

CHRIST COLLEGE BRECON

**REPORT OF THE GOVERNORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

Azets Audit Services
Chartered Accountants & Statutory Auditors
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

CHRIST COLLEGE BRECON

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**CHRIST COLLEGE BRECON
REPORT OF THE GOVERNORS
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The trustees present their report and financial statements of the College for the year ended 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

OBJECTS AND ACTIVITIES

Charitable objects

The provision of a Christian and liberal education to boys and girls of good character is the principal objective of Christ College Brecon.

Main activities

In fulfilling its charitable objects, Christ College's main activities are:

- The provision of education to children aged between 7 and 18. This includes sitting external exams in years 11 and 13, predominantly GCSE and A level
- The provision of boarding, and of support and welfare facilities for all pupils
- The provision of wider educational and extra-curricular activities for the broader development of pupils
- The provision of excellent facilities to enable the above
- The extension of facilities to provide educational benefits to non-pupils, particularly children aged 7-18 years old living in Brecon and the surrounding area. Pupil numbers totalled 356 in 2020/21, of whom 155 were boarders, 163 day-pupils. This compares to 384 pupils in 2019/20. Of the total, St Nicholas House educated 38 pupils during 2020/21, compared to 29 in 2019/20.

The College also allows its facilities to be used by local groups throughout the year, within the constraints of Covid restrictions, and for summer lettings to external bodies.

Grant making policy and public benefit

Christ College Brecon, founded originally with a gift of 60 shillings from Henry VIII to educate 20 poor scholars of Brecon, continues to make significant grants of scholarships, bursaries and prizes and other awards to pupils. Christ College's policy is to make the award of scholarships on the basis of an individual's educational or sporting potential, and bursaries on the basis of financial need. It is the College's policy to favour means-tested bursaries over scholarships. This contributes to the school's aims and objectives by ensuring that gifted and talented pupils are encouraged to join Christ College and is intended to meet the College's charitable objects by providing assistance to as broad a group of pupils as possible. Remissions of fees are also given to those with more than one child at the College and those from various professions such as the clergy.

During the year Bursaries, Scholarships and Remissions amounting to £1,671,281 (2020: £1,693,501) were given. In addition, £3,599 (2020: £3,678) was awarded from restricted funds in accordance to the conditions imposed by the original donor.

These can be summarised as below:

	Value	Number of Awards
Academic scholarships	£466,182	133
Bursaries	£373,376	51
Remissions	£831,723	461

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As some children received more than one award, the total number of pupils benefiting from some form of assistance this year was 204 (2020: 185). Every pupil (356) received fee remission as a consequence of the Covid-19 pandemic.

Remissions includes fee reductions made to all fee payers due to the enforced closure of the school during pandemic lockdown.

Due to Covid, there has been very little demand from local schools and organisations to use the College's facilities during the national lockdown. Prior to Covid, the College continued to invite many local schools to use its resources, without charge, for events such as its cross-country contest. In addition, Christ College helped local schools by providing them with the College's minibus and driver for their school trips which has alleviated expensive transport costs. Beneficiaries of these services have been, amongst others, Cradoc Primary, Llanfaes Primary and Brecon High School.

Prior to Covid, service to the wider community was reflected in the provision of sports facilities to, amongst others, Brecon Town Juniors, Hockey Wales, South Wales Hockey, Brecon Ladies Netball and Cricket Wales. Christ College also provided facilities for the Disability Sports Club, Wales Karate, the Brecknock Society, the Royal Society of Chemists, the Royal Institute of Physics, Swansea AFC, the Associated Board of Royal School of Music (ABRSM), the Duke of Edinburgh Awards, the Church Monuments Society, Wales RFU (charity and youth tournament), community choirs and various local music groups. At various times during the year members of the public were able to visit the school's historic buildings.

The Governors are satisfied that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Their compliance with this duty is a matter that they keep under regular review.

Aims and intended impact

The College seeks to maximise the spiritual, intellectual, aesthetic, physical, cultural and moral development of each pupil and so prepare him or her for the opportunities, responsibilities and achievements of adult life.

Despite greatly reduced use due to Covid restrictions, the College Chapel provide a stimulus and focus for Christian and moral teaching according to the doctrine of the Church in Wales, whilst also respecting other religious traditions.

The broad academic curriculum sets high expectations of achievement.

A wide range of extra-curricular facilities, opportunities and experiences is provided. As well as building self-confidence and fostering life-long leisure interests, these aim to promote an understanding of the principles and value of leadership, the benefits of playing and working as a team, the importance of self-discipline and effective personal organisation and a willingness to contribute to the community as a responsible citizen. The fullness of the weekly routine for boarders and day pupils alike is crucial to the achievement of these aspirations.

Criteria for success

The achievement of the College's financial aims will ensure that resources are available to underpin its charitable activities, particularly the provision of bursaries. A supported place at Christ College is only of value if the College meets its educational aims.

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The measures of success are:

- The development of pupils as responsible, happy and well-rounded citizens
- The achievement of GCSE and A level results above the national average for the United Kingdom
- Successfully competing with other schools of similar or larger size in sporting activities
- The provision of a broad range of extracurricular activities
- The provision of bursaries to a broad range of pupils
- Financial viability to allow adequate funding of these activities and to finance self-funded bursaries.

OBJECTIVES FOR THIS YEAR

The previous year's objectives were reviewed at the end of the year and new ones established.

These are:

Academic focus

- Support for pupils in lower sixth (Year 12) with variable experience of remote learning
- Embed new structure of the week
- Implement a new AS Level programme
- Re-establish robust self-evaluation arrangements
- Ensure baseline assessments are actively used
- Plan for external examinations (and contingency arrangements) 2022
- Promote INSET for teachers

Overseas Development:

- Provide ongoing support to King Henry VIII School in Malaysia and develop further overseas opportunities

Futures:

- Further improve Careers advice to Year 11 and Sixth Form pupils

Day and Boarding:

- Embed the two-day hubs, one for years 9-11 and one for the 6th form.

ACHIEVEMENTS AND PERFORMANCE

54% A*/A at A level and 78% */B – continued sustained performance over 3 last three years with 32% of candidates achieving 3 A grades or better. 9/19 BTEC grades were Distinction plus. At GCSE 46% of all grades were 9/8/7. It is difficult to reference individual subjects given the exceptional process whereby these grades were determined. Two candidates secured places at Oxford and 4 candidates secured places at Medical school 86% were successful in obtaining entry to their first choice of university.

The College's Second Curriculum was enjoyed on two fronts during the academic year 2020/21. Pupils returned to a restricted program in September 2020 with shorter days, a restricted range of activities, though even within these activities the format was quite different. The rugby and hockey squads trained with no contact for the rugby boys and no prospect of matches. Hockey began to open-up first to outside involvement, and fixtures against local schools were played towards the end of term. Great credit must go to the coaches and the pupils for the way they maintained motivation and spirit with the key ingredient of competitive matches removed. Internal competitions and house matches filled the void to some extent.

Wednesday afternoons, so often a time of matches were transformed into a whole school programme of activities across the playing fields. All staff and pupils were involved in a variety of sporting events. It took on a carnival feel with inclusion and participation being the themes. Feedback was very positive and it did much for the spirit and wellbeing of our community.

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The Lent term saw us return to online learning with 70 boarders being looked after in school. They were the lucky ones in many ways, with training and fitness being provided each day – their wellbeing was well supported. Online activities were provided, with the sports, music, art and drama departments putting on some terrific programmes. The medley of musicals showpiece was filmed and distributed online in lieu of a public performance, as was the St Nicholas House Junior Section and Alway House lower school plays. Our Art department held online workshops and sketching/painting competitions and musical pieces were recorded individually and compiled replicating, where possible, concerts of old.

The summer term allowed more sports to be re-introduced. Tennis and golf returned and the girls' involvement in mixed touch rugby tournaments (in-house) was something we will keep post-Covid-19. Outdoor Education (Adventure as it is called increasingly) is growing in line with the School's Development plan. The addition from September of a 2i/c Outdoor Ed will allow the growth of a comprehensive Forest School programme and enhanced activities on a Saturday including mountaineering, climbing, paddle sports and mountain biking.

During the financial year the school was closed due to two national lockdowns. The school's robust and well-funded IT infrastructure allowed it to provide comprehensive timetabled lessons online and substantially deliver the academic syllabus, particularly in preparation for the public exams. Provision for more practical subjects such as Art, drama and science practicals proved more challenging but not insurmountable. Unfortunately, co-curricular activities, and annual, traditional events together with inter-school sports fixtures which were cancelled during the lockdown, consequently the broader educational experience during this period was greatly diminished.

Following the decision to cancel the public exams and replace them with in-school assessments, the school went to great lengths to ensure that assessments were consistent with previous years' results to ensure that pupils were not disadvantaged. The school implemented a rigorous review process along with ensuring that all pupils completed the full syllabus and were tested on it. In-house moderation was ensured through benchmarking against predicted grades to ensure the final grades were consistent with normal, undisrupted years' performances.

The CCB roadmap out of Covid-19 shows clear intent for trips to re-start at the start of the academic year 2021/2. Day visits such as theatre trips will re-start in September 2021, with a view to domestic residential trips, for example London with St Nicholas' House later in the year. Overseas trip for 2021/22 continue to be cancelled, notably the December ski trip and the Japan Exchange. Summer term 2022 may see our first foray overseas for two years, with the Sixth Form Geography trip to Chamonix and the year 10 trip to the battlefields currently under review. Fixtures, plays and music performance will re-open to parents and pupils from September 2021. Chapel will re-start in November 2021. Gap-year students from abroad were not able to travel to CCB with their re-start date being April 2022 after a two-year absence. This gap has been filled by a succession of OB's and Sports Grads together with a South African student.

The re-shaping of the week and the new Saturday programme will enhance the second curriculum still further. More than 20 activities, as well as sports fixtures and 'Spirit Days' will be offered to pupils on a Saturday morning, together with a tutorial period. This new look to Saturdays has been designed to provide activities for all pupils. Any unintended consequences of the new weekly programme, including the impact on music (the weekdays are busier with fewer 'gaps' that music used to utilise) will continue to be monitored; there is scope for tweaks.

The Society of Friends of Christ College continued to raise funds for the school although what was possible was limited due to the social distancing guidelines from March 2020 onwards.

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Former pupils are members of the Old Breconian Association. The Association continues to have a warm and fruitful relationship with the College.

Operational performance of Christ College Holiday Activities Limited

The Covid-19 pandemic continued to have a detrimental impact on Christ College Holiday Activity income generation although the situation did improve compared to 2020. Limited outdoor hire of facilities was possible from the beginning of 2021, however the hire of facilities for indoor events was not permitted due to ongoing restrictions.

The summer holiday period, which is the time of greatest income generation for CCHA, did see the return of several large residential groups, a number of new groups and also the start of some new initiatives. Occupancy overall was at approximately 50% capacity primarily due to restrictions. Overall an income of £14, 575 was achieved.

Investment performance against objectives

During 2020/21, the value of the funds held in investments increased from £2,843,455 to £3,610,626. In line with world stock markets, the funds fell sharply as a consequence of the first lockdown in March 2020 and recovered to their former valuations during 2020-21. The investment fund attracted realised gains and unrealised gains of £50,393 and £693,283 respectively.

OPERATIONAL IMPACT OF COVID-19 PANDEMIC

Operational impact on staff, volunteers and beneficiaries

The outbreak of the pandemic affected staff in several ways. In the early stages, during the first lockdown, most staff who provided manual services, such as domestics and grounds staff, were suspended from work under the government-funded furlough scheme. Whilst this measure did not have any long-term impact on members of staff the act of suspending (or furloughing) employees from work under the terms of the Job Protection Scheme inevitably caused anxiety amongst some. As mentioned previously, the pupils as beneficiaries received a less fulfilling and well-rounded educational experience. Being able to attend the school physically is essential for any pupil who wishes to enjoy and experience the full benefits of the well-rounded education offered by Christ College. Whilst offering academic study remotely cannot replicate the experience in person, the comprehensive curriculum delivery and full timetable offered in the senior school meant that the gap between the two in terms of academic outcomes was as narrow as it was possible to achieve.

Implications for operations and activities for the coming year

We are reassured that the government has promised there will be no further disruptive lockdowns. However, controlling and curbing the virus is proving to be far more protracted than expected. We do not believe that this will ultimately inhibit our operations and capacity to trade, but it will delay and hamper our desire to return to the full and unrestricted operating environment that we enjoyed prior to the pandemic.

Operational performance of 1541 Limited

1541 Ltd was established primarily to facilitate cooperation with a partner school, King Henry VIII, Malaysia. During the course of 2018-19 the sister school in Cyberjaya opened its doors for business amidst healthy interest from local Malaysian and overseas pupils, particularly from China.

The strict and protracted lockdown in Malaysia now runs into its second year which has affected the full operation of the school and affected recruitment. No royalty of management fee payments due from the owners of King Henry VIII school were made at all during 2020-21. At the 1541 AGM in October 2021, 1541 reported a profit of £7,123 and provided for a bad debt of £150k which relates to the annual 12 year aggregated payments in the £1.8m overall debt. 1541 are working very closely with BSSB to manage this situation.

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Fundraising performance

Income for 2021 amounted to £40,520 (2020: £140,102). The College continued to benefit enormously from the support of the Society of Friends of Christ College Brecon and the Old Breconian Association. This support is invaluable and the College is very grateful to both groups. A new community-based fundraising CRM system is in place and this should be a significant asset to boost fundraising

Fundraising in the period has been severely hampered by the cancelling of a number of OB and other fundraising events due to Covid-19 and also the restrictions placed on meeting potential donors face to face. Fundraising income was £40,520.

Prior to the outbreak of the pandemic the school had embarked on a strategy of increasing its fundraising to expand the bursary and scholarship funds to further meet its charitable objects and to fund a much-needed restoration of the iconic pavilion. Whilst it is regretted that pursuing these objectives had to be suspended during the pandemic they are secondary to our core educational activities.

The impact of the pandemic has hastened the launch of a new online community-based fundraising CRM system is in place and this should be a significant asset to boost fundraising

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Group Results:

	2021	2020	2018	2017	2016
	£'000	£'000	£'000	£'000	£'000
Income	7,114	7,593	8,419	8,013	7,827
Expenditure (excluding depreciation)	5,811	6,228	7,014	6,507	6,568

In the year, the group's net income over expenditure before investments gains amounted to £557,924 (2020: £823,941) and a net increase in funds of £1,301,600 (2020: £685,431). Net assets increased to £15,325,694 (2020: £14,024,094). Depreciation of £541,488 (2020: £541,275) has been charged in respect of fixed assets.

This is in line with the group's depreciation policy. These assets were also maintained to a high standard with repairs and maintenance costs also being expensed in the Statement of Financial Activities.

Pupil numbers fell compared to last year in what has been a challenging trading environment dominated by the impact of the Covid-19 pandemic. The onset of the pandemic in March 2020 continued into the financial year 2020-21 with counter-pandemic measures significantly inhibiting all academic and co-curricular activities. This in turn suppressed expenditure. Generous government support through the pandemic, such as payments from the furlough scheme, bolstered the school's income and helped to compensate for lost ancillary income due to the cancellation of our traditional summer lets programme.

The suppressed expenditure which resulted from the cessation of co-curricular activities, particularly sports fixtures and trips, one off pandemic support from the government and recovery of the stock market were all unique events resulting from the first wave-impact of the pandemic and will not be repeated. The somewhat flattering results therefore do not reflect the longer-term recruitment challenges and the risks to both expenditure and income as the activity restrictions are withdrawn and government assistance ceases. At the time of writing restrictions were still imposed on international travel which was impacting upon international student recruitment. Notwithstanding this uncertainty, there is nothing in the current levels of business to suggest that the school is not a going concern. The uncertain operating environment does mean that ongoing financial discipline as successfully exercised to date will remain an imperative. During the year the Governors supported expenditure on capital improvements to the College totalling £176,865 (2020: £193,793).

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During the periods of mandatory lockdown, the length of time that they would remain in place was not known or estimated. The school employed all steps possible to minimise expenditure and retain income. Adverse financial consequences would have been significant had the lockdown extended beyond the end of the academic year as this would have had a deleterious impact upon our ability to recruit both domestic and overseas pupils.

Our short-term response to such a prospect was to maximise liquidity. Fortunately, the lockdown ended at the end of the spring term and the school was able to re-open. Although recruitment, particularly from overseas, has been affected, it has not been anything approaching our worst-case scenario and our bolstering of reserves over the last year will allow us to meet the challenge of uncertain times as we recover from the impact of the world-wide pandemic.

Christ College Holiday Activities Limited contributed £nil (2020: £ nil) and 1541 Limited contributed £nil (2020: £ nil) to the operations of the College. Details of the subsidiaries performance are included in note 15 to the financial statements. As already mentioned both subsidiaries operations were adversely affected by the Covid-19 pandemic and the expectation is that both will be able to contribute to the school's running costs once the crisis has passed.

During the first lockdown pension providers such as the Teachers' Pension Scheme (TPS) did offer the facility to suspend pension contributions in order to assist with cash flow management. The school decided not to pursue this option and so the loss of potential benefits to members from such a course of action were avoided.

Apart from the Covid-19 pandemic there are no events which have significantly impacted upon the finances of Christ College.

Reserves policy

Total unrestricted, restricted and endowment funds of the group amounted to £15,325,694 (2020: £14,024,094) at the year-end. Governors have resolved to hold higher levels of cash or near cash than normal due to the Covid-19 pandemic.

The Governors require sufficient reserves to ensure that the College can pay its short term creditors and meet the operating costs of the business for at least two months. Over the last few years the Governors have built up its reserves to underpin development of the school's facilities in lieu of further borrowing.

At 31 August 2021, the group has "free reserves" of £2,318,719 (2020: £1,068,842) and the college has "free reserves" of £2,353,923 (2020: £1,125,742). The significant improvement is due to early debt repayment of £1m and ongoing additions to funds. Free reserves are defined as unrestricted investments plus unrestricted net current assets less unrestricted long-term liabilities, as shown in note 25. The Board of Governors feel due to the long-term loan liabilities being secured over the College's land, buildings and investment assets, as shown in note 20, does not fairly reflect the group's actual free reserves. When the loan liability is excluded the group's free reserves are £3,449,434 (2020: £3,064,436) and the College's free reserves are £3,484,638 (2020: £3,120,336).

The reserves policy focuses on the building of unrestricted reserves and having achieved a positive free reserves position to continue to bolster them.

The group's unrestricted net current assets, as shown in note 25, amount to £1,873,417 (2020: £1,837,954). The Governors consider this level of reserves to be reasonable given that fees for the new academic year are received within a few days of the financial year end. Reserves are considered to be available and adequate to fulfil the obligations of the College.

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Covid-19 impact on reserves

During the lockdown governors resolved to optimise liquidity as far as possible. The government has determined that there will be no further lockdowns and so further significant and long-term disruption is avoided. As such any short-term need to stockpile cash has been averted. The governors are mindful that there remains a remote possibility of another lockdown or the need to be prepared for a similar, future existential crisis. However, the policy of building up reserves to fund future projects and reduce borrowing means that the college is in an excellent position to meet its future commitments.

Investment policy

The Governors intend that the real value of the investment assets be maintained or enhanced over the long term by investment in a portfolio consisting of equities, fixed income stocks, property and cash. A reasonable level of income is required and a medium level of risk accepted. In order to meet these objectives, the Governors employ Brewin Dolphin Securities Limited as their agent to give advice on a diversified portfolio of suitable investments.

Investment powers

The Governors have the powers to invest in any area in accordance with the 1960 Scheme Clause 60.

PLANS FOR FUTURE PERIODS

The School continues to look to develop its academic offering to best meet the future needs of its pupils. It is also looking to become a leading school in Character education to build upon the successful launch of the 1 week 'Beacons course' designed to develop confidence, resilience and self-belief through the completion of a challenging week of activities in the Brecon Beacons National Park, combined with a positive education programme. Coupled with its Curriculum for Life programme, Christ College is establishing itself as a leading UK provider of a cohesive, well rounded education for all of its pupils.

Governors have resolved not to borrow further funds. However, significant funds, internally generated, have been set aside to complete an ambitious estates improvement programme. Christ College's intention to remain a centre for excellence for hockey is exemplified through the commitment to fully replace its all-weather facility in 2022. An ongoing rolling programme to refurbish a boarding house each summer has now been established. We also look to develop English as an Additional Language school for pupils whose English is not yet at the level required to join mainstream education.

Covid-19 impact on future plans

The Covid-19 pandemic and its after effects have impacted on global activity for much longer than initially expected. We now expect that control measures and precautions will remain in effect for some considerable time into the future although the impact will increasingly be one of limiting activity rather than preventing it as in the past. Whilst we expect the pandemic to curb our future aims we do not expect them to require a fundamental reappraisal.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Christ College Brecon is a registered charity. It was originally founded by King Henry VIII by Royal Charter dated 19 January 1541 although the current-day school was established by an Act of Parliament in 1855 and was subsequently regulated by a Scheme made under the Endowed Schools Acts on 28 June 1880, as altered and amended by Schemes of 23 November 1906 and 23 August 1921.

Christ College Brecon is now regulated by a Scheme made by the Minister of Education under the Charitable Trusts Acts 1853-1925, sealed on 26 September 1960, and varied by Schemes of the Charity Commissioners of the 27 September 1977, the 7 December 1984, the 7 March 1995, the 27 September 1996 and the 21 September 2015.

Governing document (continued)

The College's legal status is as an unincorporated association as defined by the Charities Act 2011.

Governing bodies

Christ College Brecon is managed by a Board of Governors being as such a body corporate, the details of which are explained on page 9.

Recruitment and training of Governors

The Board of Governors shall consist, at maximum, of 25 competent persons being:

- 3 Ex-Officio Governors;
- 2 Nominative Governors; and
- 20 Co-optative Governors.

The Ex-Officio Governors shall be:

- The Lord Bishop of Swansea and Brecon;
- The Lord Lieutenant of the County of Powys; and
- The Archdeacon of Brecon.

The Nominative Governors shall be appointed as follows:

- One by the Old Breconian Association; and
- One by the Society of Friends of Christ College Brecon.

The Co-optative Governors are entitled to hold office for five years and nominative governors for four.

Methods used to recruit and appoint new Governors

- Ex-officio Governors are appointed by virtue of their office.
- Nominative Governors are appointed by the constituent organisations.
- Recommendations for Co-optative Governors are made to the Governance Committee who consider the qualifications, expertise and skills of the proposed Governor based upon a skills matrix. Co-optative Governors are formally appointed by the full Board of Governors upon recommendation of the Governance Committee.

Newly appointed Governors are inducted by the Chair and Clerk into the workings of the Board, its policies and aims. Seminars are arranged both through Association of Governing Bodies of Independent Schools and independently.

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Charity Governance Code of Practice

The Governors of Christ College have resolved to comply with the Charity Commission's code of practice for good governance. There are seven principles which are considered to be necessary to qualify as a well governed charity. The Governors have assessed the school against each of these:

1. Organisational purpose
2. Leadership
3. Integrity
4. Decision making, risk and control
5. Board effectiveness
6. Diversity
7. Openness and accountability

Following this assessment, the Governors concluded that the school was broadly compliant with the principles. The ethos of the code of practice is to promote continual improvement and to that end the Governing Body highlighted areas for further improvement.

Organisational management

Under the authority of the 1960 Scheme, the Head has under his control most aspects of the internal organisation, management and discipline of the College. The Head liaises closely with the Governors, and has a senior management team to whom he delegates day to day functions. The latter consisted during the reporting year of a Bursar, Deputy Head (Academic) and Deputy Head (Pastoral).

Management of finance and estates and strategic planning were very largely delegated to the Finance and Infrastructure Committee of the Board of Governors. There were two further Board sub-committees: Strategy, Marketing & Development Committee and Education & Community Committee, both of which had Senior Management attendance. In addition, a Governor sat on the Health and Safety Committee; a Governor had designated responsibility for safeguarding and child protection. There were also panels of Governors to consider appeals, discipline, grievances and complaints.

Group structure and relationships

The College has two wholly owned non-charitable subsidiaries. Christ College Holiday Activities Limited offers courses and holiday lettings, and operates a school shop, to generate additional income. 1541 Limited is a company set up to collaborate in the operation in schools overseas for commercial gain.

Governing Body Committees

The governing body operates through committees who report to the main board. The committees are:

- Education and Community;
- Finance and Infrastructure;
- Strategy, Marketing and Development;
- Governance
- Foundation

All governors would be required to serve on at least one committee.

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Risk management

The Governors regularly examine the principal areas of the College's operations and consider the major risks faced in each of these areas. These include buildings, the security of staff, pupils and visitors, significant loss of income and financial mismanagement, the reputation of the College and possible adverse effects of external factors such as changes in government policy. In their opinion, the College has established resources and review systems which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day-to-day operations.

The risks identified were in line with the previous year with the expectation being that the pandemic and its impact would be spent by the end of the previous academic year, primarily driven by the success of the vaccination programme. The dynamism of the Covid-19 virus was largely unforeseen, particularly the higher contagion rates of the Covid-19 variants which emerged during 2020-21 and continue to be a dominating factor well into 2021-22. Although unforeseen the non-political risks identified remain relevant although all risks during the financial year were managed in the context of the pandemic impact.

Key risks and mitigating actions identified by the Governors were:

1. Failure to respond to the changing market.

The pandemic affected the world's economy and had significant, destabilising affects for many sectors, particularly international trade, tourism and hospitality. The College needed to respond to a sharp change in the market and deal with uncertainty in knowing how long the disruption would last. The risk this presented to the stability of our pupil base was managed by setting up emergency committees and working groups able to make prompt decisions to adapt to the rapidly changing operating pandemic environment.

2. Failure to respond to political hostility to independent schools

This risk was effectively put on hold whilst normal political activity all but ceased as focus was almost exclusively devoted to the pandemic.

3. Failure to achieve planned recruitment totals

This was managed through the school's marketing and admissions department, strategic planning and competitive fee pricing. Throughout the year, and in tandem with risk 1, above, our focus during the pandemic was on retaining pupils through the provision of hardship support.

4. Failure to manage and monitor the financial viability of the College

This was managed through the Finance and Infrastructure Committee who receive regular reports. As the pandemic took hold and it became evident that it would remain a destabilising factor for some time the school sought to optimise all support on offer from governments, local councils, suppliers and HMRC to manage its cashflows through the period of uncertainty.

Arrangements for pay and remuneration of key management personnel

A sub-committee delegated by the board of governors sets key management personnel pay. The sub-committee reviews pay each year and will consider remuneration against current market rates.

Impact of the covid-19 related control measures

For the foreseeable future we do not see the control measures restricting or curtailing our core activities, however we do anticipate that they will inhibit our secondary remit, particularly in relation to community engagement and sharing of resources.

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REFERENCE AND ADMINISTRATIVE DETAILS

Charity name	Christ College Brecon
Registration number	525744
Principal address	Christ College Brecon Powys LD3 8AF

Governors

Christ College Brecon is managed by a Board of Governors being as such a body corporate.

The Governors who served during the year were as follows:-

The Most Reverend John D E Davies (Lord Bishop of Swansea and Brecon & Archbishop of Wales) – *resigned 20th March 2021*

The Venerable Alan Jevons (Archdeacon of Brecon) 4 5(c)

Mrs Julia Cherrett *(c) 2 6 7 8

Professor Michael Davies 5 (Chair of Governors and member of all governor committees)

Ms Kate Dobbs*

Mr David James * 7

Judge Milwyn Jarman QC 1, 8

Mrs Nicola Maughan (Deputy Chair of Governors)* 1(c),5,

Mr Charles Minogue 5

Mrs Helen Molyneux – *resigned 26th June 2021*

Sir E Paul Silk KCB 5

Mrs Megan Watkins* 1

Mr Adrian J Whittall * 3 6 7 – *resigned 5th December 2020*

Ms Susie Wildee 5 1

Mrs Lesley Perry 5

Mr David C Price 8

Ms Louise E Davies*

Mr Mark Rhydderch-Roberts* 3 – *appointed 1st September 2020*

* Denotes member of the Finance and Infrastructure Committee

1 Denotes member of the Governance Committee

2 Denotes member of the Health and Safety Committee

3 Denotes member of Foundation Committee

4 Denotes designated Governor for Child Protection

5 Denotes member of Education and Community Committee

6 Denotes member of Salary Committee

7 Denotes member of Concessions Committee

8 Denotes member of the Strategy, Marketing and Development Committee

(c) Denotes committee chair

Key Management Personnel

Mr G D Pearson – Head

Mr J D Bush – Deputy Head - Academic

Mr S Hill – Deputy Head Pastoral

Mr M N Allen – Bursar and Clerk to Governors

**CHRIST COLLEGE BRECON
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2021**

Bankers	Lloyds Bank plc Beaumont House Phoenix Way Swansea Enterprise Park Swansea SA7 9DL
Solicitors	Redkite 48 Free Street Brecon LD3 7BN
Insurance brokers	Creative Risk Solutions Pod 1 Capital Shopping Park Leckwith Road Cardiff CF11 8EG
Auditors	Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB
Investment advisors	Brewin Dolphin Securities Limited 2 nd Floor 5 Callaghan Square Cardiff CF10 5BT

**CHRIST COLLEGE BRECON
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2021**

RESPONSIBILITIES OF THE GOVERNORS

The trustees are responsible for preparing the Governors' Report and the financial statements in accordance with 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).

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

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

The governors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the governors are aware:

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

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

By Order of the Board

Michael CR Davies

**Professor Michael Davies
(Governor)**

Date: 04/12/2021

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF CHRIST COLLEGE BRECON
FOR THE YEAR ENDED 31 AUGUST 2021**

Opinion

We have audited the financial statements of Christ College Brecon (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31st August 2021 which comprise the consolidated and parent Statement of Financial Activities, the consolidated and parent Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements 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 parent charity's affairs as at 31st August 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 group's or parent charity'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

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF CHRIST COLLEGE BRECON
YEAR ENDED 31 AUGUST 2021**

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's 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 trustees

As explained more fully in the trustees' responsibilities statement set out on page 12 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and 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 group or the parent 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 regulations made under section 154 of that Act.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: [h https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx](https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx). 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 design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF CHRIST COLLEGE BRECON
YEAR ENDED 31 AUGUST 2021**

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.



Azets Audit Services
Accountants & Statutory Auditors
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
CF23 8AB

Date: 09/12/2021

Azets Audit Services is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CHRIST COLLEGE BRECON
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and legacies	3	6,115	34,405	-	40,520	140,102
Charitable activities	4	6,638,535	-	-	6,638,535	7,100,039
Other trading activities	5	89,681	-	-	89,681	85,847
Christ College Holiday Activities Limited	15	112,687	-	-	112,687	21,148
1541 Limited	15	163,043	-	-	163,043	163,043
Investments	6	28,534	16,415	12,306	57,255	71,269
Other income	7	12,476	-	-	12,476	11,286
Total income and endowments		7,051,071	50,820	12,306	7,114,197	7,592,734
Expenditure on:						
Charitable activities	8	6,331,305	9,575	12,306	6,353,186	6,613,802
Christ College Holiday Activities Limited	15	47,166	-	-	47,166	3,762
1541 Limited	15	155,921	-	-	155,921	151,229
Total expenditure		6,534,392	9,575	12,306	6,556,273	6,768,793
<i>Net gains/(losses) on investments</i>	14	<u>366,095</u>	<u>215,100</u>	<u>162,481</u>	<u>743,676</u>	<u>(138,510)</u>
Net movement in funds		882,774	256,345	162,481	1,301,600	685,431
Reconciliation of Funds						
	22,					
Total funds brought forward	23,24	<u>12,494,962</u>	<u>889,186</u>	<u>639,946</u>	<u>14,024,094</u>	<u>13,338,663</u>
Total funds carried forward	25	<u>13,377,736</u>	<u>1,145,531</u>	<u>802,427</u>	<u>15,325,694</u>	<u>14,024,094</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.
All incoming resources expended derive from continuing activities

The notes on pages 23 to 56 form part of the financial statements

CHRIST COLLEGE BRECON
STATEMENT OF FINANCIAL ACTIVITIES - COLLEGE
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and legacies	3	6,115	34,405	-	40,520	140,102
Charitable activities	4	6,638,535	-	-	6,638,535	7,100,039
Other trading activities	5	89,681	-	-	89,681	97,847
Investments	6	28,534	16,415	12,306	57,255	71,269
Other income	7	12,476	-	-	12,476	11,286
Total income and endowments		6,775,341	50,820	12,306	6,838,467	7,420,543
Expenditure on:						
Charitable activities	8	6,280,358	9,575	12,306	6,302,239	6,537,129
Total expenditure		6,280,358	9,575	12,306	6,302,239	6,537,129
<i>Net gains/(losses) on investments</i>	14	<u>366,095</u>	<u>215,100</u>	<u>162,481</u>	<u>743,676</u>	<u>(138,510)</u>
Net movement in funds		861,078	256,345	162,481	1,279,904	744,904
Reconciliation of Funds						
Total funds brought forward	22, 23,24	<u>12,551,862</u>	<u>889,186</u>	<u>639,946</u>	<u>14,080,994</u>	<u>13,336,090</u>
Total funds carried forward	25	<u>13,412,940</u>	<u>1,145,531</u>	<u>802,427</u>	<u>15,360,898</u>	<u>14,080,994</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.
All incoming resources expended derive from continuing activities

The notes on pages 23 to 56 form part of the financial statements

**CHRIST COLLEGE BRECON
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2021**

		2021		2020	
	Note	£	£	£	£
Fixed assets:					
Tangible assets	13		11,059,017		11,426,120
Investments	14		<u>3,610,626</u>		<u>2,843,455</u>
			14,669,643		14,269,575
Current assets:					
Stocks	16	10,520		13,666	
Debtors	17	135,510		1,379,035	
Cash at bank and in hand	18	<u>3,134,392</u>		<u>3,407,418</u>	
		3,280,422		4,800,119	
Liabilities:					
Creditors: Amounts falling due within one year	19	<u>(1,406,392)</u>		<u>(2,961,552)</u>	
Net current assets			1,874,030		1,838,567
Total assets less current liabilities			<u>16,543,673</u>		<u>16,108,142</u>
Creditors: Amounts falling due after more than one year	20		<u>(1,217,979)</u>		<u>(2,084,048)</u>
Total net assets	25		<u>15,325,694</u>		<u>14,024,094</u>
The funds of the group:					
Endowment funds	22		802,427		639,946
Restricted income funds	23		1,145,531		889,186
Unrestricted funds	24		<u>13,377,736</u>		<u>12,494,962</u>
Total charity funds	25		<u>15,325,694</u>		<u>14,024,094</u>

These financial statements were approved by the Board of Governors on4th December 2021

Michael CR Davies

**Professor Michael Davies
Trustee**

The notes on pages 23 to 56 form part of the financial statements

**CHRIST COLLEGE BRECON
BALANCE SHEET - COLLEGE
AS AT 31 AUGUST 2021**

	Note	£	2021	£	£	2020	£
Fixed assets:							
Tangible assets	13			11,059,017		11,426,120	
Investments	14			<u>3,611,627</u>		<u>2,844,456</u>	
				14,670,644		14,270,576	
Current assets:							
Debtors	17		193,144		1,434,350		
Cash at bank and in hand	18		<u>3,106,224</u>		<u>3,399,548</u>		
			3,299,368		4,833,898		
Liabilities:							
Creditors: Amounts falling due within one year	19		<u>(1,391,135)</u>		<u>(2,939,432)</u>		
Net current assets				1,908,233		1,894,466	
Total assets less current liabilities				<u>16,578,877</u>		<u>16,165,042</u>	
Creditors: Amounts falling due after more than one year	20			<u>(1,217,979)</u>		<u>(2,084,048)</u>	
Total net assets	25			<u>15,360,898</u>		<u>14,080,994</u>	
The funds of the charity:							
Endowment funds	22			802,427		639,946	
Restricted income funds	23			1,145,531		889,1876	
Unrestricted funds	24			<u>13,412,940</u>		<u>12,551,862</u>	
Total charity funds	25			<u>15,360,898</u>		<u>14,080,994</u>	

These financial statements were approved by the Board of Governors on4th December 2021

Michael CR Davies

**Professor Michael Davies
Trustee**

The notes on pages 23 to 56 form part of the financial statements

CHRIST COLLEGE BRECON
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Net cash provided by operating activities	31	<u>755,951</u>	<u>1,169,436</u>
<i>Cash flows from investing activities:</i>			
Dividends, interest and rents from investments	6	57,255	71,269
Purchase of property plant and equipment	13	(176,865)	(193,793)
Proceeds from sale of investments		354,338	753,658
Purchase of investments	14	<u>(377,833)</u>	<u>(817,106)</u>
Net cash used in investing activities		<u>(143,105)</u>	<u>(185,972)</u>
<i>Cash flows from financing activities:</i>			
Repayments of borrowing		<u>(885,872)</u>	<u>(96,370)</u>
Net cash used in financing activities		<u>(885,872)</u>	<u>(96,370)</u>
Change in cash and cash equivalents in the reporting period		(273,026)	887,094
Cash and cash equivalents at the beginning of the reporting period		3,407,418	2,520,324
Cash and cash equivalents at the end of the reporting period	31	<u>3,134,392</u>	<u>3,407,418</u>

The notes on pages 23 to 56 form part of the financial statements

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of Preparation

The financial statements have been prepared in accordance with the charity's governing document, and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The accounts (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 preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Christ College Brecon meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value except that:

- a) tangible fixed assets are stated at their valuation on 1 September 1986, and additions since that date are stated at cost.
- b) Investments held at fair value through the statement of financial activity.

Rounding

Figures contained in the financial statements have been rounded to the nearest pound.

Cash Flow

No separate cash flow statement has been presented for Christ College Brecon itself as the College has taken advantage of the exemptions in paragraph 1.12 of FRS 102.

Presentation of the accounts on a going concern basis

The group reported a net unrestricted inflow of £516,679 (2020: £780,450) before transfers and losses on investments for the year. These accounts have been prepared on a going concern basis, the Group has net current assets of £1,874,030 (2020: £1,838,567). Forecasts prepared take into account timings of the receipts of fees and as such the Governors consider the going concern basis is the most appropriate basis as a result of projections prepared which indicate the College will be able to operate within the facilities currently available.

This college is monitoring results on a frequent basis. The governors are of the view that that on this basis the college is a going concern and there are no material uncertainties about the college's ability to continue as a going concern.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

Group Financial Statements

The financial statements consolidate the results of the charity and its wholly owned subsidiaries Christ College Holiday Activities Limited and 1541 Limited on a line-by-line basis.

Taxation

As a registered charity, Christ College Brecon is entitled to the exemption from taxation in respect of income and capital gains received with sections 521-536 of the Income Tax Act 2007 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

Foreign Currency

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

Recognition of income

These are included in the Statement of Financial Activities (SoFA) when:

- The charity or its subsidiary have entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity or its subsidiary;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Grants and donations

Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP). Donations received for the general purposes of the College are credited to "other unrestricted funds", to distinguish them from direct College income. Donations subject to specific wishes of the donors are carried to relevant restricted funds, or to endowed funds where the amount is required to be held as permanent capital.

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Income is accrued when the Gift Aid payment is payable to the parent charity under a legal obligation.

Legacies

Legacies are included in the SOFA when receipt is probable, that is, when there has been grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

Income from interest and dividends

This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

Investment gains and losses

This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year. All gains and losses are taken to the Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting scholarships, bursaries and remissions allowed by the College, but include contributions received from Scholarship funds and other trusts.

Expenditure Recognition and Irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

The charity has incurred expenditure on support costs.

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs are allocated in accordance with the actual costs incurred and, where costs are shared between different expenditure groupings, at the Governors' best apportionment.

The charity recognises termination benefits as a liability and an expense only when the entity is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets for use by charity

All College buildings and equipment were valued at 1 September 1986. In accordance with the transitional arrangements of Financial Reporting Standard 102, these valuations have not been updated. Additions since that date are stated at cost. The threshold for capitalising equipment, fixtures and fittings is now £500. In the past all items with an expected useful life of more than one year were capitalised. The College is responsible for keeping the buildings in a fit and useful condition and these costs are written off as incurred.

Depreciation is provided on the straight-line method over the expected useful life of each category of tangible fixed assets, as follows:-

	Additions from 1 September 2000	Additions up to 31 August 2000
Freehold land and buildings	Over 15-30 years	Over 50 years
Furniture and equipment	Over 1-10 years	Over 5-20 years
Motor vehicles	Over 5 years	Over 5 years
Other leased assets	Over the term of the lease	Over the term of the lease
All weather pitch	Over 10-50 years	-

Investments

Fixed asset investments in quoted shares, traded bonds and similar investments are valued at initially at cost and subsequently at fair value (their market value) at the year end. The same treatment is applied to unlisted investments unless fair value cannot be measured reliably in which case it is measured at cost less impairment.

Stocks and work in progress

Stocks held for sale as part of non-charitable trade are measured at the lower of cost or net realisable value. Stocks of goods for resale by Christ College Holiday Activities Limited are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Financial instruments

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

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

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

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

Basic financial assets

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Hire purchase and finance leases

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

Deferred income

Fees paid in advance are included in creditors and released the Statement of Financial Activities as they fall due.

Funds

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations and grants which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Pension schemes

The charity operates a defined contribution pension scheme for certain members of staff. The assets of the scheme are held separately from those of the charity. The contributions are charged to the income and expenditure account and allocated between unrestricted and restricted funds where applicable.

The regular cost of providing retirement pensions and related benefits is charged to the statement of financial activities over the employees' service lives on the basis of a constant percentage of earnings. Any difference between the charge to the statement of financial activities and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

The College also contributes to the Teachers' Pension Scheme (a defined benefit scheme operated by the Department of Education and Skills), at rates set by the Scheme Actuary and advised to the College by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	Endowment funds	Total 2021	Total 2020
Group and College	£	£	£	£	£
Donations and gifts	6,115	34,405	-	40,520	73,192
Legacies	-	-	-	-	66,910
	<u>6,115</u>	<u>34,405</u>	<u>-</u>	<u>40,520</u>	<u>140,102</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Endowment funds	Total 2021	Total 2020
Group and College	£	£	£	£	£
Fees and other fees receivable	6,391,782	-	-	6,391,782	6,633,278
Grant income	210,077	-	-	210,077	302,053
School trip income	10,985	-	-	10,985	150,303
Registration fees	18,718	-	-	18,718	10,552
Examination fees	4,389	-	-	4,389	-
Insurance commissions	2,584	-	-	2,584	3,853
	<u>6,638,535</u>	<u>-</u>	<u>-</u>	<u>6,638,535</u>	<u>7,100,039</u>

Fees receivable:

	2021 £	2020 £
Gross fees	8,059,464	8,323,101
Less: total scholarships, bursaries and remissions	(1,671,281)	(1,693,501)
Add back: scholarships, prizes, etc. paid for by restricted funds, scholarships paid for by outside trusts	3,599	3,678
	<u>6,391,782</u>	<u>6,633,278</u>

The total scholarships, prizes, etc. paid for by trust funds consist of:

	2021 £	2020 £
Scholarships, etc.	3,549	3,678
Prizes	50	-
	<u>3,599</u>	<u>3,678</u>

The above educational awards were made to 204 individuals (2020: 185).

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. INCOME FROM CHARITABLE ACTIVITIES (continued)

Gross fees receivable may be analysed by the following:

	2021 £	2020 £
Boarders	4,566,329	4,647,200
Flexible boarders	-	949,203
Day pupils	3,345,688	2,599,253
Music and drama tuition	50,112	65,468
EAL income	19,454	21,700
Other fee income	30,870	26,377
Pupil hosting scheme	47,011	13,900
	<u>8,059,464</u>	<u>8,323,101</u>

Pupil numbers are calculated as the average number in each category over the school year:

	2021 No	2020 No
Boarders	165	166
Flexible boarders	-	44
Day pupils	<u>203</u>	<u>174</u>
	<u>368</u>	<u>384</u>

5. INCOME FROM OTHER TRADING ACTIVITIES

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
Rent	17,606	-	-	17,606	14,095
Wayleave	94	-	-	94	94
Minibus income	71,510	-	-	71,510	70,698
Milk subsidy	471	-	-	471	960
	<u>89,681</u>	<u>-</u>	<u>-</u>	<u>89,681</u>	<u>85,847</u>
College					
Malaysian project	-	-	-	-	12,000
Rent	17,606	-	-	17,606	14,095
Wayleave	94	-	-	94	94
Minibus income	71,510	-	-	71,510	70,698
Milk subsidy	471	-	-	471	960
	<u>89,681</u>	<u>-</u>	<u>-</u>	<u>89,681</u>	<u>97,847</u>

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. INCOME FROM INVESTMENTS

	Unrestricted funds	Restricted funds	Endowment funds	Total 2021	Total 2020
Group and College	£	£	£	£	£
Interest income	536	-	-	536	6,272
Dividend income	<u>27,998</u>	<u>16,415</u>	<u>12,306</u>	<u>56,719</u>	<u>64,997</u>
	<u>28,534</u>	<u>16,415</u>	<u>12,306</u>	<u>57,255</u>	<u>71,269</u>

7. INCOME FROM OTHER SOURCES

	Unrestricted funds	Restricted funds	Endowment funds	Total 2021	Total 2020
Group and College	£	£	£	£	£
Sundry income	<u>12,476</u>	<u>-</u>	<u>-</u>	<u>12,476</u>	<u>11,286</u>
	<u>12,476</u>	<u>-</u>	<u>-</u>	<u>12,476</u>	<u>11,286</u>

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. EXPENDITURE ON CHARITABLE ACTIVITIES

Group	Staff costs	Other	Depreciation	Total	Total
	£	£	£	2021	2020
				£	£
Teaching costs	2,363,206	468,806	53,107	2,885,119	3,234,308
School trip expenditure	-	3,295	-	3,295	156,796
Welfare	242,569	552,504	11,455	806,528	656,882
Premises	581,983	745,974	456,100	1,784,057	2,227,255
Admin	495,871	277,155	20,826	793,852	252,092
Financing and other costs	-	57,405	-	57,405	69,458
Governance costs	-	22,930	-	22,930	17,011
	3,683,629	2,128,069	541,488	6,353,186	6,613,802

	2021	2020
	£	£
Other expenditure consists of:		
Group		
Advertising, marketing and publicity	121,621	113,711
Audit and accountancy fees	15,660	16,254
Bank interest, charges and fees	81,991	93,627
Catering costs	184,912	168,556
Cleaning and laundry	9,902	11,623
Commissions paid	67,659	85,857
Equipment hire	879	1,131
Staff expenses and travel	6,798	2,204
Functions	12,724	18,801
House supplies	12,658	11,751
Insurance	56,718	56,782
IT costs	86,233	128,581
Leadership	-	3,220
Legal and professional fees	59,304	139,415
Printing, postage and stationery	26,966	31,232
Prizes	2,575	2,627
Productions	11,788	9,859
Recruitment	27,463	15,322
Rent, rates, water and utilities	325,101	280,751
Repairs and maintenance	662,953	522,395
School travel	30,990	63,863
Subscriptions	21,589	19,874
School trip expenditure	3,295	156,796
Teaching and sports supplies	139,804	121,597
Telephone	27,460	25,869
Training	14,501	24,036
Transport	114,045	43,986
Loss on disposal of fixed assets	2,480	-
	2,128,069	2,169,720

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

College	Staff costs	Other	Depreciation	Total	
	£	£	£	2021	2020
				£	£
Teaching costs	2,363,206	468,806	53,107	2,885,119	3,234,308
School trip expenditure	-	3,295	-	3,295	156,796
Welfare	242,569	552,504	11,455	806,528	656,881
Premises	581,983	745,974	456,100	1,784,057	2,150,583
Admin	444,924	277,155	20,826	742,905	252,092
Financing and other costs	-	57,405	-	57,405	69,458
Governance costs	-	22,930	-	22,930	17,011
	<u>3,632,682</u>	<u>2,128,069</u>	<u>541,488</u>	<u>6,302,239</u>	<u>6,537,129</u>
				2021	2020
				£	£
Other expenditure consists of:					
College					
Advertising, marketing and publicity				121,621	113,711
Audit and accountancy fees				15,660	16,254
Bank interest, charges and fees				81,991	93,627
Catering costs				184,912	168,556
Cleaning and laundry				9,902	11,623
Commissions paid				67,659	85,857
Equipment hire				879	1,131
Staff expenses and travel				6,798	2,204
Functions				12,724	18,801
House supplies				12,658	11,751
Insurance				56,718	56,782
IT costs				86,233	128,581
Leadership				-	3,220
Legal and professional fees				59,304	139,415
Printing, postage and stationery				26,966	31,232
Prizes				2,575	2,627
Productions				11,788	9,859
Recruitment				27,463	15,322
Rent, rates, water and utilities				325,101	280,751
Repairs and maintenance				662,953	522,395
School travel				30,990	63,863
School trip expenditure				3,295	156,796
Subscriptions				21,589	19,874
Teaching and sports supplies				139,804	121,597
Telephone				27,460	25,869
Training				14,501	24,036
Transport				114,045	43,986
Loss on disposal of fixed assets				2,480	-
				<u>2,128,069</u>	<u>2,169,720</u>

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. AUDITORS REMUNERATION

Fees for examination of the accounts:

	Total 2021 £	Total 2020 £
Group		
Auditors fees	15,660	15,345
Other fees	<u>3,410</u>	<u>4,259</u>
College		
Auditors fees	12,250	11,995
Other fees	<u>3,410</u>	<u>4,259</u>

10. GOVERNANCE COSTS

Governance costs incurred during the year relate to:

	2021 £	2020 £
Group		
Legal and professional fees	7,270	757
Audit and accountancy fees	<u>19,070</u>	<u>19,604</u>
College		
Legal and professional fees	7,270	757
Audit and accountancy fees	<u>15,660</u>	<u>16,254</u>

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. ANALYSIS OF STAFF COSTS AND THE COST OF KEY MANAGEMENT PERSONNEL

Group and College	2021 £	2020 £
Wages and salaries	2,880,994	3,071,450
Social security costs	263,710	268,198
Pension costs - teaching	393,393	416,970
Pension costs – non-teaching	145,532	146,189
	<u>3,683,629</u>	<u>3,902,807</u>

Pension contributions were made to the Teachers' Pension Scheme for teaching staff and to a group personal pension scheme independently administered by the Jelf Group for non-teaching staff.

During the year the college made cash payments for redundancy and settlement arrangements totalling £15,500 (2020: £35,468).

There were no amounts outstanding in relation to the above at the balance sheet date.

Employees earning over £60,000:

The number of employees who received employee benefits for the reporting period of more than £60,000 were:

	2021 No	2020 No
£60,000 to £69,999	3	2
£70,000 to £79,999	1	-
£90,000 to £99,999	1	-
£110,000 to £119,999	-	1

Contributions totalling £57,734 (2020: £56,076) were made to the Teachers' Pension Scheme during the year, which is a defined benefit scheme for the above staff members, and contributions totalling £25,695 (2020: £29,279) were made to a defined contribution scheme.

The above emoluments include the residential emoluments.

Key management personnel

The total amount paid to key management personnel for their services to the college during the year totalled £436,055 (2020: £405,605).

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. STAFF NUMBERS

Group and College

The average monthly number of staff employed during the year was as follows:

	Total 2021 No	Total 2020 No
Teaching	49	57
Support	34	34
Estate	20	19
Domestics	<u>24</u>	<u>24</u>
	<u>127</u>	<u>134</u>

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

13. TANGIBLE FIXED ASSETS

Group and College	Freehold- land & buildings £	All Weather pitch £	Furniture & equip- ment £	Motor vehicles £	Other leased assets £	Assets under construction £	Total £
Cost							
At 1 September 2020	18,862,873	210,736	1,470,405	115,323	308,833	-	20,968,170
Additions	18,307	-	41,554	28,000	-	89,004	176,865
Disposals	-	-	-	-	(37,200)	-	(37,200)
At 31 August 2021	18,881,180	210,736	1,511,959	143,323	271,633	89,004	21,107,835
Depreciation							
At 1 September 2020	7,980,990	210,736	1,049,213	53,411	247,700	-	9,542,050
Disposals	-	-	-	-	(34,720)	-	(34,720)
Charge for year	384,508	-	110,302	21,055	25,623	-	541,488
At 31 August 2021	8,365,498	210,736	1,159,515	74,466	238,603	-	10,048,818
Net book value							
31 August 2021	10,515,682	-	352,444	68,857	33,030	89,004	11,059,017
31 August 2020	10,881,883	-	421,192	61,912	61,133	-	11,426,120

The college buildings and equipment were valued on 1 September 1986 by an independent valuer, due to the historical nature of the valuation no details are held on the book cost of the assets at this date.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. FIXED ASSET INVESTMENTS

	2021	2020
Group	£	£
Carrying (fair) value at beginning of period	2,843,455	2,918,518
Add: additions to investments during period	377,833	817,106
Less: disposals at carrying value	(401,152)	(741,057)
Add/ (deduct): net gain/ (loss) on revaluation	743,676	(138,510)
Dealing account	46,814	(12,602)
Carrying (fair) value at end of year	<u>3,610,626</u>	<u>2,843,455</u>
 College		
Carrying (fair) value at beginning of period	2,844,456	2,919,519
Add: additions to investments during period	377,833	817,106
Less: disposals at carrying value	(401,152)	(741,057)
Add/ (deduct): net gain/ (loss) on revaluation	743,676	(138,510)
Dealing account	46,815	(12,602)
Carrying (fair) value at end of year	<u>3,611,627</u>	<u>2,844,456</u>

Analysis of investments

	2021		2020	
	Fair value	Book cost	Fair value	Book cost
	£	£	£	£
Cash or cash equivalents	111,112	111,112	64,297	64,297
Listed investments	3,499,514	2,465,425	2,779,158	2,438,727
Investment in trading subsidiaries	1,001	1,001	1,001	1,001
	<u>3,611,627</u>	<u>2,577,538</u>	<u>2,844,455</u>	<u>2,504,025</u>

The investment portfolio is split between unrestricted, restricted and endowment funds. The ratios of the portfolio can be seen below:

	2021	2020
	%	%
Unrestricted	49	49
Endowment	22	22
Restricted	29	29
	<u>100</u>	<u>100</u>

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. TRADING SUBSIDIARIES

Christ College Holiday Activities Limited

The College owns 100% of Christ College Holiday Activities Limited, which gift aids its taxable profits to the College. This company lets the College premises during term-time and holiday periods and runs the College shop.

Christ College Holiday Activities Limited is a company registered in England and Wales, company number 02421643. The registered office of the company is C/O Azets, Ty Derw, Lime Tree Court, Cardiff Gate Business Park, Cardiff, United Kingdom, CF23 8AB.

Its trading results and balance sheet position, extracted from its audited accounts, were:-

	2021 £	2020 £
Profit and Loss Account		
Turnover	112,687	21,148
Recharges to Christ College Brecon	2,171	10,303
Expenditure	(47,166)	(3,762)
Recharges from Christ College Brecon	<u>(53,117)</u>	<u>(56,514)</u>
Profit for year	<u>14,575</u>	<u>(28,825)</u>
Statement of Changes in Equity		
Balance brought forward	(25,253)	3,572
Profit and total comprehensive income for the period	14,575	(28,825)
Distributions to parent charity under gift aid	-	-
Balance carried forward	<u>(10,678)</u>	<u>(25,253)</u>
Balance Sheet		
Current assets	42,365	19,563
Current liabilities	<u>(53,043)</u>	<u>(44,816)</u>
Capital and reserves	<u>(10,678)</u>	<u>(25,253)</u>

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. TRADING SUBSIDIARIES (continued)

1541 Ltd

The College owns 100% of 1541 Limited, which gift aids its taxable profits to the College. The college has signed with DBH Holdings of Malaysia to set up its first international school outside of the UK. The company receives reimbursements of any costs incurred in relation to the project and will receive advance profits for 3 years, and subsequently a share of the profits of the school.

1541 Limited is a company registered in England and Wales, company number 09917491. The registered office of the company is Christ College, Bridge Street, Brecon, Powys, LD3 8AF.

Its trading results and balance sheet position, extracted from its audited accounts, were:-

	2021 £	2020 £
Profit and Loss Account		
Turnover	163,043	163,043
Expenditure	(155,921)	(151,229)
Recharges to Christ College Brecon	-	(30,460)
Management charge from Christ College Brecon	-	(12,000)
(Loss)/profit for year	<u>7,123</u>	<u>(30,646)</u>
Statement of Changes in Equity		
Balance brought forward	(30,645)	1
Profit and total comprehensive income for the period	7,123	(30,646)
Distributions to parent charity under gift aid	-	-
Balance carried forward	<u>(23,522)</u>	<u>(30,645)</u>
Balance Sheet		
Fixed and current assets	750	2,940
Current liabilities	(24,272)	(33,585)
Capital and reserves	<u>(23,522)</u>	<u>(30,645)</u>

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. STOCKS

	2021	2020
Group	£	£
<i>Goods for resale:</i>		
Opening balance	13,666	18,684
Added in period	4,576	3,859
Expensed in period	<u>(7,722)</u>	<u>(8,877)</u>
Closing balance	<u>10,520</u>	<u>13,666</u>

17. DEBTORS

	Group		College	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	6,937	1,199,998	3,166	1,208,931
Prepayments and accrued income	127,920	179,037	127,920	169,980
VAT debtor	653	-	-	-
Balances due from group undertakings	<u>-</u>	<u>-</u>	<u>62,058</u>	<u>55,439</u>
	<u>135,510</u>	<u>1,379,035</u>	<u>193,144</u>	<u>1,434,350</u>

18. CASH AT BANK AND IN HAND

	Group		College	
	2021	2020	2021	2020
	£	£	£	£
Short term deposits	1,009,010	608,616	1,009,010	608,616
Cash at bank and on hand	<u>2,125,382</u>	<u>2,798,802</u>	<u>2,097,214</u>	<u>2,790,932</u>
	<u>3,134,392</u>	<u>3,407,418</u>	<u>3,106,224</u>	<u>3,399,548</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		College	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	44,509	72,128	44,509	72,128
Trade creditors	169,854	158,377	158,107	147,823
Accruals and deferred income	987,702	2,531,943	984,192	2,528,593
Taxation and social security	65,885	65,314	65,885	65,314
Other creditors	<u>138,442</u>	<u>133,790</u>	<u>138,442</u>	<u>125,574</u>
	<u>1,406,392</u>	<u>2,961,552</u>	<u>1,391,135</u>	<u>2,939,432</u>

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group and College	
	2021	2020
	£	£
Bank loans	1,086,206	1,922,466
Deferred income	121,152	135,524
Other creditors	<u>10,621</u>	<u>26,058</u>
	<u>1,217,979</u>	<u>2,084,048</u>

Deferred income relates to fees received in advance and can be split in to the following categories:

Advance fees

Parents may enter into a contract to pay to the college tuition fees in advance, without limit. The money may be returned, subject to specific conditions, on the receipt of one term's notice.

Final term deposits

A returnable deposit is required from all applicants to the school. This is returned once the pupil completes their course at the college.

Michaelmas term fees

Fees are required before the term commences. Fees paid in respect of the forthcoming Michaelmas term are therefore treated as fees paid in advance.

The movement in deferred income in the year can be seen below:

<u>Group and College</u>	2021	2020
	£	£
Balance at the start of the reporting period	2,607,325	2,898,900
Amounts added in current period	6,459,930	8,031,526
Amounts released to income from previous periods	<u>(8,059,464)</u>	<u>(8,323,101)</u>
Balance at the end of the reporting period	<u>1,007,791</u>	<u>2,607,325</u>

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

Deferred income (continued)

The amounts split over the period are as follows:

	Advance fees		Final term deposits		Michaelmas term fees	
	2021	2020	2021	2020	2021	2020
<u>Charity and Group</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Within 1 year	136,450	203,986	83,538	57,791	666,651	2,210,024
Within 2-5 years	7,000	24,000	114,152	111,524	-	-
	<u>143,450</u>	<u>227,986</u>	<u>197,690</u>	<u>169,315</u>	<u>666,651</u>	<u>2,210,024</u>

Bank loans

The bank loans are secured over certain land, building and investment assets. The balance outstanding on the loans at 31 August 2021 is £1,130,715 (2020: £1,994,594). The governors estimate the value of the property securing the loan to be £3,145,000 (2020: £3,145,000).

The value of the investment portfolio totalled £3,610,626 (2020: £2,843,455).

The amount repayable on the bank loan is as follows:

	2021	2020
	£	£
Repayable within one year	44,509	72,128
Repayable between two and five years	178,036	383,230
Repayable in more than five years	<u>908,170</u>	<u>1,539,236</u>
	<u>1,130,715</u>	<u>1,994,594</u>

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

Lloyds Bank plc has a first legal charge over the freehold land and buildings of the following addresses:

36 Orchard Street, Brecon
 50 Orchard Street, Brecon
 51 Orchard Street, Brecon
 52 Orchard Street, Brecon
 53 Orchard Street, Brecon
 54 Orchard Street, Brecon
 56 Orchard Street, Brecon
 57 Orchard Street, Brecon
 58 Orchard Street, Brecon
 64 Orchard Street, Brecon
 65 Orchard Street, Brecon
 1 Orchard Gardens, Brecon
 2 Orchard Gardens, Brecon
 ¾ Orchard Gardens, Brecon
 Arts Centre Dinas Road, Brecon
 St David's House, Christ College, Brecon
 Orchard Boarding House, Christ College, Brecon
 Headmistress House, Christ College, Brecon
 Christ College, Brecon

Lloyds Bank plc also has a legal charge over the college's portfolio of stocks and shares.

Hire purchase contracts

The net book value of fixed assets held under hire purchase contracts during the year totalled £33,029 (2020: £47,043).

Net obligations payable:

	2021 £	2020 £
Repayable within one year	12,937	19,493
Repayable between two and five years	<u>10,621</u>	<u>26,058</u>
	<u>23,558</u>	<u>45,551</u>

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. OPERATING LEASE COMMITMENTS

Group and College

Annual commitments held under operating leases expire as follows:

Net obligations payable:

	2021 £	2020 £
Due within one year	648	8,097
Due between two and five years	-	-
	<u>648</u>	<u>8,097</u>

22. ENDOWED FUNDS

	At 1 September 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 August 2021 £
Group and College						
Black Cat	51,334	987	(987)	-	13,034	64,368
OBA award	195,653	3,762	(3,762)	-	49,676	245,329
Dr Herdman fund	206,986	3,980	(3,980)	-	52,553	259,539
Edward Edwards	46,198	888	(888)	-	11,730	57,928
Sundry	110,784	2,132	(2,132)	-	28,127	138,911
The Friends of Christ College Fund	<u>28,991</u>	<u>557</u>	<u>(557)</u>	<u>-</u>	<u>7,361</u>	<u>36,352</u>
	<u>639,946</u>	<u>12,306</u>	<u>(12,306)</u>	<u>-</u>	<u>162,481</u>	<u>802,427</u>

These funds consist of a number of separate trust funds set up by individual donors. These trust funds are pooled for investment purposes, and each fund is allocated its proportion of investment income, gains and losses. All endowed fund income is used to provide academic scholarships, bursaries and prizes.

Previous year

	At 1 September 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 August 2020 £
Group and College						
Black Cat	53,446	1,130	(1,130)	-	(2,112)	51,334
OBA award	203,701	4,307	(4,307)	-	(8,048)	195,653
Dr Herdman fund	215,499	4,557	(4,557)	-	(8,513)	206,986
Edward Edwards	48,098	1,017	(1,017)	-	(1,900)	46,198
Sundry	115,341	2,439	(2,439)	-	(4,557)	110,784
The Friends of Christ College Fund	<u>-</u>	<u>30,822</u>	<u>(638)</u>	<u>-</u>	<u>(1,193)</u>	<u>28,991</u>
	<u>636,085</u>	<u>44,272</u>	<u>(14,088)</u>	<u>-</u>	<u>(26,323)</u>	<u>639,946</u>

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. RESTRICTED FUNDS

Group and College	At 1 September 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 August 2021 £
Scholarship funds	143,281	2,585	(2,585)	-	34,285	177,566
Prize funds	50,126	1,106	(1,106)	-	14,473	64,599
Foundation - general	142,663	26,982	4,263	-	34,137	208,045
Sir Barrie and Lady Stephens scholarship fund	277,474	5,005	(5,005)	-	66,395	343,869
Chapel repair fund	613	-	-	-	-	613
Peter Lloyd bequest	198,119	3,574	(3,574)	-	47,407	245,526
Powell Donation	19,105	345	(345)	-	4,571	23,676
Kelvin Bryan bursary	57,805	1,043	(1,043)	-	13,832	71,637
Pavilion Project	-	10,180	(180)	-	-	10,000
	<u>889,186</u>	<u>50,820</u>	<u>(9,575)</u>	<u>-</u>	<u>215,100</u>	<u>1,145,531</u>

Scholarship funds and Prize funds: All scholarship and prize fund income is used to provide awards to pupils.

Foundation – general: Foundation funds are used for the development of the infrastructure of the college.

Sir Barrie and Lady Stephens scholarship fund: In 2015 the college received a legacy of £228,593 from the late Sir Barrie Stephens and Lady Stephens to provide scholarships.

Chapel repair fund: Funds raised towards repairs of the chapel at the college.

Peter Lloyd bequest: In 2018 the college received a legacy from the late Peter Lloyd to provide scholarships.

Powell Donation: Donation received to support student fees.

Kelvin Bryan bursary: Donation received to support student fees.

Pavilion project: Donations received to support pavilion project to be undertaken by the college.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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23. RESTRICTED FUNDS (continued)

Previous year

Group and College	At 1 September 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 August 2020 £
Scholarship funds	149,996	3,047	(3,047)	-	(6,715)	143,281
Prize funds	52,922	1,269	(1,269)	-	(2,796)	50,126
Foundation - general	135,418	103,465	(90,158)	-	(6,062)	142,663
Sir Barrie and Lady Stephens scholarship fund	290,477	5,901	(5,901)	-	(13,003)	277,474
Chapel repair fund	613	-	-	-	-	613
Peter Lloyd bequest	207,403	4,213	(4,213)	-	(9,284)	198,119
Powell Donation	20,000	406	(406)	-	(895)	19,105
Kelvin Bryan bursary	<u>60,514</u>	<u>1,229</u>	<u>(1,229)</u>	<u>-</u>	<u>(2,709)</u>	<u>57,805</u>
	<u>917,343</u>	<u>119,530</u>	<u>(106,223)</u>	<u>-</u>	<u>(41,464)</u>	<u>889,186</u>

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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24. UNRESTRICTED FUNDS

Group	At 1 September 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 August 2021 £
Foundation	1,570,252	-	-	-	366,095	1,936,347
General funds	<u>10,924,710</u>	<u>7,051,071</u>	<u>(6,534,392)</u>	-	-	<u>11,441,389</u>
	<u>12,494,962</u>	<u>7,051,071</u>	<u>(6,534,392)</u>	-	<u>366,095</u>	<u>13,377,736</u>
College						
Foundation	1,570,252	-	-	-	366,095	1,936,347
General funds	<u>10,981,610</u>	<u>6,775,341</u>	<u>(6,280,358)</u>	-	-	<u>11,476,593</u>
	<u>12,551,862</u>	<u>6,775,341</u>	<u>(6,280,358)</u>	-	<u>366,095</u>	<u>13,412,940</u>

Foundation fund: This fund reflects accumulated historical donations made for the general benefit of the school. These funds are held primarily as a contingency fund and currently £300k is designated for roofing and other emergency repairs. Of the balance these funds are intended to fund scholarships and bursaries at governors' discretion and also to provide a reserve for future building projects.

General funds: The general fund is retained to cover the fixed assets and provide working capital.

Previous year

Group	At 1 September 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 August 2020 £
Foundation	1,640,975	-	-	-	(70,723)	1,570,252
General funds	<u>10,144,260</u>	<u>7,428,932</u>	<u>(6,648,482)</u>	-	-	<u>10,924,710</u>
	<u>11,785,235</u>	<u>7,428,932</u>	<u>(6,648,482)</u>	-	<u>(70,723)</u>	<u>12,494,962</u>
College						
Foundation	1,640,975	-	-	-	(70,723)	1,570,252
General funds	<u>10,141,687</u>	<u>7,256,741</u>	<u>(6,416,818)</u>	-	-	<u>10,981,610</u>
	<u>11,782,662</u>	<u>7,256,741</u>	<u>(6,416,818)</u>	-	<u>(70,723)</u>	<u>12,551,862</u>

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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25. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Fixed assets £	Investments £	Net current assets £	Long term liabilities £	Total £
Endowment funds	-	802,427	-	-	802,427
Restricted funds	-	1,144,918	613	-	1,145,531
Unrestricted funds:					
General funds	<u>11,059,017</u>	<u>1,663,281</u>	<u>1,873,417</u>	<u>(1,217,979)</u>	<u>13,377,736</u>
	<u>11,059,017</u>	<u>3,610,626</u>	<u>1,874,030</u>	<u>(1,217,979)</u>	<u>15,325,694</u>
College					
Endowment funds	-	802,427	-	-	802,427
Restricted funds	-	1,144,918	613	-	1,145,531
Unrestricted funds:					
General funds	<u>11,059,017</u>	<u>1,664,282</u>	<u>1,907,620</u>	<u>(1,217,979)</u>	<u>13,412,940</u>
	<u>11,059,017</u>	<u>3,611,627</u>	<u>1,908,233</u>	<u>(1,217,979)</u>	<u>15,360,898</u>
Previous year					
Group	Fixed assets £	Investments £	Net current assets £	Long term liabilities £	Total £
Endowment funds	-	639,946	-	-	639,946
Restricted funds	-	888,573	613	-	889,186
Unrestricted funds:					
General funds	<u>11,426,120</u>	<u>1,314,936</u>	<u>1,837,954</u>	<u>(2,084,048)</u>	<u>12,494,962</u>
	<u>11,426,120</u>	<u>2,843,455</u>	<u>1,838,567</u>	<u>(2,084,048)</u>	<u>14,024,094</u>
College					
Endowment funds	-	639,946	-	-	639,946
Restricted funds	-	888,573	613	-	889,186
Unrestricted funds:					
General funds	<u>11,426,120</u>	<u>1,315,937</u>	<u>1,893,853</u>	<u>(2,084,048)</u>	<u>12,551,862</u>
	<u>11,426,120</u>	<u>2,844,456</u>	<u>1,894,466</u>	<u>(2,084,048)</u>	<u>14,080,994</u>

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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26. FOUNDATION INCOME AND EXPENDITURE

Group and College

The Christ College Foundation was established as a continuous fundraising programme to provide the Governors with the resources to fund scholarships and bursaries for deserving young people regardless of their financial circumstances, and to improve the school's facilities. During the year £34,436 was received by the Foundation (2020: £196,040), of which £996 related to the endowment fund (2020: £30,184), £21,208 related to the restricted funds (bursaries) (2020: £149,224), £2,232 related to the unrestricted fund (bursaries), £10,000 to restricted capital fund (2020: £ nil) and £nil to the restricted prize fund (2020: £ nil).

27. PENSION OBLIGATIONS

Group and College

Defined Contribution Scheme

The College operates a defined contribution scheme for non-teaching staff. The assets of the nonteaching staff scheme are held separately from those of the College in a Group Personal Pension Scheme independently administered by The Jelf Group. The pension cost charge represents contributions payable by the College to the non-teaching staff fund and amounted to £145,532 (2020: £146,189). At year end £9,604 (2020: £15,145) was accrued in respect of contributions to the scheme.

Defined Benefit Scheme:

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

The pension charge for the year includes contributions payable to the TPS of £393,393 (2020: £416,970). At the year-end £35,573 (2020: £44,933) was accrued in respect of contributions to this scheme.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities.

In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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27. PENSION OBLIGATIONS (continued)

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014.

The valuation report was published by the Department on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay.

The new employer contribution rate for the TPS was implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

**CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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27. PENSION OBLIGATIONS (continued)

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

28. RELATED PARTIES

Group and College

Governors' remuneration and benefits

None of the governors have been paid any remuneration or received any other benefits from an employment with their college or a related entity.

Governors' expenses

No governor was reimbursed for travel expenses during the current or prior year.

Transaction(s) with related parties

A number of governors have had children and grandchildren who are educated at the college. Fees were paid on normal terms.

Christ College Holiday Activities Limited was under the control of Christ College Brecon throughout the current and previous year.

Recharges to the company totalled £53,112 (2020: £56,514) and recharges from the company totalled £2,171 (2020: £10,303).

Amounts due to the college at 31 August 2020 from Christ College Holiday Activities Limited were £39,541 (2020: £32,587). The gift aid received during the year was £nil (2020: £ nil).

1541 Limited was under the control of Christ College Brecon from its date of incorporation on 15 December 2015.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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28. RELATED PARTIES (continued)

Recharges to the company during the period totalled £nil (2020: £30,460) and a management charge of £nil (2020: £12,000) was invoiced.

Amounts due to the college at 31 August 2021 from 1541 Limited were £22,517 (2020: £22,852). The gift aid received during the year was £nil (2020: £ nil).

Due to the nature of the college's operations and the composition of its Board (being largely recruited locally) it is possible that transactions will take place with organisations in which a member of the board may have an interest. All transactions involving organisations in which a member of the board may have an interest are conducted at arms' length and in accordance with the college's financial regulations and normal procurement procedures. The college maintains a register of interests of members of the Board and senior management and has a policy for the management of potential conflicts of interest.

Christ College Brecon holds funds on behalf of the Society of Friends of Christ College due to the Society not having access to a bank account. The college has no entitlement to the funds and therefore the income and expenditure has not been recognised within the financial statements. The total amount held at 31 August 2021 is £nil (2020: £1,621). The Friends of Christ College set up a permanent endowment fund in its name which is held by the Christ College Foundation. During the year the Friends donated £996, bringing the value of the fund to £37,700. The income from the endowment is used towards bursaries at the college.

29. FINANCIAL INSTRUMENTS

Group and College

	2021	2020
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	<u>3,610,626</u>	<u>2,843,455</u>
	<u>3,610,626</u>	<u>2,843,455</u>

In January 2015 Christ College Brecon entered into a £1,000,000 interest rate cap agreement for a period of 10 years. The interest rate cap is to protect against future interest rate rises for a new £1,000,000 variable rate loan drawn down in January 2015. The interest rate is capped at 4% and an arrangement fee of £45,040 was paid. The fee paid is offset against the balance of loans due after more than one year on the balance sheet and will be amortised to the statement of financial activities over 10 years. At the year end the interest rate cap agreement liability to Christ College Brecon was £435 (2020: £799).

The bank loans held by the college are financial instruments which are measured at amortised cost (see note 20). The loan financing is in the form of secured loans with the college having both fixed variable interest rate loans. The market risk facing the college is that it is widely expected that interest rates will rise as the economic recovery gains momentum, however as noted above the college has entered in to an interest rate agreement to mitigate against the risk.

CHRIST COLLEGE BRECON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

30. CAPITAL COMMITMENTS

At 31 August 2021 the college had no capital commitments.

31. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

Group	2021 £	2020 £
Net income for the reporting period	1,301,600	685,431
<i>Adjustments for:</i>		
Depreciation charges	541,488	541,275
(Gains)/losses on investments	(743,676)	138,510
Dividends, interest and rents from investments	(57,255)	(71,269)
Loss/(profit) on the sale of fixed assets	2,480	-
(Increase)/decrease in stocks	3,146	5,018
Increase in debtors	1,243,525	168,590
Increase/(decrease) in creditors	(1,535,357)	(298,119)
Net cash provided by operating activities	<u>755,951</u>	<u>1,169,436</u>
Analysis of cash and cash equivalents		
Cash in hand	2,125,382	2,798,802
Notice deposits (less than 3 months)	<u>1,009,010</u>	<u>608,616</u>
Total Cash and Cash Equivalents	<u>3,134,392</u>	<u>3,407,418</u>

Analysis of changes in net debt

	Opening balance £	Cash-flows £	Interest changes £	Other non-cash changes £	Balance carried forward £
Cash	2,798,802	(673,420)	-	-	2,125,382
Cash equivalents	<u>608,616</u>	<u>400,394</u>	-	-	<u>1,009,010</u>
	3,407,418	(273,022)	-	-	3,134,392
Bank loans falling due within one year	(72,128)	-	-	27,619	(44,509)
Bank loans falling due after more than one year	(1,922,466)	781,888	81,991	(27,619)	(1,086,206)
Finance lease obligations	<u>(45,551)</u>	<u>21,993</u>	-	-	<u>(23,558)</u>
Total	<u>1,367,273</u>	<u>530,855</u>	<u>81,991</u>	-	<u>1,980,119</u>

CHRIST COLLEGE BRECON
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32. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Income and endowments from:				
Donations and legacies	9,204	100,714	30,184	140,102
Charitable activities	7,100,039	-	-	7,100,039
Other trading activities	85,847	-	-	85,847
Christ College Holiday Activities Limited	21,148	-	-	21,148
1541 Limited	163,043	-	-	163,043
Investments	38,365	18,816	14,088	71,269
Other income	11,286	-	-	11,286
Total income and endowments	7,428,932	119,530	44,272	7,592,734
Expenditure on:				
Charitable activities	6,493,491	106,223	14,088	6,613,802
Christ College Holiday Activities Limited	3,762	-	-	3,762
1541 Limited	151,229	-	-	151,229
Total expenditure	6,648,482	106,223	14,088	6,768,793
<i>Net (losses)/gains on investments</i>	<i>(70,723)</i>	<i>(41,464)</i>	<i>(26,323)</i>	<i>(138,510)</i>
Net movement in funds	709,727	(28,157)	3,861	685,431
Reconciliation of Funds				
Total funds brought forward	11,785,235	917,343	636,085	13,338,663
Total funds carried forward	12,494,962	889,186	639,946	14,024,094

CHRIST COLLEGE BRECON
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32. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (continued)

College	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Income and endowments from:				
Donations and legacies	9,204	100,714	30,184	140,102
Charitable activities	7,100,039	-	-	7,100,039
Other trading activities	97,847	-	-	97,847
Investments	38,365	18,816	14,088	71,269
Other income	11,286	-	-	11,286
Total income and endowments	<u>7,256,741</u>	<u>119,530</u>	<u>44,272</u>	<u>7,420,543</u>
Expenditure on:				
Charitable activities	<u>6,416,818</u>	<u>106,223</u>	<u>14,088</u>	<u>6,537,129</u>
Total expenditure	<u>6,416,818</u>	<u>106,223</u>	<u>14,088</u>	<u>6,537,129</u>
<i>Net (losses)/gains on investments</i>	<u>(70,723)</u>	<u>(41,464)</u>	<u>(26,323)</u>	<u>(138,510)</u>
Net movement in funds	769,200	(28,157)	3,861	744,904
Reconciliation of Funds				
Total funds brought forward	<u>11,782,662</u>	<u>917,343</u>	<u>636,085</u>	<u>13,336,090</u>
Total funds carried forward	<u>12,551,862</u>	<u>889,186</u>	<u>639,946</u>	<u>14,080,994</u>

33. CHANGE IN ACCOUNTING POLICY

From 1st September 2019 the college changed its improvements to freehold buildings depreciation policy to a period of between 15-30 years instead of a period of 50 years. The college changed the policy during the year to allow for a more realistic evaluation of the life expectancy of the assets the policy covers. The policy only effects assets which were purchased after this date and as such has resulted in an increase in the deprecation charge of £246 for the year ended 31st August 2020.