



CHELtenham  
LADIES'  
COLLEGE

# ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2021

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## MESSAGE FROM THE CHAIR OF COUNCIL

This has been another year dominated by the pandemic. It has required great resilience and determination from all parts of the CLC community – pupils, teachers and other staff members, parents, and our Guild Members'. We've lived through lockdowns introduced at short notice, constantly changing rules and restrictions, and the disruption of different arrangements for public exams. Many of our events have had to be cancelled or curtailed. For much of the year we haven't been able to play sport at College or socialise properly with our friends. But, because our community has come together so effectively, we have had a strong year despite these and many other challenges. For that, I want to express my deep thanks to all segments of our community. We have an excellent platform to build on as we hopefully emerge from the pandemic and return to something like normal lives.

Above all, I want to thank our outstanding Principal, Eve Jardine-Young, for her leadership. Earlier in the year we won the Sunday Times South West Independent School of the decade which is a huge tribute to her and her team. But this, the first year of the following decade, has been more testing than any of the preceding ten.

Working together as a community we have sought to keep the pupils physically and mentally safe. Sensible precautions and responsible observation of them meant that we had no known positive Covid-19 cases in term time among pupils or front-line staff until the very end of the summer term. This helped us to avoid disruption to lessons. We decided not to furlough Houseparents so they could continue to maintain pastoral contact with the girls. Through the agility and creativity of the co-curricular staff, we maintained some online options for sport, music and art through the lockdowns and opened up physically as soon as we safely could: these activities are so important to mental health, especially in the circumstances we have been in.

We have maintained the quality and range of academic education, switching between online and hybrid, thanks to the energy, resourcefulness and EQ of our teachers. I was fortunate enough to attend some lessons this year, and was struck by the brilliant ways in which teachers used the online space to enhance learning and – when hybrid – always ensured that those participating remotely felt as fully part of the lesson as those physically there. I want to pay particular tribute to those of our overseas pupils who often had to participate in lessons at crazy hours of the day and night. Despite everything, the pupils achieved excellent results in IB, A Levels and GCSEs.

CLC has managed its finances and physical assets prudently, finishing the year with a modest budget surplus. We had extra costs to meet Covid-19 requirements and loss of income from CLC Services, particularly from the temporary closure of the Health and Fitness Centre. To balance this, we have continued to pause major capital projects and achieved significant cost efficiencies without negatively impacting the core offer. In recognition of the financial pressures on parents, we did not increase fees this year and offered discounts reflecting the savings we were able to make during the lockdowns. A number of parents who have experienced particular financial difficulties have been supported through our Covid-19 emergency fund. We are extremely grateful to those parents who forewent their discounts or contributed to the fund in other ways. This has been a great example of our community supporting each other.

We are a community ourselves, but also part of a wider community. I am really proud of the way pupils and staff have continued to find ways to support that wider community in spite of the pandemic restrictions, with Zoom calls to residents of local care homes, laptops to local schools, making PPE for vulnerable people locally and internationally, and our great, virtual sponsored bike ride to Tokyo for the Paralympic games. Well done to all those involved!

Educating and being educated during this pandemic has been an unprecedented challenge, but good things will come out of it. CLC exists to help brilliant young women be the best they can be. Those young women with us over the past year will be stronger, more rounded and reflective, and more bound to each other than they would have been otherwise. Teachers and other staff will have learnt lessons that will make them even better at supporting our core purpose in future. This is an excellent basis on which to move forward.



Nick Baird  
Chair of Council

# REPORT OF THE COUNCIL FOR THE YEAR ENDED 31 JULY 2021

## REFERENCE AND ADMINISTRATIVE INFORMATION

Cheltenham Ladies' College ("College") operates under the terms of a Royal Charter granted in 1935, and Supplemental Charters granted in 1955 and in 1991 and further amendments passed and granted by an Order from the Privy Council in 2015. College is registered with the Charity Commission under charity registration number 311722.

Principal Address:  
Bayshill Road  
Cheltenham  
Gloucestershire  
GL50 3EP

[www.cheltladiescollege.org](http://www.cheltladiescollege.org)

## STRUCTURE, GOVERNANCE AND LEADERSHIP

The Royal Charter limits the size of Council to a maximum of fifteen Elected Members and three Nominated Members. Council meets at least once a term, with an additional annual meeting to review strategy. Council Members are appointed by the Members of College at the AGM. They serve for a three-year period and may be re-elected for two further three-year periods.

Upon their appointment, Council Members are given an induction to their role and responsibilities as trustees of College. They meet with senior employees of College and receive access to a detailed handbook online explaining the workings of Council and College.

Council has a number of committees, which operate under their own terms of reference and delegated powers, to consider specific areas of College's operations. These are Finance and Executive, Audit and Risk, Land and Buildings, Education and Nominations Committees. Council also has an Investment Sub-Committee and a Principal's Remuneration Committee, both being Sub-Committees of the Finance and Executive Committee. As part of a continuous process, the Nominations Committee reviews the skills of Council Members and any gaps are addressed by Nominations appointing new members to join Council, co-opting members with specific skills to Council committees and through relevant training to ensure appropriate expertise is present.

The pay and remuneration of key management personnel is discussed and set by the Finance and Executive Committee on an annual basis using benchmark data.

## CHARITY GOVERNANCE CODE

The Charity Governance Code, published in 2017, sets out the principles and recommended good practice within the sector. College fully supports the principles and already follows many aspects of best practice. College continues to consider issues of diversity, explicitly in its 2021/22 recruitment process for Council members. Council undertakes periodic self-evaluation reviews but intends to introduce a more structured approach going forward and will commission an external review of Council activities and effectiveness as soon as current circumstances allow.

## MEMBERS OF COUNCIL AND CHARITY TRUSTEES

Members of Council as at 31 July 2021 (showing changes during the financial year and up to the date of signing):

### Elected Members

Mr N Baird MA CMG CVO (Chair from 4.12.20)  
Ms E Bassett MA ACA (Chair) (resigned as Chair from 4.12.20) (retired 26.02.21)  
Mrs C M Webster BSc (Hons) (Vice Chair)  
Mr J Briant BSc (Hons) ACA  
Mrs S Cattermole BA ACA (appointed 26.02.21)  
Ms T Davda (appointed 26.02.21)  
Mr S Davies BSc (Hons) ACA  
Mr R Denny LLB  
Mr G Evans MA  
Mr D Fotheringham (appointed 26.02.21)  
Mr R Leechman BA (retired 26.02.21)  
Mr D Pittaway QC MA FCI Arb  
Ms S Putt MA  
Mr K Senior LLB FCA  
Mrs L Terry MA (retired 26.02.21)  
Mrs S Thompson MA MA MBA  
Dr V Udale MA  
Mrs D Williams MA FCA (retired 26.02.21)  
Mr I Wilson (appointed 26.02.21)

### Nominated Members

Incorporated Guild of Cheltenham Ladies' College: Mrs K Robyns LLB  
Academic Staff of College: Mrs M Henderson MA  
Support Staff of College: Mrs A Wilson LUDDA NCSDDA

Council periodically establishes committees and working groups to provide oversight of specific areas of College's operation. Besides Members of Council, these committees and working groups may include appropriate employees of College and co-opted members.

Each committee has its decisions ratified by Council. Council regularly reviews and evaluates both its performance and the performance of the committees. The membership of the committees of Council operating during the year was as follows:

### Finance and Executive Committee

Mr S Davies (from 13.11.20) (Chair 5.02.21)  
Mrs D Williams (Chair) (stood down as Chair 5.02.21) (co-opted from 26.02.21)  
Mr K Senior (Vice Chair) (stood down from committee 4.12.20)  
Mr N Baird  
Ms E Bassett (stood down from committee 4.12.20)  
Mr J Briant  
Mr R Denny  
Mrs K Robyns  
Mrs L Terry (stood down from committee 26.02.21)  
Mrs C M Webster  
Mr I Wilson (from 26.02.21)  
In attendance: Principal, Chief Operating Officer and Finance Director

### **Audit and Risk Committee**

Dr V Udale (Chair)

Mrs S Cattermole (from 26.02.21)

Ms T Davda (from 26.02.21)

Mr S Davies (stood down from committee 13.11.20)

Mrs M Henderson

Mr K Senior (from 4.12.20)

Mrs A Wilson

Ms S Keeling (co-opted) (from 12.02.21)

In attendance: Principal, Chief Operating Officer and Finance Director

### **Nominations Committee**

Ms S Putt (Chair)

Mr G Evans (Vice Chair)

Mr N Baird

Ms E Bassett (stood down from committee 4.12.20)

Mr D Pittaway QC

Mrs S Thompson

Mrs C M Webster

Mrs C Bates (co-opted)

Ms S Coleridge (co-opted) (from 5.02.21)

In attendance: Principal

### **Land and Buildings Committee**

Mr R Leechman (Chair) (stood down from committee 18.12.20)

Mrs K Robyns (Chair from 18.12.20)

Mr N Baird

Ms E Bassett (stood down from committee 4.12.20)

Mr R Denny

Dr V Udale

Mrs C M Webster

Mr I Wilson (from 26.02.21)

Mr A Jardine (co-opted)

In attendance: Principal, Chief Operating Officer, Finance Director and Head of Property Services

### **Education Committee**

Mr G Evans (Chair)

Ms E Bassett (stood down from committee 4.12.20)

Mr N Baird

Mr D Fotheringham (from 26.02.21)

Mrs M Henderson

Mrs L Terry (stood down from committee 26.02.21)

Mrs C M Webster

Prof S Marnette (co-opted)

Principal

Vice Principal Academic

In attendance: Head of Upper College, Co-Curricular Director and Head of Pastoral Care

**Investment Sub-Committee** (a Sub-Committee of the Finance and Executive Committee)

Mrs D Williams (Chair) (stood down from committee 4.12.21)

Mr S Davies (from 24.11.20) (Chair from 4.12.21)

Mr K Senior (stood down from committee 24.11.21)

Mr J Briant

Mr R Denny

Ms L Arnold (co-opted)

In attendance: Chief Operating Officer and Finance Director

**Principal's Appraisal and Remuneration Committee** (a Sub-Committee of the Finance and Executive Committee)

Ms E Bassett (stood down from committee 4.12.20)

Mr Nick Baird (from 4.12.20)

Mr S Davies (from 5.02.21)

Mrs D Williams (stood down from committee 5.02.21)

Mrs C M Webster

**Corporate Members**

Corporate Members are the members of College as constituted by the Royal Charter. They elect Members of Council and receive the Annual Report but are not involved in the day-to-day running of College. At 31 July 2021 there were 255 Corporate Members.

**LEADERSHIP TEAM**

The day-to-day management of College is delegated to the Principal and her Leadership Team. The Leadership Team during the year and at the date of signing were:

Principal	Ms E Jardine-Young MA
Vice Principal	Mr R Dodds BSc NPQH
Vice Principal Academic	Miss J Adams BSc
Head of Pastoral Care	Miss C Ralph BEd
Director of Admissions	Mrs C Coull BA
Co-Curricular Director	Mr J Potheary MSci
Head of Lower College	Ms C Woodhead BEd
Head of Upper College	Dr D Gamblin MChem MRSC
Head of Sixth Form College	Mr J Marchant BA MA (resigned 31.08.2021)
Head of Sixth Form College	Mr J Sumner MA (appointed 1.09.2021)
Chief Operating Officer	Mr N Richards BSc
Finance Director	Mrs J Matthews BSc FCA
Director of External Relations	Mrs D Hartley BSc FCIM FRSA
Director of Development and Alumnae Relations	Miss R Ting BA CFRE
Director of Human Resources	Mrs C Grobler BA FCIPD

**SUBSIDIARIES**

College has two wholly owned trading subsidiaries. CLC Services Limited has carried out the trading operations of College during the year. CLC Developments (Cheltenham) Limited has not traded since incorporation.

## RELATED PARTIES

The Incorporated Guild of Cheltenham Ladies' College (Guild) is connected to College because two Directors of Guild are also members of College Council, and a co-opted member of the Guild Board during the year is married to a member of College Council. Guild is an association of former pupils of Cheltenham Ladies' College.

Friends of Cheltenham Ladies' College in Hong Kong Limited (Friends of CLC in Hong Kong), registered in Hong Kong, is connected to College because two Directors, one of whom is also a Member of Friends of CLC in Hong Kong are also members of College Council. The principal aim of Friends of CLC in Hong Kong is to raise charitable funds for the advancement of education, to promote and advance any charitable purposes connected with Cheltenham Ladies' College, and to promote other educational charity purposes (whether or not connected with Cheltenham Ladies' College) for the benefit of the local community.

## SOLICITORS

Veale Wasbrough Vizards  
Orchard Court  
Orchard Lane  
Bristol BS1 5WS

Farrer & Co LLP  
66 Lincoln's Inn Fields  
London WC2A 3LH

Harrison Clark Rickerbys  
Ellenborough House  
Wellington Street  
Cheltenham GL50 1YD

## INVESTMENT MANAGER

Cazenove Capital Management  
1 London Wall Place  
London EC2Y 5AU

## BANKER

Lloyds Bank plc  
130 High Street  
Cheltenham GL50 1EW

## BANKER

HSBC UK Bank plc  
60 Queen Victoria Street  
London EC4N 4TR

## AUDITOR

Crowe U.K. LLP  
4<sup>th</sup> Floor St James House  
St James Square  
Cheltenham GL50 3PR

## RISK MANAGEMENT

Council is responsible for the management of the risks faced by College and its subsidiary operating companies. Council is supported by the Audit and Risk Committee, which comprises Members of Council and, from time to time, co-opted members, and also by the Leadership Team. These groups receive input from specialist staff including the Health and Safety Adviser and the Chief Operating Officer.

Continuity between these bodies is maintained through the Audit and Risk Committee, which reviews sections of the College Risk Register termly against five pillars (operational, governance, external, regulatory compliance and financial risk) and reports to full Council. As the Risk Register is a dynamic document, a link to the live document is provided to all of Council and the Leadership Team.

The Health and Safety Adviser reports termly to the Audit and Risk Committee. Council is also represented at the termly College Health and Safety Committee meetings by a specifically nominated Council member, currently the Chair of ARC. In addition, a separate risk register has been created for the trading subsidiary, CLC Services Limited which is reviewed by the board of the company on a regular basis and is also monitored by ARC.



The key controls used by College include:

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

The impact of Covid-19 continued to increase risk throughout the year and the view from Council is that there will be an increased risk due to the wider economic impact in the medium and long-term. A Covid-19 working group with representation from support and academic departments, met every week throughout the year to make operational decisions to help mitigate the risks from the pandemic. This approach was invaluable and played a key part in helping keep the College community safe.

The uncertainty pertaining to financial risk to College, resulting from the pandemic, is referenced in further detail in the Annual Report.

College has identified a number of major risks with a heightened level of concern post mitigation actions:

#### **Pupil number volatility linked to financial pressures**

Covid-19 is likely to have a significant and long-lasting impact on the independent school sector and will directly affect College. There has been an increase in requests for hardship support and bursary funding which are indicators of the pressure being felt by many families and it is considered that the financial impact of the pandemic will be felt for at least the next couple of years. However, the roll for both boarders and day pupils is exceptionally strong for the next academic year.

#### **Staff and pupil mental wellbeing**

Issues related to mental wellbeing are seen as a direct consequence of the pandemic and the extended periods of isolation. It is judged there will be re-adjustment as staff and pupils return to College and that the full impact may not become apparent for some time.

#### **Cyber-security**

Cyber security risk across the world increased significantly during the last 18 months. A range of measures have been introduced at College to help mitigate this risk including an external cyber review with completion of the majority of associated actions arising from it, enhanced staff training, and achieving certification to ISO 27001.

#### **Inflationary pressures**

Increased operational costs driven by inflation including food, energy, external contractors and staffing leading to upward pressure on fees. There are limited measures to mitigate the risk but these include an ongoing focus on cost control and strict adherence to purchasing policies and procurement of services.

#### **Availability of labour**

Difficulty in finding suitable staff for various support functions across College including Catering and Domestic Services with an associated upward pressure on wages. College cannot change market conditions but strives to be an employer of choice in Cheltenham.

## OBJECTIVES

College's Royal Charter sets out College's charitable objectives as being:

*"To provide a sound and broadly based education for girls and young women (and also, if so determined by Council, boys and young men) in accordance with Christian principles; and to afford facilities for study and research."*

### **Vision**

To embody excellence, independence, inspiration and empowerment in the education of women.

### **Mission**

To support and guide girls in becoming self-determining, fulfilled and resilient women who value, serve and enrich the communities to which they belong in a complex and changing world.

To honour our pioneering heritage through challenge and innovation in the pursuit of academic excellence.

### **Values**

To promote mutual respect, integrity, courage and the productive exchange of ideas.

To nurture intellectual curiosity, creativity, confidence and an enduring sense of belonging.

College is committed to:

- Providing a secure and caring community in which girls can grow and mature, equipping them for productive and purposeful lives both in and beyond College.
- Recruiting and retaining excellent staff who can lead, support and advise each girl in her personal and intellectual development.
- Every girl having access to an intellectually challenging and coherent curriculum which is exciting, balanced and relevant and which will equip her with the knowledge and skills needed to participate in, and contribute to, a rapidly changing global society.
- Every girl having the opportunity to develop a range of intellectual, sporting and cultural interests, fulfil her potential and leave with a sense of fulfilment and achievement through reflective practice.
- Providing, sustaining and developing high quality teaching and learning with the aim of producing intellectually curious, self-motivated, enthusiastic, successful women who will develop an enduring love of learning throughout their time at College, in Higher Education and in the wider world.
- Each girl successfully balancing academic and co-curricular activities, supported by a pro-active tutorial system to guide and monitor her progress and welfare.
- Providing day and boarding facilities, services, structures and routines to promote each girl's physical and mental wellbeing.
- Promoting positive and enriching integration of different national and cultural groups.
- Making effective use of technology to develop the skills required in a modern world.
- Empowering girls in making positive and meaningful contributions to the communities in which they live, nurturing social awareness, strong communication skills and a sincere desire to care and support others.
- Ensuring each girl feels confident she has access to effective support systems when needed, including medical, wellbeing and spiritual counsel, with each girl having effective mentoring to support and guide her in setting and achieving her goals for personal development and academic progress.

## MEDIUM TERM AIMS

College's medium-term aims include:

- Maintaining pupil numbers and expenditure in line with budget and ensuring College can withstand the ongoing financial impact of Covid-19.
- Ensuring it can continue to recruit and retain high quality staff across all areas of provision.
- Identifying opportunities for continuous improvement with a focus on cost efficiency without impacting the pupil experience.
- Increasing commercial revenue through diversification of income streams.
- Increasing donations to support a greater number of bursary places at College.
- Maintaining high academic standards.
- Working to towards College being carbon neutral by 2030.

Specific aims also include:

### Developments in education and welfare provision

- To ensure continued compliance with Educational Quality and Regulatory Standards.
- To develop and embed best practice in relation to digital education, and specifically in relation to the support of remote learners whose physical attendance at College is temporarily compromised by Covid-19. To ensure that staff and pupils receive appropriate training and awareness-raising in relation to the commensurately increased risk exposure around cyber-security, and safe on-line practices in both academic and social aspects.
- To develop further the Careers and Work Experience provision, referencing the eight guidelines forming the Gatsby Benchmarks which define the best careers guidance provision in secondary schools, whilst mindful of the challenges of Covid-19 as regards stringent restrictions on access for visits to premises.
- To increase empowerment of the pupils of all ages in shaping their own personal development, and to continue to provide further opportunities to develop leadership qualities and competencies in both staff and pupils.
- To ensure that the continued focus on pupil wellbeing sits within a culture of openness and mutual trust, dovetails coherently with the sport and physical education strategy for overall physical health and wellbeing, and that both support the pupils' ability to optimise academic outcomes.
- To be active in promoting inclusion for all staff and pupils, and to continue to seek both curricular and co-curricular opportunities to support these values. This applies to neurodiversity; differences in ethnicity, cultural background and faith; gender quality; sexual orientation and other protected characteristics.

### Developments to the College estate

- To refurbish St Margaret's to complete the programme to upgrade all of the junior boarding houses.
- To reconsider the Estates Masterplan in the context of Covid-19 and the longer-term implications for international boarding.
- To implement a programme of planned preventative maintenance alongside a reduction in energy consumption.

### **Furtherance of public benefit**

- To widen access to the education provided by College, targeting at least 100 pupils receiving some form of means tested support for school fees by 2025.
- To develop College's public benefit impact through widening the accessibility of facilities and resources to local schools, both primary and secondary.
- To develop College's internal capabilities in relation to impact assessment to help shape and refine its extensive voluntary service, charitable fundraising and community links work.

## REPORT ON OBJECTIVES TO DATE

College's aims of remaining on a sound financial footing by maintaining pupil numbers, keeping a tight control of costs and increasing donations which support the vision for the future of College are extremely important and are discussed elsewhere in this report.

Progress towards the following agreed objectives published last year has continued:

### EDUCATION AND WELFARE PROVISION

The following points are highlights from a wider number of measures through which College is continuously striving to improve the quality and impact of its educational and welfare provision:

#### Education

- Following the cancellation of the public exams in Summer 2021 (IB Diploma, A levels and GCSEs), College continued to provide a full term of teaching for all year groups during the Summer Term, including extension and enrichment courses available for Year 13 (SFC2) and Year 11 (UC5), who would otherwise have been revising and on study leave for exams.
- College is implementing a revision of the academic pay framework with supporting terms and conditions which were last reviewed in 2000.
- A significant increase in activity and momentum has been achieved in the programme for academic scholars and award holders in College, as well as new ways of supporting and developing the skills of those holding art, sport and music scholarships, all of which have been very significantly impacted by Covid-19 lockdowns and restrictions since March 2020.
- A Director of Creative Arts has been appointed to reflect the importance of the Creative Arts at College, with the role based at the Parabola Arts Centre. This is already bringing greater coherence and co-ordination both internally to College for the benefit of pupils and also to partnerships with the local community.

#### Welfare and Support

- During periods of Covid-19 lockdown, Houseparents played a significant role as the primary point of contact for pupils and parents for pastoral concerns, managing 1:1 contact with each pupil every week to ten days despite pupils living in 47 different countries.
- Work has continued on the further evolution of the Wellbeing and Personal Development provision for all year groups, with the 2020/21 programme overseen and co-ordinated by a member of the Leadership Team. Topics covered include online safety, PSHCE content, bereavement, mental health, stress and anxiety, alongside practical sessions and workshops.
- College has enhanced provision for pupils with special educational needs.
- A working party has been established to focus on the development of long term improvements in EDI (Equality, Diversity and Inclusion) within and across College, and pupil-led peer sessions have been facilitated.
- Enhancements to resources and material to help support pupils, staff and parents across a range of emotional and mental health difficulties have been sought, with a view to introducing these at the whole-school level in 2021/22.

## COLLEGE ESTATE

- The Land and Buildings Committee provides oversight on behalf of Council for major projects and strategy related to the estate via monthly meetings and reporting, and further governance is provided by both the Finance and Executive Committee and full Council, at least termly.
- As a direct result of the pandemic, a decision was made to reduce capital spend during the year by c. £400k to help reduce the overall financial risk to College. However, College has continued to invest in the estate to ensure compliance with health and safety legislation. A number of major projects were also completed during the year. These included the final stage of the replacement of the roof on the Sixth Form Block, the refurbishment of the Bayshill kitchen and roof, upgrades to the dormitories and washrooms in Glenlee and significant renovation work in Sidney Lodge to increase Sixth Form boarding capacity due to the exceptional demand for 2021/22 onwards.
- A strategic decision was made to outsource technical planned preventative maintenance which includes the deployment of leading-edge technology to support the maintenance of hard services across the estate. This is expected to deliver cost savings for maintenance in the medium term and a reduction in downtime due to plant failure. It will also drive cost savings by reducing energy consumption. The outsourced contractor will support College in the aim to be carbon neutral by 2030.

## PUBLIC BENEFIT

- With approval from Council, means-tested support resources were enhanced in response to the exceptional financial pressures on the incomes of some families as a result of the Covid-19 pandemic, allowing for hardship support to be increased.
- This has been a good year of relationship-building amongst the members of the Cheltenham Education Partnership (CEP). College continues to play an active role in CEP's Steering and Operational Groups and, along with fellow members, has financially supported the appointment of a part-time administrator for the CEP which will enable the work of the group to become more extensive and even more effective.
- College continues to work in partnership with Balcarras School in preparation for the opening of The High School Leckhampton, the new secondary school in Cheltenham with whom they have formed a Multi Academy Trust (MAT). They have now appointed a Head for the new school and pupils are already studying in temporary accommodation on the Balcarras site whilst the new school site is finished.

## COLLEGE FUNDRAISING

College secured £981k of voluntary income during the financial year, made up of £199k legacies and £782k of income secured from donations and fundraising events. The Development and Alumnae Relations Department has campaign targets and annual budgets.

Legacies continued to play a significant role in fundraising income, with the majority (representing bequests from two individuals) restricted to Bursaries. £550k of the legacy income received during the previous financial year was endowed this year as evidence of College's commitment to the Bursary Programme.

The first half of the period was dominated by a fundraising drive for the Covid-19 Response Fund and Covid-19 Hardship funds. The community were extremely generous in their support of both funds, allowing College to respond flexibly to the developing needs of the pandemic, including adaptations of the site, purchasing a SAMBA II PCR testing machine (which has helped to minimise disruption to education), PPE and extra nursing staging. The Covid-19 Hardship Fund (supported primarily by current parents choosing to forgo a rebate of digital learning discount to fees) has supported pupils whose families have suffered financially as a result of the pandemic.

College is committed to significantly expanding the provision of means-tested bursaries (Beale Awards), fostering diversity and extending the opportunities of a CLC education to as many deserving pupils as possible, regardless of their circumstances. Further details of College's bursary provision are given under Public Benefit below. Planning for the (Covid-19 delayed) launch of the Bursary Campaign is now well advanced and we are looking forward to delivering a wide series of activities to support this fund in 2021/22.

A significant gift from a donor in support of Community Impact Activity has created opportunities for College to work with local partners to broaden and deepen its impact in serving the local and wider community.

College is registered with the Fundraising Regulator and staff members in the Development and Alumnae Relations Department are also actively involved with the Institute of Development Professionals in Education (IDPE), the Council for Advancement and Support of Education (CASE), the Certified Fundraising Executive (CFRE), the Institute of Fundraising (IOF) and Researchers in Fundraising (RIF). There were no failures to comply with the fundraising standards and no complaints received. College adheres to GDPR and only contacts those for whom our communication will be relevant and of interest. During the course of the year, College also worked hard to increase security and due diligence through enhanced 'know your donor' checks and policy reviews.

## OVERVIEW OF 2020/21

### PUBLIC BENEFIT

Council confirms that it has complied with its duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales.

College remains firmly committed to providing means-tested bursaries to facilitate pupils whose families are unable to afford the full fees to attend College. The limited financial resources to provide means-tested bursaries are deployed in a prudent manner, and the procedure for assessing need and of awarding these bursaries is process-audited by Council to ensure fairness and rigour in the consistency of its approach for all applicants. Council supports the work of the Development and Alumnae Relations team to increase the financial resources for bursaries, and a decision has been taken to further enhance the funds for means-tested bursaries through the re-allocation of existing budget currently used for the financial concession elements of merit-based scholarships. Existing financial concessions to current scholars will be honoured, meaning there will be a seven year 'unwinding' period as these pupils move up through the school, but new scholarship awards will not attract a financial remission element. Appropriate processes and protocols will be observed in relation to the repurposing of restricted funds.

In 2020/21 College granted means-tested bursaries of £1.83m to 74 pupils. This included 33 pupils who received 100% fees support, an increase of 6 from the previous year. College also provides financial assistance towards ancillary costs of attending College, such as uniform and co-curricular activities. Pupils who have benefited from this form of support are invited to become Beale Award Ambassadors.

College has committed staff time and resource to supporting the work of the Cheltenham Education Partnership (CEP) which unites ten secondary schools in Cheltenham (four independent and six maintained) together with associate partners willing to support the shared aims which are to widen and increase the educational opportunities for all young people in the town. The partners are Cheltenham Festivals, the Cheltenham Trust, GCHQ, the National Cyber Security Centre (NCSC), Gloucestershire County Council, Cheltenham Borough Council, the Cheltenham Christian Arts Festival, the Diocese of Gloucester and the University of Gloucestershire. The University has undertaken to provide office space, payroll and treasurer support to the group through the employment of a part-time administrator, whose salary is jointly funded by the schools. The other school members are All Saints Academy, Balcarras School, Bournside School, Cheltenham College, Cleeve School, Dean Close School, Pittville School, St Edward's School and Winchcombe School.

The CEP is an enabler organisation and does not displace the many positive bi-lateral relationships between member schools, and with local primary schools. It seeks to encourage and support new initiatives to expand the horizons of young people in Cheltenham and to help them realise their full potential. Further details can be found on its website <https://www.schoolstogether.org/formal-partnerships/the-cheltenham-education-partnership/>

College's links with local schools such as Christ Church Primary School, Dunalley Primary School, Gloucester Road Primary School, and Battledown Centre for Children and Families, remain strong, as do its relationships with other charities, such as IT Schools for Africa, and with St Hilda's East (an East London project established by Guild in 1889). College also provides an indirect public benefit from its community activities. Pupils at College undertake volunteering and charity work in many forms, including the Community Links scheme, with approximately 200 pupils annually providing over 3,200 hours volunteering in and around Cheltenham on a weekly basis. Activities include supporting literacy and languages at seven primary schools, caring for animals at the local animal shelter, providing drama and music performances in elderly care homes and supporting the Open Door homeless project.



Council and College continue to monitor and evaluate the effectiveness and impact of College's public benefit programmes and initiatives, using a considered and strategic approach, and ensuring that they are consistent with College's values and mission. In examining and re-examining its core aims, College seeks to expand its partnerships and services, to widen access and to bring about material positive impact to beneficiaries.

## **PUBLIC EXAMINATIONS AND HIGHER EDUCATION DESTINATIONS**

All A level, Pre-U and GCSE public examination sittings in Summer 2021 were cancelled due to the Covid-19 pandemic, with notification of this given in January 2021.

Several weeks followed before schools were notified of how the assessments were going to be finalised, a time of considerable anxiety for pupils and for staff. Ultimately, grades were awarded on the basis of the Teacher Assessed Grades (TAGs). At College, the TAGs were agreed and submitted mid-June, following a rigorous and transparent internal process, based on principles agreed and endorsed by the Education Committee of Council. The Vice Principal Academic, Head of Sixth Form and Head of Upper College played key roles in the overall moderation to ensure consistency of approach across departments. After publication of results any challenges to the TAGs were managed through the College TAG appeals procedure, numbering around forty in total, of which 75% were A level appeals. A small number of grades were adjusted as a result of these appeals, with the majority being upheld.

A level results in summary were:	50% A*	84.3% A*/A	95.3% A*/A/B
GCSE results in summary were:	86.6% 9/8/A*	96.1% 9/8/7/A*/A	99.9% 9/8/7/A*/A/B

In the case of the IB Diploma, whose exam sittings for UK were also cancelled (although not across the whole world as in 2020), a different process was followed, with significant reliance on the Internal Assessments (IAs) – similar to coursework. This year, these were all externally marked and moderated by the IBO. Allocations of proposed awarding grades for what would have been the exam components were given to centres, and significant work was undertaken before these were allocated or distributed to appeal the allocation (where relevant), and to ensure judicious distribution.

The IB College average was 42.7 points, and the five year average for 2017-2021 is 39.9 pts (out of a maximum of 45 points).

All the results are available in full (including subject breakdowns) on the College website <https://www.cheltladiescollege.org/life-at-clc/academic/exam-results/>

Despite the challenges of logistics due to Covid-19, College is providing facilities and invigilation for any pupils in the Class of 2021 who wished to enter for Autumn 2021 examination sittings of any kind (for example to improve on GCSE results).

We are always immensely proud of every class of SFC2 leavers as they begin their onward journeys into Higher Education, careers and the rigours and excitement of real life. In terms of the over-arching, traditional metrics, 90% of our UK destinations are Russell Group. Perhaps more importantly than this, August 2021 saw 91% of pupils achieve their first choice or preferred university place. There are 21 CLC pupils enrolling for Medicine, and 6 for Law degrees (of which two are at Cambridge).

Topping the table for CLC confirmed destinations this year are Imperial (17), UCL (16), KCL (13), Durham (13), Edinburgh (12) and Cambridge (11), accounting for over 80 pupils (around 50% of the cohort). The total range of destinations of the Class of 2021 showcase more than ever the resilience, the forward-thinking empowerment, the ambition and the global outlook of these incredible young women whose time in the Sixth Form coincided with a global pandemic and two lengthy lockdowns.

USA continues to be a very popular destination and CLC pupils from the Class of 2021 took up places at Yale, Brown (2), UC Berkeley, Columbia, Georgetown, Johns Hopkins, Swarthmore, U. Chicago (2), USC (2), Northeastern and Vanderbilt. In an example of the empowered choices pupils are making, one student turned down her place at Brown (total 3 offers) to attend Cambridge and one pupil turned down Oxford in order to attend Brown. Other US offers (in a non-exhaustive list) this year included four for UC Berkeley, Duke, Emory, NYU, Northeastern, Parsons, Pratt, St John's College, two for UCLA, two for UCSD, University of Virginia, University of Washington, University of Washington at St. Louis and Wisconsin Madison.

In addition to the US, pupils continue to appreciate the wealth of opportunities at universities across the globe and pupils from the Class of 2021 will take up places at, for example, Bocconi in Italy and HKU. Within the UK destinations, pupils continue to reach the very top creative destinations, with pupils achieving very competitive places at Central St Martins and Chelsea College of the Arts.

It is the breadth, variety and independence of thought demonstrated by these destinations that stand out, from a year group of pupils who endured more uncertainty in their Sixth Form than anyone could have imagined. To highlight just a few: Environmental Policy at LSE, Mechanical Engineering at Imperial, Sport and Recreation Management at Edinburgh, Business at Manchester, Clinical Applied Psychology at Exeter, Modern Languages at Durham, PPE at LSE, Natural Sciences at Cambridge, Product and Industrial Design at Central St Martins, Arabic and Spanish at Edinburgh, Film Studies at KCL, Physics with Astrophysics at Bath, International Social and Political Studies at UCL and Molecular Bioengineering at Imperial.

Holistically, it is clear that the CLC leavers are thinking into the future, thinking about employability and thinking globally. The CLC mission statement highlights our overarching aim to 'embody excellence, independence, inspiration and empowerment in the education of women' and to 'support and guide girls in becoming self-determining, fulfilled and resilient women who value, serve and enrich the communities to which they belong in a complex and changing world'. The Class of 2021 is the embodiment of this vision. We are particularly proud of all they have achieved, and all that they have become.

## CO-CURRICULAR

Every pupil harbours potential and talent unique to them. Our admissions process seeks to identify pupils who will contribute to, and take advantage of, the exceptionally broad and rich co-curricular programme. This offers each pupil the chance to experience new opportunities and grow in confidence whilst developing skills which complement their academic and intellectual development.

Many of our clubs and societies moved online this year. We even held our annual "activities fair" online with hundreds of pupils "wandering around" the digital stalls for each of our activities. The trend for pupil-led clubs continues, with support from staff. The pupils continue to take advantage of the wide variety of clubs which take place each week, currently well over one hundred.

Our paid extras programme of Drama, Music, MFL, Dance, Tennis, Riding, and Golf all took place at some point during the year. We were delighted to be able to continue to offer online lessons for pupils who were unable to attend College in person.

As soon as the rules around the pandemic allowed, College put on a number of different performance opportunities for the pupils. The Music department has been exceptionally busy with the production of the SFC music award holders' concert, a Junior Music Concert, Piano prizes, the Peggy Richardson Masterclass, UC5 scholars' recital, UC4 scholars' recital, LC scholars' recital, String prizes, the May Concert, a Chapel Arts Concert, and various Lunchtime Concerts. "Bach at Break" has been a wonderful addition to the music-making at College during which staff and pupils have played each break time for anyone to drop in and listen. The Drama department curated the production of *The Ash Girl* and a festival of Shakespeare. There were several Library Music Nights which culminated with a live event in the Summer Term in the quad of Beale and Cambray. It was also wonderful to see the pupils dancing in this year's Dance Showcase which took place in the Princess Hall.

The Outdoor Education department made all the necessary changes to be able to offer The Duke of Edinburgh throughout the year at all three levels: Bronze, Silver and Gold. Pupils have been able to change the activities they are participating in and are also able to use members of their family as assessors. At the start of the academic year, we ran expeditions with the pupils camping on the field at the HFC.

Despite this academic year being our most successful year to date in terms of take-up (196 girls signed up), voluntary service was understandably thwarted by Covid-19. Without our normal Cheltenham based activities, and located all over the globe, pupils very quickly identified opportunities to challenge their own perceptions of community service. Remote Community Links charted the progress of SFC2 girls making over three hundred facemasks to send to the Ronald Ross Hospital in Zambia, and after raising awareness amongst the CLC community about the lack of mental health provision in Sierra Leone, over £400 was sent to Network 4 Africa. Nearer to home, pupils' contributions to local schools were also highly commended - not just for content and delivery but for the potential longevity of these initiatives: reading challenges, audio books and recorded online language lessons. Christmas loomed large in the pupils' desire to reach out. With traditional Christmas Stockings and Christmas Cakes going to Cheltenham's Open Door Homeless Shelter, and LC College Choir and an impromptu SFC pre-recorded sing-along cheering the residents of our local care homes.

## FINANCIAL REVIEW

The consolidated statement of financial activities for the year is set out on page 28 and includes the consolidated activities of the legal entity described in note 29.

The financial statements comply with the Charity's Royal Charter and Supplemental Charters and applicable Accounting Standards in the United Kingdom, including the Statement of Recommended Practice SORP 2015 (FRS102).

The finances of College and its trading subsidiary have continued to be impacted by the direct and indirect effects of the global pandemic for the second consecutive year. When the UK Government closed all schools once more on the 4 January 2021, College responded quickly and reverted to the already proven digital offering to maintain its high standards of education and pastoral care. In line with previous periods of enforced physical closure, College passed on all variable cost savings and grants secured through the UK Government's Coronavirus Job Retention Scheme (£1.0m) to parents in the form of lower fees (£1.8m).

College continues to recognise that the financial challenges it is experiencing will also be shared by many parents. As a result, College did not increase fees in the academic year to July 2021, elected to pass on the same percentage fee discount during periods of school closure, and continued to add to the existing hardship fund. As a result of these actions there has been no material year on year change to overall fee income, with pupil numbers largely comparable between 2020 and 2021.

The consolidated net income for the year to July 2021 is £31.5m, a reduction of £1.3m on prior year. Although generous contributions to fundraising revenue continued throughout the pandemic, a single significant legacy of £1.1m (restricted to bursaries) in 2020 helped boost income during the prior year. Furthermore, there was a significant reduction in income through CLC Services Limited reported as non-ancillary trading income (year on year reduction: £0.6m). The total closure of the Health and Fitness Centre for 4 months in the past year, together with periods of restricted opening for the remainder of the year has significantly impacted normal operations, in addition to the almost total cancellation of all other events, including weddings and summer schools.

College continues to be overwhelmed by the generous support from current and past parents and pupils, in addition to other CLC friends who have so generously contributed to total fundraising revenues of £1.0m. College has used fundraising in line with donor restrictions and to support areas of College most in need. Specifically, this has helped meet the ongoing incremental operating costs resulting from the pandemic in order to keep College safe, and to underpin our ongoing commitment to transformational bursaries.

Total expenditure reduced by £1.4m to £31.6m compared to 2020, but after excluding an exceptional impairment charge of £0.8m in 2020, the underlying level of reduction was £0.6m. The decrease is reflective of the careful and cautious approach to cost management throughout the pandemic together with actions taken to meet the substantial increase in contributions to the Teachers' Pension Scheme (TPS) which took place in September 2019 (£0.6m). College has remained in TPS for now and continues to actively monitor and review its participation in the future linked to affordability.

College's investments bounced back from the adverse 2020 market adjustment to Covid-19, with a £0.9m favourable gain compared with the prior year. Two key decisions also impacted the landscape of investments in 2021, the first being the proactive switch to the Charity Responsible Multi Asset Fund to better align to our overall values and at the same time continue to target stable patterns of income distribution. The second factor was the purchase of JP Morgan Liquidity units to ensure capital preservation and manage counter party banking risk through a diverse fund.

As a result of the above, the consolidated results for the group have improved from a reported deficit of £0.5m in 2020 to a reported surplus of £0.8m (noting a reported unrestricted deficit of £0.5m). College is well aware it must not rely on fundraising activities or investment gains to support the operational day to day activities of College. As we look to the current year, College is full. An increase to boarding capacity over the summer has resulted in a higher value of fee invoicing for the Autumn 2021 Term, reported in these accounts as a £1.0m higher year on year fee debtor balance.

College continues to make sure it is balancing affordability and value for money with long term investment in its staff and its estate to ensure it meets its short and long-term charitable objectives and commitments, even with all of the added complexity and uncertainty created by the Covid-19 pandemic. As well as maintaining its customary cautious approach to all expenditure, continued physical restrictions in 2021 led to capital projects inevitably being delayed, together with Council's proactive decision to restrict certain capital spend. Consequently, College has retained additional cash resources generated from this year's operations to build its liquid unrestricted funds, and in order to preserve its HSBC loan facility for future drawdown.

## TRUST FUNDS

Council is the sole trustee of the Trust Funds, which are consolidated in the main accounts of the Group. All the Trust Funds are subsidiary charities of College and carry the same charity registration number. Each of the Trust Funds has different objectives but, as a whole, they generate income to provide grants for pupils, past pupils, staff and former members of staff in cases of financial hardship, or for academic excellence.

Council's investment powers over money held by the Trust Funds are governed by the Royal Charter and subsequent Supplemental Charters, which permit the funds to be invested in the manner shown in note 12 to the Financial Statements. College utilises Total Return investing for the endowed funds. The rate at which money is extracted from the endowment is determined annually by Council, on the advice of the Investment Sub-Committee. Currently College extracts 3% per annum. Further information about the investments held is included in notes 12, 20, 21 and 22 to the Financial Statements.

The Investment Policy adopted by Council reads:

*Funds are to be invested at an acceptable level of risk so that the real value of capital will be maintained over a three to five-year period.*

## INVESTMENT POWERS, POLICY AND PERFORMANCE

College places the capital of the Trust Funds and a significant portion of the liquid assets of the Restricted and Unrestricted Funds with an Investment Manager who has full discretionary powers. During the year there were two meetings between the discretionary managers and the Investment Sub-Committee to review the performance of the portfolio in detail.

During the year to 31 July 2021 College's investment portfolio was moved from being invested in Cazenove's Charity Multi-Asset Fund (CMAF) to a Responsible Asset Fund (RMAF), a fund which is more focused on sustainability. Like the CMAF, the RMAF is an Investment Fund approved by the Charity Commission and managed by Cazenove. It is a fund of funds investing in a broad range of asset classes including equities, fixed income, hedge funds and property. The fund has a target return objective of inflation plus 4% per annum over an economic cycle.

College invests in a mixture of income and accumulation units to match the income profile of the various funds. Cazenove charges College a fee for managing the fund, with a refund of any fees Cazenove earns from managing any of the underlying investments. All funds are UK registered funds. However, a certain number of the underlying investments are based outside the UK.

In the year ended 31 July 2021 the applied return of the Trust Funds amounted to £172k (2020: £173k). This enabled grants and prizes to be awarded totalling £172k (2020: £173k), of which £139k (2020: £138k) was transferred to College in respect of bursaries and scholarships.

## **RESERVES**

Council aims to hold sufficient resources to secure the long-term future of College. Council considers a number of types of resources including well-maintained buildings, financial resources and reserves. Council's policy regarding reserves is to build reserves within the confines of ensuring College's buildings are well maintained and College has sufficient financial resources to finance its activities. College's on-going investment in its buildings leads to College having negative free reserves. Council is satisfied with this position given College's overall financial position.

College has total reserves of £63.1m and negative free reserves of £5.6m. Total reserves comprises Endowed, Restricted and Designated Funds of £10.3m and Unrestricted, Undesignated Funds of £54.1m; the latter including the pension reserve of £46k.

Accumulated surpluses have been fully utilised investing in College's estate and there are no free reserves at the balance sheet date. Free reserves represent College's unrestricted income fund that it is freely available to spend on any of the charity's purposes. Future operating surpluses and the £16m bank facility will be used to enhance further College's physical and educational resources. Council reviews College's financial plans on a termly basis by monitoring income and expenditure against budget forecasts within the context of the annual and medium-term financial plan. Cash flows are also closely reviewed, particularly in light of College's planned borrowing.

College's policy relating to the various funds is set out below:

### **i) Endowed Funds**

The Endowed Funds represent the capital assets of the Trusts and other endowed funds. The policy covering the Endowed Funds is covered by the investment policy described earlier in the financial review.

### **ii) Restricted Funds**

Council aims to expend the assets of the restricted funds as soon as reasonably possible with the restrictions imposed on those funds. All restricted funds are expected to be expended within seven years, that being the maximum period a pupil can benefit from a means-tested bursary.

### **iii) Designated Funds**

Council aims to expend the assets of the designated funds within the internally designated purpose.

The application of the income of the various funds is shown in note 20 to the Financial Statements.

## STATEMENT OF COUNCIL'S RESPONSIBILITIES

The Trustees are responsible for preparing the Council's Annual Report and the financial statements in accordance with applicable law and FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees 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 charity 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 Trustees are required to:

- select the most appropriate accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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.

Trustees 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 Charity and Group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Nick Baird  
Chair

3 December 2021

# **INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF THE CHELTENHAM LADIES' COLLEGE**

## **OPINION**

We have audited the financial statements of The Cheltenham Ladies' College for the year ended 31 July 2021 which comprise the consolidated Statement of Financial Activities, the consolidated and charity Balance Sheets, the consolidated Cash Flow Statement and notes to the financial statements, including 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 the parent charity's affairs as at 31 July 2021 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 Charities Act 2011.

## **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 Council'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 charity's or the group'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 trustees with respect to going concern are described in the relevant sections of this report.

## **OTHER INFORMATION**

Council 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.

## **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- the information given in the financial statements is inconsistent in any material respect with the Report of Council; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## **RESPONSIBILITIES OF COUNCIL**

As explained more fully in the Statement of Council's Responsibilities statement, Council 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 Council 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, Council are responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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](http://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 charity and group 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 Charities Act 2011, together with the Charities SORP (FRS 102). 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 charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Council 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 with the completeness and accuracy 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 Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over non-fee income, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

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 our report

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



Crowe U.K. LLP  
Statutory Auditor  
4<sup>th</sup> Floor St James House  
St James Square  
Cheltenham  
GL50 3PR



Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2021

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total 2021 £'000	Total 2020 £'000
<b>Income and Endowments from:</b>						
<b>Charitable activities</b>						
Fee income	2	27,310	-	-	27,310	26,999
Ancillary trading income		1,087	-	-	1,087	1,292
Other income	3	1,198	-	-	1,198	1,505
<b>Voluntary sources</b>						
Donations and legacies	4	108	873	-	981	1,533
<b>Other trading activities</b>						
Non-ancillary trading income	5	610	-	-	610	1,205
<b>Investments</b>						
Investment income and interest	6	2	16	255	273	288
<b>Total income and endowments</b>		<b>30,315</b>	<b>889</b>	<b>255</b>	<b>31,459</b>	<b>32,822</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Fundraising		339	-	-	339	321
Non-ancillary trading	5	877	-	-	877	1,166
Financing costs	8	103	-	-	103	96
Investment management costs		1	1	8	10	8
		<b>1,320</b>	<b>1</b>	<b>8</b>	<b>1,329</b>	<b>1,591</b>
<b>Charitable activities</b>		<b>29,446</b>	<b>793</b>	<b>-</b>	<b>30,239</b>	<b>31,345</b>
<b>Total expenditure</b>	7	<b>30,766</b>	<b>794</b>	<b>8</b>	<b>31,568</b>	<b>32,936</b>
<b>Net (outgoing) / incoming funds from operations before investment gains and losses</b>						
		<b>(451)</b>	<b>95</b>	<b>247</b>	<b>(109)</b>	<b>(114)</b>
<b>Net gains / (losses) on investments</b>						
		<b>-</b>	<b>60</b>	<b>885</b>	<b>945</b>	<b>(349)</b>
<b>Net income / (outgoing)</b>		<b>(451)</b>	<b>155</b>	<b>1,132</b>	<b>836</b>	<b>(463)</b>
<b>Transfers between funds</b>						
Transfers between funds		1	(551)	550	-	-
Total return transfers between funds		-	172	(172)	-	-
Actuarial gains / (losses) on defined benefit pension schemes	23	38	-	-	38	(8)
<b>Net movement in funds</b>		<b>(412)</b>	<b>(224)</b>	<b>1,510</b>	<b>874</b>	<b>(471)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		53,620	2,334	6,264	62,218	62,689
<b>Total funds carried forward</b>	20	<b>53,208</b>	<b>2,110</b>	<b>7,774</b>	<b>63,092</b>	<b>62,218</b>

The notes on pages 31 to 51 form part of these financial statements.

## BALANCE SHEETS AS AT 31 JULY 2021

	Notes	Group		Charity	
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	11	58,410	61,126	58,808	61,518
Investments	12	12,405	6,759	12,571	6,925
		<b>70,815</b>	<b>67,885</b>	<b>71,379</b>	<b>68,443</b>
<b>CURRENT ASSETS</b>					
Stocks	13	58	73	16	33
Debtors	14	9,041	8,795	9,299	9,102
Cash at bank and in hand		6,992	6,834	6,878	6,658
		<b>16,091</b>	<b>15,702</b>	<b>16,193</b>	<b>15,793</b>
<b>CURRENT LIABILITIES</b>					
Creditors payable within one year	15	(18,496)	(16,644)	(18,313)	(16,761)
<b>NET CURRENT LIABILITIES</b>		<b>(2,405)</b>	<b>(942)</b>	<b>(2,120)</b>	<b>(968)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>68,410</b>	<b>66,943</b>	<b>69,259</b>	<b>67,475</b>
<b>LONG-TERM LIABILITIES</b>					
Creditors: amounts payable in more than one year	16	(5,272)	(4,631)	(5,272)	(4,631)
Defined benefit pension scheme liability	23	(46)	(94)	(46)	(94)
<b>NET ASSETS</b>		<b>63,092</b>	<b>62,218</b>	<b>63,941</b>	<b>62,750</b>
<b>REPRESENTED BY:</b>					
Endowment Funds	20	7,774	6,264	7,774	6,264
Restricted Funds	20	2,110	2,334	2,110	2,334
<b>Unrestricted Funds</b>					
Unrestricted Funds	20	53,254	53,714	54,103	54,246
Pension Reserve	20	(46)	(94)	(46)	(94)
<b>TOTAL FUNDS</b>	21	<b>63,092</b>	<b>62,218</b>	<b>63,941</b>	<b>62,750</b>

The financial statements on pages 28 to 51 were approved and authorised for issue by the Council on 3 December 2021.



Nick Baird  
Chair

The notes on pages 31 to 51 form part of these financial statements.

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2021

	<i>Notes</i>	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by operating activities	24	5,761	4,027
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income and interest received		172	187
Proceeds from sale of tangible fixed assets		6	39
(Additions to) / withdrawals from investment portfolio		(4,611)	175
Purchase of tangible fixed assets		(1,170)	(2,078)
<b>Net cash used in investing activities</b>		<b>(5,603)</b>	<b>(1,677)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>158</b>	<b>2,350</b>
Cash and cash equivalents at the beginning of the year		6,834	4,484
<b>Cash and cash equivalents at the end of the year</b>		<b>6,992</b>	<b>6,834</b>

The notes on pages 31 to 51 form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Principal Accounting Policies

College is a Public Benefit Entity registered as a charity on 13 July 1966 in England and Wales (charity number: 311722) and was granted Royal Charter on 20 March 1935 (number RC000111) with supplemental charters granted 22 December 1955, 26 June 1991, 24 July 2002 and 8 October 2015. Principal address is Bayshill Road, Cheltenham, Gloucestershire GL50 3EP.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 and the Statement of Recommended Practice (SORP(FRS102)) 'Accounting and Reporting by Charities' effective 1 January 2019 and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities that prepare their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2015 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

### Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Council is required to make judgement, estimates, and assumptions about the carrying value 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 ongoing 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 affected current and future periods.

At 31 July 2021, College had the following uncertain estimates and accounting judgements:

- Accrued legacies of £395k (2020: £1,158k). The value of accrued legacies is based on available information and estimated values of assets. College recognises residual legacies on receipt of probate which therefore requires an estimation of the amount to be included.
- Bad debt provision at 31 July 2021 of £298k (2020: £289k). The provision is calculated on outstanding debts at the year-end where recoverability is doubtful.
- Depreciation charge during the year of £4,358k (2020: £4,521k). Depreciation is calculated on estimated life of assets by categories. It is reviewed annually to assess the reasonableness.
- Impairment loss on tangible fixed assets of £20k (2020: £772k). Assets are reviewed annually for indicators of impairment.

Summaries of the principal group accounting policies, which have been applied consistently, are set out below.

### a. Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, modified by the revaluation of investment assets.

### b. Basis of consolidation

The Consolidated Statement of Financial Activities (SOFA), the Consolidated Balance Sheets and the Consolidated Cash Flow Statement include the financial statements of the charity and its subsidiary undertakings made up to 31 July 2021. The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement within the consolidated financial statements. The results of the Charity are disclosed in note 30.

**c. Going concern**

College has reviewed its forecasted cash flows, taking into account expected continuing demand for pupil places, reserves and funding facilities available. These provide sufficient cash resources for operations. Council has a reasonable expectation that College has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

**d. Donations, legacies and other voluntary income**

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

Voluntary income for College's general purposes is accounted for as unrestricted and is credited to the Unrestricted Fund. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention to be permanent or not. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to College in the case of donated services or facilities.

Pecuniary legacies are recognised once probate has been granted and notification received. Residuary legacies are recognised once probate has been granted, notification has been received and where they can be reliably valued.

**e. Fees and similar income**

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided.

**f. Trading activities**

Trading income comprises the trading activities of College and the subsidiaries and is credited to the Statement of Financial Activities on a receivable basis.

**g. Fees in advance**

College offers parents the opportunity to pay for between two and seven years' tuition fees in advance in accordance with a written contract. All contracts guarantee parents' future cash flows to be applied against the fees. All fees in advance received form part of College's funds.

**h. Refundable deposits**

Refundable deposits are deposits placed when pupils join College and are refunded at the end of the final term after deducting any outstanding debts.

**i. Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings which aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

**j. Bursaries, grants and allowances payable**

Grants from restricted funds are included as expenditure in the period for which the award is given. Bursaries and allowances from unrestricted funds are treated as a reduction in those fees.

**k. Irrecoverable VAT**

Any irrecoverable VAT is charged to the statement of financial activities, under the particular heading to which the expense relates, or capitalised as part of the cost of the related asset, where appropriate.



## **l. Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of financial activities.

The functional and presentational currency of College is considered to be GBP because that is the currency of the primary economic environment in which College operates.

## **m. Cash at bank and in hand**

Cash at bank and in hand are amounts held in cash, bank accounts, short-term deposit accounts and amounts held in highly liquid investments. All amounts recognised can be accessed within three months.

## **n. Recognition of debtors**

Debtors are recognised when an asset arises which will transfer economic benefits to College or its subsidiaries as a result of past transactions or events.

## **o. Recognition of liabilities**

Liabilities are recognised when an obligation arises to transfer economic benefits from College or its subsidiaries as a result of past transactions or events.

## **p. Fund accounting**

Unrestricted Funds are available for use at the discretion of Council in furtherance of the general objectives of the charity.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by College for particular purposes.

Designated Funds comprise general funds which have been set aside at the discretion of the Trustees for specific purposes.

Endowment Funds are funds for which capital is maintained in accordance with the specific restrictions imposed by the donors. The aim of the Endowment Funds is to provide income to be used for scholarships, bursaries, former members of staff and pupils in cases of financial hardship, leaving exhibitions and prizes. The income from the Endowment Funds is restricted.

Investment income and gains are allocated to the appropriate fund. The cost of administering these funds is charged against the specific fund. The aim and use of the major Designated and Restricted Funds are set out in the notes to the financial statements.

## **q. Pension costs**

College contributes to the Teachers' Pension Scheme (England and Wales) at rates set by the Scheme Actuary and advised to Council by the Scheme Administrator. College also contributes to a defined contribution scheme which all staff are entitled to join.

College pays certain discretionary pensions, which are not funded. The pension liability in respect of these obligations is recognised in the balance sheet.

Further details in respect of the unfunded pension liability are contained in note 23. All pension costs are charged to Unrestricted Funds.

## **r. Operating leases**

Rentals applicable to operating leases are charged to the statement of financial activities on a straight-line basis over the lease terms.

## **s. Tangible fixed assets**

### *i. Capitalisation and replacement*

Historic assets consisting of works of art and manuscripts donated to or bought by College are included on the Balance Sheet at either 1990 or 1997 valuation, which is the best estimate of cost. All other assets, including those under the course of construction, are included at their purchase price together with any incidental expenses of acquisition less accumulated impairment losses. Assets with a cost below £1,000 are not capitalised, with the exception of IT equipment where items costing in excess of £500 are capitalised.

### *ii. Depreciation*

Land and works of art are not depreciated. Depreciation of other assets is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. Assets in the course of construction are not depreciated until they are brought into use. The principal annual rates used for this purpose are:

	%
College buildings	2
Improvements to existing buildings	3-25
Teaching equipment	7-33
Office equipment	13-25
Motor vehicles	10-25

## **t. Investments**

Investments in subsidiary undertakings are stated at cost, but are written down to their realisable value if it is considered that there has been a permanent diminution in their value. Investment assets are included at closing mid-market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are combined in the statement of financial activities. Income from investments is included in the year in which it is receivable.

## **u. Stocks**

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

## **v. Total Return accounting**

The Charity Commission permitted College to adopt the use of total return in relation to its permanent endowment funds on 5 June 2007. The power permits the Trustees to invest these funds to maximise total return and to make available an appropriate portion of the total return for expenditure each year. Until the Trustees decide to appropriate all of the Total Return, the unapportioned portion of the Total Return shall be an 'Unapplied Total Return' and remain as part of the endowment.

## **w. Financial instruments**

Financial instruments are initially recognised at transaction value and subsequently measured at amortised value with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and on short term deposit and used as working capital. Financial liabilities held at amortised cost comprise all creditors except deferred income, fees in advance and social security and other taxes and provisions. Financial liabilities held at fair value comprise the defined benefit pension liability.

## **x. Borrowing costs**

Borrowing costs which are directly attributable to the construction of qualifying assets are capitalised. They are defined as the borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. All other borrowing costs which are not capitalised are charged to Finance costs.

## y. Government Grants

Income from government grants, whether 'capital' grants or 'revenue' grants, is recognised when the College has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Where entitlements occurs before income is received, the income is accrued. Where income is received in advance of the College having entitlement to the funds the income is deferred.

## 2. Fee income

	2021 £'000	2020 £'000
Gross fees	31,550	31,599
Less: Total Bursaries, Scholarships and Allowances	(2,392)	(2,169)
Less: Virtual CLC fee reduction	(1,762)	(2,349)
Less: Other Discounts	(500)	(427)
	<u>26,896</u>	<u>26,654</u>
Add back: Bursaries and Scholarships paid for by Restricted Funds	414	345
Net Fee Income	<u>27,310</u>	<u>26,999</u>

## 3. Charitable activities – other income

	2021 £'000	2020 £'000
Government grants receivable	1,030	1,427
Other income	141	48
Staff restaurant	21	27
Gain on disposal of tangible fixed assets	6	3
	<u>1,198</u>	<u>1,505</u>

## 4. Voluntary income

	2021 £'000	2020 £'000
Donations	782	339
Legacies	199	1,192
Fundraising events	-	2
	<u>981</u>	<u>1,533</u>

## 5. Trading activities

	CLC Services Ltd £'000	College £'000	Intercompany Adjustments £'000	2021 Total £'000	2020 Total £'000
Turnover	718	194	(302)	610	1,205
Cost of sales	(970)	-	267	(703)	(889)
Gross (Loss) / Profit	(252)	194	(35)	(93)	316
Operating costs	(65)	(130)	21	(174)	(277)
Operating (Loss) / Profit	(317)	64	(14)	(267)	39
Gift Aid to College	-	-	-	-	-
Retained in subsidiary	(317)	N/A	N/A	N/A	N/A
Shareholder's funds	(277)	N/A	N/A	N/A	N/A

## 6. Investment income

	2021 £'000	2020 £'000
Income from investment funds	270	275
Bank and building society interest	3	13
	<b>273</b>	<b>288</b>

## 7. Analysis of expenditure

### a. Total expenditure

	Staff costs £'000	Depreciation £'000	Other costs £'000	2021 £'000	2020 £'000
Cost of generating funds					
Fundraising and development costs	309	-	30	339	321
Cost of goods sold	656	6	215	877	1,166
Investment management	-	-	10	10	8
Financing costs	-	-	103	103	96
	<b>965</b>	<b>6</b>	<b>358</b>	<b>1,329</b>	<b>1,591</b>
Charitable activities:					
Teaching	10,946	358	788	12,092	12,409
Welfare	4,867	-	1,660	6,527	6,069
Premises repairs and maintenance	913	3,994	1,996	6,903	7,686
Premises operational costs	-	-	1,373	1,373	1,270
Awards	-	-	432	432	365
Support costs and governance	1,825	-	708	2,533	3,115
Marketing	302	-	77	379	431
College operations	<b>18,853</b>	<b>4,352</b>	<b>7,034</b>	<b>30,239</b>	<b>31,345</b>
<b>Total expenditure</b>	<b>19,818</b>	<b>4,358</b>	<b>7,392</b>	<b>31,568</b>	<b>32,936</b>
Total expenditure 2020	19,724	4,521	8,691	32,936	

All the support costs are directly attributable to the one charitable activity, namely education.

### b. Grants, awards and prizes

	2021 £'000	2020 £'000
<b>From Restricted Funds</b>		
Bursaries, scholarships and grants	414	345
Prizes and leaving awards	11	20
	<b>425</b>	<b>365</b>

### c. Governance included in support costs

	2021 £'000	2020 £'000
Auditor remunerations – statutory audit (net of VAT)	28	27
Auditor remunerations – tax services (net of VAT)	1	3
Auditor remunerations – other non-audit services (net of VAT)	5	12
Reimbursement of personal expenses to Council	-	5
Other governance costs	94	97
	<b>128</b>	<b>144</b>

Four Council Members (2020: eight) have been reimbursed expenses totalling £0.4k (2020: £5k). Expenses claimed are directly attributable to their duties as trustees (e.g. travelling to and from meetings).

## 8. Finance and other costs

	2021 £'000	2020 £'000
Other costs	13	5
Loan interest	90	90
Defined benefit pension scheme finance costs	-	1
	<u>103</u>	<u>96</u>

## 9. Staff costs

	2021 Number	2020 Number
The average number of persons employed by the group during the year was:		
Education	308	310
Pastoral	91	83
Support	221	231
Fundraising	6	7
Marketing, Communications and Development	10	11
Trading subsidiaries	64	79
	<u>700</u>	<u>721</u>

	2021 Number	2020 Number
The average full time equivalent persons employed by the group during the year was:		
Education	186	191
Pastoral	45	40
Support	145	152
Fundraising	6	6
Marketing, Communications and Development	7	8
Trading subsidiaries	29	31
	<u>418</u>	<u>428</u>

	2021 £'000	2020 £'000
Staff costs		
Wages and salaries	16,014	16,151
Social security costs	1,458	1,426
Pension costs	2,346	2,147
	<u>19,818</u>	<u>19,724</u>

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

	2021 Number	2020 Number
£60,001 - £70,000	9	8
£70,001 - £80,000	4	2
£80,001 - £90,000	2	3
£90,001 - £100,000	4	3
£100,001 - £110,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
£170,001 - £180,000	-	1
£280,001 - £290,000	1	-

In the year ended 31 July 2021 a number of employees reported in these emoluments received additional responsibility payments in response to the Covid-19 pandemic. The £280,001 to £290,000 band of emoluments in the year ended 31 July 2021 includes a one-off aggregate payment to reimburse professional costs arising in relation to past service. Excluding this one-off sum, the employee included in that band would instead be included in the £210,001 - £220,000 band.

Key management personnel are College's Leadership Team and during the year consisted of fourteen members (2020: fifteen). The total employee benefits, including employer National Insurance and pension contributions, of these personnel were £1,837k (2020: £1,635k).

The total amount relating to termination payments during the year was £89k (2020: £98k). These amounts relate to agreements made with employees to end employment contracts and settle reimbursement of professional costs, of which £44k was outstanding at the year end (2020: £98k).

No Council members received remuneration from College (2020: none).

## 10. Taxation

College is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

College and CLC Services Limited are group-registered for VAT. College's expenditure is recorded inclusive of VAT. CLC Services Limited record their expenditure net of VAT, subject to partial exemption rules.

## 11. Tangible fixed assets

### a. Group

	Assets Under Construction	Freehold Land and Buildings	Furniture, Fittings and Equipment	Works of Art	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
Balance at 1 August 2020	13	94,284	4,665	1,639	414	101,015
Additions	20	1,410	232	-	-	1,662
Disposals	-	(300)	(839)	-	-	(1,139)
Impairment	(20)	-	-	-	-	(20)
	<b>13</b>	<b>95,394</b>	<b>4,058</b>	<b>1,639</b>	<b>414</b>	<b>101,518</b>
<b>Accumulated depreciation</b>						
Balance at 1 August 2020	-	36,696	2,902	-	291	39,889
Charge for year	-	3,994	322	-	42	4,358
Disposals	-	(300)	(839)	-	-	(1,139)
	<b>-</b>	<b>40,390</b>	<b>2,385</b>	<b>-</b>	<b>333</b>	<b>43,108</b>
<b>Net book value at 31 July 2021</b>	<b>13</b>	<b>55,004</b>	<b>1,673</b>	<b>1,639</b>	<b>81</b>	<b>58,410</b>
<b>Net book value at 31 July 2020</b>	<b>13</b>	<b>57,588</b>	<b>1,763</b>	<b>1,639</b>	<b>123</b>	<b>61,126</b>

**b. Charity**

	<b>Assets Under Construction</b>	<b>Freehold Land and Buildings</b>	<b>Furniture, Fittings and Equipment</b>	<b>Works of Art</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>						
Balance at 1 August 2020	13	94,692	4,503	1,639	414	101,261
Additions	20	1,410	232	-	-	1,662
Disposals	-	(300)	(785)	-	-	(1,085)
Impairment	(20)	-	-	-	-	(20)
	<b>13</b>	<b>95,802</b>	<b>3,950</b>	<b>1,639</b>	<b>414</b>	<b>101,818</b>
<b>Accumulated depreciation</b>						
Balance at 1 August 2020	-	36,696	2,755	-	292	39,743
Charge for year	-	3,994	316	-	42	4,352
Disposals	-	(300)	(785)	-	-	(1,085)
	<b>-</b>	<b>40,390</b>	<b>2,286</b>	<b>-</b>	<b>334</b>	<b>43,010</b>
<b>Net book value at 31 July 2021</b>	<b>13</b>	<b>55,412</b>	<b>1,664</b>	<b>1,639</b>	<b>80</b>	<b>58,808</b>
<b>Net book value at 31 July 2020</b>	<b>13</b>	<b>57,996</b>	<b>1,748</b>	<b>1,639</b>	<b>122</b>	<b>61,518</b>

Land of £5,490k and Works of Art of £1,640k are not depreciated.

Assets under construction of £20k (2020: £772k) were impaired during the year as strategic plans for some buildings and affordability considerations have changed as a direct result of Covid-19.

**12. Fixed asset investments**

**a. Group**

	<b>Investment Assets</b>	<b>Cash for reinvestment</b>	<b>Programme Related Investments</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Valuation</b>					
At 1 August 2020	6,630	4	125	6,759	7,193
Additions	12,414	-	-	12,414	101
Disposals	(7,703)	-	-	(7,703)	(175)
Net revaluation gain / (loss)	942	3	-	945	(352)
Investment management fees	(8)	(2)	-	(10)	(8)
<b>Market value at 31 July 2021</b>	<b>12,275</b>	<b>5</b>	<b>125</b>	<b>12,405</b>	<b>6,759</b>
<b>Historical cost at 31 July 2021</b>	<b>11,784</b>	<b>3</b>	<b>125</b>	<b>11,912</b>	<b>5,763</b>

**b. Charity**

	Investment Assets	Investment in CLC Services Ltd	Investment in CLC Developments (Cheltenham) Ltd	Cash for reinvestment	Programme Related Investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Ordinary shares	-	166	-	-	-	166
<b>Total for subsidiaries Investments</b>	<b>-</b>	<b>166</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>166</b>
Endowment Fund	7,771	-	-	3	-	7,774
Restricted Funds	2,109	-	-	1	-	2,110
Unrestricted Funds	2,395	-	-	1	125	2,521
<b>Market value at 31 July 2021</b>	<b>12,275</b>	<b>166</b>	<b>-</b>	<b>5</b>	<b>125</b>	<b>12,571</b>
Market value at 31 July 2020	6,630	166	-	4	125	6,925

**c. Group and charity**

Investments included in the above with a market value greater than 5% of the total portfolio market value at 31 July 2021 are as follows:

	£'000	%
Cazenove SUTL Charity Responsible Multi Asset Fund: Income units	5,132	41.81
Cazenove SUTL Charity Responsible Multi Asset Fund: Accumulation units	3,116	25.38
JPMorgan Liquidity Funds SICAV: Income units	4,027	32.81

**13. Stocks**

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Stationery and consumables	20	36	16	33
Goods for resale	38	37	-	-
	<b>58</b>	<b>73</b>	<b>16</b>	<b>33</b>

**14. Debtors: falling due within one year**

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Fees	8,293	7,219	8,293	7,219
Amounts due from subsidiary undertakings	-	-	271	314
Trade and other debtors	24	40	15	34
Amounts due from HM Revenue and Customs	7	-	7	-
Prepayments	192	192	192	191
Accrued income	525	1,344	521	1,344
	<b>9,041</b>	<b>8,795</b>	<b>9,299</b>	<b>9,102</b>



## 15. Creditors: payable within one year

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	540	288	523	286
Accruals and deferred income	12,349	10,467	12,133	10,433
Amounts due to subsidiary undertakings	-	-	60	153
Amounts due to HM Revenue and Customs	384	343	374	343
Refundable deposits	3,235	3,295	3,235	3,295
Fees paid in advance	1,704	1,962	1,704	1,962
Pension Schemes	268	263	268	263
Other creditors	16	26	16	26
	<b>18,496</b>	<b>16,644</b>	<b>18,313</b>	<b>16,761</b>

## Deferred income

Income is deferred to ensure it is recognised in line with when College and its subsidiaries fulfil the obligation relating to the income.

Details of income deferred in relation to the Fees in Advance scheme can be found in note 17.

	Group	Charity
	£'000	£'000
As at 1 August 2020	8,652	8,639
Income released from previous years	(8,649)	(8,639)
Income deferred during year	9,781	9,685
As at 31 July 2021	<b>9,784</b>	<b>9,685</b>

## 16. Creditors: payable in more than one year

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Refundable deposits	4,385	3,791	4,385	3,791
Fees paid in advance	887	840	887	840
	<b>5,272</b>	<b>4,631</b>	<b>5,272</b>	<b>4,631</b>

## 17. Advance fees schemes and fees paid in advance

Parents may pay to College up to the equivalent of seven years' tuition fees in advance. Such payments may be returned, subject to specific conditions, on the receipt of one term's notice. Fees paid in advance will be applied to off-set fees as follows:

Group and Charity	2021	2020
	£'000	£'000
Within one year	1,704	1,962
More than one year	887	840
	<b>2,591</b>	<b>2,802</b>
		£'000
As at 1 August 2020		2,802
New contracts		2,083
Amounts relating to contracts utilised in payment of fees		(2,324)
Amounts relating to contracts refunded in year		(14)
Net movement in sundry fee creditors		44
As at 31 July 2021		<b>2,591</b>

## 18. Bank loan

In July 2016, College arranged an unsecured Revolving Credit Facility of £16m with HSBC for 10 years. College did not draw down on the facility during the year, and at the year end there was no outstanding indebtedness relating to the facility (2020: £Nil).

## 19. Financial instruments

	2021	2020
	£'000	£'000
Financial assets measured at amortised cost (a)	15,841	15,437
Financial assets measure at fair value (b)	12,405	6,759
Financial liabilities measured at amortised cost (c)	(11,009)	(9,477)
Financial liabilities measured at fair value (d)	(46)	(94)
	<u>17,191</u>	<u>12,625</u>

- a. Financial assets include cash, trade and fee debtors, staff loans, other debtors, accrued income and bad debt provision.
- b. Financial assets held at fair value include assets held as investments.
- c. Financial liabilities measured at amortised cost include deposits, trade creditors, other creditors and other provisions.
- d. Financial liabilities measured at fair value comprise the pension provision.

Impairment losses charged to financial assets in the year amounted to £Nil (2020: £3k).

## 20. Funds

	Balance 1 August 2020 £'000	Income £'000	Total Return Transfers £'000	Expenditure £'000	Other gains £'000	Other Transfers £'000	Balance 31 July 2021 £'000
<b>ENDOWMENT FUNDS</b>	<b>6,264</b>	<b>255</b>	<b>(172)</b>	<b>(8)</b>	<b>885</b>	<b>550</b>	<b>7,774</b>
<b>RESTRICTED FUNDS</b>							
<b>Income from Endowment Funds:</b>							
The Bursaries Fund	-	-	130	(130)	-	-	-
The Leaving Exhibitions Fund	18	-	7	(8)	-	-	17
Vera Morpott Hounsfield Fund	8	-	7	(2)	-	-	13
Beale Memorial Fund	15	-	3	(5)	-	-	13
Overseas Foundation	5	-	3	(8)	-	-	-
Holt Foundation	-	-	6	(6)	-	-	-
Vicky Tuck Scholarship Fund	40	-	12	(3)	-	-	49
Others	5	-	4	(1)	-	-	8
	<b>91</b>	<b>-</b>	<b>172</b>	<b>(163)</b>	<b>-</b>	<b>-</b>	<b>100</b>
<b>Other restricted funds:</b>							
Bursaries	1,833	342	-	(201)	60	(550)	1,484
Morgan Legacy	14	-	-	(14)	-	-	-
Learning support	123	-	-	(49)	-	-	74
STEM Capital	102	2	-	-	-	-	104
Art and Technology Capital	44	97	-	(15)	-	-	126
Covid-19 Fund	25	262	-	(287)	-	-	-
Covid-19 Bursaries	-	54	-	(54)	-	-	-
Community Impact Activities	-	71	-	-	-	-	71
Others	102	61	-	(11)	-	(1)	151
	<b>2,243</b>	<b>889</b>	<b>-</b>	<b>(631)</b>	<b>60</b>	<b>(551)</b>	<b>2,010</b>
<b>Total Restricted Funds</b>	<b>2,334</b>	<b>889</b>	<b>172</b>	<b>(794)</b>	<b>60</b>	<b>(551)</b>	<b>2,110</b>
<b>UNRESTRICTED FUNDS</b>							
<b>Designated Funds</b>							
Bursaries	78	109	-	-	-	-	187
Weekend programme	-	-	-	-	-	200	200
Other	226	-	-	-	-	(200)	26
Unrestricted Funds	53,942	29,478	-	(29,731)	-	1	53,690
Pension deficit	(94)	10	-	-	38	-	(46)
<b>Total Unrestricted Charity Funds</b>	<b>54,152</b>	<b>29,597</b>	<b>-</b>	<b>(29,731)</b>	<b>38</b>	<b>1</b>	<b>54,057</b>
<b>Total Charity Funds</b>	<b>62,750</b>	<b>30,741</b>	<b>-</b>	<b>(30,533)</b>	<b>983</b>	<b>-</b>	<b>63,941</b>
<b>Unrestricted Funds – subsidiaries</b>	<b>(532)</b>	<b>718</b>	<b>-</b>	<b>(1,035)</b>	<b>-</b>	<b>-</b>	<b>(849)</b>
<b>Total Funds - Group</b>	<b>62,218</b>	<b>31,459</b>	<b>-</b>	<b>(31,568)</b>	<b>983</b>	<b>-</b>	<b>63,092</b>

£1k (2020: £24k) was transferred out of restricted funds which represents fulfilment of restricted capital projects.

*a. Endowment Funds*

The Endowment Funds consist of bursary and scholarship funds and funds for prizes and leaving exhibitions whose income is applied towards the award of bursaries, scholarships, leaving exhibitions, staff and prizes.

The fund also contains College endowed funds of £550k restricted under a Declaration of Trust dated 18 June 2021 whose income is applied towards the award of bursaries.

*b. Restricted Funds*

The major restricted funds are described below (those not individually described being self-explanatory from their title):

**Bursaries Fund**

Provides financial assistance to parents who:

- are selected for means-tested bursaries from College; or
- have experienced a major and unforeseen change in their financial circumstances.

**Morgan Legacy**

Restricted use for bursaries.

**Learning Support**

Restricted to the provision of Learning Support at College.

**STEM Capital**

This fund holds donations College received towards the capital provision of new STEM facilities.

**Art and Technology Capital**

This fund holds donations College received towards the capital work of the Art and Technology building enhance current facilities.

**Covid-19 Fund**

This represents donations that were restricted towards College adapting and providing essential resources to deal with the Covid-19 pandemic.

**Covid-19 Bursaries**

This represents donations that were restricted to providing means-tested bursary support to families that were financially impacted as a result of Covid-19 pandemic.

**Community Impact Activities**

This fund holds donations that are towards enabling CLC to work with underserved sections of the local Gloucestershire and wider communities through partnership, education and extension of opportunities.

*c. Unrestricted Funds*

The Unrestricted Funds include the following funds:

**Designated Bursaries Fund**

This is unrestricted donations and legacies that College has designated towards its bursary scheme that provides financial assistance to parents who:

- are selected for means-tested bursaries from College, or
- have experienced a major and unforeseen change in their financial circumstances.

**Weekend Programme**

Funds have been designated during the year to the new weekend enrichment programme encompassing both opportunities for our own pupils but also a wider range of events that represent a fuller use of the College assets during term-time, and a wider range of opportunities for outreach and public benefit.

## The Pension Deficit Fund

Represents the estimated unfunded pension scheme liability. See note 23.

## 21. Analysis of the net assets between funds

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

	Tangible Fixed Assets	Investments	Net Current Assets/ (Liabilities)	Cash	Long Term Liabilities	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment Funds	-	7,774	-	-	-	7,774
Restricted Funds	-	1,716	394	-	-	2,110
Unrestricted Funds	58,808	2,915	(9,226)	6,878	(5,318)	54,057
Total Charity	58,808	12,405	(8,832)	6,878	(5,318)	63,941
Unrestricted Subsidiary Funds	(398)	-	(565)	114	-	(849)
Total Group	58,410	12,405	(9,397)	6,992	(5,318)	63,092

## 22. Statement of total return

College has agreed with the Charity Commission that it can operate a policy of total return on its Endowment Funds. This Total Return policy allows College's Investment Managers greater flexibility in managing the funds, within the agreed risk parameters. Unapplied total returns are the total returns on the investments (be they capital or income in nature) less monies paid out of the Endowment Funds. The movement in unapplied total returns is set out below:

	Preserved Value	Unapplied Total Return	Total
	£'000	£'000	£'000
<b>Brought forward at 1 August 2020</b>			
Trust for investment/permanent endowment	3,478	-	3,478
Unapplied Total Return	-	2,786	2,786
<b>Total</b>	<b>3,478</b>	<b>2,786</b>	<b>6,264</b>
<b>Movements in the reporting period:</b>			
Investment return: dividends and interest	-	255	255
Investment return: gains	-	885	885
Declaration of Trust	550	-	550
Investment management costs	-	(8)	(8)
Unapplied return allocated to income	-	(172)	(172)
<b>At 31 July 2021</b>			
Trust for investment/permanent endowment	4,028	-	4,028
Unapplied Total Return	-	3,746	3,746
<b>Total</b>	<b>4,028</b>	<b>3,746</b>	<b>7,774</b>

Allocation out of the Unapplied Total Return balance can be made at any time at the Council's discretion on the authority of a Charity Commission order dated 5 June 2007.

College signed a Declaration of Trust to permanently endow £550k to the Bursaries Fund on 18 June 2021.

## 23. Pension schemes

Retirement benefits to employees of College are provided through one defined benefit scheme and one defined contribution scheme, which are funded by College's and employees' contributions. In addition College has one defined benefit scheme which is funded by College only.

## **Defined benefit schemes**

### ***a. Teachers' Pension Scheme***

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,710k (2020: £1,762k) and at the year-end £199k (2020: £149k) 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. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

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.

### ***b. College's defined benefit scheme***

College has made certain unfunded pension guarantees to former employees. The estimated value of the scheme liability is £46k (2020: £94k), College did not obtain an actuarial valuation for the year ended 31 July 2021, as a valuation of the guarantees had been provided by an independent actuary as at 31 July 2020. Pension payments made in respect of the pension guarantees were £10k for the year ended 31 July 2021 (2020: £16k). College expects to contribute £7k in the next financial year.

### Defined contribution scheme

College offers defined contribution schemes to all members of staff. The assets of these schemes are held separately from those of College in funds administered by an insurance company. In October 2020 College offered a new salary sacrifice scheme to all employees which has significantly increased what is represented as the pension cost charge. The pension cost charge represents contributions payable in respect of these schemes amounting to £631k (2020: £339k). There were contributions outstanding at the year end of £68k (2020: £30k).

### 24. Reconciliation of cashflows from operating activities

	2021 £'000	2020 £'000
<u>Continuing Activities</u>		
Net outgoings for the year before investment gains and losses	(109)	(114)
Adjustments for:		
Depreciation	4,358	4,521
Impairment of tangible fixed assets	20	772
Impairment of derivative asset	-	3
Impairment of stock	-	7
Gain on sale of fixed assets	(6)	(3)
Less investment income	(273)	(288)
FRS102 pension adjustment	-	(7)
Increase in debtors	(246)	(179)
Decrease in stocks	15	7
Increase/(decrease) in creditors	2,002	(692)
Net cash inflow from operating activities	<u>5,761</u>	<u>4,027</u>

### 25. Analysis of changes in net funds during the year

Group	As at 1 August 2020 £'000	Cashflow £'000	As at 31 July 2021 £'000
Cash at bank and in hand	6,834	158	6,992
Total	<u>6,834</u>	<u>158</u>	<u>6,992</u>

### 26. Operating leases

The Group has the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2021 Other £'000	2020 Other £'000
Not later than one year	34	-
Later than one year and not later than five years	69	-
	<u>103</u>	<u>-</u>

£Nil (2020: £46k) was charged to the Consolidated Statement of Financial Activities during the year in respect of operating lease payments.

### 27. Capital commitments

Group and Charity	2021 £'000	2020 £'000
Amounts contracted but not yet provided	797	-

## 28. Related party transactions

### *a. Staff members and Council*

Some members of Council have children at College and some are members of the Sports Centre. In both instances Council members pay normal fees.

Staff members may receive fee remission and discounted membership to the Sports Centre at an agreed rate.

### *b. The Incorporated Guild of Cheltenham Ladies' College*

The Incorporated Guild of Cheltenham Ladies' College (Guild) is connected to College because a Director of Guild is also a member of College Council, and a co-opted member of the Guild Board during the year is married to a member of College Council. Guild is an association of former pupils of Cheltenham Ladies' College. During the year College awarded £38k (2020: £38k) to Guild so that it can continue its operations. College incurred expenditure of £0.5k (2020: £1k) which was recharged to Guild. During the year Guild donated £0.5k (2020: £0.5k) to College as an unrestricted donation. There was £0.5k due to College from Guild at College's year end (2020: £1k).

### *c. Friends of Cheltenham Ladies' College in Hong Kong Limited*

Friends of Cheltenham Ladies' College in Hong Kong Limited (Friends of CLC in Hong Kong), registered in Hong Kong, is connected to College because two of the Directors, one of whom is also a Member of Friends of CLC in Hong Kong, are also members of College Council. During the year College received £557k (2020: £138k) in unrestricted and restricted donations from Friends of CLC in Hong Kong and College donated £2k to Friends of CLC in Hong Kong Limited (2020: £Nil).

## 29. Subsidiaries

### *a. CLC Services Limited*

CLC Services Limited, company number 02721621, incorporated in England and Wales, registered office Bayshill Road, Cheltenham, Gloucestershire GL50 3EP, is a wholly owned subsidiary of College. CLC Services Limited had turnover of £718k (2020: £1,320k), gross loss of £252k (2020: £81k profit) and a loss after tax of £317k (2020: £70k) for the year ended 31 July 2021.

College licences the use of the Sports Centre, trademark and other facilities to CLC Services and the charges during the year amounted to £166k (2020: £257k). College also recharges CLC Services Limited for the use of its facilities for events and lettings, and recharges all staff and other costs incurred on behalf of the company and during the year these amounted to £571k (2020: £1,031k).

At the year end CLC Services Limited owed College £271k (2020: £314k) and College owed CLC Services Limited £60k (2020: £153k). At the year end the company had shareholder funds of deficit £277k (2020: surplus £40k).

### *b. CLC Developments (Cheltenham) Limited*

CLC Developments (Cheltenham) Limited, company number 12304218, incorporated in England and Wales, registered office Bayshill Road, Cheltenham, Gloucestershire GL50 3EP, is a wholly owned subsidiary of College. CLC Developments (Cheltenham) Limited is dormant and has not traded since incorporation.



### 30. College only total funds

College's own results for the year included in the Consolidated Statement of Financial Activities were:

	2021 £'000	2020 £'000
<b>Income and Endowments from:</b>		
<b>Charitable activities</b>		
Fee income	27,310	26,999
Ancillary trading income	1,087	1,291
Other income	1,198	1,485
<b>Voluntary sources</b>		
Donations and legacies	981	1,589
<b>Other trading activities</b>		
Non-ancillary trading income	194	285
<b>Investments</b>		
Investment income and interest	273	288
<b>Total income and endowments</b>	<b>31,043</b>	<b>31,937</b>
<b>Expenditure on:</b>		
<b>Raising funds</b>		
Fundraising	339	326
Non-ancillary trading	130	129
Financing costs	103	96
Investment management costs	10	8
	<b>582</b>	<b>559</b>
<b>Charitable activities</b>	<b>30,253</b>	<b>31,367</b>
<b>Total expenditure</b>	<b>30,835</b>	<b>31,926</b>
<b>Net incoming funds from operations before investment gains or losses</b>	<b>208</b>	<b>11</b>
<b>Net gains/(losses) on investments</b>	<b>945</b>	<b>(349)</b>
<b>Net income</b>	<b>1,153</b>	<b>(338)</b>
<b>Actuarial gains/(losses) on defined benefit pension schemes</b>	<b>38</b>	<b>(8)</b>
<b>Net movement in funds</b>	<b>1,191</b>	<b>(346)</b>
<b>Reconciliation of funds:</b>		
Total funds brought forward	62,750	63,096
<b>Total funds carried forward</b>	<b>63,941</b>	<b>62,750</b>

**31. Consolidated Statement of Financial Activities – Comparative figures by fund type for the year ended 31 July 2020**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total 2020 £'000
<b>Income and Endowments from:</b>				
<b>Charitable activities</b>				
Fee income	26,999	-	-	26,999
Ancillary trading income	1,292	-	-	1,292
Other income	1,505	-	-	1,505
<b>Voluntary sources</b>				
Donations and legacies	239	1,262	32	1,533
<b>Other trading activities</b>				
Non-ancillary trading income	1,205	-	-	1,205
<b>Investments</b>				
Investment income and interest	8	25	255	288
<b>Total income and endowments</b>	<b>31,248</b>	<b>1,287</b>	<b>287</b>	<b>32,822</b>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Fundraising	321	-	-	321
Non-ancillary trading	1,166	-	-	1,166
Financing costs	96	-	-	96
Investment management costs	-	-	8	8
	<b>1,583</b>	<b>-</b>	<b>8</b>	<b>1,591</b>
<b>Charitable activities</b>	<b>30,971</b>	<b>374</b>	<b>-</b>	<b>31,345</b>
<b>Total expenditure</b>	<b>32,554</b>	<b>374</b>	<b>8</b>	<b>32,936</b>
<b>Net (outgoing)/ incoming funds from operations before investment losses</b>	<b>(1,306)</b>	<b>913</b>	<b>279</b>	<b>(114)</b>
<b>Net losses on investments</b>	<b>-</b>	<b>(25)</b>	<b>(324)</b>	<b>(349)</b>
<b>Net income / (outgoing)</b>	<b>(1,306)</b>	<b>888</b>	<b>(45)</b>	<b>(463)</b>
<b>Transfers between funds</b>	<b>24</b>	<b>(24)</b>	<b>-</b>	<b>-</b>
<b>Total return transfers between funds</b>	<b>-</b>	<b>173</b>	<b>(173)</b>	<b>-</b>
<b>Actuarial losses on defined benefit pension schemes</b>	<b>(8)</b>	<b>-</b>	<b>-</b>	<b>(8)</b>
<b>Net movement in funds</b>	<b>(1,290)</b>	<b>1,037</b>	<b>(218)</b>	<b>(471)</b>
<b>Reconciliation of funds:</b>				
<b>Total funds brought forward</b>	<b>54,910</b>	<b>1,297</b>	<b>6,482</b>	<b>62,689</b>
<b>Total funds carried forward</b>	<b>53,620</b>	<b>2,334</b>	<b>6,264</b>	<b>62,218</b>

### 32. Funds for year ended 31 July 2020

	Balance 1 August 2019 £'000	Income £'000	Total Return Transfers £'000	Expenditure £'000	Other losses £'000	Other Transfers £'000	Balance 31 July 2020 £'000
<b>ENDOWMENT FUNDS</b>	<b>6,482</b>	<b>287</b>	<b>(173)</b>	<b>(8)</b>	<b>(324)</b>	<b>-</b>	<b>6,264</b>
<b>RESTRICTED FUNDS</b>							
Income from Endowment Funds:							
The Bursaries Fund	-	-	132	(132)	-	-	-
The Leaving Exhibitions Fund	25	-	8	(15)	-	-	18
Vera Morpott Hounsfield Fund	2	-	6	-	-	-	8
Beale Memorial Fund	12	-	3	-	-	-	15
Overseas Foundation	15	-	4	(14)	-	-	5
Holt Foundation	-	-	6	(6)	-	-	-
Vicky Tuck Scholarship Fund	31	-	12	(3)	-	-	40
Others	3	-	2	-	-	-	5
	<b>88</b>	<b>-</b>	<b>173</b>	<b>(170)</b>	<b>-</b>	<b>-</b>	<b>91</b>
<b>Other restricted funds:</b>							
Bursaries	800	1,227	-	(169)	(25)	-	1,833
Morgan Legacy	38	-	-	(24)	-	-	14
Health and Fitness Centre	6	-	-	-	-	(4)	2
Learning support	100	25	-	(2)	-	-	123
STEM Capital	100	2	-	-	-	-	102
Art and Technology Capital	44	-	-	-	-	-	44
Others	121	33	-	(9)	-	(20)	125
	<b>1,209</b>	<b>1,287</b>	<b>-</b>	<b>(204)</b>	<b>(25)</b>	<b>(24)</b>	<b>2,243</b>
<b>Total Restricted Funds</b>	<b>1,297</b>	<b>1,287</b>	<b>173</b>	<b>(374)</b>	<b>(25)</b>	<b>(24)</b>	<b>2,334</b>
<b>UNRESTRICTED FUNDS</b>							
Designated Funds							
Bursaries	-	78	-	-	-	-	78
Other	213	13	-	-	-	-	226
Unrestricted Funds	55,205	29,820	-	(31,107)	-	24	53,942
Pension deficit	(101)	16	-	(1)	(8)	-	(94)
<b>Total Unrestricted Charity Funds</b>	<b>55,317</b>	<b>29,927</b>	<b>-</b>	<b>(31,108)</b>	<b>(8)</b>	<b>24</b>	<b>54,152</b>
<b>Total Charity Funds</b>	<b>63,096</b>	<b>31,501</b>	<b>-</b>	<b>(31,490)</b>	<b>(357)</b>	<b>-</b>	<b>62,750</b>
<b>Unrestricted Funds – subsidiaries</b>	<b>(407)</b>	<b>1,321</b>	<b>-</b>	<b>(1,446)</b>	<b>-</b>	<b>-</b>	<b>(532)</b>
<b>Total Funds - Group</b>	<b>62,689</b>	<b>32,822</b>	<b>-</b>	<b>(32,936)</b>	<b>(357)</b>	<b>-</b>	<b>62,218</b>