

**CHRIST COLLEGE BRECON**

**REPORT OF THE GOVERNORS AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**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  
FOR THE YEAR ENDED 31 AUGUST 2022**

The trustees present their report and financial statements of the College for the year ended 31 August 2022.

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 372 in 2021/22. This compares to 356 pupils in 2020/21. Of the total, St Nicholas House educated 45 pupils during 2021/22, compared to 38 in 2020/21.

The College also allows its facilities to be used by local groups throughout the year, within the constraints of Covid-19 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 £1,741,250 (2021: £1,671,281) were given. In addition, £25 (2021: £3,599) was awarded from restricted funds in accordance to the conditions imposed by the original donor.

These can be summarised as below:

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

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**Grant making policy and public benefit (continued)**

As some children received more than one award, the total number of pupils benefiting from some form of assistance this year was 204 (2021: 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.

The College continues 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.

Service to the wider community is reflected in the provision of sports facilities to, amongst others, Brecon Town Juniors, Hockey Wales, South Wales Youth Hockey, the local Netball League, Hay on Wye & Brecon Cricket Clubs as well as local rugby clubs. 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. We also hosted an auction for McCartneys and the Brecon Buzz Choir Festival. 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-19 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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**Criteria for success (continued)**

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*

- To prepare pupils rigorously for external exams after 2 years of Centre Assessed Grades
- Embed the new structure of the week
- Implement additional AS Level programmes after the success of last year's cohort.
- Re-structure the academic management in readiness for the arrival of a new Deputy head Academic in Sep 22
- Plan for the delivery of external examinations
- Develop plans for a new year 1 & 2 class in the prep school.

*Overseas Development:*

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

*Futures:*

- Review the delivery of career advice and improve the management of UCAS

*Day and Boarding:*

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

**ACHIEVEMENTS AND PERFORMANCE**

45% A\*/A at A level and 74.4% A\*/B – significantly above the grades achieved in the last set of externally assessed examinations in 2019. 100% of the BTEC grades were Distinction or Distinction\*. 70% of pupils got into their 1<sup>st</sup> choice university. At GCSE 43% of all grades were 9/8 and 62% achieved 9/8/7. Again, these results were the best results we have achieved since 2010 and significantly higher than the last set of externally assessed examinations in 2019 and above the Centre Assessed Grades in 2021.

All lessons returned to the classroom which undoubtedly improved engagement and thus progress of most pupils. In science practical experiments were again able to take place with all other practical subjects also being taught with more effectiveness without the restriction of social distancing.

The College's Second Curriculum was enhanced during 2021/22 after a restricted programme due to COVID-19 last academic year. The priority was given to re-launching a sense of normality at school as far as possible, in particular activities that engendered a feeling of community. After life in lock-down, it was felt that this was essential for the well-being of pupils. There was a return to all aspects of the second curriculum. Drama productions were put on, musical concerts performed and the sports department worked incredibly hard to organise as many sports fixtures as possible. We saw the return of the annual inter-house competitions, including the highly competitive Singing Contest. The other highlight was the 1<sup>st</sup> XV rugby had a particularly successful season getting to the final of the Welsh school championship and beating Harrow 1<sup>st</sup> XV, one of the strongest teams in the country.

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**ACHIEVEMENTS AND PERFORMANCE (continued)**

There was also an emphasis on Adventure in the outdoor with every pupil getting the opportunity to spend time being challenged in the outdoor environment at the beginning and end of the year. We also ran for the second time the Beacons course, a one week adventure challenge programme held in the summer term for all pupils in year 9.

During this year there was a significant improvement to the second curriculum offering in our junior school, St Nicholas house. More sports fixtures were found with the sports department offering a greater degree of expert coaching.

In the summer term we held external exams for years 11, 12 and 13 which, overall were a huge success helped by a thorough set of mock exams sat earlier in the year with the aim of re-familiarising pupils with the discipline of sitting external, formal assessments.

The CCB roadmap out of COVID-19 included the intent for trips to re-start at the start of the academic year 2021/2. Day visits such as theatre trips re-started in September 2021, with domestic residential trips commencing later in the year. All overseas trips during the Autumn and Lent term remained unviable due to the complexity of managing a possible positive COVID-19 test whilst abroad. The first international trip took place in the summer term with a much enjoyed A-level Geography field trip to Chamonix.

Chapel re-commenced in November 2021 which made an immediate positive impact on the well-being of the whole community.

In January we were able to re-start the Gap year programme with 2 girls from Australia joining us for a year's work.

The re-shaping of the week and the new Saturday programme has undoubtedly enhanced the second curriculum programme whilst also giving families the flexibility they need to give their child the opportunities they need either in or outside CCB. More than 20 activities, as well as sports fixtures and 'Spirit Days' were 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. We will continue to monitor the effectiveness of the new structure in order to tease out any unintended consequences from this change.

The Society of Friends of Christ College were allowed to return to putting on social/fundraising events for parents. This included the twice postponed (due to COVID-19) formal dinner at the Bear Hotel which was both hugely enjoyable as well as an effective fundraising event.

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 some of Christ College Holiday Activity income generation although the situation did improve compared to 2021. Hire of facilities for indoor events was largely not possible due to ongoing restrictions however, outdoor facility hire did return to good levels.

The summer holiday period, which is the time of greatest income generation for CCHA, did see the return of the majority of the season's regular residential groups, a number of new groups and also the continuation of some new initiatives which began in 2021. Occupancy overall was at approximately 75% capacity. Overall an income of £180.015 was achieved.

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**Investment performance against objectives**

During 2021/22, the value of the funds held in investments increased from £3,3610,626 to £4,468,521. The post-pandemic recovery was short-lived following post-covid supply difficulties which in turn started to stoke up inflationary pressures, followed by the shock of Russia's invasion of the Ukraine. As a result of both of these events the world-wide stock markets, to which Christ College's portfolio is exposed, suffered considerable losses. The investment fund attracted realised losses and unrealised losses of £50,393 and £693,283 respectively.

**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 had a significant impact on King Henry VIII College. Though now fully open the school was running at a loss during the reporting period and unless a buyer can be found its long-term survival is questionable. No royalty of management fee payments due from the owners of King Henry VIII school were made at all during 2020-21. A payment of £100k was made in 2022 following the sending of a solicitor's letter threatening legal action by 1541 Ltd. At the 1541 AGM in October 2022, 1541 reported a profit of £59,392 and provided for a bad debt of £150,000 which relates to the annual royalty payment of £150k. The total debt for missed royalty payments currently stands at £543,478.

**Fundraising performance**

Income for 2022 amounted to £98,822 (2021: £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. The priority remains to increase the number of regular (monthly) gifts from OBs and to encourage consideration of legacies.

An OB has promised £100k toward the Pavilion Fund and raising at least £500k before launching the Pavilion Appeal will be a priority in the next year. Funding for scholarships and bursaries will continue to be a high priority.

**FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

**Group Results:**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Income	8,041	7,114	7,593	8,419	8,013
Expenditure (excluding depreciation)	7,279	5,811	6,228	7,014	6,507

In the year, the group's net income over expenditure before investments gains amounted to £763,236 (2021: £557,924) and a net increase in funds of £446,497 (2021: £1,301,600). Net assets increased to £15,772,191 (2021: £15,325,694). Depreciation of £541,488 (2021: £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 rose against the previous year as the global economy started to recover from the effects of the global COVID-19 pandemic. Summer lets started to return over the summer to bolster our commercial activities although many of the external summer lets returned this summer, albeit tentatively. As a result, the commercial activity showed signs of returning to its former levels.

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**FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The easing of the pandemic restrictions, the full re-opening of the school and the return to full activities from the Lent term onwards saw expenditure move back in line with pre-pandemic patterns. The world economy started to show signs of incipient inflation around November 2021 which became what was dubbed as “the cost of living crisis” following the outbreak of the Ukrainian war in February 2022.

The sharp increase in gas and oil prices was not immediately felt due to fixed term contracts which helped keep prices under control over the winter months. The high increase in food costs did start to filter through during the year. All of these factors will have a much greater impact on the school’s overheads in 2022-23 and beyond.

Another feature of the post-pandemic economy was the ‘great resignation’ as it became known in the USA which saw the exit from the workforce of many over 50s. This translated into skill shortages, particularly amongst low and semi-skilled jobs. The school is no exception and has been carrying vacancies for these type of jobs for some time now. Whilst this serves to offset some of the inflationary pressures it does mean that the support service is not operating at optimum levels.

The governors recognise that significant political and economic challenges lie ahead and is meeting that challenge by diversifying its offering as much as possible. To that end, the opening of the new years 1 and 2 intake in 2022 and the addition of the international school in 2023 form part of that plan. To that end, we have deployed our limited resources on developing facilities to support these initiatives. We also continue to invest substantially in our sport facilities and this summer the primary capital expenditure was committed to the overdue replacement of the all-weather hockey pitch. During the year the Governors supported expenditure on capital improvements to the College totalling £309,725 (2021: £176,865).

During the pandemic the governors took defensive measures by maximising the school’s liquidity. The Governors have also wisely taken the view that we have been living through a period of unnaturally low interest rates and steps needed to be taken for when the era of cheap money came to an end. For that reason the governing body have prudently used some of the surplus funds to pay down its debt and thereby mitigate interest rate risk. This decision has now paid off following the continual rise in lending rates over 2022.

Christ College Holiday Activities Limited contributed £59,560 (2021: £ nil) and 1541 Limited contributed £35,869 (2021: £ nil) to the operations of the College. Details of the subsidiaries’ performance are included in note 15 to the financial statements.

**Reserves policy**

Total unrestricted, restricted and endowment funds of the group amounted to £15,772,191 (2021: £15,325,694) 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 these reserves to underpin development of the school’s facilities in lieu of further borrowing.

At 31 August 2022, the group has “free reserves” of £3,040,501 (2021: £2,318,719) and the college has “free reserves” of £3,037,931 (2021: £2,353,923).. 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, this figure does not fairly reflect the group’s actual free reserves. When the loan liability is excluded the group’s free reserves are £4,145,537 (2021: £3,449,434) and the College’s free reserves are £4,142,967 (2021: £3,484,638).



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**Reserves policy (continued)**

The governors have determined to allocate £1m of its free reserves towards delivering its strategy of diversification. It has also allocated £500k as a contingency reserve to act as a safeguard against the inflationary pressures affecting the businesses in general and the school in particular.

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 £1,567,758 (2021: £1,873,417). 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.

**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 RBC Brewin Dolphin 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 continues to strive to become a leading school in Character education to build upon the successful launch of the 1 week 'Beacons course' for year 9 pupils and the ever-evolving and effective curriculum for life for the 6<sup>th</sup> form.

In the next stage of our development we will be striving to enhance our academic provision, in particular to stretch the more academically able and support those with additional learning needs. We will also be reviewing our process with which we measure, monitor and follow-up on the academic progress of pupils to ensure it is effective and allows pupils to make the changes they need to make.

We are also looking to develop an 'Atmosphere of Care' programme to give greater clarity of purpose and integration to the many ways we look to support the pupils that require it. Within the 2<sup>nd</sup> curriculum we are looking to enhance our hockey programme to the standard of a 'centre of excellence' in Wales.

We intend to launch a new year 1 & 2 year to our St. Nicholas junior school in September 2022 with the longer-term aim of developing a prep school to include a Reception class in Sep 2023. 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.

Governors have resolved not to borrow further funds. However, significant funds, internally generated, have been set aside to complete an ambitious estates improvement programme. This includes developing the library as a centre for scholarship, developing the prep school to accommodate a new Reception. An ongoing rolling programme to refurbish a boarding house each summer has now been established.

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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 1542 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.

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.

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

- 3 Ex-Officio Governors;
- 7 Nominative Governors; and
- 15 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 Hebdomadal Council of the University of Oxford
- One by The Council of the Senate of the University of Cambridge
- One by the Principal and Fellows of Jesus College in the University of Oxford
- One by The Council of the University of Wales
- One by Brecon Town Council
- 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 risks identified were in line with the previous year with the COVID-19 pandemic, and its repercussions greatly impacting on our normal operations. Following two lock-down periods which entailed the closure of the school the risk of further lockdowns remained a distinct and likely, particularly given the concerns at the time that COVID-19 could mutate into a variant that was resistant to the new vaccine that was rolled out during this time. In the final event the school did not close although when the school did re-open its doors in September 2021 restrictive measures were put in place for the first term. The concern that further outbreaks of the pandemic could disrupt our operations remained a concern, albeit a receding one throughout 2021-22 and is therefore reflected as a high risk for this period.

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. COVID-19 outbreak results in a partial or total shutdown**

The pandemic lasted for two years and saw an initial 'hard' response of locking down and requiring everyone to minimise social contact. This resulted in two extended periods where schools and other institutions were required to close. Despite the rollout of an effective vaccine for some time it remained uncertain as to whether there would be a return to lockdown, particularly given the virus' rapid mutation. To that end we brought in strict segregation policies when the school re-opened and only gradually returned to activities which involved social engagement such as school trips. The risks of a return to a lockdown situation have not entirely gone away but is becoming less likely. However, the school retains the facilities to operate in another lock-down environment should the need arise.

**2. Inability to cope with cost inflation**

Supply chain difficulties following the emergence from the pandemic served to stoke up inflation. This became what was popularly dubbed 'the cost of living crisis' when inflation hit 12% during 2022, driven by the surge in energy prices following the outbreak of the Ukraine War. The hike in energy, foodstuffs and fuel impacts the cost base of the school particularly hard. The school is managing this risk through careful planning and holding a sufficient contingency reserve. The risk of inflation making any business ultimately untenable has to be monitored carefully and rigorous budgetary controls put in place, which is the approach adopted by Christ College's governing body.

**3. Failure to achieve planned recruitment totals**

This was managed through the school's marketing and admissions department, strategic planning and competitive fee pricing. Taken in conjunction with risk 2, the challenge for this school is to achieve a balance of being able to pass on fee increases that are palatable to our local market whilst at the same time ensuring that the underlying increase in our overheads can be accommodated. This impact is mitigated by careful monitoring of our school fees and marketing our services to sell a wide range of options to allow as many people as possible to access the School.

**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.

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**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Charity name</b>	Christ College Brecon
<b>Registration number</b>	525744
<b>Principal address</b>	Christ College Brecon Powys LD3 8AF

**Governors**

Professor Michael C R Davies FRSE FLSW (Chair of Governors and member of all governor committees)  
The Right Reverend John Lomas (Lord Bishop of Swansea and Brecon) – *Appointed June 2022*  
The Venerable Alan Jevons (Archdeacon of Brecon) 4,5(c),6,8  
Mrs Julia Cherrett \*(c) 2,3(c),6,7,8  
Ms Louise E Davies\*  
Ms Kate Dobbs\*  
Mrs Baljit Ghandi-Johnson 8 – *Appointed February 2022*  
Mr David James \* 7  
Mr Philip Jones\* - *Appointed March 2022*  
Judge Milwyn Jarman QC 1,8  
Mrs Nicola Maughan (Deputy Chair of Governors)\* 1(c),5,  
Mr Charles Minogue 5 - *Resigned June 2022*  
Mrs Lesley Perry 5,8(c)  
Mr David C Price 8  
Mr Mark Rhydderch-Roberts\*3  
Sir E Paul Silk KCB FLSW 5 – *Resigned March 2022*  
Mrs Megan Watkins – *Resigned June 2022*  
Ms Suzy Wildee 1,5

\* 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 Remuneration Committee

7 Denotes member of Concessions Committee

8 Denotes member of the Strategy, Marketing and Development Committee

(c) Denotes committee chair

**Co-opted Foundation Committee members**

Mr Andrew Lewis

Mr David Cunningham-Jones

Sir Andrew Large

**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 2022**

**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**

**RBC Brewin Dolphin**  
2<sup>nd</sup> Floor  
5 Callaghan Square  
Cardiff  
CF10 5BT

**CHRIST COLLEGE BRECON  
REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**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**



**Professor Michael C R Davies  
(Chair of the Governing Body)**

Date:

3 December 2022

**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF CHRIST COLLEGE BRECON  
FOR THE YEAR ENDED 31 AUGUST 2022**

**Opinion**

We have audited the financial statements of Christ College Brecon (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31<sup>st</sup> August 2022 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 31<sup>st</sup> August 2022, 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 2022**

**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: <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 2022**

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: 13-12-2022

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 2022**

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £	Total 2021 £
<b>Income and endowments from:</b>						
Donations and legacies	3	21,628	98,908	1,000	121,536	40,520
Charitable activities	4	7,384,809	-	-	7,384,809	6,638,535
Other trading activities	5	121,744	-	-	121,744	89,681
Christ College Holiday Activities Limited	15	176,966	-	-	176,966	112,687
1541 Limited	15	163,043	-	-	163,043	163,043
Investments	6	39,397	21,070	13,428	73,895	57,255
Other income	7	-	-	-	-	12,476
<b>Total income and endowments</b>		<b>7,907,587</b>	<b>119,978</b>	<b>14,428</b>	<b>8,041,993</b>	<b>7,114,197</b>
<b>Expenditure on:</b>						
Charitable activities	8	7,104,783	27,341	14,428	7,146,552	6,353,186
Christ College Holiday Activities Limited	15	56,306	-	-	56,306	47,166
1541 Limited	15	75,899	-	-	75,899	155,921
<b>Total expenditure</b>		<b>7,236,988</b>	<b>27,341</b>	<b>14,428</b>	<b>7,278,757</b>	<b>6,556,273</b>
<i>Net gains/(losses) on investments</i>	14	<i>(167,070)</i>	<i>(89,996)</i>	<i>(59,673)</i>	<i>(316,739)</i>	743,676
<b>Net movement in funds</b>		<b>503,529</b>	<b>2,641</b>	<b>(59,673)</b>	<b>446,497</b>	<b>1,301,600</b>
<b>Reconciliation of Funds</b>						
	22,					
Total funds brought forward	23,24	13,377,736	1,145,531	802,427	15,325,694	14,024,094
<b>Total funds carried forward</b>	25	<b>13,881,265</b>	<b>1,148,172</b>	<b>742,754</b>	<b>15,772,191</b>	<b>15,325,694</b>

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 2022**

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £	Total 2021 £
<b>Income and endowments from:</b>						
Donations and legacies	3	21,628	98,908	1,000	121,536	40,520
Charitable activities	4	7,384,809	-	-	7,384,809	6,638,535
Other trading activities	5	121,744	-	-	121,744	89,681
Investments	6	134,825	21,070	13,428	169,323	57,255
Other income	7	-	-	-	-	12,476
<b>Total income and endowments</b>		<b>7,663,006</b>	<b>119,978</b>	<b>14,428</b>	<b>7,797,412</b>	<b>6,838,467</b>
<b>Expenditure on:</b>						
Charitable activities	8	7,030,181	27,341	14,428	7,071,950	6,302,239
<b>Total expenditure</b>		<b>7,030,181</b>	<b>27,341</b>	<b>14,428</b>	<b>7,071,950</b>	<b>6,302,239</b>
<i>Net gains/(losses) on investments</i>	14	<i>(167,070)</i>	<i>(89,996)</i>	<i>(59,673)</i>	<i>(316,739)</i>	743,676
<b>Net movement in funds</b>		<b>465,755</b>	<b>2,641</b>	<b>(59,673)</b>	<b>408,723</b>	<b>1,279,904</b>
<b>Reconciliation of Funds</b>						
Total funds brought forward	22, 23,24	13,412,940	1,145,531	802,427	15,360,898	14,080,994
<b>Total funds carried forward</b>	25	<b>13,878,695</b>	<b>1,148,172</b>	<b>742,754</b>	<b>15,769,621</b>	<b>15,360,898</b>

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 2022**

		2022		2021	
	Note	£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	13		10,840,764		11,059,017
Investments	14		4,468,522		3,610,626
			<u>15,309,286</u>		<u>14,669,643</u>
<b>Current assets:</b>					
Stocks	16	11,097		10,520	
Debtors	17	132,182		135,510	
Cash at bank and in hand	18	3,250,831		3,134,392	
		<u>3,394,110</u>		<u>3,280,422</u>	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	19	(1,826,169)		(1,406,392)	
<b>Net current assets</b>			1,567,941		1,874,030
<b>Total assets less current liabilities</b>			<u>16,877,227</u>		<u>16,543,673</u>
Creditors: Amounts falling due after more than one year	20		(1,105,036)		(1,217,979)
<b>Total net assets</b>	25		<u>15,772,191</u>		<u>15,325,694</u>
<b>The funds of the group:</b>					
Endowment funds	22		742,754		802,427
Restricted income funds	23		1,148,172		1,145,531
Unrestricted funds	24		13,881,265		13,377,736
<b>Total charity funds</b>	25		<u>15,772,191</u>		<u>15,325,694</u>

These financial statements were approved by the Board of Governors on 31st December 2022

*Michael C R Davies*


Professor Michael C R Davies  
(Chair of the Governing Body)

The notes on pages 22 to 55 form part of the financial statements

**CHRIST COLLEGE BRECON  
BALANCE SHEET - COLLEGE  
AS AT 31 AUGUST 2022**

		2022	2021
	Note	£	£
<b>Fixed assets:</b>			
Tangible assets	13	10,840,764	11,059,017
Investments	14	4,469,523	3,611,627
		<u>15,310,287</u>	<u>14,670,644</u>
<b>Current assets:</b>			
Debtors	17	281,299	193,144
Cash at bank and in hand	18	3,050,800	3,106,224
		<u>3,332,099</u>	<u>3,299,368</u>
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	19	(1,767,729)	(1,391,135)
<b>Net current assets</b>		<b>1,564,370</b>	<b>1,908,233</b>
<b>Total assets less current liabilities</b>		<b>16,874,657</b>	<b>16,578,877</b>
Creditors: Amounts falling due after more than one year	20	(1,105,036)	(1,217,979)
<b>Total net assets</b>	25	<b>15,769,621</b>	<b>15,360,898</b>
<b>The funds of the charity:</b>			
Endowment funds	22	742,754	802,427
Restricted income funds	23	1,148,172	1,145,531
Unrestricted funds	24	13,878,695	13,412,940
<b>Total charity funds</b>	25	<b>15,769,621</b>	<b>15,360,898</b>

These financial statements were approved by the Board of Governors on 3rd December 2022

  
**Professor Michael C R Davies**  
 (Chair of the Governing Body)

The notes on pages 22 to 55 form part of the financial statements

**CHRIST COLLEGE BRECON**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
Net cash provided by operating activities	31	<u>1,893,247</u>	<u>755,951</u>
<b><i>Cash flows from investing activities:</i></b>			
Dividends, interest and rents from investments	6	73,745	57,255
Purchase of property plant and equipment	13	(309,725)	(176,865)
Proceeds from sale of investments		870,617	354,338
Purchase of investments	14	(2,045,252)	(377,833)
<b>Net cash used in investing activities</b>		<u>(1,410,615)</u>	<u>(143,105)</u>
<b><i>Cash flows from financing activities:</i></b>			
Repayments of borrowing		(366,193)	(885,872)
<b>Net cash used in financing activities</b>		<u>(366,193)</u>	<u>(885,872)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>116,439</b>	<b>(273,026)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>3,134,396</b>	<b>3,407,418</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	31	<u><b>3,250,835</b></u>	<u><b>3,134,392</b></u>

The notes on pages 22 to 55 form part of the financial statements

**CHRIST COLLEGE BRECON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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 £670,599 (2021: £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 £1,567,941 (2021: £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 2022**

**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 2022**

**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 2022**

**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:-

	<b>Additions from 1 September 2000</b>	<b>Additions up to 31 August 2000</b>
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 2022**

**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 2022**

**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 2022**

**3. INCOME FROM DONATIONS AND LEGACIES**

	Unrestricted funds	Restricted funds	Endowment funds	Total 2022	Total 2021
Group and College	£	£	£	£	£
Donations and gifts	21,628	98,908	1,000	121,536	40,520
	<u>21,628</u>	<u>98,908</u>	<u>1,000</u>	<u>121,536</u>	<u>40,520</u>

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds	Restricted funds	Endowment funds	Total 2022	Total 2021
Group and College	£	£	£	£	£
Fees and other fees receivable	7,163,080	-	-	7,163,080	6,391,782
Grant income	-	-	-	-	210,077
School trip income	179,626	-	-	179,626	10,985
Registration fees	27,859	-	-	27,859	18,718
Examination fees	11,195	-	-	11,195	4,389
Insurance commissions	3,049	-	-	3,049	2,584
	<u>7,384,809</u>	<u>-</u>	<u>-</u>	<u>7,384,809</u>	<u>6,638,535</u>

**Fees receivable:**

	2022 £	2021 £
Gross fees	8,904,306	8,059,464
<b>Less:</b> total scholarships, bursaries and remissions	<b>(1,741,250)</b>	<b>(1,671,281)</b>
<b>Add back:</b> scholarships, prizes, etc. paid for by restricted funds, scholarships paid for by outside trusts	<b>25</b>	<b>3,599</b>
	<u><b>7,163,081</b></u>	<u><b>6,391,782</b></u>

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

	2022 £	2021 £
Scholarships, etc.	-	3,549
Prizes	25	50
	<u><b>25</b></u>	<u><b>3,599</b></u>

The above educational awards were made to 234 individuals (2021: 204).

**CHRIST COLLEGE BRECON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**4. INCOME FROM CHARITABLE ACTIVITIES (continued)**

Gross fees receivable may be analysed by the following:

	2022 £	2021 £
Boarders	4,703,001	4,566,329
Flexible boarders	808,360	-
Dayboarders	147,527	-
Day pupils	3,072,878	3,345,688
Music and drama tuition	47,095	50,112
EAL income	19,100	19,454
Other fee income	92,697	30,870
Pupil hosting scheme	13,672	47,011
	<u>8,904,330</u>	<u>8,059,464</u>

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

	2022 No	2021 No
Boarders	153	165
Flexible boarders	32	-
Day pupils	185	203
	<u>370</u>	<u>368</u>

**5. INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £	Total 2021 £
<b>Group and College</b>					
Rent	15,250	-	-	15,250	17,606
Wayleave	94	-	-	94	94
Minibus income	106,400	-	-	106,400	71,510
Milk subsidy	-	-	-	-	471
	<u>121,744</u>	<u>-</u>	<u>-</u>	<u>121,744</u>	<u>89,681</u>

**CHRIST COLLEGE BRECON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**6. INCOME FROM INVESTMENTS**

	Unrestricted funds	Restricted funds	Endowment funds	Total 2022	Total 2021
Group	£	£	£	£	£
Interest income	150	-	-	150	536
Dividend income	39,247	21,070	13,428	73,745	56,719
	<u>39,397</u>	<u>21,070</u>	<u>13,428</u>	<u>73,895</u>	<u>57,255</u>
<b>Charity</b>					
Interest income	150	-	-	150	536
Dividend income	39,247	21,070	13,428	73,745	56,719
Gift aid from subsidiaries	95,428	-	-	95,428	-
	<u>134,825</u>	<u>21,070</u>	<u>13,428</u>	<u>169,323</u>	<u>57,255</u>

**7. INCOME FROM OTHER SOURCES**

	Unrestricted funds	Restricted funds	Endowment funds	Total 2022	Total 2021
Group and College	£	£	£	£	£
Sundry income	-	-	-	-	12,476
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,476</u>



**CHRIST COLLEGE BRECON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**8. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)**

College	Staff costs £	Other £	Depreciation £	Total 2022 £	2021 £
Teaching costs	2,477,584	654,077	51,783	3,183,444	2,885,119
School trip expenditure	-	173,086	-	173,086	3,295
Welfare	251,429	721,221	11,169	983,819	806,528
Premises	606,619	744,650	444,721	1,795,990	1,784,057
Admin	468,552	328,113	20,307	816,972	742,905
Financing and other costs	-	48,056	-	48,056	57,405
Governance costs	-	70,583	-	70,583	22,930
	<u>3,804,184</u>	<u>2,739,786</u>	<u>527,980</u>	<u>7,071,950</u>	<u>6,302,239</u>
<b>Other expenditure consists of:</b>				<b>2022</b>	<b>2021</b>
<b>College</b>				<b>£</b>	<b>£</b>
Advertising, marketing and publicity				118,028	121,621
Audit and accountancy fees				16,620	15,660
Bank interest, charges and fees				84,445	81,991
Catering costs				269,785	184,912
Cleaning and laundry				12,629	9,902
Commissions paid				78,289	67,659
Equipment hire				1,251	879
Staff expenses and travel				60,187	6,798
Functions				23,191	12,724
House supplies				12,344	12,658
Insurance				70,326	56,718
IT costs				137,212	86,233
Legal and professional fees				124,869	59,304
Printing, postage and stationery				46,380	26,966
Prizes				3,554	2,575
Productions				11,452	11,788
Recruitment				25,589	27,463
Rent, rates, water and utilities				358,935	325,101
Repairs and maintenance				659,401	662,953
School travel				70,606	30,990
School trip expenditure				173,086	3,295
Subscriptions				21,493	21,589
Teaching and sports supplies				161,505	139,804
Telephone				28,397	27,460
Training				15,374	14,501
Transport				154,838	114,045
Loss on disposal of fixed assets				-	2,480
				<u>2,739,786</u>	<u>2,128,069</u>

**CHRIST COLLEGE BRECON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**8. EXPENDITURE ON CHARITABLE ACTIVITIES**

<b>Group</b>	<b>Staff costs £</b>	<b>Other £</b>	<b>Depreciation £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Teaching costs	2,477,584	654,077	51,783	3,183,444	2,885,119
School trip expenditure	-	173,086	-	173,086	3,295
Welfare	251,429	721,221	11,169	983,819	806,528
Premises	606,619	744,650	444,721	1,795,990	1,784,057
Admin	543,153	328,114	20,307	891,574	793,852
Financing and other costs	-	48,056	-	48,056	57,405
Governance costs	-	70,583	-	70,583	22,930
	<u>3,878,785</u>	<u>2,739,787</u>	<u>527,980</u>	<u>7,146,552</u>	<u>6,353,186</u>

	<b>2022 £</b>	<b>2021 £</b>
<b>Other expenditure consists of:</b>		
<b>Group</b>		
Advertising, marketing and publicity	118,028	121,621
Audit and accountancy fees	16,620	15,660
Bank interest, charges and fees	84,445	81,991
Catering costs	269,785	184,912
Cleaning and laundry	12,629	9,902
Commissions paid	78,289	67,659
Equipment hire	1,251	879
Staff expenses and travel	60,187	6,798
Functions	23,191	12,724
House supplies	12,344	12,658
Insurance	70,326	56,718
IT costs	137,212	86,233
Legal and professional fees	124,869	59,304
Printing, postage and stationery	46,380	26,966
Prizes	3,554	2,575
Productions	11,452	11,788
Recruitment	25,589	27,463
Rent, rates, water and utilities	358,935	325,101
Repairs and maintenance	659,401	662,953
School travel	70,606	30,990
Subscriptions	21,494	21,589
School trip expenditure	173,086	3,295
Teaching and sports supplies	161,505	139,804
Telephone	28,397	27,460
Training	15,374	14,501
Transport	154,838	114,045
Loss on disposal of fixed assets	-	2,480
	<u>2,739,787</u>	<u>2,128,069</u>

**CHRIST COLLEGE BRECON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**9. AUDITORS REMUNERATION**

Fees for examination of the accounts:

	Total 2022 £	Total 2021 £
<b>Group</b>		
Auditors fees	17,210	15,660
Other fees	<u>3,410</u>	<u>3,410</u>
<b>College</b>		
Auditors fees	13,210	12,250
Other fees	<u>3,410</u>	<u>3,410</u>

**10. GOVERNANCE COSTS**

Governance costs incurred during the year relate to:

	2022 £	2021 £
<b>Group</b>		
Legal and professional fees	49,963	7,270
Audit and accountancy fees	<u>20,620</u>	<u>19,070</u>
<b>College</b>		
Legal and professional fees	49,963	7,270
Audit and accountancy fees	<u>16,620</u>	<u>15,660</u>

**CHRIST COLLEGE BRECON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

	<b>2022</b>	2021
<b>Group and College</b>	<b>£</b>	<b>£</b>
Wages and salaries	<b>3,032,739</b>	2,880,994
Social security costs	<b>288,115</b>	263,710
Pension costs - teaching	<b>410,535</b>	393,393
Pension costs – non-teaching	<b>147,396</b>	145,532
	<b><u>3,878,785</u></b>	<b><u>3,683,629</u></b>

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 £nil (2021: £15,500).

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:

	<b>2022</b>	2021
	<b>No</b>	<b>No</b>
£60,000 to £69,999	<b>2</b>	3
£70,000 to £79,999	<b>1</b>	1
£90,000 to £99,999	<b><u>1</u></b>	<b><u>1</u></b>

Contributions totalling £100,735 (2021: £57,734) were made to the Teachers' Pension Scheme during the year, which is a defined benefit scheme for the above staff members, and contributions totalling £nil (2021: £25,695) 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 £431,010 (2021: £436,055).

**CHRIST COLLEGE BRECON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**13. TANGIBLE FIXED ASSETS**

<b>Group and College</b>	<b>Freehold- land &amp; buildings £</b>	<b>All Weather pitch £</b>	<b>Furniture &amp; equip- ment £</b>	<b>Motor vehicles £</b>	<b>Other leased assets £</b>	<b>Assets under construction £</b>	<b>Total £</b>
<b>Cost</b>							
At 1 September 2021	18,881,180	210,736	1,511,959	143,323	271,633	89,004	21,107,835
Additions	45,660	-	6,552	-	-	257,513	309,725
Disposals	-	(210,736)	-	-	-	-	(210,736)
Transfer	89,004	-	-	-	-	(89,004)	-
At 31 August 2022	<u>19,015,844</u>	<u>-</u>	<u>1,518,511</u>	<u>143,323</u>	<u>271,633</u>	<u>257,513</u>	<u>21,206,824</u>
<b>Depreciation</b>							
At 1 September 2021	8,365,498	210,736	1,159,515	74,466	238,603	-	10,048,818
Charge for year	390,281	-	102,313	24,322	11,062	-	527,978
Disposals	-	(210,736)	-	-	-	-	(210,736)
At 31 August 2022	<u>8,755,779</u>	<u>-</u>	<u>1,261,828</u>	<u>98,788</u>	<u>249,665</u>	<u>-</u>	<u>10,366,060</u>
<b>Net book value</b>							
31 August 2022	<u>10,260,065</u>	<u>-</u>	<u>256,683</u>	<u>44,535</u>	<u>21,968</u>	<u>257,513</u>	<u>10,840,764</u>
31 August 2021	<u>10,515,682</u>	<u>-</u>	<u>352,444</u>	<u>68,857</u>	<u>33,030</u>	<u>-</u>	<u>11,059,017</u>

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 2022**

**12. STAFF NUMBERS**

**Group and College**

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

	<b>Total 2022 No</b>	<b>Total 2021 No</b>
Teaching	<b>49</b>	49
Support	<b>40</b>	34
Estate	<b>19</b>	20
Domestics	<b>23</b>	24
	<b><u>131</u></b>	<u>127</u>

**CHRIST COLLEGE BRECON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**14. FIXED ASSET INVESTMENTS**

<b>Group</b>	<b>2022</b> £	2021 £
Carrying (fair) value at beginning of period	<b>3,610,626</b>	2,843,455
<b>Add:</b> additions to investments during period	<b>2,045,252</b>	377,833
<b>Less:</b> disposals at carrying value	<b>(960,546)</b>	(401,152)
<b>Add/ (deduct):</b> net gain/ (loss) on revaluation	<b>(316,739)</b>	743,676
Dealing account	<b>89,929</b>	46,814
Carrying (fair) value at end of year	<u><b>4,468,522</b></u>	<u>3,610,626</u>
<b>College</b>		
Carrying (fair) value at beginning of period	<b>3,611,627</b>	2,844,456
<b>Add:</b> additions to investments during period	<b>2,045,252</b>	377,833
<b>Less:</b> disposals at carrying value	<b>(960,546)</b>	(401,152)
<b>Add/ (deduct):</b> net gain/ (loss) on revaluation	<b>(316,739)</b>	743,676
Dealing account	<b>89,929</b>	46,815
Carrying (fair) value at end of year	<u><b>4,469,523</b></u>	<u>3,611,627</u>

**Analysis of investments**

	<b>2022</b>		<b>2021</b>	
	Fair value £	Book cost £	Fair value £	Book cost £
Cash or cash equivalents	<b>202,073</b>	<b>202,073</b>	111,112	111,112
Listed investments	<b>4,266,449</b>	<b>3,689,733</b>	3,499,514	2,465,425
Investment in trading subsidiaries	<b>1,001</b>	<b>1,001</b>	1,001	1,001
	<u><b>4,469,523</b></u>	<u><b>3,892,807</b></u>	<u>3,611,627</u>	<u>2,577,538</u>

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

	<b>2022</b> %	2021 %
Unrestricted	<b>55</b>	49
Endowment	<b>16</b>	22
Restricted	<u><b>29</b></u>	<u>29</u>
	<u><b>100</b></u>	<u>100</u>

**CHRIST COLLEGE BRECON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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:-

	<b>2022</b>	2021
	<b>£</b>	£
<b>Profit and Loss Account</b>		
Turnover	<b>176,966</b>	112,687
Recharges to Christ College Brecon	<b>3,049</b>	2,171
Expenditure	<b>3,254</b>	(47,166)
Recharges from Christ College Brecon	<b>(49,899)</b>	(53,117)
<b>Profit for year</b>	<b><u>133,370</u></b>	<u>14,575</u>
<b>Statement of Changes in Equity</b>		
Balance brought forward	<b>(11,678)</b>	(25,253)
Profit and total comprehensive income for the period	<b>133,370</b>	14,575
Distributions to parent charity under gift aid	<b>(59,560)</b>	-
<b>Balance carried forward</b>	<b><u>62,132</u></b>	<u>(10,678)</u>
<b>Balance Sheet</b>		
Current assets	<b>170,962</b>	42,365
Current liabilities	<b>(167,390)</b>	(53,043)
<b>Capital and reserves</b>	<b><u>3,572</u></b>	<u>(10,678)</u>



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**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:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Profit and Loss Account</b>		
Turnover	<b>163,043</b>	163,043
Expenditure	<b>(40,030)</b>	(155,921)
Recharges to Christ College Brecon	<b>(27,751)</b>	-
<b>(Loss)/profit for year</b>	<b><u>95,262</u></b>	<b><u>7,123</u></b>
<b>Statement of Changes in Equity</b>		
Balance brought forward	<b>(23,522)</b>	(30,645)
Profit and total comprehensive income for the period	<b>95,262</b>	7,123
Distributions to parent charity under gift aid	<b>(35,869)</b>	-
<b>Balance carried forward</b>	<b><u>35,871</u></b>	<b><u>(23,522)</u></b>
<b>Balance Sheet</b>		
Fixed and current assets	<b>65,471</b>	750
Current liabilities	<b>(65,470)</b>	(24,272)
<b>Capital and reserves</b>	<b><u>1</u></b>	<b><u>(23,522)</u></b>

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**16. STOCKS**

	<b>2022</b>	<b>2021</b>
<b>Group</b>	<b>£</b>	<b>£</b>
<i>Goods for resale:</i>		
Opening balance	<b>10,520</b>	13,666
Added in period	<b>4,868</b>	4,576
Expensed in period	<b>(4,291)</b>	(7,722)
Closing balance	<b><u>11,097</u></b>	<u>10,520</u>

**17. DEBTORS**

	<b>Group</b>		<b>College</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>11,144</b>	6,937	<b>(12,818)</b>	3,166
Prepayments and accrued income	<b>121,038</b>	127,920	<b>121,038</b>	127,920
VAT debtor	-	653	-	-
Balances due from group undertakings	-	-	<b>173,079</b>	62,058
	<b><u>132,182</u></b>	<u>135,510</u>	<b><u>281,299</u></b>	<u>193,144</u>

**18. CASH AT BANK AND IN HAND**

	<b>Group</b>		<b>College</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Short term deposits	-	1,009,010	-	1,009,010
Cash at bank and on hand	<b>3,250,831</b>	2,125,382	<b>3,050,800</b>	2,097,214
	<b><u>3,250,831</u></b>	<u>3,134,392</u>	<b><u>3,050,800</u></b>	<u>3,106,224</u>

**19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>College</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	<b>30,720</b>	44,509	<b>30,720</b>	44,509
Trade creditors	<b>138,627</b>	169,854	<b>97,664</b>	158,107
Accruals and deferred income	<b>1,494,026</b>	987,702	<b>1,490,326</b>	984,192
Taxation and social security	<b>88,070</b>	65,885	<b>74,293</b>	65,885
Other creditors	<b>74,726</b>	138,442	<b>74,726</b>	138,442
	<b><u>1,826,169</u></b>	<u>1,406,392</u>	<b><u>1,767,729</u></b>	<u>1,391,135</u>

**CHRIST COLLEGE BRECON**  
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**20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group and College</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans	<b>749,307</b>	1,086,206
Deferred income	<b>355,729</b>	121,152
Other creditors	-	10,621
	<b><u>1,105,036</u></b>	<b><u>1,217,979</u></b>

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:**

<b><u>Group and College</u></b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Balance at the start of the reporting period	<b>1,007,791</b>	2,607,325
Amounts added in current period	<b>9,506,366</b>	6,459,930
Amounts released to income from previous periods	<b>(8,904,306)</b>	(8,059,464)
Balance at the end of the reporting period	<b><u>1,609,851</u></b>	<b><u>1,007,791</u></b>

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**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	
	2022	2021	2022	2021	2022	2021
<u>Charity and Group</u>	£	£	£	£	£	£
Within 1 year	<b>296,776</b>	136,450	<b>69,702</b>	83,538	<b>887,644</b>	666,651
Within 2-5 years	<b>111,000</b>	7,000	<b>155,579</b>	114,152	-	-
After 5 years	-	-	<b>89,150</b>	-	-	-
	<u><b>407,776</b></u>	<u>143,450</u>	<u><b>314,431</b></u>	<u>197,690</u>	<u><b>887,644</b></u>	<u>666,651</u>

**Bank loans**

The bank loans are secured over certain land, building and investment assets. The balance outstanding on the loans at 31 August 2022 is £780,027 (2021: £1,130,715). The governors estimate the value of the property securing the loan to be £3,145,000 (2021: £3,145,000).

The value of the investment portfolio totalled £4,469,523 (2021: £3,610,626).

**The amount repayable on the bank loan is as follows:**

	2022	2021
	£	£
Repayable within one year	<b>30,720</b>	44,509
Repayable between two and five years	<b>122,880</b>	178,036
Repayable in more than five years	<b>626,427</b>	908,170
	<u><b>780,027</b></u>	<u>1,130,715</u>

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**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  
 3-4 Orchard Gardens, Brecon  
 Arts Centre Dinas Road, Brecon  
 St David's House, Christ College, Brecon  
 Orchard Boarding House, Christ College, Brecon  
 Head's 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 (2021: £47,043).

Net obligations payable:

	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
Repayable within one year	<b>8,053</b>	12,937
Repayable between two and five years	<b>-</b>	10,621
	<b><u>8,053</u></b>	<b><u>23,558</u></b>

**CHRIST COLLEGE BRECON**  
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**21. OPERATING LEASE COMMITMENTS**

**Group and College**

Annual commitments held under operating leases expire as follows:

Net obligations payable:

	2022 £	2021 £
Due within one year	648	648
	<u>648</u>	<u>648</u>

**22. ENDOWED FUNDS**

	At 1 September 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 August 2022 £
<b>Group and College</b>						
Black Cat	64,368	1,077	(1,077)	-	(4,787)	59,581
OBA award	245,329	4,105	(4,105)	-	(18,244)	227,085
Dr Herdman fund	259,539	4,343	(4,343)	-	(19,301)	240,238
Edward Edwards	57,928	969	(969)	-	(4,308)	53,620
Sundry	138,911	2,326	(2,326)	-	(10,330)	128,581
The Friends of Christ College Fund	36,352	1,608	(1,608)	-	(2,703)	33,649
	<u>802,427</u>	<u>14,428</u>	<u>(14,428)</u>	<u>-</u>	<u>(59,673)</u>	<u>742,754</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 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 August 2021 £
<b>Group and College</b>						
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	28,991	557	(557)	-	7,361	36,352
	<u>639,946</u>	<u>12,306</u>	<u>(12,306)</u>	<u>-</u>	<u>162,481</u>	<u>802,427</u>

**CHRIST COLLEGE BRECON**  
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**23. RESTRICTED FUNDS**

Group and College	At 1 September 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 August 2022 £
Scholarship funds	177,566	3,286	(3,286)	-	(14,034)	163,532
Prize funds	64,599	1,080	(1,080)	-	(4,612)	59,987
Foundation - general	208,045	70,257	(7,620)	-	(16,444)	254,238
Sir Barrie and Lady Stephens scholarship fund	343,869	6,363	(6,363)	-	(27,178)	316,691
Chapel repair fund	613	-	-	-	-	613
Peter Lloyd bequest	245,526	4,543	(4,543)	-	(19,405)	226,121
Powell Donation	23,676	438	(438)	-	(1,871)	21,805
Kelvin Bryan bursary	71,637	1,326	(1,326)	-	(5,662)	65,975
Pavilion Project	10,000	32,685	(2,685)	-	(790)	39,210
	<u>1,145,531</u>	<u>119,978</u>	<u>(27,341)</u>	<u>-</u>	<u>(89,996)</u>	<u>1,148,172</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.

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**23. RESTRICTED FUNDS (continued)**

Previous year

<b>Group and College</b>	<b>At 1 September 2020 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Gains and losses £</b>	<b>At 31 August 2021 £</b>
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>



**CHRIST COLLEGE BRECON**  
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**24. UNRESTRICTED FUNDS**

<b>Group</b>	<b>At 1 September 2021 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Gains and losses £</b>	<b>At 31 August 2022 £</b>
Foundation	1,936,347	-	-	-	(167,070)	1,769,277
General funds	11,441,389	7,907,587	(7,236,988)	-	-	12,111,988
	<u>13,377,736</u>	<u>7,907,587</u>	<u>(7,236,988)</u>	<u>-</u>	<u>(167,070)</u>	<u>13,881,265</u>
<b>College</b>						
Foundation	1,936,347	-	-	-	(167,070)	1,769,277
General funds	11,476,593	7,663,006	(7,030,181)	-	-	12,109,418
	<u>13,412,940</u>	<u>7,663,006</u>	<u>(7,030,181)</u>	<u>-</u>	<u>(167,070)</u>	<u>13,878,695</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

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

**CHRIST COLLEGE BRECON**  
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**25. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

<b>Group</b>	<b>Fixed assets £</b>	<b>Investments £</b>	<b>Net current assets £</b>	<b>Long term liabilities £</b>	<b>Total £</b>
Endowment funds	-	742,754	-	-	742,754
Restricted funds	-	1,147,560	612	-	1,148,172
<b>Unrestricted funds:</b>					
General funds	10,840,764	2,578,208	1,567,329	(1,105,036)	13,881,265
	<u>10,840,764</u>	<u>4,468,522</u>	<u>1,567,941</u>	<u>(1,105,036)</u>	<u>15,772,191</u>
<b>College</b>					
Endowment funds	-	742,754	-	-	742,754
Restricted funds	-	1,147,560	612	-	1,148,172
<b>Unrestricted funds:</b>					
General funds	10,840,764	2,579,209	1,563,758	(1,105,036)	13,878,695
	<u>10,840,764</u>	<u>4,469,523</u>	<u>1,564,370</u>	<u>(1,105,036)</u>	<u>15,769,621</u>
<b><u>Previous year</u></b>					
<b>Group</b>	<b>Fixed assets £</b>	<b>Investments £</b>	<b>Net current assets £</b>	<b>Long term liabilities £</b>	<b>Total £</b>
Endowment funds	-	802,427	-	-	802,427
Restricted funds	-	1,144,918	613	-	1,145,531
<b>Unrestricted funds:</b>					
General funds	11,059,017	1,663,281	1,873,417	(1,217,979)	13,377,736
	<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>
<b>College</b>					
Endowment funds	-	802,427	-	-	802,427
Restricted funds	-	1,144,918	613	-	1,145,531
<b>Unrestricted funds:</b>					
General funds	11,059,017	1,664,282	1,907,620	(1,217,979)	13,412,940
	<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>

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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 £120,007 was received by the Foundation (2021: £34,436), of which £13,309 related to the endowment fund (2021: £996), £62,636 related to the restricted funds (bursaries) (2021: £21,208), £9,451 related to the unrestricted fund (bursaries), £34,610 to restricted capital fund (2021: £10,000) and £nil to the restricted prize fund (2021: £ 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 £147,396 (2021: £145,532). At year end £12,731 (2021: £9,604) 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 £410,535 (2021: £393,393). At the year-end £45,702 (2021: £35,573) was accrued in respect of contributions to this scheme. The cost in the year ended 31 August 2023 is not expected to be significantly different to this year.

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**  
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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.

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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 £49,899 (2021: £53,112) and recharges from the company totalled £3,049 (2021: £2,171).

Amounts due to the college at 31 August 2021 from Christ College Holiday Activities Limited were £109,459 (2021: £39,541). The gift aid received during the year was £59,560 (2021: £ nil).

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

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**28. RELATED PARTIES (continued)**

Recharges to the company during the period totalled £27,751 (2021: £ nil) and a management charge of £nil (2021: £ nil) was invoiced.

Amounts due to the college at 31 August 2022 from 1541 Limited were £63,620 (2021: £22,517). The gift aid received during the year was £63,620 (2021: £ 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 2022 is £236 (2021: £ nil). 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 £1,000, bringing the value of the fund to £33,649. The income from the endowment is used towards bursaries at the college.

**29. FINANCIAL INSTRUMENTS**

**Group and College**

	2022	2021
	£	£
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	<b>4,468,522</b>	3,610,626
	<b><u>4,468,522</u></b>	<b><u>3,610,626</u></b>

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 £nil (2021: £435).

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 into an interest rate agreement to mitigate against the risk.

**CHRIST COLLEGE BRECON**  
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**30. CAPITAL COMMITMENTS**

At 31 August 2022 the college had no capital commitments.

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

Group	2022 £	2021 £
<b>Net income for the reporting period</b>	<b>446,497</b>	<b>1,301,600</b>
<i>Adjustments for:</i>		
Depreciation charges	527,978	541,488
(Gains)/losses on investments	316,739	(743,676)
Dividends, interest and rents from investments	(73,745)	(57,255)
Loss/(profit) on the sale of fixed assets	-	2,480
(Increase)/decrease in stocks	(577)	3,146
Increase in debtors	3,328	1,243,525
Increase/(decrease) in creditors	673,027	(1,535,357)
<b>Net cash provided by operating activities</b>	<b>1,893,247</b>	<b>755,951</b>
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	3,250,833	2,125,382
Notice deposits (less than 3 months)	-	1,009,010
<b>Total Cash and Cash Equivalents</b>	<b>3,250,833</b>	<b>3,134,392</b>

**Analysis of changes in net debt**

	Opening balance £	Cash-flows £	Interest changes £	Other non-cash changes £	Balance carried forward £
Cash	2,125,382	1,125,447	-	-	3,250,829
Cash equivalents	1,009,010	(1,009,010)	-	-	-
	3,134,392	116,437	-	-	3,250,829
Bank loans falling due within one year	(44,509)	-	-	13,789	(30,720)
Bank loans falling due after more than one year	(1,086,206)	266,243	84,445	(13,789)	(749,307)
Finance lease obligations	(23,558)	15,505	-	-	(8,053)
<b>Total</b>	<b>1,980,119</b>	<b>398,185</b>	<b>84,445</b>	<b>-</b>	<b>2,462,749</b>

**CHRIST COLLEGE BRECON**  
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**32. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

<b>Group</b>	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £
<b>Income and endowments from:</b>				
Donations and legacies	6,115	34,405	-	40,520
Charitable activities	6,638,535	-	-	6,638,535
Other trading activities	89,681	-	-	89,681
Christ College Holiday Activities Limited	112,687	-	-	112,687
1541 Limited	163,043	-	-	163,043
Investments	28,534	16,415	12,306	57,255
Other income	12,476	-	-	12,476
<b>Total income and endowments</b>	<b>7,051,071</b>	<b>50,820</b>	<b>12,306</b>	<b>7,114,197</b>
<b>Expenditure on:</b>				
Charitable activities	6,331,305	9,575	12,306	6,353,186
Christ College Holiday Activities Limited	47,166	-	-	47,166
1541 Limited	155,921	-	-	155,921
<b>Total expenditure</b>	<b>6,534,392</b>	<b>9,575</b>	<b>12,306</b>	<b>6,556,273</b>
<i>Net gains/(losses) on investments</i>	<i>366,095</i>	<i>215,100</i>	<i>162,481</i>	<i>743,676</i>
<b>Net movement in funds</b>	<b>882,774</b>	<b>256,345</b>	<b>162,481</b>	<b>1,301,600</b>
<b>Reconciliation of Funds</b>				
Total funds brought forward	12,494,962	889,186	639,946	14,024,094
<b>Total funds carried forward</b>	<b>13,377,736</b>	<b>1,145,531</b>	<b>802,427</b>	<b>15,325,694</b>



**CHRIST COLLEGE BRECON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**32. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (continued)**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £
<b>Income and endowments from:</b>				
Donations and legacies	6,115	34,405	-	40,520
Charitable activities	6,638,535	-	-	6,638,535
Other trading activities	89,681	-	-	89,681
Investments	28,534	16,415	12,306	57,255
Other income	12,476	-	-	12,476
<b>Total income and endowments</b>	<u>6,775,341</u>	<u>50,820</u>	<u>12,306</u>	<u>6,838,467</u>
<b>Expenditure on:</b>				
Charitable activities	6,280,358	9,575	12,306	6,302,239
<b>Total expenditure</b>	<u>6,280,358</u>	<u>9,575</u>	<u>12,306</u>	<u>6,302,239</u>
<i>Net gains/(losses) on investments</i>	<u>366,095</u>	<u>215,100</u>	<u>162,481</u>	<u>743,676</u>
<b>Net movement in funds</b>	<u>861,078</u>	<u>256,345</u>	<u>162,481</u>	<u>1,279,904</u>
<b>Reconciliation of Funds</b>				
Total funds brought forward	<u>12,551,862</u>	<u>889,186</u>	<u>639,946</u>	<u>14,080,994</u>
<b>Total funds carried forward</b>	<u>13,412,940</u>	<u>1,145,531</u>	<u>802,427</u>	<u>15,360,898</u>

**33. CHANGE IN ACCOUNTING POLICY**

From 1<sup>st</sup> 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 depreciation charge of £246 for the year ended 31<sup>st</sup> August 2020.

