creasy	
Air Vice-Marshal S R C Dougherty	
Mr J Ellerby	
Mr I Fulcher	
Mr P C Howard – Dobson	
Mr J A B Kelsall	
Mr P Lawrence	
Mr N Lingwood	
Mr D Mallett	
Mr P Moorhouse	
Mr P Over	
Mr G C J Powell	
Mrs L Rowan-Robinson	
Dr S Rudland	
Mr M Slater	
Mrs C Torrens	

ALBERT MEMORIAL COLLEGE

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 JULY 2020

Reference and Administrative details
(continued)

Professional Advisers

Bankers: Barclays Bank plc
PO Box 216
Brightwell Court
Martlesham Heath
Ipswich IP5 3PW

Auditors: Ensors Accountants LLP
Chartered Accountants
Cardinal House
46 St Nicholas Street
Ipswich IP1 1TT

Solicitors: Veale Wasbrough
Orchard Court
Orchard Lane
Bristol BS1 5WS

ALBERT MEMORIAL COLLEGE

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 JULY 2020

2019/20 was a difficult year for everyone as the Covid-19 virus spread around the world. This has had an adverse impact on the financial results for the year. Further detail is included throughout this report.

Structure, Governance and Management

Governing documents

The Corporation is governed by the Royal Charter of 1864, as amended by the Supplemental Charter of 2005, and the Bye-Laws of the Corporation, as approved in 2005. The charity is regulated by a Scheme of the Charity Commissioners dated 24th July 2006.

Recruitment and appointment process

The Governing Body recognises the need to reflect a wide and diverse range of skills and interests, together with an appropriate relationship to the specific charitable objectives of the College.

The Nominations Group is mandated to monitor the composition of the Governing Body, and identify suitable candidates for future vacancies. This group meets regularly throughout the year and reports back to the full Governing Body. The composition of the group is as specified in the Corporate Governance document, which is subject to regular review by the full Governing Body.

A skills audit is regularly reviewed by the Nominations Group and all Governors are notified of upcoming vacancies as well as the ongoing need to identify suitable candidates for consideration. The Nominations Group actively seeks sources of new Governors. All potential candidates are judged against the skills that are required at that time to complement the body as a whole. Guidance on the protocol to follow when approaching potential new Governors has been agreed by the Board. In addition, the Risk Management and Governance Group maintains a watching brief to ensure the Governing Body remains fit for purpose.

Details of candidates recommended by the Nominations Group are circulated to all Governors, as stipulated in the Bye-Laws, and Governors are able to give due consideration to proposed candidates before ratification or rejection.

New Governors are required to complete a Governor's acceptance form which includes the code of conduct and guidance on declaring any potential sources of conflicts of interest. Each meeting of the Board is preceded by an agenda item reminding Governors of the need to consider if there are any issues to be discussed that might potentially be sources of conflict of interest to them.

Induction

Potential Governors are given a tour of the College and have an opportunity to meet senior members of staff. Upon election, they are given a more extensive introduction to the College and a formal induction programme. This includes a general résumé of the activities of the entire College, guidance on the role of a Governor and time with key staff. Safeguarding is essential and Governors are provided with information on this key area upon appointment.

The Induction pack contains such information as: History and organisation of the College; Governing documents; Management team organisation charts; Accounts; Prospectus; minutes of previous meetings.

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TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 JULY 2020

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Training

There is an element of continuous training in post as at each Governors meeting new issues are raised, explained, and debated. Full details of all issues are circulated in advance of meetings. Each termly Governors' meeting is part of a full day that provides Governors time outside of the formal agenda to meet staff and pupils and to explore issues in more depth. Established sub-groups involve the majority of Governors who gain a more in depth understanding of specific areas of interest. An annual Strategy day is held where Governors and senior staff have the opportunity to discuss matters of current interest in more detail.

Information on courses of relevance or interest is circulated to Governors. The advent of the pandemic has led to an increase in the availability and quality of online training opportunities. The convenience of these both in terms of time and location has meant that Governors have been increasingly keen to become more involved. Governors are encouraged to attend, with the College covering costs as necessary. Monthly updates from the school lawyers on matters of interest to Independent Schools are circulated to Governors as are regular bulletins from AGBIS and other professional associations.

Management Organisation structure

The Board of the Corporation meets formally three times a year to review the overall strategy and provide guidance on the general policy and structure of management. At the annual meeting Governors approve accounts, appoint auditors, take reports from groups as necessary, and appoint new Governors.

Following a review of governance best practice and risk management a number of Governor-led groups are in place to ensure Governors are fully informed and able to discharge their duties of oversight. Each Group is chaired by a Governor and includes both Governors and members of staff. Each formally reports at least annually to the full Board on a staggered, rolling cycle and has the opportunity to raise urgent issues at each meeting.

The Risk Management & Governance Group is tasked with identifying and monitoring top level risks to the school. It also monitors the operation of all other groups to ensure they are assessing risks within their area and checking management actions to address these.

The Nominations Group considers the structure and composition of the Governing Body. It identifies upcoming requirements and seeks suitable candidates to join the Board.

The Finance and Operations Group is concerned with ensuring sufficient resources are in place and suitably utilised to ensure the ongoing financial integrity of the College.

The Remuneration & HR Group determines pay and conditions for staff and considers other matters relating to employment of staff.

The Education Group is tasked with examining developments in the field of education to assist in advising the Governing body.

An Estates Management Group meets to assess strategic matters relating to the land and buildings at both schools.

The Health and Safety group checks that matters of Health and Safety are given sufficient weight within the College.

The Welfare group ensures up to date Safeguarding policies and procedures are in place and are being followed as well as overseeing wider pastoral issues.

The Appeals group meets as required to hear appeals from parents and staff. It is composed of Governors who are independent of the earlier stages of the complaints and disciplinary processes.

ALBERT MEMORIAL COLLEGE

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 JULY 2020

Management Organisation structure *(continued)*

Management Team

Principal and Head of the Senior School	Mrs JLM North
Senior Deputy Head	Ms S Wessels
Finance Director	Mr N Chaplin
Operations Director	Mr A Payn
Development Director	Mr M Myers-Allen

Senior School

Deputy Head (Academic)	Mr D Ashton
Deputy Head (Pastoral)	Mr T Caston (to Aug 2020)
Deputy Head (Co-Curricular)	Mr M Robinson

Preparatory School

Head	Mr M King (to Aug 2020)
Deputy Head - Academic	Mr D Bilton
Deputy Head - Pastoral	Mrs J Coventry-King
Deputy Head - Co-Curricular	Mr MB Wilson

Subsidiaries

Albert Memorial College owns the whole of the ordinary share capital of a trading company, Framlingham College Enterprises Limited. This company's principal activities are the letting of the College's facilities during non-term time and providing catering facilities for courses and functions.

The registered office of Framlingham College Enterprises Limited is Framlingham College, College Road, Framlingham, Suffolk, IP13 9EY.

Significant professional relationships

The College and its officers are active members of the following associations: HMC, SHA, IAPS, AGBIS, ISBA, ISC. These bodies have been established to provide a forum for Independent schools to share best practice and to promote quality of education within the sector.

There is a highly valued relationship with the Society of Old Framlinghamians. These strong links are to the mutual advantage of each body as the College provides access to facilities and services to the alumni, and they reciprocate with both financial and professional support. The Bye-Laws of the College state that "where possible at least one third but not normally more than one half of Elected Governors to be former pupils of the school."

Engagement with employees

Governors regularly visit the College where they engage, both individually and in groups, with staff. Many of the Governor Groups regularly include staff in their deliberations to ensure their views are taken into account.

ALBERT MEMORIAL COLLEGE

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 JULY 2020

Engagement with parents

A parental questionnaire was circulated in 2019 and the results of this have been used to inform the future direction of travel. Following this process, Parents were invited to volunteer to participate in a Parent Forum and this now meets regularly. Weekly newsletters are sent to parents to ensure they are informed of latest developments and the Principal also writes a more detailed update each term. Parents evenings take place throughout the year where parents are able to meet teachers and discuss the progress of their children. During the pandemic, the College has held parents meetings and webinars virtually to ensure engagement with Parents continues.

Risk Management: risk review, system and procedures

The Governors of Framlingham College are responsible for ensuring that appropriate risk management and internal control systems are in place at the College (Senior School and Prep School). That mandate includes reviewing the major risks faced by the College in achieving its objectives, agreeing risk appetite and monitoring risk exposures to ensure that steps are taken to reduce and mitigate risks.

In accordance with our Governance practices, the Risk Management and Governance Group supports the Governors in monitoring risk and is responsible for reviewing the effectiveness of the risk management and internal control systems. It also ensures that all Governors Groups review risks in their areas and maintain appropriate risk management procedures. They in turn interface closely with the Executive Team which identifies the major risks faced by the College in achieving its objectives, assesses risk appetite and ensures that plans are in place to mitigate major risks.

The Governors' Risk Management Policy and the Risk Register are reviewed annually. The Risk Management Group is also responsible for checking that the risks identified are being managed within the college. Safeguarding, Health and Safety (including Security and Fire Safety), Crisis Management, Disaster Recovery and Recruitment policies and procedures are all identified as being necessary to mitigate potential risks and are therefore subject to continual review as part of this process.

The Governors assess risks in the context of impact and likelihood and have identified key risks to the ongoing functioning of the school. These are reviewed on a regular basis through the support of a Risk Register. All of these have been severely impacted by the impact of Covid-19.

Risk associated with reduced income arising from the ongoing impact of Covid-19 continues. Although the 2020/21 financial and academic year commenced with robust numbers of students we are very aware of the threat further lockdowns may have as well as the continuing impact on parental ability to pay school fees. Bank funding is already secured for reasonably foreseeable projections and the school remains actively engaged in ensuring all scenarios are backed by sufficient resources. We feel that it is reasonable, based on current assumptions to present the accounts on a going concern basis.

Operating a financially secure and sustainable business model

It is the role of the governors, through the oversight of the Finance and Operations Group, to ensure that robust planning, budgeting, forecasting and ongoing performance management processes are in place. Following the impact of Covid-19, which had both a significant financial and operational impact on the College regular contingency planning reviews were implemented allowing the College to launch remote delivery capabilities and to put in place key initiatives to protect the operating efficiency of the College.

ALBERT MEMORIAL COLLEGE

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 JULY 2020

Risk Management: risk review, system and procedures *(continued)*

Recruitment and retention of pupils

In addition to the recent appointment of a new Marketing and Communications Director, the College has set out some clear priorities through the strategic plan Vision 2025. There is a sharp focus on embedding a vibrant learning culture throughout the College, the Key Stage 3 curriculum is being reviewed and a new Head of Sixth Form has brought new energy, drive and dynamism to the Sixth form experience. The College's recruitment strategy focuses on recruitment both in the UK and overseas and draws on the experience of a wide range of staff to ensure successful retention and recruitment of pupils. Covid-19 had a particular impact on the boarding community and this remains a key area of focus with targeted attention overseas.

Welfare of pupils and staff

The College is committed to safeguarding and promoting the welfare of our pupils and staff and expects all stakeholders to share this commitment. Safety of pupils is paramount and we balance any external use of our facilities against any potential conflicts this may cause. The Safeguarding policy is continually under review by the Welfare Group and is approved by Governors annually or when substantively amended. The College pays the closest possible attention to the welfare of pupils and staff through the implementation of due Safeguarding and Health and Safety procedures, a first-rate medical centre, and robust recruitment policies. It ensures that its policies are under constant review and that best practices are updated on a regular basis. There is a regular programme of education for all staff and pupils on all areas of Welfare and the College makes appropriate use of counselling services.

Failure of IT systems

The College has a dedicated team to maintain the IT infrastructure, with a particular focus on avoiding down time and protecting systems from external threats, supported by robust back up data systems and disaster recovery procedures.

Reserves

Note 11 summarises the year's movement on each fund, shows the assets and liabilities attributable to the various funds by type and describes what the various funds relate to.

It has always been the opinion of the Governors that a significant level of freely available funds is not necessary for the operation of the school, and indeed is undesirable in the long term, as all surpluses should be reinvested in the school for the benefit of the pupils. In light of the impact of the Covid-19 pandemic we are re-assessing this position and are reviewing the assets and funding sources available to us. A close relationship is maintained with the bank and the bank account overdraft limit is set merely to cope with the cyclical termly pattern of income and expenditure. The facility is constantly reviewed by the Finance Director, with reference to the Finance and Operations Group.

The policy of the Governors is to reinvest any surpluses achieved year on year into extending and improving the facilities offered and enhancing the fabric of the school. Major capital projects are included in the school development plan, however all such expenditure is on indefinite hold until the pandemic has passed and the future is more certain. This is regularly reviewed by Governors to ensure that future spending needs are covered by accumulated surpluses and/or donations/fundraising.

ALBERT MEMORIAL COLLEGE

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 JULY 2020

Objectives and activities

Charitable Objects

The Supplemental Charter describes the objects of the charity as follows. "The objects of the Corporation shall be the advancement of education and training for the benefit of the public by the provision and conduct in or near Framlingham of a day and/or boarding college for boys and girls and a junior school, at Brandeston, in the County of Suffolk, or at such other place or places within or outside our United Kingdom as the Governing body may direct." In setting objectives and aims and planning methods of delivery the wider context of the need to provide public benefit is taken fully into account by Governors and staff and a public benefit policy has been established for many years. Details of areas in which we are active are published on the school website.

Strategic Aims

The College's philosophy and purpose is to develop in each child the knowledge and skills they need to thrive as global citizens in their adult world. At the heart of our plan is embedding a culture that shines a light on the joy to be found in learning, whatever and wherever that learning might be. Our aim is to build a mindset in each and every pupil that allows them the confidence and self-belief to work their way through problems, and to be wiser and more reflective. As educators, it is our job to inspire, guide and equip them with the skills and habits they will need to embrace their adult world.

Much of our focus is in investing in people, the very best kind of investment. It is only through time, determination and expertise that we will succeed in fully embedding the mindset and culture that we aspire towards.

Vision 2025 is not an exhaustive list of all that we wish to achieve, but by signposting our values and priorities, we are making clear our intentions. Intrinsic to progress will be many other small, incremental improvements and developments that when taken together will also make a significant contribution. This plan is also a dynamic document - as is the Development Plan that lies behind it - and it will therefore evolve over the coming months and years.

The College draws support from the Friends of Brandeston Hall, FramSoc, Fram Leisure, the Society of Old Framlinghamians and the local community, including close links to the Town Council, local state schools and business groups. These groups encourage pupils, current and former, as well as parents, staff and other interested parties, to maintain close contact with the College. In this way we can monitor current perceptions of our success and whether our overall strategy is working in practice.

In setting objectives, Governors give careful consideration to the Charity Commission's public benefit guidance.

ALBERT MEMORIAL COLLEGE

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 JULY 2020

Objectives and activities *(continued)*

Key Objectives

- To develop a vibrant learning culture through a seamless, rich and diverse curriculum, in an inspirational and thought-provoking environment.
- To support and nurture the wellbeing of every member of the Framlingham College community. To ensure the personal growth of each child, developing their self-belief and resilience.
- To provide a full, varied and inclusive co-curricular programme which builds confidence, motivates and challenges, encouraging learning and personal development beyond the classroom.
- To widen access to a Framlingham College education, to work in partnership with other schools, and to develop within each pupil a sense of their place in the world.
- To market the College with self-assurance and ambition as the first-choice boarding and day school in East Anglia.
- To maintain a sustainable business model to deliver our vision.

Achievements and Performance

Achievements of the school

The arrival of a new Principal was an opportunity for reflection on the direction the College was taking. Work began straight away to establish a clear structure for the College. Framlingham College is one school, starting at 3 and finishing at 18. It is situated on two sites, Framlingham College Prep School and Framlingham College Senior School. The Principal is responsible for Framlingham College and has overarching control of the education of each child in the College, whether in the nursery or the Sixth Form or anywhere in between. To assist her in the running of the Prep School, there is a Head of Framlingham College Prep School. The Principal is also the Head of the Senior School. It was important to establish this clear structure and line management to allow Framlingham College as an organisation to move forward, confident of its identity and ultimately of the direction in which it is moving as one College.

The Principal worked with her Senior Team and the Governing body over the course of the year to develop a Strategic Plan for the next five years. Vision 2025 was published at the end of June 2020 and sets out clearly the priorities and objectives for the College. Our purpose is to equip every child with the skills and knowledge that they need to thrive as global citizens in their adult world. This process begins when the pupils join us in the Prep School and their education should move seamlessly through each Key Stage until they leave us in the Sixth Form. Education must evolve to reflect the world into which our young people will go as adults, and with this in mind, much was achieved over the course of this academic year.

A spotlight was placed on the Sixth Form as an area in need of significant development. Our facilities are excellent and to mirror these facilities, a new Head of Sixth Form, Mr Alex Boyd-Williams was appointed to start in September 2020. His priority is to bring aspiration, high expectation, purpose and vibrancy to the life of our Sixth Form. In doing so, we expect our numbers to rise to nearer 100 in each year group, rather than 75. To support him in this, an assistant Head of Sixth Form was also appointed, raising the profile of the Sixth Form team. A review of our curriculum brought the focus to our Years 7, 8 & 9. The Prep School was still preparing their Year 8 pupils for Common Entrance.

ALBERT MEMORIAL COLLEGE

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 JULY 2020

Achievements and Performance *(continued)*

The decision was made to move away from Common Entrance from September 2021 and to start developing a curriculum which unites the three years, and which focuses on making links between subjects rather than seeing them in isolation. 2019-20 allowed time for research into different ways of approaching the 7-9 curriculum and the planning and preparation continues over the course of the next academic year.

The Senior School continues with its suite of GCSEs and the range of subjects offered at A Level and BTEC have been reviewed over the course of this year. It is possible that Framlingham College may introduce more BTEC courses but for September 2020, the decision was made to introduce Government and Politics as an A Level, as it was felt this would enhance our pupils' curiosity about the world and would encourage discussion and debate. It also sends a very clear message that Framlingham College is preparing its young people to be active participators in their global future, rather than passive on lookers. Our Leavers at the end of the academic year went on to study at a broad range of universities, each one finding their own path and I have no doubt that they will go on to great success and fulfilment. Whether filmmaking at Nottingham, PPE at Oxford or Medicine at Hull, our pupils know their own mind and it is our privilege to watch them discover their talents and see them thrive. A new Head of Careers was also appointed in this year to give time and focus to this crucial role which will begin in September 2020.

The Principal appointed a new Pastoral Deputy Head to the Senior School for September 2020, Mr Oliver Lloyd. Over the course of the year, a new Pastoral Programme, FLOW, has been in development under the leadership of the Prep School Pastoral Deputy, Mrs Jo Coventry King. and this will continue into next year. The intention is to ensure all the different strands of the College's pastoral care are joined up across the two sites, so that PSHE, Tutoring, Assemblies, Chapels and Talks link together to benefit the pupils' learning and personal development. We also began to develop the idea of a spine of skills that will be weaved into every scheme of work so that by the time our pupils leave us as young adults at the age of 18, they have acquired not only a strong knowledge and understanding of their subjects, but they have developed into good human beings, with skills such as collaboration, problem solving, communication and creative thinking underpinning all that they do. Work to develop this further will continue next year.

The co-curricular life of the College has flourished this year. Music at the College is characterised by its breadth and its quality. From our ukulele band to our incredible choirs, from our BTEC musicians jamming in the HPT to our orchestras and percussion groups, the College is buzzing with music making. Our Autumn Concert saw collaboration with several local primary schools, our Scholars' concerts showcase individual brilliance, and the staff choir at Christmas placed the emphasis on participation and enjoyment of music which set a fine example to our pupils. Sport has seen continued success which should not be underestimated with our U18 girls' hockey team just one of many examples of superb achievement becoming u18 National Champions. The coaching at the College is of an extremely high standard across all sports and to add to that quality, Mr Laurence Denvir was appointed as Rugby Coach and Mr Dan Falvey was appointed as Housemaster of Stradbroke House having been Head of Rugby at Seaford College before joining us. They both join the College in September 2020. Drama saw the successful production of One Man Two Guvnors in the Autumn term and junior productions were in the pipeline for the end of the Spring Term. Our pupils continue to enjoy a plethora of clubs and societies, from Drone flying to Chinese Calligraphy, from learning Bridge to Boxing. All of this is designed to challenge them, take them beyond their comfort zone and as such, learn about themselves and what they are in fact capable of.

ALBERT MEMORIAL COLLEGE

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 JULY 2020

Achievements and Performance

(continued)

Public benefit plays a significant role in our lives as an independent school. Our links with the town of Framlingham are strong: through our volunteering programme, including the new Phab Club which supports disabled young people and their families, our Business Club, our readiness to offer our facilities for use by the general public, Framsoc, and our Inspire! series of interviews, we make sure that we fulfil our aim to bring benefit to the wider community. The College's Scholarships and Bursaries programme is designed to widen access to those young people who would benefit from a Framlingham College education, but whose financial circumstances would ordinarily prevent them from doing so.

All of the above happened in what, in truth, has been an exceptionally unusual year for society as a whole, let alone Framlingham College. 20 March 2020 saw Framlingham College close its doors as the Covid-19 Pandemic hit. However, the College reacted calmly, swiftly and with decisiveness. Pupils and staff were trained in the use of Microsoft Teams and as a Microsoft Showcase School, we approached this with confidence and self-assurance. On 23 March 2020, our online teaching provision began and our community adapted brilliantly to teaching and learning in a virtual world. The summer term at Framlingham College took place in as full and productive a way as possible. Learning happened, but rather than in the classroom at school, the classroom found itself in pupils' homes, where parents were able to be a fly on the wall and see and hear for the first time the way in which lessons were happening. Pastorally, our Housemasters and Housemistresses continued to care for their pupils, through regular tutorials, phone calls and check ins with parents. Assemblies, chapel services, prayers and thoughts for the day all happened virtually, and exercise programmes were sent out to ensure our pupils remained fit and healthy, and ensuring that crucial balance between time in front of the screen and time outside in the fresh air. We held virtual competitions, Bake offs, Concerts, Come Dine With Me, quiz nights, Challenges, House BBQs, Open evenings, and we ensured that the community stayed together and united. The community learned a great deal about itself, its resilience and its need to stay connected.

The College's examination results this year were strong, and a definite improvement on previous years. Because these examination results were, in essence, decided internally by the College due to the cancellation of public examinations, there will always be some doubt as to their veracity. However, our systems for checking and rechecking the Centre Assessment Grades which were decided upon, were rigorous and I am therefore keen to stress how much the examination candidates deserved the grades that they were awarded. It is incumbent upon the Principal and her staff to mirror these achievements next year when, we hope, examinations will take place. In readying itself for September 2020, the Principal and her staff are aware of the potential impact on our pupils of the lockdown. This is something that the staff will monitor carefully in the new academic year.

ALBERT MEMORIAL COLLEGE

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 JULY 2020

Performance against annual objectives

Objective	Achievement
To review the curriculum at every stage to ensure a logical, seamless and purposeful education for each pupil as they move through the College	This is on going and will continue over the course of the year. The Year 7-9 curriculum will be fully embedded in Sept 21.
To improve the College's systems for tracking and monitoring the academic progress of each pupil	The tracking and monitoring of pupils has increased in importance and rigour. A common approach is being developed over the course of this year, with the arrival of a new Head of Sixth Form and the appointment of new Heads of Section.
To improve the College's reporting systems to ensure that parents are fully aware of and play an active in the progress that their child is making	This has been improved and will continue to be adjusted. A key aspect that we are aiming to further develop is the opportunity for reflection by the pupils on their achievements and their learning.
To review and implement the College's staff appraisal system to ensure that staff continually review their classroom practice, feel supported in further developing their skills and are held to account if expectations and standards are not met	This has been changed and the system is now focused on continual professional reflection on good practice. It is called Professional Review and Development for this reason.
To raise expectations of and for the pupils both within and beyond the classroom by setting clear targets, identifying action to be taken to achieve these targets and following up where progress is not made	This is about developing and embedding a learning culture and we have made significant strides over the year, but there is more to do to reinforce the message of aspiration and expectation.
To ensure the College's provision for all areas of the co-curricular programme is balanced and that equal support is given to all aspects of the programme	We are happy with the balanced programme that we currently deliver.
To develop excellent scholarship pathways for pupils in all spheres of education: Academic, Sport, Performing Arts, Creative Arts	These pathways have been brought up to date and in line with each other. The scholarship pathway brochure is now clear and consistent.

ALBERT MEMORIAL COLLEGE

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 JULY 2020

Performance against annual objectives (continued)

Objective	Achievement
To review the use of the College's facilities by external groups, to ensure that our priority of widening access is being fulfilled	This is on going.
To maintain, if not grow our bursarial support for pupils who otherwise would not have access to our education	We have altered our Scholarship awards and limited them to a 10% remission on fees, enabling us to put more money into our bursary fund which can be accessed by completing a financial circumstances form.
To develop true partnerships with state schools in Suffolk, for the mutual benefit of all the pupils both at the College and at our partner schools	This is on going and the pandemic has prevented things from developing at the pace that we would have liked.

Financial Review

Review of financial position and Results for the year

The College achieved a net deficit of funds of £(819,155) for the year to 31 July 2020, compared with a net deficit of £(294,035) for the previous year. These figures are both before any unrealised gains or losses on investments and property. The result was significantly impacted by the Covid-19 pandemic. All schools in England were instructed to close physically in March 2020. As boarding was not permitted throughout the Summer Term, public examinations were cancelled and teaching had to operate remotely, with no opportunity for activities or sports. Governors concluded it would be inappropriate to charge boarding fees. In addition all students were charged a reduced Day rate with a 15% discount. No trading income was possible as the sports centre had to close and no lets were possible. A small number of one off bursaries were awarded to parents who found their income had reduced significantly due to the crisis and the year end provision for bad and doubtful debts was increased where other parents remained in debt at year end with uncertainty over their ability to pay in the foreseeable future. All of this led to a reduction in income of around £1m. This was partially offset as no food or transport costs were incurred for the period and savings were made in utility usage. The College used the Government Furlough Scheme as much as was possible. The majority of classroom teachers had to be left fully on payroll throughout the period as they were engaged in delivering a comprehensive and well received remote learning offering. However a large number of support and ancillary staff were put on to the scheme where they were not required within the school.

The expenditure on maintenance of the fabric of the buildings and land has had to be cut in response to reduced income. This will need to increase in future years to ensure the campus remains in excellent order.

During the year 16.38% of fee income was given back in remissions. Of this total in excess of 6.5% was means tested, benefiting 85 students. 14 students received in excess of 75% remission of fees, including 8 students receiving 100% remission of tuition fees.

ALBERT MEMORIAL COLLEGE

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 JULY 2020

How expenditure supported key objectives

The majority of expenditure continues to be on staff salaries, both in terms of Teachers and Support staff. Along with this goes expenditure by the teaching staff on teaching equipment. A significant proportion goes on Catering costs to ensure the students are fit and healthy, and we also spend on maintenance of the grounds and buildings. A significant sum continues to be invested in longer term renovation and extension projects to enhance the educational experience. During the summer term lockdown we invested further in ICT equipment to enhance of remote learning programme.

We continue, with care, to develop relationships with local state schools to ensure as many children as possible are able to benefit from our outstanding staff and facilities. A large number of local primary schools regularly visited the College for lessons in our swimming pool until this was forced to temporarily close and we assist two state secondary schools with the delivery of the swimming element of the GCSE syllabus.

We offer the use of the Headmaster Porter Theatre to local schools, with the Framlingham Sir Robert Hitcham's primary school traditionally using it for their annual performance.

Our two astro pitches are available to schools for hockey and football training, whilst the regional annual primary schools cross country competition is held within the College grounds. Other regional state primary school sports competitions are also often held on our sites.

Well attended annual Maths challenges for local schools as well as a number of regional sports tournaments are held at the senior school.

The school works in close collaboration with the Ormiston Endeavour Academy (Ipswich), with staff travelling to the Academy to offer instruction in the Duke of Edinburgh's Award.

Grant making policy

We are committed to continuing to widen access to the College through bursaries and scholarships to allow prospective students from all walks of life the opportunity to benefit from a Framlingham Education. We also believe that the quality of education of all students is enhanced by providing a diverse community within which to study. To this end we award a substantial number of scholarships and bursaries and are continually seeking ways of expanding this provision. Our scholarship policy is to cap awards at a maximum of 30% topped up by means tested bursaries for the most needy. Combined scholarships and bursaries can be awarded to a level of 100% of fees. Under the terms of our Charter we specifically offer 6 places free of all tuition fees to local pupils as Pembroke Scholars. We are also part of the HMC scheme offering free or largely funded places to Eastern European students to give them the benefit of an education they would otherwise not have access to. We are part of the Royal National Children's Springboard Foundation for students from underprivileged backgrounds. These are part funded by Springboard and part funded by the College. We are also an early joiner of the national Partnership Bursaries programme which seeks to assist LEAs place youngsters into boarding schools where this will help them due to their difficult backgrounds.

We have built up a designated scholarship and bursaries fund to provide income to fund further awards, but the majority of awards are sourced from annual fee income. Post year end part of this fund has been moved from stock market investments to a bank account to provide access to cash for short term emergencies during the coming year.

We continue to seek to increase funds through campaigns to attract external contributions. We also receive regular but variable income from the Stapleton fund as a result of a bequest from a former student. This is used specifically to provide bursarial support to qualifying students.

ALBERT MEMORIAL COLLEGE

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 JULY 2020

Grant making policy (continued)

The financial circumstances of Scholarship applications are checked as a matter of course to ensure we can offer assistance to those most in need of it. All our bursaries are subject to a consistent assessment of financial circumstances to ensure a fair allocation of funds. All awards are re-assessed annually with family circumstances continuously monitored.

Funding sources and fundraising

The principal source of funds is fee income. The Stapleton bequest also generates annual income which is restricted for Stapleton Scholarships. Additional trading income is generated by Framlingham College Enterprises Ltd, from renting out facilities, running training camps, providing refreshments for events etc.

As an educational charity the College enjoys tax exemption on investment income, and a reduction in business rates. Financial benefit derived from these sources is used to further our charitable aims. Weighed against this benefit is the fact that we are unable to recover input VAT on our costs

Trading operations through Framlingham College Enterprises Limited normally generate a significant contribution towards overall surplus. Pre Covid-19 we were focussed on establishing long-term fund-raising activities. We continue to monitor our performance and ensure that individuals are kept in contact with developments at the school, fostering a long term buy in to the need to raise funds for the benefit of future generations of children. The Business Club and 1864 Club have been active vibrant bodies that have helped generate a shared sense of purpose and a number of donations (of money, sponsorship and experience) to the school. Work has necessarily been paused on launching a fund to seek contributions towards awarding major bursary / scholarships for children whose parents would otherwise not be able to afford the school fees, thus further widening access. This will progress as soon as we judge it is a sensible time to approach individuals and groups once life returns to relative normality.

Investment powers

The Governors have wide powers to make investments and take a long term view. Investment policies are directed by the Finance and Operations Group under recommendation by the Finance Director and Chairman.

Policies on investment

We aim to balance risk in our portfolio of investments. It has been determined that a mix of bank deposits and market investments remains a sensible position. COIF units appear to continue to offer a suitable opportunity for investing in the stock market for long term stability.

ALBERT MEMORIAL COLLEGE

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 JULY 2020

Plans for Future periods

Ongoing Objectives

- Add value at each stage of a pupil's development.
- Deliver excellent results for all children in academic, sports, arts and other fields.
- Ensure the wider public benefit from the facilities and opportunities the school can provide.

Activities planned to achieve objectives

1. To commence delivery of the Strategy
2. To introduce changes to the curriculum in Years 7-9.
3. To raise expectations of and for the pupils both within and beyond the classroom by setting clear targets, identifying action to be taken to achieve these targets and following up where progress is not made
4. To introduce the whole school pastoral FLOW programme which brings cohesion to the delivery of PSHE, tutorials, talks and assemblies.
5. To change the scholarship application process to bring more transparency and focus on the quality of the mentoring and scholarship pathway.
6. To achieve Platinum Artsmark status and introduce the Arts Award.
7. To complete an audit of our public benefit activity
8. To market the College with self assurance and ambition to ensure retention and recruitment of pupils.
9. To plan and deliver through constant review a robust financial result for the year.
10. To deliver a long-term funding strategy

ALBERT MEMORIAL COLLEGE

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 JULY 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Law applicable to Charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the Charity's financial activities and of its financial position at the end of the year. In preparing accounts giving a true and fair view, the Trustees should follow best practice and:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Charity and which enable them to ensure that the accounts comply with applicable regulations. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Signed on behalf of the Trustees of the
Albert Memorial College

Trustee:
Air Vice-Marshal T W Rimmer

Approved by the Trustees on 30 November 2020

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ALBERT MEMORIAL COLLEGE

Opinion

We have audited the financial statements of Albert Memorial College for the year ended 31 July 2020 which comprise the group Statement of Financial Activities, the group and parent Balance Sheet, the group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and 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 parent charity's affairs as at 31 July 2020, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Charities Act 2011;

Basis for opinion

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

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 and charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and 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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF

THE ALBERT MEMORIAL COLLEGE (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with
- the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations under section 154 of the Act. 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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of this report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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Ensors Accountants LLP - Chartered Accountants & Statutory Auditor
Cardinal House, 46 St Nicholas Street, Ipswich, IP1 1TT

15th December 2020

ALBERT MEMORIAL COLLEGE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2020

	Note	Consolidated Unrestricted Funds £	Expendable Endowments £	Restricted Funds £	Total 2020 £	Total 2019 £
INCOME FROM:						
Charitable activities						
Fee income and associated charges		13,325,448	-	-	13,325,448	14,852,042
Other trading activities:						
Trading turnover – FCE Ltd	3	70,424	-	-	70,424	132,733
– College		61,965	-	-	61,965	197,855
Investments						
Investment income	6	54,087	-	13,520	67,607	61,631
Donations and Legacies						
Donations		1,507	-	41,698	43,205	36,226
Grants received						
Grants	7	-	-	687,005	687,005	-
Total income		<u>13,513,431</u>	<u>-</u>	<u>742,223</u>	<u>14,255,654</u>	<u>15,280,487</u>
EXPENDITURE ON:						
Raising funds						
Trading expenses – FCE Ltd		35,913	-	-	35,913	62,758
– College		18,337	-	-	18,337	49,612
Financing costs		81,656	-	-	81,656	72,003
Commission payable		64,317	-	-	64,317	66,157
		<u>200,223</u>	<u>-</u>	<u>-</u>	<u>200,223</u>	<u>250,530</u>
Charitable activities						
Education and grant making		13,959,086	-	915,500	14,874,586	15,323,992
Total expenditure	4	<u>14,159,309</u>	<u>-</u>	<u>915,500</u>	<u>15,074,809</u>	<u>15,574,522</u>
NET EXPENDITURE BEFORE GAINS AND LOSSES ON INVESTMENTS						
		(645,878)	-	(173,277)	(819,155)	(294,035)
Unrealised investment (losses)/gains		<u>(11,770)</u>	<u>216</u>	<u>(10,125)</u>	<u>(21,679)</u>	<u>221,733</u>
NET EXPENDITURE AND MOVEMENT IN FUNDS	11	(657,648)	216	(183,402)	(840,834)	(72,302)
Fund balance at 1 August 2019		<u>10,572,181</u>	<u>367,570</u>	<u>2,246,831</u>	<u>13,186,582</u>	<u>13,258,884</u>
FUND BALANCE AT 31 JULY 2020		<u>9,914,533</u>	<u>367,786</u>	<u>2,063,429</u>	<u>12,345,748</u>	<u>13,186,582</u>

The Group's Income and Expenditure all relate to continuing operations.

The notes on pages 23 to 39 form part of these financial statements.

ALBERT MEMORIAL COLLEGE

BALANCE SHEET

AS AT 31 JULY 2020

	Note	GROUP		CHARITY	
		2020	2019	2020	2019
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	9	14,287,425	14,714,840	14,287,158	14,714,526
Investments	10	<u>1,227,860</u>	<u>1,435,783</u>	<u>1,227,862</u>	<u>1,435,785</u>
		<u>15,515,285</u>	<u>16,150,623</u>	<u>15,515,020</u>	<u>16,150,311</u>
CURRENT ASSETS					
Stock		43,238	47,290	39,367	42,156
Debtors	12	1,144,601	1,402,291	1,144,601	1,391,977
Cash at bank and in hand		<u>3,734</u>	<u>7,462</u>	<u>3,734</u>	<u>7,462</u>
		1,191,573	1,457,043	1,187,702	1,441,595
CURRENT LIABILITIES					
Creditors – amounts due within one year	13	<u>(4,341,024)</u>	<u>(4,334,007)</u>	<u>(4,348,167)</u>	<u>(4,329,573)</u>
NET CURRENT LIABILITIES		<u>(3,149,451)</u>	<u>(2,876,964)</u>	<u>(3,160,465)</u>	<u>(2,887,978)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		12,365,834	13,273,659	12,354,555	13,262,333
Creditors – amounts due in more than one year	14	<u>(20,086)</u>	<u>(87,077)</u>	<u>(20,086)</u>	<u>(87,077)</u>
NET ASSETS		<u>12,345,748</u>	<u>13,186,582</u>	<u>12,334,469</u>	<u>13,175,256</u>
FUNDS					
Restricted	11	2,063,429	2,246,831	2,063,429	2,246,831
Expendable endowments	11	367,786	367,570	367,786	367,570
Unrestricted funds					
- Other charitable	11	9,903,254	10,560,855	9,903,254	10,560,855
- Trading subsidiary	11	<u>11,279</u>	<u>11,326</u>	<u>-</u>	<u>-</u>
		<u>12,345,748</u>	<u>13,186,582</u>	<u>12,334,469</u>	<u>13,175,256</u>

Signed on behalf of the Governors of the Albert Memorial College

J N Ellerby

- Chairman of Finance & Operations Group

Air Vice-Marshal T W Rimmer

- Chairman of Board of Governors

Approved by the Governors on 30 November 2020

The notes on pages 23 to 39 form part of these financial statements.

ALBERT MEMORIAL COLLEGE
CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2020

		2020		2019	
	Note	£	£	£	£
NET CASH FLOW FROM OPERATING ACTIVITIES	18		35,200		205,248
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of fixed assets		-	(771,995)		
Proceeds from sale of fixed assets		-	-		
Proceeds from sale of investments		170,744	100,000		
Investment income		<u>67,607</u>	<u>61,631</u>		
NET CASH FLOWS PROVIDED FROM INVESTING ACTIVITIES			238,351		(610,364)
CASH FLOWS FROM FINANCING ACTIVITIES					
Purchase of investments		(4,500)	-		
Interest paid		(81,656)	(72,003)		
Capital element of finance leases		<u>(90,091)</u>	<u>(51,905)</u>		
NET CASH FLOWS FROM FINANCING ACTIVITIES			(176,247)		(123,908)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR			<u>97,304</u>		<u>(529,024)</u>
CASH AND CASH EQUIVALENTS THE BEGINNING OF THE YEAR			<u>(2,606,150)</u>		<u>(2,077,126)</u>
CASH AND CASH EQUIVALENTS THE END OF THE YEAR			<u><u>(2,508,846)</u></u>		<u><u>(2,606,150)</u></u>
RELATING TO:-					
CASH AT BANK AND IN HAND	19		3,734		7,462
BANK OVERDRAFTS	19		<u>(2,512,580)</u>		<u>(2,613,612)</u>
			<u><u>(2,508,846)</u></u>		<u><u>(2,606,150)</u></u>

The notes on pages 23 to 39 form part of these financial statements.

ALBERT MEMORIAL COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with applicable accounting standards on the historical cost basis, except for revaluations of property and investments.

The financial statements have been prepared in accordance with applicable accounting standards, in accordance with The Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019 and in accordance with the Charities Act 2011. The accounts 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

Having reviewed the College's funding facilities and potential major expenditure projects together with the expected ongoing demand for places and the College's future projected cash flows, the Governors have a reasonable expectation that the College has adequate resources to continue its activities in the foreseeable future. In coming to this conclusion the Governors reviewed sensitivity analysis and produced cashflows based on scenarios where income could fall significantly and alternative sources of funding is required, due to the uncertainty of the full impact of the Covid-19 pandemic which is unknown at this time. The College has a bank overdraft facility of £2.9m, which was not being fully utilised at the year end (see note 19) and is regularly monitored. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The group financial statements comprise the financial statements of Albert Memorial College and its trading subsidiary Framlingham College Enterprises Limited, made up to 31 July 2020.

The accounts have been consolidated on a line by line basis.

School buildings and equipment

The College owns the following freehold property:-

The Albert Memorial College
Brandeston Hall

Other land and properties including residential properties around Framlingham.

The educational properties and the additions and improvements to these school buildings are capitalised at historical cost and depreciated.

The residential properties separate to the educational school buildings are included at valuation and are not depreciated since such valuations are reviewed each year.

Equipment assets are capitalised and carried at historical cost.

Depreciation

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

Vehicles	- 33% on net book value
Equipment	- over 10 years
Educational buildings	- over 50 years

No depreciation is charged on freehold land.

ALBERT MEMORIAL COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

1. ACCOUNTING POLICIES (Continued)

Stocks

Stocks are stated at the lower of cost and net realisable value.

Expenditure on books and equipment for the new school year has been treated as a payment in advance within debtors.

Investments

Listed investments are stated at their market value at the year end.

Any gain or loss on revaluation is taken to the Statement of Financial Activities.

The unlisted investment in a wholly owned subsidiary undertaking is stated at cost less provision for any permanent diminution in value.

Leasing commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals paid under operating leases are charged to the profit and loss account in the period to which they relate.

Income

All income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified and the economic benefit to the College is considered probable. The following specific policies are applied to particular categories of income;

- Fee income and associated charges are recognised when earned, represent the invoiced amount of services provided and are stated gross of all scholarships, remissions and bursaries.
- Donations and bequests are accounted for on the basis of amounts receivable. Donations for activities restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments – permanent or expendable according to the nature of the restriction.
- Investment income is included when receivable.
- Trading income represents the invoiced amount of goods and services provided.
- Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

1. ACCOUNTING POLICIES (Continued)

Expenditure

Expenditure is recognised on an accruals basis as soon as a liability is considered probable. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates;

- Costs of raising funds comprise the costs of trading for fund raising purposes, financing costs and commissions.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes costs that can be allocated directly to such activities, those costs of an indirect nature necessary to support them and governance costs. Governance costs comprise the costs of complying with constitutional and statutory requirements and strategic planning for its future development. This includes 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 Committee meetings and of preparing statutory accounts and satisfying public accountability.
- Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. These estimates are based on staff time.

Fund accounting

Unrestricted general funds

The charity maintains an income and expenditure fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity.

Designated funds

Designated funds are amounts which have been put aside at the discretion of the trustees for specific charitable activities.

Restricted funds

Restricted funds have been provided to the charity for particular purposes, and it is the policy of the board of trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them.

Expendable Endowment funds

These were created from the Will of Mr E E Moreau. The income from this fund is unrestricted. This capital can be spent if the trustees so determine.

Pension commitments

The Charity contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the College. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme. The Charity also contributes to a group personal pension scheme for participating support staff at a starting rate of 3%, up to a maximum of 16.4% of annual basic pay. This is a defined contribution scheme.

ALBERT MEMORIAL COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

1. ACCOUNTING POLICIES (Continued)

Financial instruments

The company 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 instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE ACCOUNTS**FOR THE YEAR ENDED 31 JULY 2020****2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

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

The only estimates and assumption which have a significant risk of causing a material adjustment to assets and liabilities is in relation to impairment of fee debtors. When assessing the impairment of fee debtors the College considers the nature and aging profile of the debt and historical experience.

3. NET INCOME FROM TRADING SUBSIDIARY

The charity has one wholly owned subsidiary which is incorporated in the UK, the registered office address is Framlingham College, College Road, Framlingham, Suffolk, IP13 9EY. The company registration number is 02369719. The subsidiary is a trading company which makes a gift aid donation in respect of its taxable profit to the charity. A summary of the trading result is shown below.

	2020 £	2019 £
Turnover	70,424	132,733
Cost of sales	(29,686)	(54,923)
Administrative expenses	<u>(6,227)</u>	<u>(7,835)</u>
Profit before tax and gift aid donation	34,511	69,975
Amount payable to Charity in respect of the gift aid donation	<u>(34,558)</u>	<u>(70,030)</u>
Amount retained in subsidiary	<u><u>(47)</u></u>	<u><u>(55)</u></u>

ALBERT MEMORIAL COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

4. TOTAL EXPENDITURE

	Staff costs £	Depreciation £	Other costs £	Total 2020 £	Total 2019 £
Costs of raising funds					
Financing costs	-	-	81,656	81,656	72,003
Trading costs	-	-	18,337	18,337	49,612
Commission	-	-	64,317	64,317	66,157
Total for the charity	-	-	164,310	164,310	187,772
Trading costs of the subsidiary	-	47	35,866	35,913	62,758
Total for the group	-	47	200,176	200,223	250,530
Charitable expenditure					
<i>Educational and grant making</i>					
Educational	6,558,325	89,485	449,554	7,097,364	7,019,860
Welfare	649,872	26,282	353,348	1,029,502	1,399,535
Premises	1,268,097	363,201	1,109,294	2,740,592	2,878,000
Support costs and Governance	987,993	-	925,766	1,913,759	1,743,600
Grants, awards and prizes	-	-	2,093,369	2,093,369	2,282,997
Total charitable expenditure	9,464,287	478,968	4,931,331	14,874,586	15,323,992
Total Expended Group	9,464,287	479,015	5,131,507	15,074,809	15,574,522
Charity	9,464,287	478,968	5,095,641	15,038,896	15,511,764

Included within grants, awards and prizes are educational scholarships which were made to 168 individuals (2019: 152).

Governance included in support costs:

Remuneration paid to auditor for: Audit services	12,311	12,010
Accounting services	11,280	11,004
Reimbursement of expenses to Governors - travel and subsistence	324	1,322
Legal and professional fees	1,020	313
Staff costs	14,200	14,100
	39,135	38,749

During 2019/2020 one Governor reclaimed travel and subsistence expenses amounting to £324 (2019: three Governors - £1,322).

In addition to remuneration paid to auditors included above, the auditor received other fees for non-governance services totalling £12,108 (2019: £20,045).

ALBERT MEMORIAL COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

5. STAFF COSTS

	Total 2020 £	Total 2019 £
The aggregate payroll and similar costs for the year were as follows:		
Wages and salaries	7,609,829	7,879,058
Social security costs	715,471	741,851
Pension costs	1,115,957	826,972
Apprenticeship Levy	23,030	24,174
	<u>9,464,287</u>	<u>9,472,055</u>

None of the Governors received any remuneration or other benefits from the College.

Aggregate employee-benefits of key management personnel	<u>673,581</u>	<u>638,996</u>
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The average monthly number of employees during the year was:-

	2020 No	2019 No
Academic	136	135
Catering and domestic	84	91
Grounds and maintenance	20	25
Administration	62	64
	<u>302</u>	<u>315</u>

Included within the above Administration figures are staff employed in the leisure centre, most of whom are part time life-guards, as follows:

	2020 No	2019 No
Leisure Centre Staff	25	26

The number of employees who earned £60,000 p.a. (excluding pension contributions and notional residential emoluments) or more during the year were as follows:-

£60,001 to £70,000	4	4
£70,001 to £80,000	3	3
£80,001 to £90,000	1	-
£120,001 to £130,000	1	-
£150,001 to £160,000	-	1

During the year there were 7 (2019: 6) higher paid employees who were accruing retirement benefits under the Governments' Teachers Pension Defined Benefits Scheme. The Charity made contributions in the year of £19,768 (2019: £19,741) to the defined contribution scheme in respect of higher paid employees.

6. INVESTMENT INCOME

	2020 £	2019 £
Rent	29,104	22,507
Interest	389	1,610
Other	38,114	37,514
	<u>67,607</u>	<u>61,631</u>

7. GRANTS

During the year the College claimed £687,005 through the Government's Coronavirus Job Retention Scheme (CJRS) to cover 80% of the costs of furloughed staff.

ALBERT MEMORIAL COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

8. CHARITY RESULT FOR THE YEAR

As a consolidated Statement of Financial Activities is published a separate Statement of Financial Activities has been omitted from the group accounts. The deficit of the charity after investment gains was £840,834 (2019: £72,302 deficit).

9. FIXED ASSETS

	Property at cost £	Property at valuation £	Equipment & vehicles at cost £	Total Charity £	Subsidiary Equipment £	Total Group £
Cost or valuation						
As at 1 August						
2019	16,004,900	4,595,000	1,917,306	22,517,206	3,124	22,520,330
Additions at cost	-	-	31,600	31,600	-	31,600
Revaluation	-	20,000	-	20,000	-	20,000
Disposals	-	-	-	-	-	-
As at 31 July 2020	<u>16,004,900</u>	<u>4,615,000</u>	<u>1,948,906</u>	<u>22,568,806</u>	<u>3,124</u>	<u>22,571,930</u>
Depreciation						
As at 1 August						
2019	(6,750,962)	-	(1,051,718)	(7,802,680)	(2,810)	(7,805,490)
Charge for the year	(269,234)	-	(209,734)	(478,968)	(47)	(479,015)
Disposals	-	-	-	-	-	-
As at 31 July 2020	<u>(7,020,196)</u>	<u>-</u>	<u>(1,261,452)</u>	<u>(8,281,648)</u>	<u>(2,857)</u>	<u>(8,284,505)</u>
Net Book Value						
At 31 July 2020	<u>8,984,704</u>	<u>4,615,000</u>	<u>687,454</u>	<u>14,287,158</u>	<u>267</u>	<u>14,287,425</u>
At 31 July 2019	<u>9,253,938</u>	<u>4,595,000</u>	<u>865,588</u>	<u>14,714,526</u>	<u>314</u>	<u>14,714,840</u>

Equipment and vehicles include assets under finance leases with a net book value of £209,399 as at 31 July 2020 (2019: £249,124). The depreciation charged during the year on these assets was £71,325 (2019: £50,820).

Residential properties were revalued on an open market basis by Clarke & Simpson, Independent Chartered Surveyors at 31 July 2020. The historical cost of these properties is £294,342.

The difference between valuation and original cost has been taken to a revaluation reserve.

The insurance value of all property totals £84,722,917.

ALBERT MEMORIAL COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

10. INVESTMENTS

GROUP	Designated and other Funds £	Restricted Funds £	Endowment Funds £	Total £
Balance as at 1 August 2019	797,257	370,956	267,570	1,435,783
Additions	-	4,500	-	4,500
Disposals	-	-	(170,744)	(170,744)
Change in market value	<u>(31,770)</u>	<u>(10,125)</u>	<u>216</u>	<u>(41,679)</u>
Balance at 31 July 2020	<u>765,487</u>	<u>365,331</u>	<u>97,042</u>	<u>1,227,860</u>
Quoted Securities (historical cost £523,218)	765,487	365,331	97,042	1,227,860
Cash deposits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>765,487</u>	<u>365,331</u>	<u>97,042</u>	<u>1,227,860</u>
Quoted investments comprise:				
a) Holdings of more than 5% of total Investments				
COIF income and accumulation units	765,487	357,625	97,042	1,220,154
b) Other UK securities	<u>-</u>	<u>7,706</u>	<u>-</u>	<u>7,706</u>
	<u>765,487</u>	<u>365,331</u>	<u>97,042</u>	<u>1,227,860</u>

All the above investments are held primarily to provide an investment return.

Charity

As above plus

Investment in subsidiary (see note 2)	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
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ALBERT MEMORIAL COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

10. INVESTMENTS (continued)

The above investments are further analysed below

RESTRICTED	GROUP		CHARITY	
	2020 Market Value £	2019 Market Value £	2020 Market Value £	2019 Market Value £
Prizes, Scholarships & Bursaries Fund				
21,056 (2019: 21,056) common income shares*	353,185	352,399	353,185	352,399
713 25p Royal Dutch Plc 'B' shares (being the investment of the G W Weston Cricket Prize)	7,706	18,556	7,706	18,556
Scholarships & Bursaries Fund				
265 (2019: Nil) common income shares*	4,440	-	4,440	-
	<u>365,331</u>	<u>370,955</u>	<u>365,331</u>	<u>370,955</u>
EXPENDABLE ENDOWMENTS				
Moreau Bequest				
5,785 (2019: 5,785) common income shares*	97,042	96,827	97,042	96,827
Interest bearing/treasury deposit bank accounts	-	170,744	-	170,744
	<u>97,042</u>	<u>267,571</u>	<u>97,042</u>	<u>267,571</u>
UNRESTRICTED				
Framlingham College Enterprises Limited	-	-	2	2
Scholarship & Bursaries Investment Fund				
45,637 (2019: 45,637) common income shares*	<u>765,487</u>	<u>797,257</u>	<u>765,487</u>	<u>797,257</u>
	<u>765,487</u>	<u>797,257</u>	<u>765,489</u>	<u>797,259</u>
Total investments at market value	<u>1,227,860</u>	<u>1,435,783</u>	<u>1,227,862</u>	<u>1,435,785</u>
Cost at 31 July	<u>523,218</u>	<u>689,462</u>	<u>523,220</u>	<u>689,464</u>

* Represent Charities Official Investment Fund (COIF)

ALBERT MEMORIAL COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

11. FUNDS

	Balance at 1 August 2019 £	Movement in year £	Balance at 31 July 2020 £	Investments £	Represented by Tangible Fixed Asset £	Net Current Assets/ (Liabilities) £	Long term Liabilities £
RESTRICTED FUNDS							
Prizes, Scholarships and Bursaries – Capital (a)	370,956	(10,065)	360,891	360,891	-	-	-
Prizes and Scholarships – Income (a)	152,966	12,892	165,858	-	-	165,858	-
Property Development (b)	1,265,592	(130,065)	1,135,527	-	1,135,527	-	-
150 th Anniversary Appeal (c)	445,102	(57,384)	387,718	-	290,842	96,876	-
Scholarships & Bursaries (d)	12,215	1,220	13,435	4,440	-	8,995	-
	2,246,831	(183,402)	2,063,429	365,331	1,426,369	271,729	-
EXPENDABLE ENDOWMENTS							
Moreau Capital (e)	367,570	216	367,786	97,042	-	270,744	-
UNRESTRICTED FUNDS							
Property Revaluation Reserve (f)	4,300,658	20,000	4,320,658	-	4,320,658	-	-
Scholarships & Bursaries (g)	797,257	(31,770)	765,487	765,487	-	-	-
Income and Expenditure (h)	5,462,940	(645,831)	4,817,109	2	8,540,131	(3,702,938)	(20,086)
	10,560,855	(657,601)	9,903,254	765,489	12,860,789	(3,702,938)	(20,086)
TOTAL FUNDS – CHARITY	13,175,256	(840,787)	12,334,469	1,227,862	14,287,158	(3,160,465)	(20,086)
Unrestricted funds retained in subsidiary (i)	11,326	(47)	11,279	(2)	267	11,014	-
Consolidation adjustment							
TOTAL FUNDS – GROUP	13,186,582	(840,834)	12,345,748	1,227,860	14,287,425	(3,149,451)	(20,086)

ALBERT MEMORIAL COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

11. FUNDS (Continued)

- a) Prizes, Scholarships and Bursaries Funds relate to gifts and donations received by the College for the provision of prizes, scholarships and bursaries. The accumulated Income Fund represents unspent monies received from annual Stapleton Income.
- b) Property Development Fund reflects the surplus achieved by the College upon the sale of a number of small parcels of the College estate and amounts donated from appeals. This fund is represented by a number of the College buildings.
- c) 150th Anniversary Appeal Fund represents amounts generated from an appeal for future development plans of the College.
- d) Scholarships & Bursaries (restricted) Fund represents confirmation deposits which have been donated to the College by parents for this purpose rather than returned to them when their child leaves the College.
- e) Moreau funds were derived from the Will of Mr E E Moreau dated 27 March 1934. These funds have been treated as Expendable Endowments in accordance with the provisions in Mr Moreau's Will. This fund is partially represented by separately funded investments. During the year the College disposed of investments to improve the overdraft position. Since the year end the College has reinvested the amounts previously borrowed from this fund into common income shares.
- f) Property Revaluation Reserve represents the difference between the revalued amount and the historical cost of certain residential properties.
- g) Scholarships & Bursaries (unrestricted) Fund represents amounts invested for the provision of scholarships, and is held as an unrestricted investment consisting of common income shares and bank deposits which are separately identifiable ring-fenced investments.
- h) Income & Expenditure funds are the unrestricted and undesignated funds of the College. They are represented by Tangible Fixed Assets that are not specifically allocated or funded by any of the Restricted or Designated funds together with the general unallocated other assets and liabilities of the College.
- i) Unrestricted funds retained in the Subsidiary are the accumulated profit and loss reserves held by the trading subsidiary.

ALBERT MEMORIAL COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

12. DEBTORS

	GROUP		CHARITY	
	2020	2019	2020	2019
	£	£	£	£
Fees and recoverable debts	797,812	1,062,695	797,812	1,062,695
Trade debtors	14,457	137,094	14,457	127,939
Other debtors	40,311	30,700	40,311	29,541
Prepayments	292,021	171,802	292,021	171,802
Inter-Company account	-	-	-	-
	<u>1,144,601</u>	<u>1,402,291</u>	<u>1,144,601</u>	<u>1,391,977</u>

Fees and recoverable debts represent College fees owed by Parents of both former and current pupils and is stated net of provisions held against those outstanding amounts that may not be recoverable in full.

13. CREDITORS: Amounts due within one year

Bank overdraft	2,512,580	2,613,612	2,521,911	2,615,898
Trade creditors	108,744	423,179	108,744	423,179
Other creditors	341,508	384,066	341,508	384,066
Fees received in advance	519,236	586,583	519,236	586,583
Accruals	64,638	56,303	55,133	49,258
Other taxes and payroll costs	709,643	194,089	709,640	190,972
Finance leases	84,675	76,175	84,675	76,175
Inter-Company account	-	-	7,320	3,442
	<u>4,341,024</u>	<u>4,334,007</u>	<u>4,348,167</u>	<u>4,329,573</u>

The bank overdraft is secured by way of fixed charges over certain properties.

14. CREDITORS: Amounts due in more than one year

Finance Leases	<u>20,086</u>	<u>87,077</u>	<u>20,086</u>	<u>87,077</u>
Finance leases				
Repayable within 1 year	84,675	76,175	84,675	76,175
Repayable between 1-2 years	20,086	66,992	20,086	66,992
Repayable between 2-5 years	-	20,085	-	20,085
	<u>104,761</u>	<u>163,252</u>	<u>104,761</u>	<u>163,252</u>

15. PENSION SCHEME

The College 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 £994,489 (2019: £705,425) and at the year-end £121,933 (2019: £98,253) 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 a remedy to the discrimination conclusion has been determined by the Employment Tribunal 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.

For the benefit of support staff there is also a defined contribution scheme in operation. The assets and liabilities of this scheme are held separately from the Charity in a Group Personal Pension Scheme. Total contributions amount to £121,468 (2019: £121,547).

ALBERT MEMORIAL COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

16. OTHER FINANCIAL COMMITMENTS

At the reporting end date the College had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows

	2020 £	2019 £
Operating leases which expire:		
Within one year	43,740	44,463
Within 2 to 5 years	68,966	106,752
In more than 5 years	794	-
	<u>113,500</u>	<u>151,215</u>

There were no amounts contracted for but not provided in the financial statements for the College for either this year or last year.

17. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Investments £	Net assets/ (liabilities) £	Long term Liabilities £	Total £
RESTRICTED FUNDS	1,426,369	365,331	271,729	-	2,063,429
EXPENDABLE ENDOWMENTS	-	97,042	270,744	-	367,786
UNRESTRICTED FUNDS	12,861,056	765,487	(3,691,924)	(20,086)	9,914,533
	<u>14,287,425</u>	<u>1,227,860</u>	<u>(3,149,451)</u>	<u>(20,086)</u>	<u>12,345,748</u>

18. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net movement in funds	(840,834)	(72,302)
Unrealised losses/(gains) on investments	21,679	(221,733)
Investment income	(67,607)	(61,631)
Interest payable	81,656	72,003
Depreciation	479,015	450,339
Loss on disposal	-	-
(Increase)/Decrease in stocks	4,052	(15,975)
Decrease/(Increase) in debtors	257,690	(180,299)
Decrease in creditors	99,549	234,846
NET CASH USED IN OPERATING ACTIVITIES	<u>35,200</u>	<u>205,248</u>

ALBERT MEMORIAL COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

19. ANALYSIS OF CHANGES IN NET DEBT

	2020 £	2020 £
Opening net debt		
Cash at bank and in hand	(7,462)	
Bank overdraft	<u>2,613,612</u>	
		2,606,150
Obligations under finance leases		<u>163,252</u>
		2,769,402
Changes in net debt		
Decrease in cash at bank and in hand	3,728	
Decrease in bank overdraft	<u>(101,032)</u>	
		(97,304)
New finance leases entered into		31,600
Repayment of obligations under finance leases		<u>(90,091)</u>
		(155,795)
Closing net debt		
Cash at bank and in hand	(3,734)	
Bank overdraft	<u>2,512,580</u>	
		2,508,846
Obligations under finance leases		<u>104,761</u>
		<u>2,613,607</u>

The College maintains an overdraft facility with Barclays Bank PLC of up to a maximum of £2.9m dated 24 April 2020. This facility was renewed on a similar basis on 21 October 2020 and will continue to be reviewed at least annually. The College has provided security in favour of the bank in the form of a legal charge over certain freehold properties owned by the College

20. RELATED PARTY TRANSACTIONS

Donations made by Trustees

During the year the Governors made donations to the College totalling £8,926 (2019: £Nil).

Framlingham College Enterprises Limited

As consolidated accounts are publicly available the charity has taken advantage of the exemptions in FRS 102 from disclosing transactions with its subsidiary.

Zen Systems Ltd

The above company is controlled by the sons of Mr P C Howard – Dobson, a trustee. Mr Howard-Dobson declared his interest in the company in accordance with the College's operating policies.

During the year the College received equipment and services from the company amounting to £8,130 (2019: £9,422), priced on an arms length basis.

Odgers Berndston

Mr P Lawrence is employed by the above named company.

During the year the College received services from the company amounting to £35,343 (2019: £Nil), priced on an arms length basis.

ALBERT MEMORIAL COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

21. Consolidated Statements of Financial Activities the prior year ended 31 July 2019

	Note	Consolidated Unrestricted Funds £	Expendable Endowments £	Restricted Funds £	Total 2019 £
INCOME FROM:					
Charitable activities					
Fee income and associated charges		14,852,042	-	-	14,852,042
Other trading activities:					
Trading turnover – FCE Ltd	3	132,733	-	-	132,733
– College		197,855	-	-	197,855
Investments					
Investment income	6	50,973	-	10,658	61,631
Donations and Legacies					
Donations		-	-	36,226	36,226
Total income		<u>15,233,603</u>	<u>-</u>	<u>46,884</u>	<u>15,280,487</u>
EXPENDITURE ON:					
Raising funds					
Trading expenses – FCE Ltd		62,758	-	-	62,758
– College		49,612	-	-	49,612
Financing costs		72,003	-	-	72,003
Commission payable		66,157	-	-	66,157
		<u>250,530</u>	<u>-</u>	<u>-</u>	<u>250,530</u>
Charitable activities					
Education and grant making		15,115,687	-	208,305	15,323,992
Total expenditure	4	<u>15,366,217</u>	<u>-</u>	<u>208,305</u>	<u>15,574,522</u>
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS					
		(132,614)	-	(161,421)	(294,035)
Investment gains		<u>183,801</u>	<u>8,282</u>	<u>29,650</u>	<u>221,733</u>
NET INCOME AND MOVEMENT IN FUNDS		51,187	8,282	(131,771)	(72,302)
Fund balance at 1 August 2018		<u>10,520,994</u>	<u>359,288</u>	<u>2,378,602</u>	<u>13,258,884</u>
FUND BALANCE AT 31 JULY 2019		<u>10,572,181</u>	<u>367,570</u>	<u>2,246,831</u>	<u>13,186,582</u>

The Group's income and expenditure all relate to continuing operations.