

# **St Chad's College**

## **Report of the Governors and Financial Statements**

**For the year ended 30 September 2020**

18 North Bailey  
Durham  
DH1 3RH

Company number 00109442  
Registered charity number: 01142958

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## Report of the Governors

### Legal and Administrative

St Chad's College is an independent constituent College of the University of Durham, founded in 1904 and governed by a Memorandum and Articles of Association dated 19 July 2014. The Members of the Association constitute the College and are the Governors for the time being, who are also the Trustees of the Registered Charity and Directors of the Limited Company.

### Governors

Fr M Woodruff, Chair  
Mr N Attenborough, Middle Common Room President (from 1 October 2019), *ex officio*  
Mr A Buckle  
Mr J Burton, JCR President (from 1 April 2020; JCR Student Governor until 31 March 2019), *ex officio*  
Mr P Chandler, Nomination of the Bishop of Durham  
Mr C Ferguson, Senior Common Room President, *ex officio*  
Miss Lucie Goddard, JCR President (until 31 March 2020), *ex officio*  
Prof S Hackett, Nomination of Durham University (from 1 September 2019)  
Ms J Haworth  
Miss I He, JCR Student Governor (from 1 April 2020) *ex officio*  
Ms J King, Nomination of the College Tutors  
Prof J MacNaughton, Nomination of Durham University  
Mr J Marshall, Nomination of the Bishop of Newcastle  
Dr M J Masson, Principal & Head of House, *ex officio*  
Mr A McAllion, Nomination of the Archbishop of York  
The Venerable Dr R Pratt, Nomination of the Bishop of Carlisle  
Mr S Power  
Ms E Rowark  
Mr R Taylor  
Prof C L H Warwick, Nomination of Durham University (until 17 May 2020)

### College Officers

Principal – Dr M J Masson\*  
Finance & Operations Director – Mr A J Jenkins (from 17 March 2020, Vice Principal & Bursar to 16 March 2020)  
Vice-Principal & Senior Tutor – Dr E Spencer-Regan  
Vice-Principal & Postgraduate Director – Rev Dr A P Wilson  
\*Dr M J Masson is also a Director/Trustee of the Limited Company.

### Company number

00109442

### Registered Charity Number

01142958

## **Report of the Governors** *(continued)*

### **Registered office**

18 North Bailey  
Durham  
DH1 3RH

### **Secretary to the Governors and Company Secretary**

Mr A J Jenkins

### **Bankers**

National Westminster Bank  
12 Market Street  
Durham  
DH1 3NG

### **Solicitors**

Swinburne Maddison Solicitors  
Venture House  
Aykley Heads Business Centre  
Aykley Heads  
Durham  
DH1 5TS

### **Surveyor**

Ashley Smith Chartered Surveyors  
Oakmere  
Belmont Business Park  
Durham  
DH1 1TW

### **Auditors**

RSM UK Audit LLP  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

## Report of the Governors *(continued)*

The Governors, who are also directors of the Company or College for the purposes of the Companies Act, submit their annual report and the audited financial statements of St Chad's College (the "Company" or "College") for the year ended 30 September 2020. The Governors confirm that the annual report and financial statements of the Company or College comply with current statutory requirements, the requirements of the Company or College's governing document and the provisions of the Charities Statement of Recommended Practice (SORP) FRS 102 issued on 16 July 2014 and applicable from 1 January 2015.

### Foreword of the Chair of Governors

At the end of 2018-19, we identified two large questions facing us in the forthcoming year. First, the place of a small independent College in a world-class University projecting ever greater numbers to come to Durham, at the same time as recalling that St Chad's was founded at Durham to provide access to university for those aspiring to service people with least advantages, yet whose educational background meant that they did not meet the entrance requirements of other universities where they could study and train. In those days, this was for pastoral ministry in the Church of England. Durham and St Chad's, especially being situated in the North, offered new possibility not only to individuals but also the communities they came from. Nowadays it is for St Chad's to prepare people for making a contribution in any walk of life. But the possibility for anyone to come to Durham through St Chad's, and to return on that investment to the benefit of society at large, is at the heart of our independence and what we stand for and offer. Concern for inclusion continues to take shape in our outreach and widening participation with schools. The successful appeal led by Mark Roberts, Director of Development, to raise £1m for scholarships gives us the lasting capacity to enable children and young people in the region and beyond to imagine realistically that they too could study at Durham. The College's programme to support personal development with a spirit of giving as well as receiving, from community volunteering to internships and placements with local employers, also remains integral to our purpose. All elements are set to recover their vigour when conditions allow in 2021. There is always more to do, and events in 2020 around the world have cast light on the path we, among many, need to take to be an ethnically diverse community, and thus be true to the values to our founding purpose.

Secondly, we recognised that buildings maintenance deferred long ago had become immediately urgent. Following a deep review of our financial planning, and on the basis of building good cash reserves, we were able to approve a 7-year £5m programme of repairs and upgrades, beginning with Grad's House and Trinity Hall. We also began to look at options for a larger development plan that might include much needed additional study space, a lecture room, and better leisure and social facilities, as well as even a replacement for our Chapel. It was not quite to be.

What we could not foresee was the global pandemic. The residential life of the university was largely suspended from March for the remainder of the academic year, causing us to rethink our works programme in the face of severe challenges to our revenue from conference, events and hospitality, as well as uncertainty over whether there would be student occupancy in the summer and autumn 2020 terms, or even to the end of the 2020-21 academic year. Owing to the national lockdown, governors were unable to meet at the College in March, but the Chair's Committee was repurposed as the College crisis management and oversight team, keeping governors informed until we were all able to meet online in May. We had already renamed the Bursar's role as that of Finance & Operations Director in recognition of its seniority and true scope. Thus Alistair Jenkins's detailed and painstaking work alongside that of the Principal, Dr Margaret Masson, was repeatedly seen to be critical to the stability and progress of the College during the pandemic. These joined Paul Chandler, Vice-Chair and Treasurer, with me in frequent online meetings. We were sad to see many of our staff put on furlough, but glad that at a time of uncertainty the government's Job Retention Scheme meant that we could maintain their salary and employment. In view of the strong position from our cash reserve and government support, we felt we could proceed with the comprehensive repairs and refurbishment at Grad's house and urgent work to replace the boiler at Trinity Hall. Looking at a number of scenarios – resuming residence in College in October, or later in the Michaelmas term, or not until January 2020, or even not at all through the 2020-21 academic year – we judged that, with prudent management and some difficult decisions, our finances could see us through the second wave of the virus to its projected reduction in prevalence in spring 2021. Alistair Jenkins is due particular praise for his comprehensive and expert management of our finances and operations in one of the College's greatest challenge in its history, and to Catherine Theobald, Financial Controller, for her clear and thorough analysis on which we are able to rely.

During summer 2020 the conditions for resuming life in College made it clear that, on top of our building works, we would have to adapt our buildings into smaller self-contained households, with tight restrictions on eating in Hall, use of libraries and socialising. We appealed to our alumni and other supporters for the additional unforeseen funds for adapting our buildings to comply with COVID-19 public health regulations – ensuring supplies of personal

protective equipment for staff and students, installing extra laundry facilities and improved kitchen facilities, providing each household with social spaces, and planning for reinstatements in 2021. We needed £60,000 and expected that our friends would be as generous as they could be and perhaps cover a third. We were amazed and humbled by their open-handed readiness to help and see St Chad's through. We received in excess of £90,000, all of which will go to navigating the pandemic and enhancing amenities into the future.

It was also clear that, following the government's decision to award A Level grades without examination, the University, St Chad's included, would need to admit more students in one year than ever before. Thanks to a cordial relationship built up over several years by the Principal, St Chad's was able to benefit from spare capacity at Teikyo University's branch campus at Durham. We were thus able to close Grad's House entirely for comprehensive works in one go, as well as assign students for whom there was no room in the College itself. We are more grateful than we can say for the help and support we have received from Teikyo, especially from Professor Kenichi Nakamura, Principal, and Michael Daly, Bursar.

During the year the Governors met once at the College and three times online. The Chair's Committee met twelve times. We thank the governors who retired at the end of their terms: Professor Claire Warwick, Professor of Digital Humanities in the Department of English, who was especially helpful with the development of our College strategy, and advice to the incoming Chair in 2018; and Lucy Goddard as President of the Junior Common Room. We are also grateful for the service of Grégoire Payen de La Garanderie for his service to the governors as acting President of the MCR. We welcomed Professor Simon Hackett, Professor of Child Abuse and Neglect in the Department of Sociology and Deputy Provost of the University, who had been elected on the nomination of the University Council, very grateful that he agreed to serve as Safeguarding Lead Governor; Nathaniel Attenborough as MCR President; and also Iris He as the new JCR Student Governor. It is a rare advantage to have a JCR member serving for longer than a year: James Burton was previously the JCR's Student Governor and is now its President. With students at first dispersed and now enduring restrictions while present at the university, he has communicated the present lived experience of undergraduate members of College with both frankness on their behalf and the commitment to the work of the governors on the part of the students that St Chad's relies on. The contribution of the student governors and the voice that each brings from their constituencies makes the governance of St Chad's a genuine participation with all sides of our life from speaking and listening. I am most grateful, indeed, for the constant collegial support of all my fellow governors, with their wide range of perspectives and wisdom on the unusual tasks that have fallen to us in 2020, especially that of Paul Chandler as Vice-Chair and Treasurer.

In summer, our Visitor, His Grace Dr John Sentamu, stepped down on his retirement as Archbishop of York. We are delighted that he can now resume his earlier association with St Chad's as an Honorary Fellow, again bringing to bear his long witness on behalf of those on the edges arising from his personal lived experience, towards a genuinely diverse society in which all have a stake and can thrive.

At the end of the academic year, we recognised the achievements of our students completing their studies and examinations in exceptional conditions, as well as facing uncertainty in the world of employment beyond. Those who left this year we wish well more than ever. Even though their last term at St Chad's was not in College, in missing them we are conscious of how closely they belong to our community, and St Chad's to them, now and into the future. When so many students and staff have sensed isolation, some extraordinary anxiety and even almost overwhelming burdens, the College's pastoral team, led by Dr Masson, have been superb: our Chaplain, Fr David Rushton, Dr Eleanor Spencer-Regan, Vice-Principal and Senior Tutor, Jeanna Spencer, Assistant Senior Tutor, and all the College Tutors. Appreciation, too, goes to Dr Ashley Wilson, Vice-Principal and Postgraduate Director, who sees to the unsung work behind the scenes on admissions, compliance, policy, and risk. We have been fortunate to have him in place through this crisis. As we look to 2020-21, whatever its challenges, we thank all the staff who worked through the last year and played their part in helping St Chad's to be prepared for what lies ahead. At the time of writing, the university's plan for students to be in residence throughout 2020-21 remains our working assumption. Our scenario planning has taken into account the risk that students may not be able to reside in College for all or part of the Epiphany term 2021, or the remainder of the academic year. We hope not, and we look forward to the restoration of normal life soon, so that we can offer to all people who come to St Chad's as students the best that Durham can offer and that we can give.

Finally, on behalf of all the governors, I place on record our admiration for Dr Margaret Masson as our leader in a year like no other. She has given of herself unstintingly for the sake of St Chad's. Her calm and clear-mindedness have steadied us and her colleagues throughout. Coming through 2020 and 2021 will in no small part be due to a remarkable Principal.

## **Structure, Governance and Management**

### **a) Constitution**

The Company or College is a charitable company limited by guarantee and established by a Memorandum of Association on 4 May 1910. St Chad's College became a registered charity, of which the Governors are the trustees, registration number 1142958, on 19 July 2014. Prior to that it was an exempt charity. The Members of the Association are the Governors, who constitute the College and form its Governing Body.

St Chad's College (Trading) Limited is a 100% owned subsidiary company which is included in these consolidated accounts.

### **b) Method of Election of Governors**

The management of the College is the responsibility of the Governors who are elected or appointed under the terms of the Articles of Association.

The Governors who held office during the year were as stated on page 3.

### **c) College Governors' liability**

The Governors guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

### **d) Policies adopted for the induction and training of Governors**

New Governors are inducted by the Secretary to the Governing Body and by the Principal of the College. They are also given a copy of the College's Memorandum and Articles of Association, its current Statutes, the Principal's annual report and the annual audited financial report. They are required to subscribe to the College's charitable aims and objectives, to be conversant with the College's policies and governance processes, especially where these require regulatory compliance, and to disclose possible conflicts of interest. They are invited to participate in the life of the College on a regular basis.

### **e) Organisational structure and decision making**

The day to day running of the College is delegated to the Principal, and the three Vice-Principals (Finance & Operations Director, Postgraduate Director and Senior Tutor).

### **f) Risk management**

The Governors have assessed the major risks to which the Company or College is exposed, in particular those related to the operations and finances of the Company or College and they regularly review the systems that are in place to mitigate exposure to major risks.

Risks are categorised into the following broad headings: strategic direction, infrastructure, conduct of business, academic/research activities, student support, financial sustainability, health & safety, building maintenance and commercial activity. The major risks relate to fluctuations in student residence and the associated levels of income. Ensuring stakeholder satisfaction by delivering value for money, a good quality service and investment in infrastructure is essential.

In order to oversee risk management, the governors have an audit committee with the following terms of reference:

1. The Audit Committee's remit is to maintain, on behalf of the Governors, regular oversight of the College's accounting, audit and risk procedures. The Committee shall also review the extent to which all wider areas of risk and governance are addressed through the College's management and governance organisation.
2. The Audit Committee's relationship with the Governors' Finance Committee is important and the Chairs of the two Committees shall communicate to ensure that the more proactive, advisory role of the Finance Committee and the more assurance-based role of the Audit Committee are complementary and do not duplicate each other.
3. Where the Audit Committee believes that improvement to procedures is required, it shall raise this with the College Officers and also with the Finance Committee for follow up.
4. In particular, the Audit Committee's task is:

#### *Audit and financial statements*

- i) to advise the Governors on the appointment of the external auditors, the audit fee, the provision of any non-audit services by the external auditors, and any question of the resignation or dismissal of the external auditors;
- ii) to agree with the external auditors, before the audit begins, the nature and scope of the audit;
- iii) to discuss with the external auditors any problems and reservations arising from the interim and final audits, including a review of the management letter incorporating management responses, and any other matters the external auditors may wish to discuss (in the absence of the College Officers where necessary); and this shall include a private session with the auditors each year without any College Officer or other staff being present;
- iv) to consider the annual financial statements in the presence of the external auditor, including the auditor's formal opinion, the statement of members' responsibilities, corporate governance policy statements and internal controls and risk management statements, and to recommend adoption of the accounts to the Governors;
- v) to monitor annually the performance and effectiveness of external auditors and to make recommendations to the Governors concerning their reappointment, where appropriate;
- vi) in the event of the merger or dissolution of the College, to satisfy itself that the Finance Committee has ensured that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed.;

#### *Internal controls*

- vii) to keep under review the effectiveness of risk management systems, internal controls, financial and investment procedures and in particular to review the external auditor's annual report, and senior management responses, together with any concerns raised by the Finance Committee;
- viii) to oversee the College's policy on fraud and irregularity, including being notified of any action taken under that policy, ensuring that any significant losses have been properly investigated and that the external auditors and, where appropriate, the Office for Students' Accounting Officer have been informed;
- ix) to satisfy itself that procedures are in place for the proper investment of the Restricted Funds entrusted to the College, the keeping of governing documents for each fund and the transfer or use of any monies in accordance with them, and for the required reports to be made to the donor, grantor or settlor;

#### *Wider governance, regulation and compliance*

- x) to review an annual report from the Bursar on how the College has addressed wider aspects of regulation and compliance, particularly to ensure that appropriate oversight is in place in all cases, the report referring when relevant to any reports from the National Audit Office, the College for Students, the Charity Commission, and other authorities and organisations;
- xi) to satisfy itself through this review that the Governors and College Officers keep risk management, health and safety, regulatory compliance, other policies and good governance under regular review, and to raise any gaps or clear deficiencies with the Governors;
- xii) to satisfy itself that the findings of any internal or external quality or other audit are addressed by an appropriate group and to raise any gaps or clear deficiencies where necessary with the Governors.

**The College has considered the following specific risks to be the most critical in the context of its operations:**

#### **COVID-19**

The impact of the pandemic has been considered by Governors through regular meetings as well as meetings of Finance, Audit and Chair's Committees. College Officers have worked closely on developing contingency plans to mitigate this risk as well as preparing College for the return of students and staff in a safe way. Covid-19 has been added to our Risk Register and is monitored on a regular basis.

#### **Meeting intake targets**

The student intake risks are managed by detailed monitoring of student admissions through close liaison with Durham University, regular conversation between College Officers, and routine reporting and scrutiny and discussion at meetings of the Governors.



In addition to monitoring admissions in collaboration with the University, the College has established its own fund that provides, from interest generated, a significant number of bursaries and scholarships targeted at students who find funding their education a considerable challenge. This will help to alleviate the risk of reduced income because of unoccupied rooms, thanks to a fund created from external funding (mostly from the donations of alumni), which strongly advances the College's foundational social justice ethic to provide a place of higher education for those less able to afford it.

#### ***Achieving value for money***

The risks as to value for money are a combination of budget monitoring to prevent unnecessary expenditure, and enabling value for money in procurement. These are monitored through discussion with student representatives and surveys of the student community, in order to ascertain that value is being given and seen as received. These feed into a report to the Governors, and during the year we recorded the positive position of 98% student occupancy.

#### ***Funding of investments in infrastructure***

The risk as to investment in infrastructure would be a major problem if the College had buildings which were not fit for purpose. This is being mitigated by an ongoing capital refurbishment plan which commenced in 2010, supplemented by work identified within our regular building condition surveys. Regular reporting through an internal committee structure, with a costed five year plan approved by Governors, will enable significant progress.

### **Objects and activities**

#### **a) Objects of the College**

The objects for which the College is established are:

- (i) to advance education, learning, religion and research within the College in accordance with the principles of the Church of England; and
- (ii) to provide a College for persons who shall be members of the University of Durham wherein they may work for degrees and other qualifications of the University of Durham (including, in particular, advancing the education, spiritual and moral welfare of students enrolled at the College).

Our principal means of meeting those objects is our provision of academic and pastoral support to undergraduates and postgraduate students reading for degrees in the University of Durham.

St Chad's also provides its own education, study support, and research programmes within the College.

#### **b) Our Strategy for achieving our objectives**

Our aim is to provide excellent academic and pastoral support in a residential context via College Officers, the Chaplaincy, our mentoring and tutorial team, our academic and research staff, the provision of our extensive libraries and other facilities, not to mention our *Sed Vos* Programme, which offers support and other opportunities for engagement through various summer schools and courses, chiefly in the Easter and Summer breaks.

Our academic and pastoral support exists not only to enable our students to do well in their departmental-based studies, but also to stretch their academic and social potential by exposing them to issues and challenges beyond the curriculum. We do this by providing our students with a variety of tutors and through our Perspectives Programme, which, in addition to encouraging the acquisition and honing of transferable skills, gives our students the opportunity to engage with regional issues by actually visiting the region, and experiencing some of the challenges faced by people in the community at first hand.

The academic support at St Chad's is offered in the context of support within the University of Durham as a whole. It is essential to our overall strategy that we coordinate what we do in the College with what is done in the University, be it through collaboration with the University's departments or its student support services.

We target our conference work to further the academic aims of the College. While conferences generate income to support our own academic activities, most of them are academic activities in and of themselves. Our conference strategy has been to enter into longer-term relationships with providers who are doing what we otherwise might do ourselves, and so further our charitable aims.

During the year, the College continued to implement its Vision, Values, and Strategic Framework for 2018 to 2027, as far as possible within the conditions imposed by the global pandemic and consequent restrictions. The main task has been to steer the College as an institution through the financial and operational challenges, ensuring the wellbeing of our students as far as possible whether attending the university virtually from a distance or resident in Durham; and providing the best possible experience of belonging to St Chad's as a formative, intellectually stimulating and inspiring academic community.

The Principal, College Officers and other senior staff regularly map the management and operations of the College to this framework, and this in turn is regularly monitored through reports to each meeting of the Governors. The overall framework is set out as follows:

**Our Vision:** To be a hospitable, supportive, challenging community of learning, respected for our distinctive contribution to Durham University, the North East region, and the wider world.

**Our Mission:** To work as a warm, reflective community which sustains an outstanding collegiate experience, promotes academic excellence and personal development, and encourages our members to make a positive social impact.

**Our Values:** As an independent college within Durham University, shaped by our Anglican heritage, and embedded in the North East region, we seek to live with integrity as a community serving people of all faiths and beliefs.

St Chad's is:

- **Communal and Curious**

We welcome and value people from all backgrounds and perspectives, and promote a culture of respect, friendship, inclusion, and diversity. Our ethos supports the pursuit of academic excellence, the passion for ideas, the quest for truth, and a lifelong commitment to learning.

- **Just and Responsible**

We reach out to marginalised people within local, national, and global communities, and work towards a fairer and more ethical society. We respect our planet, and minimise the harm we do to it by adopting environmentally sustainable practices.

- **Holistic and Beautiful**

We live as a community which nurtures spiritual as well as intellectual growth, and we facilitate an appreciation of the personal and political significance of faith in our world today. We value the aesthetic quality of our community environment, recognise the creativity involved in all intellectual endeavor, and integrate sport, music, art, drama and literature into our life together.

- **Professional and Sustainable**

We live in a competitive, fast-changing world. We are committed to sustaining all that we love about our College and also to ensuring that we develop and flourish in the future.

Thus, we have created a Strategy that we believe will sustain the St Chad's culture, ethos and sense of community, building on the many things we already do well, whilst working to further enhance the quality and effectiveness of our college life. We will focus on five priorities.

***Improving the quality of our community life***

We must remain an attractive and vibrant community, for this is central to being able to develop our mission.

- **Enhancing our core residential offer:** we will create a more flexible and attractive catering package, explore a differential residence offer, and establish a programme of bursaries for returning students. This will improve the experience of all our residents and sustain our returner rates in the face of increased competition from private landlords.
- **Investing in our buildings and facilities with a view to both beauty and functionality:** building on the successful installation of a new kitchen in December 2017, our plans for refurbishment and development will run alongside the work identified within the building condition surveys to ensure that our students are accommodated in premises which are attractive, functional and safe. The work identified in our Estates Strategy, which commenced in summer 2019, continued this year with work to replace the boiler at Trinity Hall. A full refit of Grads House commenced at the end of September 2020 and will be completed by April

2021. The 7 year plan to refurbish the college estate has been paused beyond this point due to the prevailing uncertainty.

- ***Building on our opportunities to contribute more widely***

St Chad's has always been a college with a conscience, committed to promoting social justice. We are keen to build on this tradition and ensure that we are living our values.

- **Creating greater access to learning:** we will increase student diversity at St Chad's through establishing more bursaries and we will enhance our Widening Participation Programme to reach more school students and made a deeper impact on those with whom we engage.
- **Increasing our engagement with and contribution to the University and to the North East:** we will encourage our students both to get involved across the University and to link to the region's communities through volunteering and internships, and we will build on the regional focus and impact of our research programme.

### **Improving our systems, empowering our staff**

Whilst maintaining an ethos of warm community, St Chad's needs to have the systems, structures and culture in place to enable our staff to help us become a more efficient responsive and sustainable organisation.

- **Becoming more professional:** through better staff engagement, improved governance systems, more effective financial and commercial management, regular reviews of all key policies and procedures, a stronger culture of health and safety, and establishing a more adequate system of induction, training and review for all staff.
- **Remuneration:** The College broadly follows Durham University's pay and grading structure for staff. A remuneration committee meets termly and decides on grading and salary structure for key management personnel.

### **c) Activities for achieving objectives**

The College's major charitable activity is furthering the education of students who are enrolled within the University of Durham. This is carried out by providing a residential experience in a highly engaged and engaging learning community, integral to which is academic and personal support from College Officers, our Tutors and mentors, and the skills and experiences offered through the Perspectives programme of extra-curricular activities.

St Chad's provides a residential College to 250 students living in at any one time, as well as infrastructure support to a further 300. Of these 550, students 395 are undergraduates and 155 postgraduates. We endeavour to provide academic and personal support to all students. However, we recognise that in an exceptional year this has been a greater challenge for students, particularly for those living outside of college accommodation.

As an independent college within Durham University shaped by our Anglican heritage and embedded in the North East region, we seek to live with integrity as a community serving people of all faiths and beliefs.

Thus, at the heart of the College is its chapel and its regular worshipping community. A full time Chaplain, who is an Anglican priest, offers spiritual as well as pastoral support to the whole College community, working closely with our work to promote social inclusion and wider community engagement.

In addition to providing student accommodation, the College becomes a 3 Star guest house during vacation periods. The financial benefits from this trading activity are utilised to support the College main activities in pursuit of our objects. This year, due to the Covid-19 pandemic, all commercial trading activity over the Easter and Summer vacation periods was cancelled or postponed.

### **Fundraising**

An Emergency Covid Appeal was launched in the summer of 2020 as the continuing impact of the pandemic on the college was evident. Through the huge generosity of our donors the final campaign total exceeded £90,000 by October 2020, with £88,599 recognised in this financial year. The funds have been used to install kitchen and lounge facilities within "household bubbles" by re-purposing a small number of student bedrooms. A proportion of the funds raised (£33,090) has been allocated to unrestricted reserves to meet the short-fall on residential income in the next financial year as a consequence of re-purposing the bedrooms. This fund has been vital in making the student experience as positive as possible in the current climate, and will continue to be used throughout the next financial year as required to support our students and ensure the college remains Covid safe.

A substantial donation was made to college and this has enabled significant investment in audio visual equipment which will benefit both our students and conference guests alike.

The college continues to raise funds to enable scholarships to be paid to students who may otherwise have struggled to afford funding of their university degree.

### Financial Review

The financial review refers to the consolidated group activities of St Chad's College Limited (parent) and St Chad's College (Trading) Limited (the subsidiary). The subsidiary is fully owned and controlled by the college.

### Summary

Net income before transfers was 47% lower than the previous year at £180,535 (2019: £342,875). The impact of the Covid-19 pandemic resulted in this significant reduction in profitability in the year, both through the loss of student maintenance fees income and the cancellation or postponement of conference trade.

Government grant in the form of the job retention scheme have helped to cover the costs of staff who have been furloughed between April and September 2020. This amounted to £180,651. The college "topped-up" basic pay and employer pension contribution levels for furloughed staff to 100% of contracted levels, the additional cost to the college of doing this was £72,730. This decision was taken by the governing body after careful consideration with the college officers. This action was deemed appropriate in order to avoid undue financial hardship for the college employees through the Covid-19 crisis and to ensure the college was able to retain its valued staff base.

Donations & legacies income was substantially higher this year at £269,262 (2019: £107,837).

Total expenditure was 14% lower than the prior year at £2,135,282 (2019: £2,494,339). Conference expenses were 90% lower at £11,357 (2019: £108,998) as almost all events were cancelled or postponed until 2021. Proportionate savings were made where possible within the expenditure on educational activities which were 10% lower than the prior year at £2,105,010 (2019: £2,334,193).

### Balance sheet

The balance sheet remains in a healthy position, with freehold land and building asset values being based on the most recent formal valuation (as at 30 September 2018), reviewed by the Trustees in the interim, and investment into those assets continuing throughout the year.

Year end debtors and creditors balances are under control:

The vast majority of trade debtor balances have been collected in advance of the financial year-end leaving a group balance of £8,001 (2019: £71,207). The prompt settlement of the student residence accounts following the departure of most of the students in March 2020 has given rise to the lower trade debtor balance, combined with the cancellation of the summer conferences and weddings due to Covid-19.

Accrued income at the year-end was £93,161 (2019: £143,498) and the majority of this balance (£71,483) relates to expected donations in the form of gift aid claims or individual donations pledged but not received at the year end.

Trade creditor balances are reconciled on a monthly basis to external supplier statements. Payments are made to suppliers in line with payment terms and after ensuring the appropriate authorisations have been obtained. The year-end trade creditor balances were £96,532 (2019: £233,467). The movement in the level of trade creditors compared with the prior year relates to the timing of capital buildings projects.

The cash balance has reduced by £267,800 in the year to £1,396,275, compared with £1,664,075 in the previous year. The college has seen a significant drop in cash inflows from operating activities as a direct result of Covid-19. Investment in the college buildings has continued during the financial year with fixed asset additions of £460,611 (2019: £244,550). The boiler has now been replaced at Trinity Hall with capital spend of £178,068 and phase 2 of the work to refurbish Grads House commenced in September 2020 with spend to date of £103,699.

The balance of our short-term investments at the year-end was £863,172 (2019: £849,792).

Overall net assets increased to £13,650,891 (2019: £13,470,355).

### Income

Total income reduced by 17.5% to £2,302,437 compared with £2,791,559 in the previous year.

Our core income generating activity of residential accommodation showed a reduction of 24% on the previous year (2019: +4.0%). Credit notes and refunds amounting to £512,031 were issued to students for the period from 20<sup>th</sup>

March 2020 to the end of the academic year, where students did not remain in residence as a result of the Covid-19 pandemic.

The college received government grant income amounting to £190,651 in the year. £180,651 related to the job retention scheme furlough grant. A £10,000 Covid-19 business grant was also received from Durham County Council.

The College fee, received from Durham University, remains at £360,000 per annum (2019: £360,000) and this reflects the agreement negotiated in 2016, which is fixed for 5 years until the end of 2021/22.

Income from educational conferences was £15,565 which was 92% lower than the previous year (2019: £184,862). This loss of income was as result of the Covid-19 pandemic, where all the conference trade was cancelled or postponed to 2021.

This year St Chad's College (Trading) Limited experienced a trading loss in the year after the cancellation/postponement of all non-educational conferences and weddings during the Covid-19 pandemic. The investment income from St Chad's College (Trading) Limited as a donation to St Chad's College was therefore £nil compared with £47,980 in 2018/19.

Bank interest income was remained broadly in line with the previous year, reflecting the performance of our short-term investments, generating £28,635 this year compared to £28,017 in 2018/19.

Income from donations and legacies was significantly higher than the previous year at £269,262 (2018: £107,837). The college launched an emergency fundraising campaign in respect of the Covid-19 pandemic which had raised £88,599 as at 30<sup>th</sup> September 2020. The college also received a restricted legacy for £30,000 in respect of The Chapel and an unrestricted one-off gift of £39,844.

Income from research activity was £33,080 in the current year (2019: £95,831). The reduction in the income levels here have resulted from one of the research fellows being furloughed from April 2020 to the end of December 2020. The second research fellow has been on sabbatical from March 2020 to the end of the financial year. The College recognises the value of the work being undertaken by our researchers and is keen to maintain the strong relationship it enjoys with its Research Fellows. The College sees this as an integral part of delivering its social values and developing its relationship with key partners across the region.

## **Expenditure**

The group expended total resources of £2,135,282 in 2019/20, compared to £2,494,339 in the previous year. This represents a reduction of around 14%.

The areas of expenditure where significant differences can be seen are as follows:

Staff costs were comparatively low this year at £1,261,378 (2019: £1,370,486). Catering staff overtime, agency and casual staff costs were much lower than in the previous year as from April 2020 to September 2020 the majority of these staff were furloughed and the conference season did not go ahead. Research fellow staff costs were lower due to a sabbatical period taken from March 2020 to the end of the financial year.

Within student costs, food costs were lower at £146,427 (2019: £210,238). The college did not provide student food during the Easter term as the majority of students terminated their occupancy agreements due to Covid-19. Those student who did remain in college accommodation throughout the Easter term received a refund for catering.

Overall rent, rates and utilities were £239,313 (2019: £274,736) Electricity costs were lower this year due to approximately £38,000 of historic credit notes being received from the supplier which related to prior years.

Depreciation costs charged in the year were £155,478 (2018: £161,298).

Repairs and maintenance costs were £96,463 in the year (2019: £89,307). The current year costs were high due increase in the levels of painting and decoration within college.

Legal and Professional fees were lower this year at £24,561 (2019: £55,783). The costs were higher last year due to the amount paid for building condition surveys at £17,982.

Alumni development and travel costs were lower this year at £18,107 (2019: £49,835). No telephone campaign costs were incurred during the current year and other development and travel costs were reduced during the Covid-19 pandemic as staff were furloughed.

The College continues to work hard to ensure the delivery of the standards and quality that exceed the expectations of our students and commercial customers.

#### **d) Reserves Policy**

Our total reserves at the end of 2019/20 were £13,650,891 (2018/19: £13,470,355). There are four elements to our reserves:

- i) Our estate reserves: Our policy is to keep our buildings renewed, to prevent erosion of their value. We hold a reserve equivalent to the market value of the land and buildings. We generate annual operating surpluses and use these in part to maintain these buildings, so no extra reserve is anticipated beyond the actual (effectively unrealisable) value of our current buildings and land.
- ii) Our restricted reserves: these are funds held for specific purposes, principally in relation to our Scholarships & Bursaries Fund but also in relation to monies raised to enable the delivery of other special projects.
- iii) Our free operating reserves, which are reviewed annually. The figure should normally be within the bounds of 3-6 months of normal expenditure plus an amount that would cover the orderly wind-down of operations (currently estimated at £171,000). For 2019/20 this would indicate a target range between £705,000 and £1,239,000. These reserves allow us to manage fluctuations in cashflow and meet urgent needs. The Finance Committee considers the prudent minimum level of reserves at present to be £1,000,000. Any surplus over this figure may be considered as designated for strategic development.
- iv) Our strategic development reserves. To further our charitable purposes we need to ensure that we have the capacity to undertake major expenditure projects on our buildings or to acquire new residential properties that may become available on the Bailey or close to our other sites where these would further our charitable purposes. These reserves are intended to contribute towards such projects, but may be re-designated to other purposes by the Governors.

As at 30 September 2020 the estate reserve was £11,684,868 (2019: £11,379,735), restricted reserves were £748,217 (2019: £575,677), and non-fixed assets designated reserves were £7,940 (2019: £17,831) leaving free reserves of £1,209,866 (2019: £1,497,112).

The level of free reserves at £1,209,866 is currently in excess of the £1 million target. A major capital refurbishment project has commenced during the year and is expected to reduce free reserve levels significantly within the next 12 months. Planned capital expenditure on our buildings over the next 6-10 years is expected to be in the region of £4.8 million. This will be funded from available free reserves, annual business surpluses and additional bank borrowing committed.

Additional uncertainty remains around Covid-19 and its potential further impact on free reserves over the coming year. Governors review reserve levels, business forecasts and cash-flow projections regularly. The reserves policy will be subject to a governor review in the early part of next year.

#### **e) Principal funding**

The principal sources of funding for the year to 30 September 2020 were student maintenance and College fees - income generated through charitable trading, educational conferences, related research activity and alumni donations and gifts.



**f) Investment policy and performance**

The power to invest monies is held by the Governors who have the power to invest monies as they see fit. The investments are held in the form of fixed interest bonds, common investment funds and unit trusts and the performance of the investments is considered adequate. £863,172 is invested in this manner.

**Market value of land and buildings**

The Governors consider that the market value of the land and buildings is equivalent to the figure disclosed in the accounts. A formal valuation of the land and buildings was carried out to 30 September 2018. An interim valuation assessment by the governors for the year ended September 2020 has concluded that the formal valuation remains valid and no impairment has been identified.

**g) Going Concern**

FRS 102 requires that, if appropriate, the group's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for at least 12 months from approval of the financial statements, on the basis of known and reasonable projected resources. Detailed budgets and cash flow forecasts have been prepared up to September 2023, and have also prepared best and worst case scenarios for the 2020/21 year to assist with their going concern considerations. The group has sufficient resources available to meet its liabilities as they fall due, including an overdraft facility of £500,000 available if required, and as such there are no material uncertainties in respect of the group's ability to continue as a going concern. As a consequence, the Governors believe the group is well placed to manage its business risks successfully and therefore have adopted the going concern basis of accounting in preparing the financial statements.

**Disclosure of information to auditor**

The Governors who held office at the date of the approval of this Report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditor is unaware; and each Governor has taken all the steps that he or she ought to have taken as a Governor to make himself or herself aware of any relevant audit information and to establish that the College's auditor is aware of that information.

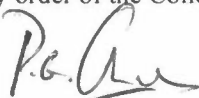
**Public benefit statement**

In shaping our objectives for the year and planning our activities, the Governors have considered the Charity Commission's guidance on public benefit and are satisfied that the College benefits the public through the advancement of education, learning and research within the College in accordance with the principles of the Church of England. In addition, the College provides a community for members of the University of Durham wherein they may work for degrees and other qualifications of the University (including, in particular, advancing the education, spiritual and moral welfare of the students enrolled at the College).

**Auditor**

RSM UK Audit LLP have indicated their willingness to continue in office as auditors, and a resolution concerning their appointment will be put forward at a Governing Body meeting.

By order of the College Governing Body.



**Mr Paul Chandler**  
*Vice-Chair of Governors*

18 North Bailey  
Durham  
DH1 3RH

18/03/21 DATE

## **Statement of the Governors' responsibilities in respect of the Governors' Annual Report and Financial Statements**

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

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

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

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

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## **INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF ST CHAD'S COLLEGE**

### **Opinion**

We have audited the financial statements of St Chad's College (the 'charitable company') for the year ended 30 September 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

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

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

### **Other information**

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

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

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

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

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

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

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

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

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

### **Responsibilities of governors**

As explained more fully in the Statement of Governors' responsibilities set out on page 15, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors 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 governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

### **Use of our report**

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



LUCY ROBSON (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

22/03/21

## Consolidated statement of financial activities (incorporating income and expenditure account)

for the year ended 30 September 2020

	Notes	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>Income</b>						
Donations and legacies	2	83,444	-	185,818	269,262	107,837
Investment income	3	13,282	3,000	15,352	31,634	34,017
<i>Income from charitable activities</i>						
Income from educational activities	4	1,958,635	13,932	25,000	1,997,567	2,492,727
<i>Income from other trading activities</i>						
Commercial business income	5	3,974	-	-	3,974	156,978
<b>Total income</b>		<b>2,059,335</b>	<b>16,932</b>	<b>226,170</b>	<b>2,302,437</b>	<b>2,791,559</b>
<b>Expenditure</b>						
Fundraising expenses and other costs	6	(18,915)	-	-	(18,915)	(51,148)
Commercial trading operations	7	(11,357)	-	-	(11,357)	(108,998)
<i>Expenditure on charitable activities</i>						
Expenditure on educational activities	8	(2,011,303)	(26,824)	(66,883)	(2,105,010)	(2,334,193)
<b>Total expenditure</b>		<b>(2,041,575)</b>	<b>(26,824)</b>	<b>(66,883)</b>	<b>(2,135,282)</b>	<b>(2,494,339)</b>
Unrealised gains on investments	18	128	-	13,252	13,380	45,655
<b>Net income before transfers</b>	10	<b>17,888</b>	<b>(9,892)</b>	<b>172,539</b>	<b>180,535</b>	<b>342,875</b>
Gross transfers between funds	25	-	-	-	-	-
<b>Net income before other recognised gains and losses</b>		<b>17,888</b>	<b>(9,892)</b>	<b>172,539</b>	<b>180,535</b>	<b>342,875</b>
Movements on revaluation of fixed assets		-	-	-	-	-
<b>Net movement in funds for the year</b>		<b>17,888</b>	<b>(9,892)</b>	<b>172,539</b>	<b>180,535</b>	<b>342,875</b>
Fund balances brought forward		6,037,752	6,856,926	575,677	13,470,355	13,127,480
<b>Fund balances carried forward</b>	25	<b>6,055,640</b>	<b>6,847,034</b>	<b>748,216</b>	<b>13,650,890</b>	<b>13,470,355</b>

All of the above results are derived from continuing activities. The group has no other recognised gains and losses other than those stated above.

The notes on pages 22 to 43 form part of these financial statements.

## Consolidated Balance sheet at 30 September 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	11,684,868	11,379,735
		<u>11,684,868</u>	<u>11,379,735</u>
<b>Current assets</b>			
Stock	16	9,397	6,207
Debtors	17	133,770	245,328
Cash at bank and in hand		1,396,275	1,664,075
Short-term investments	18	863,172	849,792
		<u>2,402,614</u>	<u>2,765,402</u>
<b>Creditors:</b> amounts falling due within one year	19	(224,435)	(437,780)
<b>Net current assets</b>		<u>2,178,179</u>	<u>2,327,622</u>
<b>Total assets less current liabilities</b>		<u>13,863,047</u>	<u>13,707,357</u>
<b>Creditors:</b> amounts falling due after more than one year	20	(212,157)	(237,002)
<b>Net assets</b>		<u>13,650,890</u>	<u>13,470,355</u>
<b>Group funds</b>			
Restricted funds	24	748,216	575,677
Designated funds	24	6,847,034	6,856,926
Unrestricted funds	24	6,055,640	6,037,752
		<u>13,650,890</u>	<u>13,470,355</u>

These financial statements were approved by the Governors on 18/3/21 were signed on its behalf by:



**Mr Paul Chandler**  
Vice-Chair of Governors

Registered number: 00109442

## Charity Balance sheet at 30 September 2020

	Note	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	14	11,666,842		11,359,610	
Fixed asset investments	15	1		1	
			11,666,843		11,359,611
<b>Current assets</b>					
Stock	16	9,397		6,207	
Debtors	17	165,718		387,210	
Cash at bank and in hand		1,368,696		1,501,387	
Short-term investments	18	863,172		849,792	
		2,406,983		2,744,596	
<b>Creditors:</b> amounts falling due within one year	19	(203,396)		(396,850)	
<b>Net current assets</b>			2,203,587		2,347,746
<b>Total assets less current liabilities</b>			13,870,430		13,707,357
<b>Creditors:</b> amounts falling due after more than one year	20		(212,157)		(237,002)
<b>Net assets</b>			13,658,273		13,470,355
<b>Group funds</b>					
Restricted funds	24	748,216		575,677	
Designated funds	24	6,847,034		6,856,926	
Unrestricted funds	24	6,063,023		6,037,752	
			13,658,273		13,470,355

A separate Statement of Financial Activities for the Charity as an individual entity is not presented because the Charity has taken advantage of the exemption offered by Section 408 of the Charities Act 2006. The net incoming resources before gains and losses for the year for the Charity was £174,538 (2019: £297,220).

These financial statements were approved by the Governors on 18/3/21 were signed on its behalf by:



**Mr Paul Chandler**  
Vice-Chair of Governors

Registered number: 00109442

The notes on pages 22 to 43 form part of these financial statements.

**Consolidated statement of cash flows**  
*for the year ended 30 September 2020*

	2020 £	2019 £
<b>Cash flows from operating activities</b>	<b>217,754</b>	<b>648,336</b>
<b>Cash flows from investing activities</b>		
Acquisition of tangible fixed assets	(460,611)	(244,550)
Acquisition of short term investments	-	-
Proceeds from disposal of short term investments	-	256,807
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(460,611)</b>	<b>12,257</b>
<b>Financing activities</b>		
Repayment of borrowings	(24,943)	(30,049)
<b>(Decrease)/increase in cash and cash equivalents in the year</b>	<b>(267,800)</b>	<b>630,544</b>
Cash and cash equivalents at the beginning of the year	1,664,075	1,033,531
<b>Cash and cash equivalents at the end of the year</b>	<b>1,396,275</b>	<b>1,664,075</b>

**Cash flows from operating activities**

	2020 £	2019 £
Net income	180,535	342,875
Gains on investments	(13,380)	(45,655)
Depreciation	155,478	168,751
Increase in stock	(3,190)	(1,992)
Decrease in debtors	111,558	7,118
(Decrease)/Increase in non-bank loan creditors	(213,247)	177,239
<b>Net cash flow from operating activities</b>	<b>217,754</b>	<b>648,336</b>

**Analysis of Changes in Net Debt**

	1 <sup>st</sup> October 2019	Cash flow	Other non- cash changes	30 <sup>th</sup> September 2020
Cash at bank and in hand	1,664,075	(267,800)		1,396,275
Bank loans due in less than one year	30,049	(30,033)	29,935	29,951
Bank loans due in more than one year	237,002	5,090	(29,935)	212,157
<b>Total net debt</b>	<b>1,931,126</b>	<b>(292,743)</b>	<b>-</b>	<b>1,638,383</b>

The notes on pages 22 to 43 form part of these financial statements.

## **1 Accounting policies**

### ***Basis of preparation***

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

FRS 102 requires that, if appropriate, the group's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and reasonable projected resources. There are no material uncertainties in respect of the group's ability to continue as a going concern. As a consequence, the Governors believe the group is well placed to manage its business risks successfully and therefore have adopted the going concern basis of accounting in preparing the financial statements.

### ***Consolidation***

The financial statements consolidate the results of the charity and its wholly owned subsidiary undertaking, St Chad's College (Trading) Limited, on a line by line basis. All financial statements are made up to 30 September 2020, and consistent accounting policies are used.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

### ***Reduced disclosure options***

In accordance with FRS 102, the Charity has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures (in relation to the Charity's own statement of cash flows – a consolidated statement of cash flows is presented in these financial statements)

### ***Company status***

The Group is a company limited by guarantee. The Members of the Group are the Governors named on page 3. In the event of the Group being wound up, the liability in respect of the guarantee is limited to £1 per member of the Group.

### ***Fund accounting***

Designated funds comprise general funds which have been set aside at the discretion of the Group Governing Body for specific purposes. The purpose and use of the designated funds are set out in note 24.

Restricted funds are funds subject to specific restrictive conditions imposed by funders or by the purpose of the appeal. The purpose and use of the restricted funds are set out in note 24.

All income and expenditure is shown in the Statement of Financial Activities.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Income*

All income is recognised when the Group becomes entitled to the funds, likelihood of receipt is probable and the amount is measurable:

- Fees income comprises Group fees, maintenance and student rents.
- Vacation business income comprises, bed and breakfast lettings and conferences during vacations.
- Other income comprises gains on disposal of fixed assets, sales of alumni merchandise and various publications and other miscellaneous income.
- Donations and legalities comprises gifts and donations given by supporters, the general public and business.

#### *Expenditure*

All expenditure is recognised on the accruals basis. Charitable expenditure comprises expenditure relating to the direct furtherance of the charitable objectives. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with use of the resources. Central overheads are allocated on the basis of their use with the aim of ensuring that those costs remaining within administration relate to the management of the Group's assets, administration and compliance with constitutional and statutory requirements.

Irrecoverable VAT is included as an expense where appropriate.

#### *Governance costs*

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. These are included within expenditure on charitable activities.

#### *Foreign currency*

Transactions in foreign currencies are translated to the Company or Group's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Statement of Financial Activities.

#### *Interest receivable and Interest payable*

Interest payable and similar charges include interest payable and finance leases recognised in the Statement of Financial Activities using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the Statement of Financial Activities (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in Statement of Financial Activities as they accrue, using the effective interest method. Dividend income is recognised in the Statement of Financial Activities on the date the Company or Group's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.



## Notes (continued)

### 1 Accounting policies (continued)

#### **Basic financial instruments**

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the charitable company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

#### **Other financial instruments**

##### *Financial instruments not considered to be Basic financial instruments (Other financial instruments)*

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in Statement of Financial Activities except investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation (freehold land and buildings) including any incidental expenses of acquisition. Additions, which are capitalised when greater than a *de minimis* level of £5,000 for any individual item or £500 for any computer equipment items, and disposals are included when all contractual obligations have been met. Cost includes directly attributable finance costs.

Freehold land held as an investment is not depreciated. Freehold property is not depreciated on the basis that at the end of its useful economic life the residual value of the freehold property will be equal to or exceed the carry value.

Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, over their estimated useful economic lives as follows:

Long term leasehold property	-	over the period of the lease
Fixtures and fittings	-	5-20 years
Computer equipment	-	3 years

The Trustees consider the need for impairment of fixed assets on an annual basis. No depreciation is provided on freehold buildings as estimated residual value exceeds net book value.

#### **Revaluation**

Gains on revaluation are recognised on the face of the Statement of Financial Activities before arriving at net movement in funds and accumulated in revaluation reserve.

Losses arising on revaluation are recognised on the face of the Statement of Financial Activities before arriving at net movement in funds to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any excess is recognised in expenditure.

## Notes (continued)

### 1 Accounting policies (continued)

#### ***Impairment excluding stocks, investment properties and deferred tax assets***

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through the Statement of Financial Activities is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the charitable company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the Statement of Financial Activities. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Financial Activities.

##### ***Non-financial assets***

The carrying amounts of the charitable company's non-financial assets, other than investment property and stocks are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Financial Activities. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

##### ***Provisions***

A provision is recognised in the balance sheet when the charitable company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the charitable company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company or Group treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company or Group will be required to make a payment under the guarantee.

##### ***Stocks***

Stocks are stated at the lower of cost and net realisable value. Stock includes catering provisions and bar provisions.

## Notes (continued)

### 1 Accounting policies (continued)

#### Pension costs

The Group operates various pension schemes. The assets of these funds are held separately from those of the Group in independently administered funds.

For defined contribution schemes, the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits are the contributions payable in the year.

The main schemes in which the charity participates are the Universities Superannuation Scheme and Durham University Pension Scheme.

The Universities Superannuation Scheme (USS) is a defined benefit scheme. The Group is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 102, accounts for the scheme as if it were a defined contribution scheme.

#### Investments

Investments are stated at market value. Unrealised and realised gains or losses are reported in accordance with the SORP.

Investment income is recognised on a receivable basis.

### 2 Donations and legacies

	Unrestricted general funds 2020 £	Unrestricted designated funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Alumni donations	79,165	-	155,818	234,983	114,607
Legacy income	4,279	-	30,000	34,279	(6,770)
	<u>83,444</u>	<u>-</u>	<u>185,818</u>	<u>269,262</u>	<u>107,837</u>
For the year ended 30 September 2019	<u>1,643</u>	<u>-</u>	<u>106,194</u>		<u>107,837</u>

### 3 Investment income

	Unrestricted general funds 2020 £	Unrestricted designated funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Bank and other interest	13,282	-	15,352	28,634	28,017
Rental income from investment property	-	3,000	-	3,000	6,000
	<u>13,282</u>	<u>3,000</u>	<u>15,352</u>	<u>31,634</u>	<u>34,017</u>
For the year ended 30 September 2019	<u>13,169</u>	<u>6,000</u>	<u>14,848</u>		<u>34,017</u>

**Notes (continued)**

**4 Income from educational activities**

	Unrestricted general funds 2020 £	Unrestricted designated funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Maintenance fees	1,348,731	-	-	1,348,731	1,769,406
College fees	360,000	-	-	360,000	360,000
Conferences	15,565	-	-	15,565	184,862
Academic projects	-	8,080	25,000	33,080	95,831
Other income	49,540	-	-	49,540	82,628
Government Grants	184,799	5,852	-	190,651	-
	<u>1,958,635</u>	<u>13,932</u>	<u>25,000</u>	<u>1,997,567</u>	<u>2,492,727</u>
For the year ended 30 September 2019	2,396,896	32,081	63,750		2,492,727

During the year, St Chad's College has received a grant of £5,000 from the Community Foundation serving Tyne & Wear and Northumberland (2019: £43,250). St Chad's College has also received a grant during the year of £20,000 from the Institute of Public Policy Research (IPPR North) in relation to a grant awarded by the Garfield Weston Foundation. These restricted funds are shown within academic projects above and total £25,000.

Government grants received in the year amounted for £190,651. Of this £180,651 related to the coronavirus job retention scheme grant and £10,000 was received from Durham County Council in the form a Covid-19 grant from the Retail, Hospitality and Leisure Grant Fund.

**5 Commercial business income**

	Unrestricted general funds 2020 £	Unrestricted designated funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Conferences and accommodation	3,974	-	-	3,974	156,978
	<u>3,974</u>	<u>-</u>	<u>-</u>	<u>3,974</u>	<u>156,978</u>
For the year ended 30 September 2019	156,978	-	-		156,978

**Notes (continued)**

**6 Fundraising expenses and other costs**

	Unrestricted general funds 2020 £	Unrestricted designated funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Merchandise expenditure	807	-	-	807	44
Other expenditure	-	-	-	-	1,269
Alumni development and travel costs	18,108	-	-	18,108	49,835
	<u>18,915</u>	<u>-</u>	<u>-</u>	<u>18,915</u>	<u>51,148</u>
For the year ended 30 September 2019	<u>51,148</u>	<u>-</u>	<u>-</u>		<u>51,148</u>

**7 Expenditure from commercial trading operations**

	Unrestricted general funds 2020 £	Unrestricted designated funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Conferences and accommodation	11,357	-	-	11,357	108,998
For the year ended 30 September 2019	<u>108,998</u>	<u>-</u>	<u>-</u>		<u>108,998</u>

**8 Expenditure by charitable activity**

**Summary by fund type**

	Unrestricted general funds 2020 £	Unrestricted designated funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Educational activities	2,011,303	26,824	66,883	2,105,010	2,334,193
For the year ended 30 September 2019	<u>2,200,985</u>	<u>37,472</u>	<u>95,736</u>		<u>2,334,193</u>

**Summary by expenditure type**

	Staff costs 2020 £	Other costs 2020 £	Total 2020 £	Total 2019 £
Educational activities	1,259,817	845,193	2,105,010	2,334,193

**Notes (continued)**

**Summary by activity type**

	Activities undertaken directly 2020 £	Support costs 2020 £	Total 2020 £	Total 2019 £
Educational activities	2,044,636	60,374	2,105,010	2,334,193

**9 Educational activities undertaken directly**

	2020 £	2019 £
Student costs	251,894	310,013
Premises costs	522,549	580,950
Conference expenses	3,197	29,226
Academic projects	7,178	23,219
Wages and salaries	1,030,276	1,052,430
National insurance	65,649	97,642
Pension cost	163,892	140,960
	<u>2,044,635</u>	<u>2,234,440</u>

**10 Support costs**

	2020 £	2019 £
Miscellaneous expenditure	13,165	26,555
Office costs	16,371	13,969
<i>Governance costs</i>		
Fees payable to auditor	9,000	9,000
Professional fees	13,318	39,576
Bank charges	8,521	10,653
Other	-	-
	<u>60,375</u>	<u>99,753</u>

**Net income**

This is stated after charging:	2020 £	2019 £
Depreciation of tangible fixed assets		
Owned by the charity	153,378	167,876
Owned by trading subsidiary	2,100	875
Fees payable to auditor:		
- Audit of financial statements	9,000	9,000
- Audit of the trading subsidiary financial statements	2,500	2,500
- Other fees	-	1,200

## Notes (continued)

### 11 Staff costs

	2020 £	2019 £
Wages and salaries	1,031,837	1,116,043
Social security costs	65,649	97,642
Pension costs	163,892	140,960
Redundancy Costs	-	15,841
	<hr/> 1,261,378	<hr/> 1,370,486
	<hr/> <hr/>	<hr/> <hr/>

Redundancy payments amounting to £0 (2019: £15,841) were recognised in the year.

Staff costs included top-up payments of £72,730 (2019: £0) to employees on furlough between April and September 2020. The government job retention scheme paid up to 80% of an employee's salary during this period and St Chad's College continued to pay 100% of salary and ensured that full employer pension contributions were made in respect of furloughed employees.

There was one employee (2019: one) whose emoluments, as defined for taxation purposes, amounted to over £60,000 in the current or prior year. The emoluments excluding employer pension costs of these employees fell within the following bands:

	2020	2019
£60,000 - £69,999	-	-
£70,000 - £79,999	-	-
£80,000 - £89,999	1	1
	<hr/>	<hr/>

Pension contributions for the above employees totalled £17,418 (2019: £15,325)

The average number of employees, analysed by function, was:

	2020	2019
Academic and administration	19	20
Support staff	32	38
	<hr/> 51	<hr/> 58
	<hr/> <hr/>	<hr/> <hr/>

### 12 Key management personnel

The Governors of the Group and the Group Officers are the key management personnel of the Charitable Company. They are in charge of directing and controlling, running and operating the Charitable Company on a day to day basis.

No remuneration was paid to any of the Governors in their capacity as trustees during the year (2019: nil). One (2019: one) Governor received remuneration in total of £82,790 (2019: £81,979) in connection with their full-time employment by the Group. The Group paid contributions of £17,418 (2019: £15,325) to money purchase and defined benefit pension schemes in respect of one (2019: one) Governor. Remuneration was received for duties other than those connected to the Governors of the Group.

The Group Officers received remuneration in total of £196,238 (2019: £223,256) in connection with their full-time employment by the Group. The Group paid contributions of £45,891 (2019: £41,720) to money purchase and defined benefit pension schemes in respect of the Group Officers.

£362 of travel and miscellaneous expenses (2019: £1,970) were reimbursed to the key management personnel during the year. No expenses were waived by the key management personnel (2019: £nil). 7 donations (2019: 4) were made to the charitable company by the key management personnel during the year amounting to £12,750 (2019: £5,353).

## Notes (continued)

### 12 Key management personnel (continued)

Owing to the nature of the Group's operations and the composition of the Group's Governing Body, it is inevitable that transactions will take place with organisations in which a Governor may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with Group financial regulations and normal procurement procedures.

### 13 Taxation

St Chad's College, is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### 14 Tangible fixed assets

Group	Leasehold land and buildings £	Freehold land and buildings £	Other fixed assets £	Total £
<b>Cost or valuation</b>				
At the beginning of the year	703,522	10,020,000	2,619,777	13,343,299
Additions	-	-	460,611	460,611
Disposals	-	-	(170,837)	(170,837)
At the end of the year	703,522	10,020,000	2,909,551	13,633,073
<b>Depreciation</b>				
At the beginning of the year	304,578	-	1,658,986	1,963,564
Charge for year	22,270	-	133,208	155,478
Disposals	-	-	(170,837)	(170,837)
At the end of the year	326,848	-	1,621,357	1,948,205
<b>Net book value</b>				
At 30 September 2020	376,674	10,020,000	1,288,194	11,684,868
At 30 September 2019	398,944	10,020,000	960,791	11,379,735

No depreciation charge is shown in relation to freehold land and buildings of £10,020,000 (2019: £10,020,000) on the basis that land is not depreciated and that the residual value of the buildings exceeds the carrying value. The freehold property has been revalued as at 30 September 2018. The value of the freehold property had appreciated by £2,435,000 since the last valuation in July 2013. There has been no indication of material change since the valuation in 2018.

The Group's collection of rare books, antiques, paintings and silverware were reviewed and catalogued in 1997. Those assets considered to be of value have been identified and were included at an original valuation of £106,170. These assets have been revalued as at the 30 September 2018 at £212,670.

At 30 September 2020, included within the net book value of land and buildings is £376,674 (2019: £398,944) relating to leasehold land and buildings.



## Notes (continued)

### 14 Tangible fixed assets (continued)

Following the building revaluation in September 2018 the cost or valuation statement as at 30 September 2020 is as follows:

	Land and buildings £
At cost	703,522
At valuation	10,020,000
	<hr/>
	10,723,522
	<hr/>

The freehold land and buildings were revalued as at 30 September 2018 by an independent firm, Ashley Smith Chartered Surveyors (RICS) on the basis of market value at £10,020,000. An interim valuation assessment by the governors for the year ended September 2020 has concluded that the formal valuation remains valid and no impairment has been identified.

Charity	Leasehold land and buildings £	Freehold land and buildings £	Other fixed assets £	Total £
<b>Cost or valuation</b>				
At the beginning of the year	703,522	10,020,000	2,598,777	13,322,299
Additions			460,611	460,611
Disposals	-	-	(170,868)	(170,868)
	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the year	703,522	10,020,000	2,888,520	13,612,042
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At the beginning of the year	304,578	-	1,658,111	1,962,689
Charge for year	22,270	-	131,108	153,378
Disposals	-	-	(170,867)	(170,867)
	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the year	326,848	-	1,618,352	1,945,200
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 30 September 2020	<b>376,674</b>	<b>10,020,000</b>	<b>1,270,168</b>	<b>11,666,842</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2019	398,944	10,020,000	940,666	11,359,610
	<hr/>	<hr/>	<hr/>	<hr/>

No depreciation charge is shown in relation to freehold land and buildings of £10,020,000 (2019: £10,020,000) on the basis that land is not depreciated and that the residual value of the buildings exceeds the carrying value. The freehold property has been revalued as at 30 September 2018. The value of the freehold property had appreciated by £2,435,000 since the last valuation in July 2013. There has been no indication of material change since the valuation in 2018.

The Group's collection of rare books, antiques, paintings and silverware were reviewed and catalogued in 1997. Those assets considered to be of value have been identified and were included at an original valuation of £106,170. These assets have been revalued as at the 30 September 2018 at £212,670.

At 30 September 2020, included within the net book value of land and buildings is £376,674 (2019: £398,944) relating to leasehold land and buildings.

## Notes (continued)

### 14 Tangible fixed assets (continued)

Following the building revaluation in September 2018 the cost or valuation statement as at 30 September 2020 is as follows:

	Land and buildings £
At cost	703,522
At valuation	10,020,000
	<hr/> 10,723,522 <hr/>

The freehold land and buildings were revalued as at 30 September 2018 by an independent firm, Ashley Smith Chartered Surveyors (RICS) on the basis of market value at £10,020,000. An interim valuation assessment by the governors for the year ended September 2020 has concluded that the formal valuation remains valid and no impairment has been identified.

### 15 Subsidiary undertaking

The following was a subsidiary undertaking of the Group:

St Chad's College (Trading) Limited                      100%

The wholly owned trading subsidiary, St Chad's College (Trading) Limited, is incorporated in the United Kingdom (company number 05844646) and pays all of its taxable profits to the charity under the gift aid scheme. St Chad's College (Trading) runs non-educational conferences and the provision of accommodation within the college buildings. A summary of the trading result is shown below:

	2020 £	2019 £
Turnover	3,974	156,978
Cost of sales and administration costs	(11,357)	(108,998)
	<hr/>	<hr/>
Net profit	(7,383)	47,980
Amount gift aided to the charity	-	(47,980)
	<hr/>	<hr/>
Retained in subsidiary	(7,383)	-
	<hr/>	<hr/>
The assets and liabilities of the subsidiaries were:		
Fixed assets	18,025	20,125
Current assets	29,280	174,664
Current liabilities	(54,687)	(194,788)
	<hr/>	<hr/>
Total net assets/(liabilities)	(7,382)	1
	<hr/>	<hr/>
Aggregate share capital and reserves	(7,382)	1
	<hr/>	<hr/>

During the period wages, salaries and premises costs of £2,341 (2019: £93,871) were recharged by the Group to its subsidiary and the Group received a gift aid payment of £0 (2019: £47,980) from the subsidiary. At 30 September 2020 the Group was owed £33,649 (2019: £153,859) by the subsidiary.

The registered office at St Chad's College (Trading) Limited is the same as St Chad's College Durham.

**Notes (continued)**

**16 Stock**

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Goods for resale	9,397	6,207	9,397	6,207

**17 Debtors**

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade debtors	8,001	71,207	8,001	59,230
Amounts owed by group undertakings	-	-	33,649	153,859
Other debtors	2,804	2,845	2,804	2,845
Prepayments	29,804	27,778	28,103	27,778
Accrued income	93,161	143,498	93,161	143,498
	<u>133,770</u>	<u>245,328</u>	<u>165,718</u>	<u>387,210</u>

**18 Short-term investments**

Group and Charity	Unrestricted general		Restricted	Restricted Elizabeth Griffiths Trust	Total 2020	Total 2019
	CCLA £	Fixed term investments £	CCLA £	£	£	£
<i>Market value</i>						
At beginning of year	357,147	-	445,560	47,085	849,792	1,060,944
Additions in year	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-
Disposals in year	-	-	-	-	-	(256,807)
Transfers	-	-	-	-	-	-
Net gains/(losses) on revaluation	128	-	20,203	(6,951)	13,380	45,655
At end of year	<u>357,275</u>	<u>-</u>	<u>465,763</u>	<u>40,134</u>	<u>863,172</u>	<u>849,792</u>

**Notes (continued)**

**19 Creditors: amounts falling due within one year**

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Bank loans (note 20)	29,951	30,049	29,951	30,049
Trade creditors	96,532	233,467	96,532	232,924
Social security and other taxes	266	62,025	81	38,596
Other creditors	1,692	6,330	1,692	6,330
Accruals and deferred income	95,993	105,909	75,139	88,951
	<u>224,435</u>	<u>437,780</u>	<u>203,396</u>	<u>396,850</u>

**Deferred income**

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Deferred income brought forward	17,339	18,189	7,381	17,599
Amounts released from previous year	(17,339)	(18,189)	(7,381)	(17,599)
Resources deferred in the year	59,098	17,339	40,744	7,381
	<u>59,098</u>	<u>17,339</u>	<u>40,744</u>	<u>7,381</u>
Deferred income carried forward	<u>59,098</u>	<u>17,339</u>	<u>40,744</u>	<u>7,381</u>

**20 Creditors: amounts falling due after more than one year**

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Bank loans	212,157	237,002	212,157	237,002

The bank loan is secured by a first legal charge over 30 Hallgarth Street and 25 North Bailey, both situated in Durham.

The repayment of the loan commenced in March 2010 and was re-financed on the 17<sup>th</sup> June 2020.

Interest is charged at 1.25% above base rate.

The re-financed loan is being repaid in instalments over 8 years with the expected final payment due in October 2028.

**Maturity – loans**

	2020 £	2019 £
Aggregate amounts payable:		
Within two and five years	119,806	120,200
More than five years	92,351	116,802
	<u>212,157</u>	<u>237,002</u>
Within one year (note 19)	29,951	30,049
	<u>242,108</u>	<u>267,051</u>

## Notes (continued)

### 21 Financial instruments

#### 21 (a) Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Assets measured at fair value through profit or loss	863,172	849,792	863,172	849,792
Assets measured at amortised cost	103,965	217,550	137,615	359,432
Liabilities measured at amortised cost	(377,228)	(595,418)	(374,728)	(587,875)

#### 21 (b) Financial instruments measured at fair value

The financial assets measured at fair value held by the Charitable Company are represented by two short term investment portfolios:

- 1 Shares held in the COIF Charities Ethical Investment Fund administered by the CCLA (Churches, Charities and Local Authorities) Investment Management Limited
- 2 The Elizabeth Griffiths Bursary Trust for St Chad's College investment portfolio administered by Rathbone Brothers Plc

The fair value of these investments is determined by reference to their quoted mid-market price at the balance sheet date.

The Charitable Company does not hold any financial liabilities that are measured at fair value.

#### 21 (c) Fair values

The amounts for all financial assets carried at fair value are as follows (group and charity):

	Fair value 2020 £	Fair value 2019 £
<b>Non-derivative financial assets at fair value through profit and loss</b>		
Short-term investments	863,172	849,792

### 22 Pension scheme

The College contributes towards two pension schemes, the Universities Superannuation Scheme (USS) and the Durham University Pension Scheme. The pension cost for the year represents contributions payable by the Group to the funds and amounted to £163,892 (2019: £140,960). The September 2020 pension contributions were paid before the year end and there is no pension creditor at the year end.

## Notes (continued)

### 23 Commitments

As at the 30<sup>th</sup> September 2020, St Chad's College has capital commitments in respect of the building works at Grad House which amount to £1,206,943. A capital commitment also exist at the year-end in respect of Audio Visual equipment to the value of £40,600.

The annual operating lease payments of £60,000 have been recognised as an expense in the profit and loss account. The future non-cancellable operating lease rentals for Trinity Hall are disclosed below.

Non-cancellable operating lease rentals are payable as follows:

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Charity 2020 £</b>	<b>Charity 2019 £</b>
Within one year	<b>60,000</b>	60,000	<b>60,000</b>	60,000
Within two to five years	<b>240,000</b>	240,000	<b>240,000</b>	240,000
More than five years	<b>780,000</b>	840,000	<b>780,000</b>	840,000
	<hr/> <b>1,080,000</b> <hr/>	<hr/> 1,140,000 <hr/>	<hr/> <b>1,080,000</b> <hr/>	<hr/> 1,140,000 <hr/>

**Notes (continued)**

**24 Movements in funds – Group (2020)**

	Brought forward	Income	Expenditure	Revaluations/ Unrealised gains/(losses) on investments	Transfers	Carried forward
	£	£	£	£	£	£
<b>Designated funds</b>						
Revaluation reserve	6,624,094	-	-	-	-	6,624,094
Policy and Practice fund	17,832	13,932	(23,824)	-	-	7,940
Fixed asset funds	215,000	3,000	(3,000)	-	-	215,000
Total designated funds	6,856,926	16,932	(26,824)	-	-	6,847,034
<b>General funds</b>						
General funds	6,037,752	2,059,335	(2,041,575)	128	-	6,055,640
Total unrestricted funds	6,037,752	2,059,335	(2,041,575)	128	-	6,055,640
<b>Restricted funds</b>						
Policy and Practice fund	-	25,000	(25,000)	-	-	-
Farmington Trust	2,892	-	-	-	-	2,892
Chaplaincy to the Arts	49,943	-	-	-	-	49,943
Elizabeth Griffiths Trust	47,085	1,071	(1,071)	(6,951)	-	40,134
Scholarships & Bursaries Fund	459,575	96,961	(14,281)	20,203	-	562,458
Emergency Covid Appeal	-	55,509	(16,786)	-	-	38,723
Chapel Legacy	-	30,000	-	-	-	30,000
Boat Club Fund	3,854	-	-	-	-	3,854
College Choir Fund	8,709	8,081	(8,709)	-	-	8,081
Other Funds	3,619	9,548	(1,036)	-	-	12,131
Total restricted funds	575,677	226,170	(66,883)	13,252	-	748,216
<b>Total funds</b>	<b>13,470,355</b>	<b>2,277,437</b>	<b>(2,110,282)</b>	<b>13,380</b>	<b>-</b>	<b>13,650,890</b>

**Revaluation reserve**

The revaluation reserve represents the revaluation of antiques at £212,670 and the revaluation of the Group's freehold land and buildings of £6,411,424.

**General fund**

The general fund is retained to cover working capital. The Group Governing Body consider that sufficient appropriate funds are now held.

**Restricted funds**

As at 30 September 2020 the estate reserve was £11,684,868 (2019: £11,379,735), restricted reserves were £748,217 (2019: £575,677), and non-fixed assets designated reserves were £7,940 (2019: £17,832) leaving free reserves of £1,209,866 (2019: £1,497,112).

The Policy and Practice fund includes restricted grant income during the year which was used to fund specific academic research projects.

Income received from the Farmington Trust is to be used for research projects.

Elizabeth Griffiths Trust (a donation received in 2014/15) is restricted such that any investment income is used for scholarships and bursaries for students of the College.

Chaplaincy to the Arts is a restricted gift to be used to fund Arts in the North East via annual/biannual awards.

The Scholarships & Bursaries Fund is formed from donations restricted for scholarships. The fund balance is currently invested in COIF Charities Ethical Investment Fund £465,764 and the balance is held in cash £96,694.

## Notes (continued)

The investment income from the Scholarships & Bursaries Fund is used to fund scholarships for students studying at Durham University who are St Chad's members.

The Boat Club Fund is restricted to funding St Chad's College Boat Club. The College Choir Fund is restricted to funding choral scholarships and music expenses for the college choir.

The Chapel Legacy Fund is restricted to funding the maintenance of the college chapel.

The Emergency Covid Appeal Fund is restricted to funding the additional expenses associated with making the college "covid safe" and providing additional facilities and support for students during the pandemic.

### Transfers

There have been no transfers between funds during the financial current year.

### Designated funds

The Policies and Practice fund is income received and designated to enable Professors Fred Robinson and Tony Chapman to carry out their research.

Fixed asset funds relate to 11 Tenter Terrace which was donated to the Group during 2014/15. The property was revalued at the 30 September 2018 by Ashley Smith Chartered Surveyors to a value of £215,000.

### Movements in funds – Charity (2020)

	Brought forward	Income	Expenditure	Revaluations/ Unrealised gains/(losses) on investments	Transfers	Carried forward
	£	£	£	£	£	£
<b>Designated funds</b>						
Revaluation reserve	6,624,094	-	-	-	-	6,624,094
Policies and Practice fund	17,832	13,932	(23,824)	-	-	7,940
Fixed asset funds	215,000	3,000	(3,000)	-	-	215,000
<b>Total designated funds</b>	<b>6,856,926</b>	<b>16,932</b>	<b>(26,824)</b>	<b>-</b>	<b>-</b>	<b>6,847,034</b>
<b>General funds</b>						
General funds	6,037,752	2,055,361	(2,030,218)	128	-	6,063,023
<b>Total unrestricted funds</b>	<b>6,037,752</b>	<b>2,055,361</b>	<b>(2,030,218)</b>	<b>128</b>	<b>-</b>	<b>6,063,023</b>
<b>Restricted funds</b>						
Policy and Practice fund	-	25,000	(25,000)	-	-	-
Farmington Trust	2,892	-	-	-	-	2,892
Chaplaincy to the Arts	49,943	-	-	-	-	49,943
Elizabeth Griffiths Trust	47,085	1,071	(1,071)	(6,951)	-	40,134
Scholarships & Bursaries Fund	459,575	96,961	(14,281)	20,203	-	562,458
Emergency Covid Appeal	-	55,509	(16,786)	-	-	38,723
Chapel Legacy	-	30,000	-	-	-	30,000
Boat Club Fund	3,854	-	-	-	-	3,854
College Choir Fund	8,709	8,081	(8,709)	-	-	8,081
Other Funds	3,619	9,548	(1,036)	-	-	12,131
<b>Total restricted funds</b>	<b>575,677</b>	<b>226,170</b>	<b>(66,883)</b>	<b>13,252</b>		<b>748,216</b>
<b>Total funds</b>	<b>13,470,355</b>	<b>2,298,463</b>	<b>(2,123,925)</b>	<b>13,380</b>		<b>13,658,273</b>



## Notes (continued)

### Movements in funds – Group (2019)

	Brought forward	Income	Expenditure	Revaluations/ Unrealised gains/(losses) on investments	Transfers	Carried forward
	£	£	£	£	£	£
<b>Designated funds</b>						
Revaluation reserve	6,624,094	-	-	-	-	6,624,094
Policies and Practice fund	17,223	32,081	(31,472)	-	-	17,832
Fixed asset funds	215,000	6,000	(6,000)	-	-	215,000
Total designated funds	6,856,317	38,081	(37,472)	-	-	6,856,926
<b>General funds</b>						
General funds	5,807,146	2,568,686	(2,361,131)	23,051	-	6,037,752
Total unrestricted funds	5,807,146	2,568,686	(2,361,131)	23,051	-	6,037,752
<b>Restricted funds</b>						
Policy and Practice fund	-	63,750	(63,750)	-	-	-
Farmington Trust	2,892	-	-	-	-	2,892
Chaplaincy to the Arts	49,943	-	-	-	-	49,943
Elizabeth Griffiths Trust	46,159	900	(900)	926	-	47,085
Scholarships & Bursaries Fund	348,533	103,312	(13,948)	21,678	-	459,575
Boat Club Fund	2,510	7,156	(5,812)	-	-	3,854
College Choir Fund	11,325	8,709	(11,325)	-	-	8,709
Other Funds	2,655	965	(1)	-	-	3,619
Total restricted funds	464,017	184,792	(95,736)	22,604	-	575,677
Total funds	13,127,480	2,791,559	(2,494,339)	45,655	-	13,470,355

### Revaluation reserve

The revaluation reserve represents the revaluation of antiques at £212,670 and the revaluation of the Group's land and buildings of £6,411,424.

### General fund

The general fund is retained to cover working capital. The Group Governing Body consider that sufficient appropriate funds are now held.

### Restricted funds

The Policy and Practice fund includes restricted grant income during the year which was used to fund specific academic research projects.

Income received from the Farmington Trust is to be used for research projects.

Elizabeth Griffiths Trust (a donation received in 2014/15) is restricted such that any investment income is used for scholarships and bursaries for students of the College.

Chaplaincy to the Arts is a restricted gift to be used to fund Arts in the North East via annual/biannual awards.

The Scholarships & Bursaries Fund is restricted in such a way that any investment income receivable is used to fund scholarships for students studying at Durham University enrolled at St Chad's College. The fund balance is invested in the COIF Charities Ethical Investment Fund.

The Boat Club Fund is restricted to funding St Chad's College Boat Club.

The College Choir Fund is a restricted to funding choral scholarships and music expenses for the college choir.

The Chapel Legacy Fund is restricted to funding the maintenance of the college chapel.

## Notes (continued)

The Emergency Covid Appeal Fund is restricted to funding the additional expenses associated with making the college "covid safe" and providing additional facilities and support for students during the pandemic.

### Transfers

There have been no transfers between funds during the financial current year.

### Designated funds

The Policies and Practice fund is income received to enable Professors Fred Robinson and Tony Chapman to carry out their research.

Fixed asset funds relate to 11 Tenter Terrace which was donated to the Group during 2014/15. The property now is let on a residential basis to tenants on a standard short-term lease. The property has been revalued at the 30th September 2018 by Ashley Smith Chartered Surveyors to a value of £215,000.

### Movements in funds – Charity (2019)

	Brought forward	Income	Expenditure	Revaluations/ Unrealised gains/(losses) on investments	Transfers	Carried forward
	£	£	£	£	£	£
<b>Designated funds</b>						
Revaluation reserve	6,624,094	-	-	-	-	6,624,094
Policies and Practice fund	17,223	32,081	(31,472)	-	-	17,832
Fixed asset funds	215,000	6,000	(6,000)	-	-	215,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total designated funds	6,856,317	38,081	(37,472)	-	-	6,856,926
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>General funds</b>						
General funds	5,807,146	2,459,688	(2,252,133)	23,051	-	6,037,752
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	5,807,146	2,459,688	(2,252,133)	23,051	-	6,037,752
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Restricted funds</b>						
College fees	-	63,750	(63,750)	-	-	-
Farmington Trust	2,892	-	-	-	-	2,892
Chaplaincy to the Arts	49,943	-	-	-	-	49,943
Elizabeth Griffiths Trust	46,159	900	(900)	926	-	47,085
Scholarships & Bursaries Fund	348,533	103,312	(13,948)	21,678	-	459,575
Boat Club Fund	2,510	7,156	(5,812)	-	-	3,854
College Choir Fund	11,325	8,709	(11,325)	-	-	8,709
Other Funds	2,655	965	(1)	-	-	3,619
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	464,017	184,792	(95,736)	22,604	-	575,677
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	13,127,480	2,682,561	(2,385,341)	45,655	-	13,470,355
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**Notes (continued)**

**25 Analysis of net assets between funds**

<b>Group 2020</b>	<b>Unrestricted Funds £</b>	<b>Designated funds £</b>	<b>Restricted Funds £</b>	<b>Total 2019 £</b>
Tangible fixed assets	4,845,774	6,839,094	-	11,684,868
Cash at bank and in hand	1,146,015	7,940	242,319	1,396,275
Other net current assets	276,007	-	505,898	781,905
Long term liabilities	(212,157)	-	-	(212,157)
	<u>6,055,640</u>	<u>6,847,034</u>	<u>748,217</u>	<u>13,650,891</u>
<b>Group 2019</b>	<b>Unrestricted Funds £</b>	<b>Designated funds £</b>	<b>Restricted Funds £</b>	<b>Total 2018 £</b>
Tangible fixed assets	4,540,641	6,839,094	-	11,379,735
Cash at bank and in hand	1,563,211	17,832	83,032	1,664,075
Other net current assets	170,902	-	492,645	663,547
Long term liabilities	(237,002)	-	-	(237,002)
	<u>6,037,752</u>	<u>6,856,926</u>	<u>575,677</u>	<u>13,470,355</u>
<b>Charity 2020</b>	<b>Unrestricted Funds £</b>	<b>Designated funds £</b>	<b>Restricted Funds £</b>	<b>Total 2019 £</b>
Tangible fixed assets	4,827,750	6,839,094	-	11,666,844
Fixed asset investments	1,118,437	7,940	242,319	1,368,696
Cash at bank and in hand	328,992	-	505,898	834,890
Other net current assets	(212,157)	-	-	(212,157)
Long term liabilities				
	<u>6,063,022</u>	<u>6,847,034</u>	<u>748,217</u>	<u>13,658,274</u>
<b>Charity 2019</b>	<b>Unrestricted Funds £</b>	<b>Designated funds £</b>	<b>Restricted Funds £</b>	<b>Total 2018 £</b>
Tangible fixed assets	4,520,516	6,839,094	-	11,359,610
Fixed asset investments	1	-	-	1
Cash at bank and in hand	1,400,523	17,832	83,032	1,501,387
Other net current assets	353,714	-	492,645	846,359
Long term liabilities	(237,002)	-	-	(237,002)
	<u>6,037,752</u>	<u>6,856,926</u>	<u>575,677</u>	<u>13,470,355</u>

**Notes** *(continued)*

**26 Accounting estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The Trustees consider that the valuation of land and buildings to be the principal judgemental areas in these accounts. Freehold land and buildings are carried on the balance sheet at depreciated fair value. The directors periodically engage with external valuation specialists to ensure that valuations used are up to date and in cases where they consider market factors may indicate material changes in value.