

REGISTERED COMPANY NUMBER: 0260104
REGISTERED CHARITY NUMBER: 309096

PANGBOURNE COLLEGE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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FOR THE YEAR ENDED 31 AUGUST 2021

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PANGBOURNE COLLEGE LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2021

The Pangbourne College Governors, being also the directors of the charitable company, present their annual report together with the financial statements of the charitable company for the year ended 31 August 2021 and confirm that they comply with the requirements of the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

DIRECTORS' REPORT

STATUS AND ADMINISTRATION

Pangbourne College Limited is a charitable company having share capital, incorporated on 4 November 1931 and registered as a charity on 20 February 1963.

The charitable company was established under a Memorandum of Association which determines the objects and powers of the charitable company and is governed under its Articles of Association.

DIRECTORS AND THEIR INTERESTS

The directors of the charitable company who served during the year, unless otherwise stated, were as follows:-

Rev A Bond ^(1,2,3)
Mrs T Brooks ⁽⁴⁾ (appointed 21/06/2021)
Mrs C Butterworth ⁽¹⁾
Mr P Derham ⁽⁴⁾ (appointed 21/06/2021)
Mr D Devitt ⁽³⁾
Mrs J Digby ⁽³⁾ (resigned 18/03/2021)
Rear Admiral R Lane-Nott ^(1,2,3,4) (resigned 20/11/2020)
Mr R Llewellyn ⁽⁴⁾
Mr D Mullins ^(1,2)
Dr M Oppenheimer ⁽⁴⁾
Mr P Roberts MBE ^(1,2)
Mrs S Rossiter ⁽⁴⁾
Mrs R Tear ⁽⁴⁾

- (1) Members of the Finance and General Purposes Committee
- (2) Members of the Property Committee
- (3) Members of the External Relations Committee
- (4) Members of the Education & Welfare Committee
- (5) Members of the Health & Safety Committee

The directors are also the charity trustees and governors of Pangbourne College.

OFFICERS

| | |
|------------------------------|--|
| Headmaster | Mr T J C Garnier |
| Deputy Head (Academic) | Mrs S Greenwood |
| Deputy Head (Pastoral) | Mrs C Bond |
| Deputy Head (Co-Curricular) | Mr R Bancroft |
| Bursar and Company Secretary | Mr JN Walne |
| Director of Development | Miss K Hartshorn (left 31 December 2020) |

PANGBOURNE COLLEGE LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

REGISTERED OFFICE AND PRINCIPAL ADDRESS

Pangbourne College
Pangbourne
Berkshire
RG8 8LA

ADVISERS

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|---------|--|
| Bankers | National Westminster Bank Plc Corporate Business Centre Abbey Gardens 4 Abbey Street Reading Berkshire RG1 3BA |
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| | |
|----------|---|
| Auditors | Crowe U.K. LLP Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1PL |
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|-------------------|---|
| Insurance Brokers | Marsh Merlin House Commerce Park Brunel Road Theale Reading RG7 4BY |
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PANGBOURNE COLLEGE LIMITED
ANNUAL REPORT OF THE COLLEGE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2021

CONSTITUTION AND OBJECTS

Pangbourne College ("the College") was founded in 1917, originally as the Nautical College, Pangbourne, under which name it operated until 1969. It is constituted as a company limited by guarantee registered in England, No. 0260104, and is registered with the Charity Commission under Charity No. 309096. The College is governed by its Memorandum of Association and Articles of Association most recently revised on 20 March 2007.

The College's Objects and principal activity, as set out by the Memorandum of Association, is to advance education for the public benefit, including (but not limited to) the provision and maintenance at the premises known as Pangbourne College, Pangbourne, Berkshire or elsewhere of a boarding and/or day school or schools for the education of children or young persons of either sex or both sexes.

In furtherance of these Objects, the College seeks to provide subsidised education via bursaries for deserving students whose parents could not otherwise afford the cost of educational fees. Within these objects, the charitable company also has to maintain its heritage endowment, the College, with its Grade 2 listed buildings and The Falklands Islands Memorial Chapel, a national memorial site.

AIMS, OBJECTIVES AND ACTIVITIES

Aims

Within these objects, Pangbourne College's aim is to provide a first class independent education, both through strong academic tuition and through developing wider sporting, artistic and social skills in all its pupils. Additionally, there is an emphasis on values and leadership, and at various stages during their time at the school all pupils participate in the Duke of Edinburgh's Award Scheme, the Combined Cadet Force and are given training in leadership skills. The intention is to provide an environment where each pupil can develop and fulfil his or her potential, thus to help build self-confidence and inculcate a desire to contribute to the wider community.

The Board is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Board has monitored closely the guidance on public benefit produced by the Charity Commission together with its supplemental guidance on fee-charging.

Principal activities

Pangbourne College's principal activity is the maintenance of an independent boarding and day school for boys and girls aged from 11 to 18. This year (2020-2021) Pangbourne College averaged 455 (2020: 451) pupils.

GOVERNANCE AND MANAGEMENT

Board of Governors

The College Governors, executive officers and principal address of the charitable company are as listed on page 1 and 2. Particulars of the charitable company's professional advisers are given on page 2.

Recruitment and training of Governors

The Board of Governors is self-appointing. New members of the Board are elected on the basis of their professional qualities, experience, personal competence and local availability.

New Governors are inducted into the workings of the charitable company and its school, including Board Policy and Procedures. Governor and Trustee training is offered to all new members and is provided by a number of professional sources such as AGBIS. Governors are appointed initially for a five year term of office. At the expiry of this period Governors can offer themselves for re-election to the Board.

PANGBOURNE COLLEGE LIMITED
ANNUAL REPORT OF THE COLLEGE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Organisational management and remuneration

The Pangbourne College Governors, as the trustees of the charity and directors of the company are legally responsible for the overall management and control of Pangbourne College, and meet as a Board three times a year. The work of governance and financial supervision is carried out by members of the Finance and General Purposes Committee (F&GP), who meet before each meeting of the College Governing Board and on extra occasions when necessary such as to approve the budgets and finalise the audited accounts and annual report for approval by the Board. The F&GP works under the chairmanship of a member of the College Governors. The other principal permanent committees are the Property Committee, External Relations Committee and Education & Welfare Committee, each being chaired by a Board member and meet on a termly basis and more often should the need arise. Other committees are formed on an ad hoc basis for specific purposes such as an Appeal. Members of all Board committees are listed on page 1.

The day to day management of the school is delegated to the College's Headmaster supported by the Senior Management Team. At 31 August 2021 these were:

Mr JN Walne – Bursar
Mr R Bancroft – Senior Deputy Head and Deputy Head Co-Curricular
Mrs S Greenwood – Senior Deputy Head and Deputy Head Academic
Mrs C Bond – Deputy Head Pastoral
Miss K Hartshorn – Director of Development (left 31 December 2020)

The Headmaster, Senior Deputy Head, Deputy Head Academic and the Bursar attend meetings of the various committees.

The Headmaster, Senior Management Team and Governors together form the College's Key Management Personnel.

The Board of Governors are responsible for setting the pay and remuneration of the College's key management personnel. When considering remuneration, the Board aims to recruit and retain talented people, sustain the high-performance culture within the College and recognise the contributions of the personnel. The underlying principle when setting pay is that the amount paid should reflect the market for comparable jobs in comparable organisations, the performance of the organisation and the skills and contribution of the individual. Independent remuneration reviews are commissioned from time to time for the Headmaster and Bursar, the most recent completed in July 2015 by Affinity Independent Schools Consultancy LLP.

Group structure and relationships

The charitable company has a wholly owned non-charitable subsidiary, Pangbourne College Enterprises Limited, whose activities and trading performance are discussed below.

Pangbourne College actively supports the attainment of the highest standards in the Independent Schools sector as its Headmaster is a member of The Headmasters' and Headmistress' Conference. We also cooperate with many local organisations in our ongoing endeavours to widen public access to the schooling we can provide, to optimise the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the all-round education they receive at the College.

The College also benefits from the generosity of a thriving network of Old Pangbournians whose close support we greatly appreciate and gladly acknowledge.

PANGBOURNE COLLEGE LIMITED
ANNUAL REPORT OF THE COLLEGE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

AUDITORS

So far as each of the Governors is aware at the time the report is approved:-

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information (s. 234ZA (2)).

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the re-appointment of Crowe U.K. LLP as auditors to the company will be put to the Annual General Meeting

STRATEGIC REPORT

MISSION STATEMENT

The College's mission is to provide a first class all round education for boys and girls. Underlying this is a passion for fulfilling potential by inspiring learning and equipping individuals with confidence, values and skills for the future, so that they can make a positive contribution to the world.

STRATEGIES TO ACHIEVE THE PRIMARY OBJECTIVES

A development plan covering the period 2018-2023 was published in September 2018. The plan sets out what will be done to move towards fulfilment of the College's vision to become the best small coeducational boarding and day school in the UK. Over these five years the College's goals are to:

- Grow the school to no more than 500 pupils whilst retaining our focus on the individual, our excellent pastoral care and our nurturing community.
- Continue to improve the quality of teaching and learning to help each pupil achieve their full potential.
- Offer a curriculum which is innovative and inspirational, providing our pupils with a range of opportunities both inside and outside the classroom and developing skills they can take with them for life.
- Continue to invest in our built environment, ensuring that educational, co-curricular and boarding facilities of high quality are available to all pupils.

During 2021/22 the Board of Governors and senior staff will be creating a new development plan for the next 10 years.

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

The impact of COVID-19 continued to overshadow the year, with another closure of the College for most of the Lent term. The Government decided to cancel exams for the second year running and use Teacher Assessed Grades instead. The College gathered evidence from a broad range of assessments, including teacher-set examinations. The academic management team also carried out a rigorous moderation process before submission. The College was very pleased that the exam boards did not alter the grades which had been submitted to them and our A Level, BTEC and GCSE results days in August saw our students being justly rewarded for their hard work over the last two difficult years.

At A Level, the percentage of grades calculated as A*- A was 45% which is evidence of the wealth of talented students in the year's Upper Sixth. The vast majority of the cohort will be progressing to their first-choice universities which include Cambridge and other Russell Group universities including Durham, Edinburgh, Exeter and Bath.

At GCSE, results overall were almost as good as last year, reflecting a cohort with a strong top end but one which overall was not quite as strong. The overall pass rate (grade 4 or higher) was 96.7% and the average number of passes per candidate was 8.79.

PANGBOURNE COLLEGE LIMITED
ANNUAL REPORT OF THE COLLEGE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENTS AND PERFORMANCE (continued)

The Governors remain resolute that the College will continue to select pupils on character and aptitude for an education at Pangbourne College, rather than purely on academic ability. These results demonstrate the Headmaster's intent to increase the College's academic rigour. Given the broad range of academic abilities within the School, these were extremely pleasing results.

In terms of outdoor pursuits, 13 Gold, 34 Silver and 122 Bronze Duke of Edinburgh's Awards were completed by Pangbourne pupils. The Combined Cadet Force at Pangbourne College had 120 Cadets split between three sections, Army, Royal Navy and Royal Marines. The Year 10's which are classed as recruits undertook the basic syllabus for each of their relevant sections. The year 11 continued with their syllabus and also started to take on more responsibilities and leadership roles within the CCF. The Upper and Lower 6 finished the Cadet Forces Instructional techniques cadre which allowed them to start delivering lessons to the year 10 cadets. Unfortunately due to the restrictions in place the CCF did not participate in any field days of camps away during 2020/21.'

A number of significant improvements were made to the College's facilities during the year. The new astro carpet replacement was completed over the summer, as was the creation of a new resilient fibre network around the College. A large area opposite the College's main building was cleared as preparation for the creation of a cafe facility which will be located in the building currently occupied by the School Shop.

Grant making policy

Pangbourne College Governors' policy, in line with that of other independent schools, is to make awards on the basis of an individual's educational potential. Awards and bursaries (not including untested allowances for staff, nor covid discount for school closure) totalling £1,411,279 (2020: £1,326,682) (11.1% of gross fees receivable) were made from unrestricted funds where the policy is towards academic excellence and also to relieve hardship where the pupil's education and future prospects would otherwise be at risk.

Public benefit

The Trustees continued to take seriously the requirement to have regard to the published guidance on public benefit as per s.17 (5) of the Charities Act.

The College awards a substantial number of bursaries (means-tested) and scholarships (based on merit) each year. The policies in respect of these are available on the College's website. In the last year, the College provided means-tested support for pupils whose parents could not afford the fees worth £960,184 (2020: £994,772), or 7.6% of gross fee income. Six (2020: 5) pupils received support worth at least 100% of fees, including 2 via HMC Projects to students from Central and Eastern Europe, and 1 via the Royal National Children's Springboard Foundation. Additionally, £136,192 (2020: £151,811) was given in discounts to children of parents serving in the Armed Forces. Some of these families also received CEA funding from the Ministry of Defence worth a further £266,652 (2020: £292,762).

Beyond the considerable public benefit of providing a high-quality education (known as the Pangbourne Experience) to the pupils of the College, which equips them with good academic qualifications and a sense of responsibility and service to others, the College also provided wider benefits to children and young people who are not pupils.

A number of local state schools, prep schools and youth organisations receive support from the College and our employees. In a normal year, local school children attend leadership days run on the College's ropes course, the annual Piano Festival, orchestral fun days, DT challenge days, hockey tournaments and outdoor learning classes. Sadly the impact of the pandemic has greatly restricted access to the campus by external groups.

PANGBOURNE COLLEGE LIMITED
ANNUAL REPORT OF THE COLLEGE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENTS AND PERFORMANCE (continued)

Whilst the pandemic made it difficult for any physical visit to take place, the following was achieved during the year:

- The College continued its local partnership with Brookfield SEN School in Tilehurst.
- The College is a partner with the Whitley Excellence Cluster, which comprises 10 South Reading schools and aims to provide extracurricular activities to pupils.
- 6 members of staff are governors of local schools in both the independent and the maintained sector.

Fourteen Chromebooks were donated to Basildon Primary School. With the easing of restrictions, local football teams have once again started to use the newly refurbished floodlit all-weather astro-turf pitch.

The College maintains and acts as steward to the Falkland Islands Memorial Chapel, the national war memorial for those killed in the Falklands War. Normal wear and tear is funded and carried out by the College. Major repairs and refurbishment, while being funded by the Chapel Trust, are planned and organised by the College's Estate's Bursar and his staff. Due to covid restrictions, the Chapel remained closed to the public during the year. However, a virtual memorial service was streamed on Sunday 13 June 2021. Plans are now in place for the service on 12 June 2022 to commemorate the 40th anniversary of the end of the Falklands War. In preparation for this significant event, the Chapel Trustees have agreed to a programme of refurbishment to the exterior to the Chapel and this will be overseen by the Estates Bursar.

Volunteers

Old Pangbournians helped generously with activities such as the Careers Fair. The Pangbourne Parents' Association also organised a number of events in support of the College. The Trustees would like to take this opportunity to say how much their continuing and valuable support for the charity's work is appreciated.

FINANCIAL REVIEW

Results for the Year

The Governors of the College report a pre-depreciation surplus of £1,610k (2020: £1,349k).

As the majority of boarding pupils were unable to return for most of the Lent term, nor could co-curricular activities be offered, the Governors directed that the fees for the closure period of the Lent Term should again be set at 75% of the day fee for all pupils. This meant another year with a significant reduction in forecasted income. However, by exerting a tight control on expenditure the impact of reduction in income was mitigated.

The College achieves its liquidity objectives by the careful management of working capital and regular forecasting of short and long term cash requirements. The College's cost base predominantly comprises staff costs and therefore the impact of commodity price risk is modest although there is exposure to increases in utility and related building operational costs. The College's exposure to credit risk is mitigated by fees being due at the beginning of each term.

Interest rate risk exposure is managed by the consideration of fixing interest rates on a proportion of the loan portfolio within parameters that are agreed and regularly reviewed by the Finance and General Purposes Committee.

Reserves Policy

The College's policy is to seek to generate a surplus of income over expenditure that enables the College to continue its programme of refurbishment and development whilst securing the long term viability of the College.

At the balance sheet date unrestricted funds stood at £12,338,291 (2020: £11,217,833). After deducting the carrying value of tangible fixed assets held for the charity's own use, adjusted for borrowing there were free reserves of £874,484 (2020: *no free reserves*) (as defined by the Charity Commissioners).

The Governors policy is to require cash of £2.5m to be ring-fenced in a separate bank account and outside of cash available for the day to day working capital. This cash reserve is sufficient to cover three month's running costs or two years' worth of bank loan repayments.

**PANGBOURNE COLLEGE LIMITED
ANNUAL REPORT OF THE COLLEGE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

FINANCIAL REVIEW (continued)

Fundraising

All fundraising is aimed at providing a high quality educational experience for the boys and girls who are pupils at the College, and making the experience available to more young people. Our wider community includes current and former pupils, parents, staff and friends of the College.

Our good relationship with our community is critical to the success of our charity, and we believe in establishing positive long-term relationships based on trust, goodwill and our shared interests. Any fundraising approaches are therefore personal and targeted, focused only on existing members of the College community.

We do not use third parties to help with our fundraising, nor do we participate in public mass mailings, door to door fundraising, or telephone campaigns. All data shared with us is protected in compliance with the GDPR, and we never share personal information with third parties for the purposes of marketing. All literature and emails sent to our community members has clear messaging about who and how to contact us if they wish to change how we communicate with them.

Pangbourne College is registered with the Fundraising Regulator, and we follow the regulator's Code of Practice. This sets out the standards that members are expected to follow when raising money, including taking all reasonable steps to protect vulnerable people from persistent approaches, unreasonable intrusion or undue pressure.

The fundraising team at Pangbourne College is very small, consisting of a Director of Development supported by one member of staff until 31 December 2020, and now just one Development and Alumni Manager. Other senior leaders within the College, including the Headmaster, Bursar and Governors, play a role in raising and managing funds. Occasionally other alumni and parents act as fundraising volunteers, in which case they are trained, monitored and sign a data protection and confidentiality agreement.

During the year, our charity received no complaints requiring action by the Fundraising Regulator.

FUTURE PLANS

As already described, the College is engaged on a Development Plan which covers the period 2018 to 2023, and have already embarked on the first steps to create the next 5-year Development Plan. The intention is to bring forward the launch of this plan to 2022.

The Governors and staff remain fully committed to ensuring that academic standards are the highest possible, whilst being comfortable with maintaining a broadly unselective admissions policy. The latter is best described as 'discerning', in that a place will not be offered unless all parties are confident that the College can meet the individual pupil's needs.

RISK MANAGEMENT

Pangbourne College Board of Governors is responsible for the management of the risks faced by the College. Detailed considerations of risk are delegated to the Finance and General Purposes Committee, who are assisted by the Senior Management Team. Risks are identified, assessed and controls are established throughout the year. A formal review of the charitable company's risk management processes is undertaken on an annual basis. The College has started to conduct an in depth review of the risk register and how it is used in order to produce a more rigorous risk management process.

The key controls used by the charitable company include:-

- formal agendas for all Committee and Board activity;
- detailed terms of reference for all Committees;
- comprehensive strategic planning, budgeting and management accounting;
- established organisational structure and lines of reporting;
- formal written policies;
- clear authorisation and approval levels; and
- vetting procedures as required by law for the protection of the vulnerable.

PANGBOURNE COLLEGE LIMITED
ANNUAL REPORT OF THE COLLEGE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

RISK MANAGEMENT (continued)

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

Principal risks and uncertainties

The Governing Body is satisfied that for all major risks identified for the group appropriate controls have been put in place and maintained to mitigate those risks adequately. It is recognised that systems can provide only reasonable, but not absolute assurance that major risks have been managed. The principal risks and uncertainties are assessed as:

- Financial Risk – the principal concern is an adverse change in the economic or regulatory conditions, which reduced the affordability of fees and results in a reduction in pupil numbers. This risk has been highlighted by the impact of COVID-19. The College mitigates this risk by a regular review of its forecasts and level of reserves. Pupil recruitment and retention is reported at the Finance and General Purposes Committee and is a major part of the Headmaster's report to the Board. In order to reduce the risk of future rises in employer contribution rates and to control costs, the Board, after consultation, formally gave notice of its decision to withdraw from the Teachers' Pension Scheme from 1 January 2022.
- Education and Welfare Risk – the principal risk is a current or historic safeguarding failure leading to a loss of reputation. This risk is managed by a balanced approach of controls and training. A culture of safeguarding is embedded throughout the College and detailed safeguarding and child protection policies are in place. There is regular training and the College has the required and trained designated safeguarding lead. An annual review of safeguarding is undertaken by the Board.

The Governing Body is undertaking a review of its risk management procedures and intends to delegate greater scrutiny to the various committees.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of Pangbourne College Limited on 30 November 2021 including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



.....
Patrick Roberts
Governor

PANGBOURNE COLLEGE LIMITED
STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

Statement of Governors' responsibilities

The Governors (who are also directors of Pangbourne College Limited for the purposes of company law) are responsible for preparing the Annual Report of the College Governors (incorporating the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PANGBOURNE COLLEGE LIMITED

We have audited the Group and Parent company financial statements of Pangbourne College Limited for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Balance Sheets, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Charitable Company's affairs as at 31 August 2020 and of the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governor's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PANGBOURNE COLLEGE LIMITED (CONTINUED)

Other information

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

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Governors' Annual Report, which includes the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Governors' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Governors' Annual Report.

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

- adequate accounting records have not been kept; 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 the Governors

As explained more fully in the Governors' Responsibilities Statement set out on page 10, the Governors 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 Group's or the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PANGBOURNE COLLEGE LIMITED (CONTINUED)

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the group and charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102) and the Charities Act. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the group and charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group and charitable company for fraud. The laws and regulations we considered in this context were The Education (Independent School Standards) Regulations 2014, Safeguarding, Health and Safety, GDPR and Food standards. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Governors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of non fee income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance and General Purposes Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate and reading minutes of meetings of those charged with governance.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PANGBOURNE COLLEGE LIMITED (CONTINUED)

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of 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 Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Janette Joyce
Senior Statutory Auditor

For and on behalf of Crowe U.K. LLP
Statutory Auditor
Aquis House
49-51 Blagrove Street
Reading
RG1 1PL

PANGBOURNE COLLEGE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

| | Notes | Unrestricted Funds | Restricted Funds | Total 2021 £ | Total 2020 £ |
|---|-------|--------------------|------------------|-------------------|-------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | |
| Income from Charitable Activities | | | | | |
| School fees receivable | 5 | 10,276,769 | - | 10,276,769 | 9,752,920 |
| Ancillary trading income | 6 | 322,612 | - | 322,612 | 415,941 |
| Other Trading Activities | | | | | |
| Trading income | 4 | 173,996 | - | 173,996 | 116,078 |
| Rents and lettings | | 74,289 | - | 74,289 | 68,736 |
| Profit on sale of fixed assets | | - | - | - | 13,921 |
| Donations and grants | | | | | |
| Other | | 96,615 | 2,031 | 98,646 | 103,727 |
| Coronavirus Job Retention Scheme government grant | | <u>111,622</u> | <u>-</u> | <u>111,622</u> | <u>386,830</u> |
| Total income | | <u>11,055,903</u> | <u>2,031</u> | <u>11,057,934</u> | <u>10,858,153</u> |
| EXPENDITURE ON: | | | | | |
| Expenditure on Charitable Activities | | | | | |
| Teaching costs | | 5,173,761 | - | 5,173,761 | 5,534,630 |
| Welfare costs | | 1,472,099 | - | 1,472,099 | 1,309,064 |
| Premises costs | | 1,311,630 | - | 1,311,630 | 1,254,810 |
| Support costs | | <u>1,691,349</u> | <u>1,387</u> | <u>1,692,736</u> | <u>1,663,412</u> |
| | | 9,648,839 | 1,387 | 9,650,226 | 9,761,916 |
| Expenditure on Raising Funds | | | | | |
| Trading expenditure | 4 | 184,484 | - | 184,484 | 137,189 |
| Finance costs | | <u>102,122</u> | <u>-</u> | <u>102,122</u> | <u>95,812</u> |
| Total expenditure | 7 | <u>9,935,445</u> | <u>1,387</u> | <u>9,936,832</u> | <u>9,994,917</u> |
| Net income | 8 | 1,120,458 | 644 | 1,121,102 | 863,236 |
| <i>Balances brought forward</i> | | | | | |
| <i>At 31 August 2020</i> | | <u>11,217,833</u> | <u>180,764</u> | <u>11,398,597</u> | <u>10,535,361</u> |
| Balances carried forward | | | | | |
| At 31 August 2021 | | <u>12,338,291</u> | <u>181,408</u> | <u>12,519,699</u> | <u>11,398,597</u> |

All activities are continuing.

All gains and losses recognised in the year are included in the statement of financial activities.


The notes on pages 18 to 33 form part of these financial statements

PANGBOURNE COLLEGE LIMITED
CONSOLIDATED BALANCE SHEET
31 AUGUST 2021
COMPANY NUMBER 0260104

| | | College | | Group | |
|--|-------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Notes | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 10 | <u>13,499,136</u> | <u>13,555,403</u> | <u>13,499,136</u> | <u>13,555,403</u> |
| CURRENT ASSETS | | | | | |
| Stock | | 13,742 | 16,235 | 180,643 | 194,244 |
| Debtors | 11 | 537,190 | 486,147 | 323,922 | 285,895 |
| Cash at bank and in hand | | <u>3,689,760</u> | <u>2,369,303</u> | <u>3,755,150</u> | <u>2,435,406</u> |
| | | 4,240,692 | 2,871,685 | 4,259,715 | 2,915,545 |
| CREDITORS: Amounts falling due within one year | 12 | <u>(3,195,219)</u> | <u>(2,768,535)</u> | <u>(3,232,916)</u> | <u>(2,815,084)</u> |
| NET CURRENT ASSETS/(LIABILITIES) | | <u>1,045,473</u> | <u>103,150</u> | <u>1,026,799</u> | <u>100,461</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 14,544,609 | 13,658,553 | 14,525,935 | 13,655,864 |
| CREDITORS: Amounts falling due after more than one year | 13 | <u>(1,913,516)</u> | <u>(2,138,859)</u> | <u>(1,913,516)</u> | <u>(2,138,859)</u> |
| Pension Scheme Deficit | 18 | <u>(90,220)</u> | <u>(115,908)</u> | <u>(90,220)</u> | <u>(115,908)</u> |
| NET ASSETS | | <u>12,540,873</u> | <u>11,403,786</u> | <u>12,522,199</u> | <u>11,401,097</u> |
| CAPITAL AND RESERVES | | | | | |
| Share capital | 17 | 2,500 | 2,500 | 2,500 | 2,500 |
| Restricted funds | 22 | 181,408 | 180,764 | 181,408 | 180,764 |
| General funds | | <u>12,356,965</u> | <u>11,220,522</u> | <u>12,338,291</u> | <u>11,217,833</u> |
| SHAREHOLDERS' FUNDS | 23 | <u>12,540,873</u> | <u>11,403,786</u> | <u>12,522,199</u> | <u>11,401,097</u> |

The profit for the financial year dealt within the financial statements of the parent company was £1,137,087 (2020: £1,016,687).

Authorised and Approved for issue by the Board on 30 November 2021 and signed on their behalf by:-



 P Roberts
 Governor

The notes on pages 18 to 33 form part of these financial statements

PANGBOURNE COLLEGE LIMITED
CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

| | 2021 £ | 2020 £ |
|---|-------------------------|-------------------------|
| Cash flows from operating activities | | |
| Net movement in funds | 1,121,102 | 863,236 |
| Depreciation | 488,500 | 486,461 |
| (Increase)/decrease in debtors | (38,027) | 230,727 |
| (Decrease)/increase in creditors | 414,422 | (391,763) |
| Decrease/(increase) in stocks | 13,601 | (36,277) |
| (Profit)/loss on disposal of fixed assets | - | (14,000) |
| (Decrease) in pension liability | (25,688) | (23,660) |
| Interest paid | <u>20,330</u> | <u>27,317</u> |
| Cash provided by/ (used in) operating activities | <u>1,994,240</u> | <u>1,142,041</u> |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (432,233) | (35,554) |
| Receipts from sale of fixed assets | <u>-</u> | <u>14,000</u> |
| Cash (used in) investing activities | <u>(432,233)</u> | <u>(21,554)</u> |
| Cash flows from financing activities | | |
| Decrease in borrowing | (185,968) | (130,207) |
| Interest paid | <u>(20,330)</u> | <u>(27,317)</u> |
| Cash (used in) by financing activities | <u>(206,298)</u> | <u>(157,524)</u> |
| Cash flows from advance fee scheme | | |
| Advance fees received | 247,198 | 117,425 |
| Discounts allocated | 6,516 | 11,975 |
| Advance fees utilised | <u>(289,679)</u> | <u>(317,588)</u> |
| Cash (used in) advance fees | <u>(35,965)</u> | <u>(188,188)</u> |
| Change in cash and cash equivalents in the year | 1,319,744 | 774,775 |
| Cash and cash equivalents at the beginning of the year | <u>2,435,406</u> | <u>1,660,631</u> |
| Total cash and cash equivalents at the end of the year | <u>3,755,150</u> | <u>2,435,406</u> |
| Cash at bank and in hand | <u>3,755,150</u> | <u>2,435,406</u> |

The notes on pages 18 to 33 form part of these financial statements

PANGBOURNE COLLEGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. COMPANY INFORMATION

Pangbourne College's principal activity is the maintenance of an independent boarding and day school for boys and girls aged from 11 to 18. The incorporated charity (registered number 0260104 and charity number 309096), is incorporated and domiciled in the UK. The address of the registered office is Pangbourne College, Pangbourne, Berkshire, RG8 8LA.

2. ACCOUNTING POLICIES

a) 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 (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Pangbourne College meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Going concern

At the time of approval of the Annual Report, the COVID-19 pandemic continues to evolve and the long term impact on the charity, in common with other businesses, is unknown. The Governors have reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the pupils as well as employment of staff. The charity currently holds significant cash balances supplemented, if needed, by an overdraft facility. Demand for school places remains strong, with historically high numbers enrolled for the academic year 2021/22. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, the Governors believe the School's financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

c) Consolidation

The consolidated financial statements incorporate the financial statements of Pangbourne College Enterprises Limited, the charitable company's trading subsidiary. No separate statement of financial activities is present for the College as permitted by Section 408 of the Companies Act 2006. The net incoming resources of the College (excluding Enterprises) were £1,137,087 (2020: £1,016,687 *outgoing resources*).

d) Fund Accounting

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund.

General funds (retained income) are unrestricted funds that are available for use at the discretion of the Governors in furtherance of the general objectives of the charitable company and have not been designated for other purposes.

Designated funds are funds set aside by the Governors out of unrestricted general funds for specific future purposes or projects.

e) Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the charitable company is legally entitled to the income, the amount can be quantified with reasonable accuracy and the economic benefit to the college is considered probable.

Coronavirus Job Retention Grant (CJRS)

Grants are accounted for under the performance model as permitted by the Charity SORP. CJRS grant income is therefore recognised on a straight line basis over the furlough period for each relevant employee.

PANGBOURNE COLLEGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

2. ACCOUNTING POLICIES (continued)

f) Fees

Fee income represents the invoiced amount of College fees receivable after deducting allowances, scholarships and other remissions granted by the College. Adjustments have been made to defer invoiced fees relating to the Autumn term, which commences in the next financial period to ensure that no income relating to the next financial year is included in these financial statements. Any payments received relating to this term have been treated as fees in advance under creditors.

g) Donations and legacies

Donations and legacies received for the general purposes of the College are credited to 'unrestricted funds'. Donations subject to specific wishes of the donors are carried to relevant restricted funds. Income from legacies is accrued where a pecuniary legacy is notified by the year end and where a residuary legacy has entitlement, the amount can be reliably quantified (usually via estate accounts) and it is considered probable it will be received.

h) Advanced fees

Amounts received under the College's Advanced Fees Scheme contracts, for education not yet utilised to settle school fees, are recorded as deferred income and allocated as current liabilities where the education will be provided within 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

i) Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities.

Expenditure is summarised under functional headings on a direct cost basis. The irrecoverable amount of VAT is included with the item of expense to which it relates.

j) Stocks

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

k) Tangible Fixed Assets

College buildings are recorded at their historical cost to the College. Depreciation is provided on all tangible assets, except freehold land in order to write-off their cost less residual value over their estimated useful lives at the following annual rates:-

| | | |
|----------------------------------|---|-------------------|
| Buildings | - | 2% straight line |
| Furniture, fixtures and fittings | - | 25% straight line |
| Motor vehicles | - | 33% straight line |
| Boats | - | 33% straight line |

Items costing less than £5,000 are written off as an expense as acquired.

l) Pension Schemes

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, defined benefit scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education and skills.

Costs include normal and supplementary contributions. The regular cost is the normal contribution, expressed as a percentage of salary of a teacher newly entering service, which would defray the cost of benefits payable in respect of that service. Variations from the regular pension cost are met by a supplementary contribution. This occurs if, as a result of the actuarial investigation, it is found that the accumulated liabilities for benefits to past and present teachers are not fully covered by normal contributions to be paid in future and by the fund built up from past contributions. The normal and supplementary contributions are charged to the statement of financial activities.

PANGBOURNE COLLEGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

2. ACCOUNTING POLICIES (continued)

The College contributed until 30 September 2013 to the Pensions Trust Growth Plan Pension Scheme for certain of its employees. This was in most respects a money purchase arrangement, but did include certain guaranteed benefit elements. The Plan was a multi-employer scheme. It is not possible in the normal course of events to identify the share of the underlying assets belonging to the individual participating employers and accordingly, in accordance with FRS102, is accounted for as a defined contribution scheme with contributions being recorded as they become payable. The School makes deficit contribution payments to the Scheme and, in accordance with FRS 102 these payments have been measured at fair value and included as a liability on the balance sheet.

The College also operates a defined contribution auto enrolment arrangement and a defined contribution enhanced pension scheme for non-teaching staff.

Pension costs charged in the SOFA represent contributions payable by the College in that year.

m) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

n) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment

o) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

p) Parents' deposits

The Governors have reviewed the contract terms under which Pupil fee deposits are held by the School. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 August have been included within current liabilities.

q) Lease commitments

Lease commitments are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

r) Financial instruments

Basic financial instruments include debtors and creditors. Debtors and creditors are initially recognised at transaction value and subsequently measured at amortised cost. Note 21 provides more information on financial instruments where future cash flows are anticipated, with financial assets referring to fixed asset investments and debtor balances excluding prepayments, and financial liabilities referring to all creditor balances excluding deferred income and taxation and social security.

PANGBOURNE COLLEGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

3. Significant judgements and estimates

In the application of the charity's accounting policies, which are described in note 2, Governors are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The Governors consider that there are no material judgements in applying accounting policies or key sources of estimation uncertainty.

4. TRADING INCOME AND EXPENDITURE

Pangbourne College Enterprises Limited is a 100% subsidiary of Pangbourne College Limited (Company Number: 01582185). Its registered office is as per Note 1. The company was established to carry out the non educational activities associated with the College. The trading results extracted from its audited accounts were:-

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Turnover | 173,996 | 116,078 |
| Cost of sales | <u>(175,983)</u> | <u>(123,586)</u> |
| Gross profit/(loss) | (1,987) | (7,508) |
| Administrative expenses | <u>(12,660)</u> | <u>(17,289)</u> |
| Operating (loss) | (14,647) | (24,797) |
| Interest payable and similar charges | <u>(1,341)</u> | <u>(914)</u> |
| (Loss) on activities before taxation | (15,988) | (25,711) |
| Taxation | <u>-</u> | <u>-</u> |
| (Loss) after tax | <u>(15,988)</u> | <u>(25,711)</u> |
| Retained earnings at the beginning of the year | (2,689) | 150,766 |
| (Loss) for the financial year | (15,988) | (25,711) |
| Gift aid donation payment for prior year | <u>-</u> | <u>(127,744)</u> |
| Retained earnings at the end of the year | <u>(18,677)</u> | <u>(2,689)</u> |

The aggregate amount of share capital and reserves of Pangbourne College Enterprises Limited at 31 August 2021 was a deficit of £18,674 (2020 £2,686).

Administrative expenses include a management charge paid to the College of £5,500 (2020: £4,600) which is eliminated on consolidation, and the donation under Gift Aid of £Nil (2020: £127,744) is to the College and is also eliminated on consolidation.

PANGBOURNE COLLEGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

5. FEES RECEIVABLE

| | 2021 £ | 2020 £ |
|--|--------------------|--------------------|
| Fees receivable consist of: | | |
| Gross fees (including advance fees utilised of £289,679 (2020: £317,588)) | 12,600,652 | 11,272,730 |
| Less total bursaries, grants and allowances | <u>(2,323,883)</u> | <u>(1,519,810)</u> |
| | <u>10,276,769</u> | <u>9,752,920</u> |

6. ANCILLARY TRADING INCOME

| | 2021 £ | 2020 £ |
|-------------------------------|----------------|----------------|
| Insurance commission | 2,539 | 19,496 |
| Registration fees | 27,044 | 27,212 |
| Special learning | 96,761 | 55,078 |
| English as a foreign language | - | 16,823 |
| Fees in lieu | 38,560 | 20,212 |
| Exams | 45,373 | 59,253 |
| Music | 84,628 | 123,804 |
| Forfeited deposit | 19,200 | 86,215 |
| Trips | - | 56,812 |
| Miscellaneous income | <u>8,507</u> | <u>12,605</u> |
| | <u>322,612</u> | <u>415,941</u> |

7. ANALYSIS OF TOTAL RESOURCES EXPENDED

| | Staff Costs £ | Other £ | Depre- ciation £ | Total 2021 £ | Total 2020 £ |
|---------------------------------|---------------------|------------------|------------------------|--------------------|--------------------|
| Charitable activities | | | | | |
| Teaching costs | 4,518,331 | 383,063 | 272,367 | 5,173,761 | 5,534,630 |
| Welfare costs | 605,889 | 788,713 | 77,497 | 1,472,099 | 1,309,064 |
| Premises costs | 299,939 | 956,842 | 54,849 | 1,311,630 | 1,254,810 |
| Support costs | <u>786,044</u> | <u>822,905</u> | <u>83,787</u> | <u>1,692,736</u> | <u>1,663,412</u> |
| | <u>6,210,203</u> | <u>2,951,523</u> | <u>488,500</u> | <u>9,650,226</u> | <u>9,761,916</u> |
| Cost of generating funds | | | | | |
| Trading expenditure | 56,424 | 128,060 | - | 184,484 | 137,189 |
| Finance costs | <u>-</u> | <u>102,122</u> | <u>-</u> | <u>102,122</u> | <u>95,812</u> |
| | <u>56,424</u> | <u>230,182</u> | <u>-</u> | <u>286,606</u> | <u>233,001</u> |
| Total | <u>6,266,627</u> | <u>3,181,705</u> | <u>488,500</u> | <u>9,936,832</u> | <u>9,994,917</u> |

Included within support costs are governance costs of £19,651 (2020: £19,375). Governance costs comprise the cost of running the charity including external audits, Governors' legal advice and constitutional and statutory compliance costs.

PANGBOURNE COLLEGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

7. ANALYSIS OF TOTAL RESOURCES EXPENDED (continued)

2020 Comparative figures

| | Staff Costs £ | Other £ | Depre- ciation £ | Total 2020 £ | Total 2019 £ |
|---------------------------------|-------------------------|-------------------------|------------------------|-------------------------|--------------------------|
| <i>Charitable activities</i> | | | | | |
| Teaching costs | 4,755,532 | 495,004 | 284,094 | 5,534,630 | 5,348,612 |
| Welfare costs | 616,336 | 625,237 | 67,491 | 1,309,064 | 1,664,053 |
| Premises costs | 330,561 | 870,528 | 53,721 | 1,254,810 | 2,199,228 |
| Support costs | <u>802,754</u> | <u>779,503</u> | <u>81,155</u> | <u>1,663,412</u> | <u>1,836,576</u> |
| | <u>6,505,183</u> | <u>2,770,272</u> | <u>486,461</u> | <u>9,761,916</u> | <u>11,048,469</u> |
| <i>Cost of generating funds</i> | | | | | |
| Trading expenditure | 60,349 | 76,840 | - | 137,189 | 289,331 |
| Finance costs | <u>-</u> | <u>95,812</u> | <u>-</u> | <u>95,812</u> | <u>72,928</u> |
| | <u>60,349</u> | <u>172,652</u> | <u>-</u> | <u>233,001</u> | <u>362,259</u> |
| Total | <u>6,565,532</u> | <u>2,942,924</u> | <u>486,461</u> | <u>9,994,917</u> | <u>11,410,728</u> |

8. NET INCOME

| | 2021 £ | 2020 £ |
|--|-----------------------|----------------|
| This is stated after charging/(crediting): | | |
| Depreciation | 488,500 | 486,461 |
| (Surplus)/loss on sale of fixed assets | - | (14,000) |
| Auditors remuneration – (Parent) | 14,950 | 14,375 |
| Auditors remuneration – (Subsidiary) | 2,350 | 2,250 |
| Auditors remuneration – non audit services | 3,160 | 3,500 |
| Operating lease rentals | <u>197,246</u> | <u>161,684</u> |

9. STAFF COSTS

| | 2021 £ | 2020 £ |
|-----------------------|-------------------------|------------------|
| Salaries and wages | 4,846,171 | 5,093,087 |
| Social security costs | 474,500 | 492,667 |
| Pension costs | <u>945,956</u> | <u>979,778</u> |
| | <u>6,266,627</u> | <u>6,565,532</u> |

The average number of employees during the year (including Pangbourne College Enterprises Limited) were:

| | 2021 No. | 2020 No. |
|---------------------|-------------------|-------------|
| Teaching | 71 | 72 |
| Premises | 8 | 9 |
| Support and welfare | <u>47</u> | <u>47</u> |
| | <u>126</u> | <u>128</u> |

PANGBOURNE COLLEGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

9. STAFF COSTS (continued)

The number of employees whose emoluments (excluding pension contributions) exceeded £60,000 during the year were as follows:

| | | |
|---------------------|----------|----------|
| £60,001 - £70,000 | 4 | 1 |
| £70,001 - £80,000 | - | 1 |
| £80,001 - £90,000 | - | 1 |
| £100,001 - £110,000 | 1 | 1 |
| £150,001 - £160,000 | <u>1</u> | <u>1</u> |

The number of higher paid employees who accrued benefits under a defined benefit pension scheme were as follows:

| | |
|----------|----------|
| <u>6</u> | <u>4</u> |
|----------|----------|

The College also made payments totalling £Nil (2020: £11,066) to personal pension schemes of Nil (2020: 1) higher paid employee.

The Governors received no remuneration or other benefits for the year. 1 governor (2020: 2) was reimbursed travelling expenses of £41 (2020: £303). £147 (2020: £2,447) was spent on Governor meetings. The insurance costs also include trustee indemnity insurance.

The key management personnel of the college are the Governors and the Officers as identified in the Legal and Administrative Information on page 1. In the year ended 31 August 2021 they received aggregate remuneration (including employers national insurance and pension contributions) of £637,900 (2020: £714,387).

During the year ex-gratia payments totalling £21,110 (2020: £17,915) were made.

10. TANGIBLE ASSETS

Charitable company and group

| | Freehold property £ | Assets under construction | Furniture & equipment £ | Motor vehicles £ | Boats £ | Total £ |
|-----------------------|---------------------------|---------------------------------|----------------------------------|------------------------|----------------|--------------------|
| COST | | | | | | |
| At 1 September 2020 | 18,444,889 | 52,498 | 2,395,291 | 46,717 | 378,250 | 21,317,645 |
| Additions | 361,347 | - | 70,886 | - | - | 432,233 |
| Transfers | - | - | - | - | - | - |
| Disposals | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| At 31 August 2021 | <u>18,806,236</u> | <u>52,498</u> | <u>2,466,177</u> | <u>46,717</u> | <u>378,250</u> | <u>21,749,878</u> |
| DEPRECIATION | | | | | | |
| At 1 Sept 2020 | 5,116,986 | - | 2,269,489 | 45,551 | 330,216 | 7,762,242 |
| Charge for the year | 361,660 | - | 84,171 | 1,166 | 41,503 | 488,500 |
| Disposals | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| At 31 August 2021 | <u>5,478,646</u> | <u>-</u> | <u>2,353,660</u> | <u>46,717</u> | <u>371,719</u> | <u>8,250,742</u> |
| NET BOOK VALUE | | | | | | |
| At 31 August 2021 | <u>£13,327,590</u> | <u>£ 52,498</u> | <u>£ 112,517</u> | <u>£ -</u> | <u>£ 6,531</u> | <u>£13,499,136</u> |
| At 31 August 2020 | <u>£13,327,903</u> | <u>£ 52,498</u> | <u>£ 125,802</u> | <u>£ 1,166</u> | <u>48,034</u> | <u>£13,555,403</u> |

Included within freehold property is the historic cost of land not depreciated of £16,937 (2020: £16,937).

PANGBOURNE COLLEGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

10. TANGIBLE ASSETS (continued)

The Governors consider the market value of freehold property to be substantially more than the net book value should the assets be sold for any use other than for educational purposes. This is due to the increase in values of the property market generally.

11. DEBTORS

| | College | | Group | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Trade debtors | 314,228 | 208,141 | 317,723 | 209,104 |
| Pangbourne | | | | |
| College Enterprises Limited | 208,656 | 203,208 | - | - |
| Other debtors | 11,941 | 1,117 | 3,834 | 3,110 |
| Prepayments and accrued income | <u>2,365</u> | <u>73,681</u> | <u>2,365</u> | <u>73,681</u> |
| | <u>537,190</u> | <u>486,147</u> | <u>323,922</u> | <u>285,895</u> |

12. CREDITORS: Amounts falling due within one year

| | College | | Group | |
|--|------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Bank loan (see note 14) | 222,789 | 167,112 | 222,789 | 167,112 |
| Trade creditors | 404,989 | 105,930 | 431,815 | 149,857 |
| Taxation and social security | 137,204 | 136,256 | 137,204 | 136,256 |
| Other creditors | 46,306 | 65,864 | 46,306 | 65,864 |
| Acceptance deposits | 760,532 | 839,947 | 760,532 | 839,947 |
| Fees in advance | 1,106,362 | 938,716 | 1,106,362 | 938,716 |
| Accruals | <u>316,204</u> | <u>261,610</u> | <u>327,075</u> | <u>264,232</u> |
| | 2,994,386 | 2,515,435 | 3,032,083 | 2,561,984 |
| Deferred income- Advanced fees (see note 15) | <u>200,833</u> | <u>253,100</u> | <u>200,833</u> | <u>253,100</u> |
| | <u>3,195,219</u> | <u>2,768,535</u> | <u>3,232,916</u> | <u>2,815,084</u> |

The bank borrowing is secured by a fixed legal charge over the property of the charity and a floating charge over the other assets.

13. CREDITORS: Amounts falling due after more than one year

| | College | | Group | |
|--|------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Bank loan (see note 14) | 1,812,540 | 2,054,185 | 1,812,540 | 2,054,185 |
| Deferred income- Advanced fees (see note 15) | <u>100,976</u> | <u>84,674</u> | <u>100,976</u> | <u>84,674</u> |
| | <u>1,913,516</u> | <u>2,138,859</u> | <u>1,913,516</u> | <u>2,138,859</u> |

PANGBOURNE COLLEGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

14. BANK LOAN

The bank loan is repayable as follows:

| | 2021 £ | 2020 £ |
|----------------------------|-------------------------|-------------------------|
| Within one year | 222,789 | 167,112 |
| Between one and two years | 225,250 | 210,213 |
| Between two and five years | 690,787 | 653,150 |
| Over five years | <u>896,503</u> | <u>1,190,822</u> |
| | <u>2,035,329</u> | <u>2,221,297</u> |

The loan was first drawn down in September 2006 and is repayable in monthly instalments over 20 years starting in February 2010.

The interest rate applied to the loan is equivalent to 1% per annum above the bank base rate.

15. ADVANCE FEES

Amounts may be paid to the college up to the equivalent of 7 years' tuition fees in advance. The money may be returned subject to specific conditions stated within the scheme literature. Assuming pupils will remain at the college advance fees will be applied:-

| | 2021 £ | 2020 £ |
|------------------|-----------------------|-----------------------|
| Within 1 year | 200,833 | 253,100 |
| Within 1-2 years | 64,520 | 84,674 |
| Within 2-5 years | <u>36,456</u> | <u>-</u> |
| | <u>301,809</u> | <u>337,774</u> |

The balance represents the accrued liability under the contracts. The movements during the year are detailed as follows:-

| | 2021 £ | 2020 £ |
|-----------------------|-------------------------|-------------------------|
| At 1 September 2020 | <u>337,774</u> | <u>525,962</u> |
| Increase | | |
| Advance fees received | 247,198 | 117,425 |
| Discounts allocated | <u>6,516</u> | <u>11,975</u> |
| | <u>253,714</u> | <u>129,400</u> |
| Decrease | | |
| Advance fees utilised | <u>(289,679)</u> | <u>(317,588)</u> |
| At 31 August 2021 | <u>301,809</u> | <u>337,774</u> |

PANGBOURNE COLLEGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

16. CAPITAL COMMITMENTS

There were no capital commitments at the year end (2020: £Nil)

17. SHARE CAPITAL

| | 2021 £ | 2020 £ |
|---|--------------|--------------|
| Authorised, Issued and fully paid up | | |
| 50,000 shares of 5p each | <u>2,500</u> | <u>2,500</u> |

18. PENSIONS

Teaching staff

The College participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £721,867 (2020: £744,648) and at the year-end £Nil (2020: £Nil) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following the public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

PANGBOURNE COLLEGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

18. PENSIONS (Continued)

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

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

Non-teaching staff

Until 30th September 2013, all non-teaching staff could participate in a multi-employer defined benefits pension scheme, the Pensions Trust Growth Plan Pension Scheme ("the Scheme"). The Scheme closed to new contributions on 30th September 2013, and from that date onwards, non-teaching staff were offered membership of a defined contribution scheme, the Pension Trust Growth Plan Series 4 ("the Enhanced Scheme").

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from normal retirement dates. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefits payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

A full actuarial valuation of the scheme was carried out at 30 September 2020. The market value of the Plan's assets at the valuation date was £799 million and the Plan's Technical Provisions (i.e. past service liabilities) were £832 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £33 million.

To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional deficit contributions of £3.3m per annum from 1 April 2022 to 30 September 2025, payable monthly. The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Scheme Liabilities. In accordance with FRS102 a liability representing the present value of future commitments relating to the deficit funding is recognised in the accounts. During the year the College paid deficit contributions of £ 25,248 (2020: £26,530), which reduced the pension Scheme deficit liability recognised in the accounts. The present value at 31 August 2021 of future commitments relating to the deficit contributions has been calculated as £91,100 (2020: £115,908). The unwinding of the discount factor, and the impact of changes to assumptions has resulted in a £440 to the SOFA, and has been included in pension costs for the year.

PANGBOURNE COLLEGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

18. PENSIONS (Continued)

Pangbourne College Limited has been advised by the Plan Trustee that, in the event that it was to withdraw its membership of the Plan, it had an estimated contingent liability of £300,840 at 30 September 2020. This debt will not crystallise while Pangbourne College Limited continues to have one or more active members in the scheme.

The amount of the above potential debt depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of Pangbourne College Limited, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of the debt can therefore be volatile over time.

The College operates a defined contribution auto enrolment scheme ("the AE Scheme") with Pensions Trust. The employer contribution rate is 10% (2020: 10%) and the employee contribution rate is 3%. Employers' contributions totalling £44,463 (2020: £45,463) were payable to this fund during the year. Contributions totalling £401 (2020: £140) were unpaid at the year end and are included in creditors.

In addition, the College offers all non-teaching staff the opportunity to join an Enhanced Scheme with the Pensions Trust, which has an employer contribution rate of 15% (2020: 15%) and an employee contribution rate of 5%. Contributions payable by the company in the year were £175,731 (2020: £175,731). Contributions totalling £262 (2020: £nil) were unpaid at the year end and are included in creditors.

Finally, there were contributions payable to personal pension schemes of £3,895 (2020: £11,066). Contributions totalling £nil (2020: £1,338) were outstanding at the year end.

19. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2021 the College had future minimum lease payments under non-cancellable operating leases as follows:-

| | 2021 £ | 2020 £ |
|---|-----------------------|-----------------------|
| Equipment and machinery | | |
| Amounts due in less than a year | 183,911 | 147,260 |
| Amounts due in the second to fifth year | <u>88,639</u> | <u>186,909</u> |
| | <u>272,550</u> | <u>334,169</u> |

20. RELATED PARTY TRANSACTIONS

During the year the school instructed Thrings Solicitors, of which Rev A Bond, a Governor is a consultant, for legal work. Total fees charged in the year were £ 26,509 (2020: £37,872). At the balance sheet date the amount of £1,170 (2020: £nil) was outstanding.

Mrs Garnier, the Headmaster's wife is employed by the School and was appointed by the Governors.

Ms Clubbe, the wife of the Deputy Head (Extra Curricular) was employed at the School under a standard contract of employment and under the appointment of the Governors. Ms Aguillon, the wife of the Deputy Head (Academic) was only employed at the School in the prior year.

Mrs Bond, the wife of one of the Governors is employed by the School under a standard contract of employment and under the appointment of the Governors as the Deputy Head (Pastoral).

PANGBOURNE COLLEGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

21. FINANCIAL INSTRUMENTS

Financial instruments held at amortised cost are trade debtors, other debtors, intercompany debtors, cash at bank, trade creditors, bank loans, acceptance deposits, other creditors and accruals.

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| GROUP | | |
| Financial assets measured at amortised cost | 4,076,707 | 2,647,620 |
| Financial liabilities measured at amortised cost | <u>3,601,057</u> | <u>3,541,197</u> |
| COLLEGE | | |
| Financial assets measured at amortised cost | 4,224,585 | 2,781,769 |
| Financial liabilities measured at amortised cost | <u>3,563,360</u> | <u>3,494,648</u> |

The income, expense, gains and losses in respect of financial instruments are summarised below:

| | 2021 £ | 2020 £ |
|---|---------------|---------------|
| GROUP AND COLLEGE | | |
| Total interest expense for financial liabilities held at amortised cost | <u>26,367</u> | <u>27,317</u> |

22. RESTRICTED FUNDS- COLLEGE & GROUP

The funds of the charity include restricted funds comprising the following unexpended balances of donations held for specific purposes:

| | <i>Balance at 1 September 2020 £</i> | <i>Incoming resources £</i> | <i>Resources expended £</i> | <i>Balance at 31 August 2021 £</i> |
|------------------------|--|-------------------------------------|-------------------------------------|--|
| 2021 | | | | |
| Boat House fund | 135,282 | - | - | 135,282 |
| Other restricted funds | 1,868 | 2,031 | - | 3,899 |
| Centenary Appeal | <u>43,614</u> | <u>-</u> | <u>(1,387)</u> | <u>42,227</u> |
| | <u>180,764</u> | <u>2,031</u> | <u>(1,387)</u> | <u>181,408</u> |

Restricted funds relate to income given in support of the Boat House refurbishment and its facilities, and for the Centenary Appeal. The Centenary Appeal donations will be used to support organisations, community work and educational projects that benefit young people in the Reading areas. Centenary charity funds will also support the Nabugabo partnership project in Uganda.

| | <i>Balance at 1 September 2019 £</i> | <i>Incoming resources £</i> | <i>Resources expended £</i> | <i>Balance at 31 August 2020 £</i> |
|------------------------|--|-------------------------------------|-------------------------------------|--|
| 2020 | | | | |
| S Galley | - | 20,000 | (20,000) | - |
| Boat House fund | 135,282 | - | - | 135,282 |
| Other restricted funds | - | 1,868 | - | 1,868 |
| Centenary Appeal | <u>46,414</u> | <u>264</u> | <u>(3,064)</u> | <u>43,614</u> |
| | <u>181,696</u> | <u>22,132</u> | <u>(23,064)</u> | <u>180,764</u> |

PANGBOURNE COLLEGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

23 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| GROUP – 2021 | Unrestricted funds £ | Restricted funds £ | Total £ |
|---|-------------------------------------|-----------------------------------|--------------------|
| Tangible fixed assets | 13,499,136 | - | 13,499,136 |
| Net current assets | 845,391 | 181,408 | 1,026,799 |
| Long Term liabilities (including pension scheme deficit) | <u>(2,003,736)</u> | <u>-</u> | <u>(2,003,736)</u> |
| | <u>12,340,791</u> | <u>181,408</u> | <u>12,522,199</u> |

| <i>GROUP - 2020</i> | <i>Unrestricted funds £</i> | <i>Restricted funds £</i> | <i>Total £</i> |
|---|-------------------------------------|-----------------------------------|--------------------|
| Tangible fixed assets | 13,555,403 | - | 13,555,403 |
| Net current (liabilities)/assets | (80,303) | 180,764 | 100,461 |
| Long Term liabilities (including pension scheme deficit) | <u>(2,254,767)</u> | <u>-</u> | <u>(2,254,767)</u> |
| | <u>11,220,333</u> | <u>180,764</u> | <u>11,401,097</u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS

| COLLEGE - 2021 | Unrestricted funds £ | Restricted funds £ | Total £ |
|---|-------------------------------------|-----------------------------------|--------------------|
| Tangible fixed assets | 13,499,136 | - | 13,499,136 |
| Net current assets | 864,065 | 181,408 | 1,045,473 |
| Long Term liabilities (including pension scheme deficit) | <u>(2,003,736)</u> | <u>-</u> | <u>(2,003,736)</u> |
| | <u>12,359,465</u> | <u>181,408</u> | <u>12,540,873</u> |

| <i>COLLEGE - 2020</i> | <i>Unrestricted funds £</i> | <i>Restricted funds £</i> | <i>Total £</i> |
|---|-------------------------------------|-----------------------------------|--------------------|
| Tangible fixed assets | 13,555,403 | - | 13,555,403 |
| Net current (liabilities)/assets | (77,614) | 180,764 | 103,150 |
| Long Term liabilities (including pension scheme deficit) | <u>(2,254,767)</u> | <u>-</u> | <u>(2,254,767)</u> |
| | <u>11,223,022</u> | <u>180,764</u> | <u>11,403,786</u> |

PANGBOURNE COLLEGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

24 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

| | 2021 £ | 2020 £ |
|---|---------------------------|---------------------------|
| Increase/(decrease) in cash in the year | 1,319,744 | 774,775 |
| Fees on account | 35,965 | 188,188 |
| Loan repayments | <u>185,968</u> | <u>130,207</u> |
| Change in net debt | 1,541,677 | 1,093,170 |
| Net debt at 1 August | <u>(123,665)</u> | <u>(1,216,835)</u> |
| NET FUNDS/(DEBT) AT 31 AUGUST | <u>£ 1,418,012</u> | <u>£ (123,665)</u> |

ANALYSIS OF CHANGE IN NET DEBT

| | <i>Net debt as at 1 September 2020 £</i> | Cash Change £ | Net funds as at 31 August 2021 £ |
|--------------------------|--|------------------------------|---|
| Cash at bank and in hand | 2,435,406 | 1,319,744 | 3,755,150 |
| Fees on account | (337,774) | 35,965 | (301,809) |
| Loans | <u>(2,221,297)</u> | <u>185,968</u> | <u>(2,035,329)</u> |
| | <u>£ (123,665)</u> | <u>£ 1,541,677</u> | <u>£ 1,418,012</u> |

PANGBOURNE COLLEGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

25 2020 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

| | <i>Unrestricted Funds</i> | <i>Restricted Funds</i> | <i>Total 2020 £</i> |
|---|-------------------------------|-----------------------------|-----------------------------|
| <i>INCOME AND ENDOWMENTS FROM:</i> | | | |
| <i>Income from Charitable Activities</i> | 9,752,920 | - | 9,752,920 |
| <i>School fees receivable</i> | 415,941 | - | 415,941 |
| <i>Ancillary trading income</i> | | | |
| <i>Other Trading Activities</i> | 116,078 | - | 116,078 |
| <i>Trading income</i> | 68,736 | - | 68,736 |
| <i>Rents and lettings</i> | | | |
| <i>Profit on sale of fixed assets</i> | 13,921 | - | 13,921 |
| <i>Investment income</i> | | | |
| | 81,595 | 22,132 | 103,727 |
| <i>Donations and legacies</i> | | | |
| | <u>386,830</u> | <u>-</u> | <u>386,830</u> |
| <i>Total income</i> | <u>10,836,021</u> | <u>22,132</u> | <u>10,858,153</u> |
| <i>EXPENDITURE ON:</i> | | | |
| <i>Expenditure on Charitable Activities</i> | | | |
| <i>Teaching costs</i> | 5,511,566 | 23,064 | 5,534,630 |
| <i>Welfare costs</i> | 1,309,064 | - | 1,309,064 |
| <i>Premises costs</i> | 1,254,810 | - | 1,254,810 |
| <i>Support costs</i> | <u>1,663,412</u> | <u>-</u> | <u>1,663,412</u> |
| | 9,738,852 | 23,064 | 9,761,916 |
| <i>Expenditure on Raising Funds</i> | | | |
| <i>Trading expenditure</i> | 137,189 | - | 137,189 |
| <i>Finance costs</i> | <u>95,812</u> | <u>-</u> | <u>95,812</u> |
| <i>Total expenditure</i> | <u>9,971,853</u> | <u>23,064</u> | <u>9,994,917</u> |
| <i>Net income and movement in funds</i> | 864,168 | (932) | 863,236 |
| <i>Balances brought forward</i> | | | |
| <i>At 31 August 2018</i> | <u>10,353,665</u> | <u>181,696</u> | <u>10,535,361</u> |
| <i>Balances carried forward</i> | | | |
| <i>At 31 August 2019</i> | <u>11,217,833</u> | <u>180,764</u> | <u>11,398,597</u> |

