

# Stonyhurst

## GOVERNORS' REPORT AND ACCOUNTS

for the year ended 31 August 2016



Company registered no. 06632303

Registered charity no. 1127929

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# Stonyhurst

## INFORMATION

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### GOVERNORS AND CHARITY TRUSTEES

All Governors and Trustees are directors of the College. They have all served in office throughout the year except where indicated.

Mr J Cowdall^\*#V/+ Chairman  
Mr M J Belderbos\*#=  
Mr R F Brumby\*  
Mr A Chitnis\*\ +Chairman of Libraries, Archives and Collections Committee  
Mr M I Davis\*/+ Chairman of Finance & General Purposes Committee  
Mr D Finn\*/  
Dr M A J Guzkowska#/ Chairman of International Committee  
Dr M Hurley# (resigned 31/08/2016)  
Fr P Nicholson^\* =  
Mr M Riley  
Fr M J Power^# =Chairman of Nominations Committee  
Dr N Mellows#  
Mr J Stoer# Chairman of Education Committee  
Mr S Withnell\* (appointed 01/01/2017)

^ Foundation Members  
\* Members of the Finance and General Purposes Committee  
# Members of the Education Committee  
\ Members of the Libraries, Archives and Collections Committee  
/ Members of the International Committee  
= Members of the Nominations Committee  
+ Members of the Remuneration Committee

OFFICERS (key management personnel)  
Listed below

### COMPANY SECRETARY

Mr A R Johnson (resigned 08/02/2016)  
Mr S P Marsden (appointed 08/02/2016)

### HEADMASTER

Mr A R Johnson \*# - Stonyhurst College (resigned 31/08/2016)  
Mr I Murphy - St Mary's Hall  
Mr J R Browne \*# (appointed 01/09/2016)

### BURSAR AND CLERK TO THE GOVERNORS

Mr S P Marsden\*# (appointed 08/02/2016)

# Stonyhurst

## INFORMATION

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### ADDRESS OF REGISTERED CHARITY

Stonyhurst  
Clitheroe  
Lancashire  
BB7 9PZ  
[www.stonyhurst.ac.uk](http://www.stonyhurst.ac.uk)

### BANKERS

Nat West  
Spinningfields Square  
182 Deansgate  
Manchester  
M3 3LY

### AUDITOR

RSM UK Audit LLP  
Chartered Accountants  
3 Hardman Street  
Manchester  
M3 3HF

# **Stonyhurst**

## **GOVERNORS' REPORT**

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### **REFERENCE AND ADMINISTRATIVE INFORMATION**

The School's Governors, Headmasters and the principal address of the charity are listed on page 1.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Governors, who are the Directors for the purposes of company law, present the annual report and the financial statements of Stonyhurst for the year ended 31 August 2016. Stonyhurst comprises Stonyhurst College, and its preparatory school, St Mary's Hall.

This report has been prepared in accordance with the Companies Act 2006 and the Charities Act 2011, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP (FRS 102).

#### **Constitution**

Stonyhurst was incorporated as a company limited by guarantee (registered number 06632303) on 27 June 2008 and is registered as a charity, number 1127929. It commenced to operate as an independent charity on 1 September 2009. The charitable company's governing document is the Memorandum and Articles of Association.

#### **Governors**

The governance of the Stonyhurst is provided by up to thirteen appointed Governors, and three Foundation Members, who act together as the Governing Body. They are supported by Standing Committees and working groups of governors and senior management. Meetings of the Governing Body and its committees are usually held on a termly basis with additional meetings convened as and when required.

#### **Recruitment and training of Governors**

The Governor selection process aims to ensure that the Board collectively has the skills and experience to properly fulfil its functions. Our Governors are chosen for their expertise and attend training courses as appropriate.

The Governors who served during the year are shown on Page 1. The Governors are also the Trustees of the charity.

#### **Organisational Structure**

The governance of Stonyhurst is accomplished through the requisite meetings of the Members and meetings of the Board of Governors and its constituent committees. The day to day management of Stonyhurst is delegated to the two Heads and the Bursar and Clerk to the Governors, as the key management personnel. They are all appointed by the Board of Governors. Both Stonyhurst College and St Mary's Hall are subject to external inspection of education and pastoral care by various statutory bodies.

The remuneration of key management personnel is set by the Board through the Remuneration Committee, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the Company's success. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the College remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the College's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

# **Stonyhurst**

## **GOVERNORS' REPORT**

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### **Group structure and relationships**

The School has a wholly owned non-charitable subsidiary, Stonyhurst College Developments Ltd. It undertakes commercial activities that do not conflict with the educational and religious character of the schools. Its annual profits are donated to the School under the Gift Aid Scheme.

Stonyhurst is also the sole corporate trustee for the Stonyhurst Charitable Fund.

Both results are included in the consolidated financial statements of Stonyhurst.

### **Employment policy**

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the School through regular staff training days

### **Principal Risk and uncertainties**

The Governors have identified the principal risks to which Stonyhurst is exposed several of which arise out of the continuing uncertain economic environment. These risks are managed as follows:

- monitoring financial resources and performance indicators such as pupil numbers, costs and cash flow including the use of benchmarking
- maintaining high standards of education throughout the school
- ensuring controls over key financial systems
- having appropriate insurance cover
- maintaining high standards in the care of the fabric of the schools
- encouraging ownership by staff of published policies and procedure for health and safety, pastoral care and best professional practice and safeguarding
- maintaining a programme of training for Governors and for staff and encouraging regular visits to School activities by Governors
- reviewing the strategic plans and the detailed annual budgets

Through the risk management processes established for the College, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary.

# Stonyhurst

## GOVERNORS' REPORT

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### OBJECTIVES AND ACTIVITIES

The charitable objectives of Stonyhurst are to:

- advance the Roman Catholic religion; and
- advance education

By the conduct of one or more Roman Catholic schools in the charism of the Society of Jesus and by ancillary religious and educational activities for the benefit of the community at large.

The principal activity of Stonyhurst is the provision of education for boys and girls aged 3-18 as a boarding, weekly boarding and day school recruiting pupils locally, nationally and internationally.

### Public Benefit

In the provision of its charitable objectives Stonyhurst seeks to meet the public benefit requirements of the Charity Commission. In setting objectives the Governors have also given careful consideration to the Charity Commission's general guidance on public benefit.

The Governors are committed to the Jesuit ideals set out in the Stonyhurst Mission Statement, at the heart of which is the formation of men and women of faith who will be at the service of others. Stonyhurst aims furthermore to support and promote the apostolic works of the Society of Jesus in Britain.

Stonyhurst continues to provide access to talented young people who would otherwise be excluded due to the level of fees, with bursaries being awarded where there is genuine need. During the year Stonyhurst welcomed further recipients of the St Francis Xavier (SFX) Awards. The SFX Award serves to help UK boarders most likely to benefit from and contribute to life as full boarders in a Catholic boarding school. In total, over one third of pupils at Stonyhurst receive some assistance with the fees, and a small number of young people have a free place at the College.

Stonyhurst provides significant benefits to the local community. Public access is available to many of the facilities in the schools as well as to many of the cultural programmes of activities that take place throughout the year. It is also a major employer in the Ribble Valley and as a consequence of its operations it generates annual payroll taxes in excess of £2.8m. Stonyhurst is outward looking and welcoming to all, locally, regionally, nationally and internationally, with currently pupils coming from 30 different nationalities.

Stonyhurst enjoys a strong partnership with Faith Primary School, Everton, and provides strong support to this school which is located in one of the poorest wards in the country. Regular visits take place between the two schools and Stonyhurst pupils provide mentoring to year 5 and year 6 at Faith Primary. Pupils at the College raise funds for a range of charitable causes through their own registered charity, Learning to Care. During the current year, more than £20,000 was raised for good causes in this way. Beneficiaries include Derian House children's hospice, Asthma UK and Maachild, an education charity for the Maasai in southern Kenya. The overwhelming majority of the 120 pupils in Poetry (the Lower Sixth) undertook weekly voluntary service through the College's Arrupe programme, volunteering in a range of local settings including schools, charity shops and a hospice. In July 2016, pupils and staff also ran their annual holiday week for disabled children, providing valuable respite care for their parents or guardians.

# Stonyhurst

## GOVERNORS' REPORT

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### STRATEGIC REPORT

#### **ACHIEVEMENTS AND PERFORMANCE**

*For both schools, this section has been divided by out three strategic themes; Educational Excellence, Faith That Does Justice and Horizons and Perspectives.*

#### **Stonyhurst**

##### ***Educational excellence***

The College continues to promote the joy of learning, encourage profound thinking and intellectual engagement and promote a mature and independent approach to study.

A key aim of the College is to maintain the highest standards of teaching and learning to ensure that each pupil is enabled to perform to the best of their ability. Regular peer lesson observations and work scrutiny help share good practice and further develop excellence. International Baccalaureate results were excellent (average points 36, world average 30); second best ever A-Level results (42% A\*-A against 26% national average) and very good GSCE results (90% A\*-C against national average of 70%). Three pupils achieved entry to Oxbridge for 2016. The College also became an accredited SATs testing centre to enable pupils to apply to universities in the United States of America. Two Rhetoricians were placed in the top 50 students out of 1,680 across the UK in British Physics Olympiad.

Stonyhurst offers a seamless education to our young people from 3-18 years. A new Management Information System is being considered to improve tracking across both schools. A Data Manager was appointed which has improved the use of base-line testing and target grades to raise pupil achievement. A new transition process and careers module was introduced for Syntax pupils moving into Poetry.

The College continues to offer an ambitious and engaging co-curricular programme to develop skills and confidence in our young people and to educate the whole person. The Schola Cantorum sang Stainer's *The Crucifixion* in Blackburn Cathedral. The Dance Department produced *The Lion, the Witch and the Wardrobe*. The 1<sup>st</sup> team Netball won the Lancashire Schools' Tournament. The 1st XV Rugby retained the Lancashire Cup for the 3rd successive year. The U19 Basketball team won the Lancashire Schools' tournament. The Duke of Edinburgh Award scheme continues to be highly successful (39 Golds; 45 Silver; 56 Bronze) as does the Combined Cadet Force (CCF). The Robotics team won the National RoboCop competition for the sixth consecutive year. A number of trips were undertaken during the year including: a Drama tour to Hong Kong; a Netball tour to Dubai, a Skiing trip to Italy and a Rugby tour to South Africa.

The Stonyhurst Libraries and Collections continue to be used to inspire young people in the College, St Mary's Hall and beyond through Campion Day Workshops, First Folio Workshops and Charles Waterton Workshops etc. An Assistant Curator was employed.

It is a priority for the College to ensure the recruitment and retention of high calibre staff who understand and support our mission, identity and methods; make a valuable contribution in a wide range of areas; are collegial in approach and demonstrate kindness and tolerance in their day to day work. A number of high calibre appointments were made including a new Bursar and Clerk to the Governors and a Director of Personnel. A leadership course for Heads of Faculty was implemented. Staff development resources were increased to meet the needs of the new curriculum.

##### ***Faith that does justice***

At Stonyhurst we continue to ensure that all pupils feel safe, known and loved for who they are.

Stonyhurst continues to be a community where partnership between family and school is central to 'our way of proceeding'. The College continues to engage with parents and the wider Stonyhurst family around the world. Open Days, presentation evenings, receptions for families around the world, Curator evenings at Stonyhurst for parents, Convivium lectures for members of the Stonyhurst Association, all form part of this work.



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We seek to nurture young men and women for others to desire to become agents of positive change in the world. Students volunteer for service to others through the Arrupe programme, charity work, the Children's Holiday and the Lourdes Pilgrimage. The Magis programme and other presentations seek to challenge students on aspects of social justice (Oscar Romero) and tolerance and persecution (Edmund Campion).

As a community we seek to develop young people to recognise, and appreciate, that faith is an individual journey that unites us all as a community. The College Mission 'Let your Light Shine' was a landmark event for the whole College family. This work is also promoted through other retreats, by promoting Ignatian spirituality, inspiring liturgies and by publishing resources through the St Omer's Press.

### ***Perspectives and horizons***

The College aspires to a sector leading governance and leadership structure providing a long term sustainable and measurable development plan, inclusive of a clear framework of continuous improvement. An impressive Independent Schools Inspectorate (ISI) inspection in March 2016 rated nine categories out of eleven as excellent and two as good. A major strategy was implemented to refurbish staff accommodation.

We wish to enable outward facing relationships and partnerships to be enjoyed with all stakeholders by communicating the Jesuit values, mission and identity. This is the touchstone of a Jesuit school and work is extensive. The College sets aside substantial funds for means tested bursaries. Other work includes: work within the local community (local schools); public lectures (Stonyhurst and the Venerable English College, Rome); partnerships with religious institutions (Lambeth Palace Becket Symposium); advice to other trusts (Oxford and Cambridge universities, Archbishop Romero Trust); workshops; visiting schools and parishes and exhibitions (including a major exhibition at the John Paul II Shrine in Washington DC in the United States of America).

The College wishes to assist all staff and students to challenge their personal development and perspectives in order to maximise their potential, alongside understanding their responsibilities to help others to succeed and for them to influence society positively. The College maintains links with individuals and other Jesuit institutions worldwide to support this work. The Summer Language School at Stonyhurst provides insights into global culture through the use of the Collections. Exciting exchange visits exist with Wah Yan Jesuit College, Hong Kong, and the schools of the Italian Jesuit province.

### **St Mary's Hall**

#### ***Educational excellence***

Pupils have a very positive attitude towards their learning and increasingly place high expectations on themselves to achieve 'the best that they can'. A fundamental aim of the school is to develop each child's talents so that they may live life to the full and be 'men and women for others'.

During 2015/16 there has been further development and links to the rich resources of the IPC (International Primary Curriculum); improved extended writing practices in Key Stage 2; significant progress in Outdoor Education and the Forest School to enhance personal development and academic engagement; extensive pupil engagement with the treasures of the Stonyhurst Collections and further development of the school library facility in terms of appropriateness and relevance.

There has been more consistent utilisation of educational data in improving teaching and learning; enhanced monitoring and development of key policies to help ensure quality assurance; strategic planning and use of self-evaluation process to drive school development planning; investment in the fabric and decoration of the building and learning environments; investment in modern teaching resources; curriculum development in line with the Ignatian identity and mission of the school; targeted strategic focus on spelling in Key Stages 1 and 2 and an improved INSET structure and content of professional development in relation to teaching and learning.

St Mary's Hall continues to develop a rich and ambitious co-curricular programme. Pupils achieved Gold medals and Silver medals in the UKMT Junior Mathematics Challenge 2015/16. In the Performing Arts there were many successes. 35% of pupils undertook LAMDA tuition (65% Distinctions and 35% Merits). There were increased performance opportunities for pupils including Showcase Evenings; Assembly performances and Year Group

# Stonyhurst

## GOVERNORS' REPORT

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productions. In Music there were 37 successes at ABRSM examinations including five grade 5 and one grade 7. Pupils achieved extensive sporting success across a wide range of sports. Highlights include: County representation in hockey, netball and rugby; with participation in the IAPS swimming finals; two representatives in District cricket and three representatives at Lancashire Hockey. The boys' U12 team and girls' U11 team were champions at the Cross Country IAPS Northern Championships.

A number of high calibre appointments were made include a new Assistant Head, Director of Music and a Director of Tennis.

### ***Faith that does justice***

Faith that does justice is at the heart of our chaplaincy and pastoral provision. The 'Let Your Light Shine' Mission encouraged us to let the light of God's love shine through us and to experience that light in those around us. The Rudiment Retreat on the theme of 'Discerning' explored how careful decision making can lead to a closer relationship with God. In May SMH pupils established a weekly Skype link with same age pupils in Kampala supported by the Xavier Project and linked to the SMH 'Children for Children' charity. This initiative stood alongside a range of activities in this Year of Mercy that included pupils growing food onsite for a local food bank, direct support by CFC for 'Ray of Light' working with children on the streets of Zimbabwe, and the funds raised by staff participating in *Tough Mudder* specifically for 'Aid to the Church in Need'.

Key pastoral areas developed during 2015/16 include: children undertaking Pupil Attitudes to Self and School survey (PASS); protected weekly time for Playroom based 'whole child meetings' plus wider pastoral/medical staff; an increased number of staff trained to Level 3 (Safeguarding) and the appointment of a Deputy Safeguarding Officer for EYFS and KS1; introduction of sessions with key pastoral and academic staff for Year 8 pupils in order to assist integration and smooth settlement into Lower Grammar (Year 9); improved communication with parents through weekly contact by Class Teacher/Form Tutor; high profile staff presence at key times.

### ***Perspectives and horizons***

The Mission Garden was developed at St Mary's Hall and children participated in the making of a short film about the garden for 'Educate Magis' (the worldwide forum and website for Jesuit education). Four Year 6 pupils attended the annual Ignite Conference at St Aloysius College Junior School, Glasgow. Pupils in Upper Elements (Year 6) spent three days in London as a residential experience. There were international trips to the Somme in northern France (Year 7) and Madrid (Year 8).

We continue our strong partnership with St Joseph's Catholic Primary School, Hurst Green. Local primary school children are also invited to spiritual development as well as musical opportunities. Holiday Activity Courses are run for SMH pupils and local children. The Stonyhurst Children's Holiday Trust is based at SMH in July each year.

SMH has strong links with the Xavier project (a charity to support refugee children and families in Uganda and Kenya) in addition to our long established links with the Jesuit Missions and schools in Zimbabwe and Uganda.

### ***Fundraising performance***

Significant progress has been made this year in the Charity's ongoing work of raising voluntary funding for the College. Grants and donations totalled £423k (2015: £300k), including restricted income donations of £376k (2015: £230k). For this year, the performance of current fundraising, on costs of £164k, was a ratio of 39% against the £423k voluntary income raised.

### **FINANCIAL REVIEW**

The results for the year are shown on Page 16. Principal funding sources for Stonyhurst's activities comprise fee income, investment and trading income and generous contributions from donors.

Through the appeal of the excellent well-rounded education being offered and its active marketing, the careful control of costs and resources, and the close management of the substantial investment portfolio the Consolidated Statement of Financial Activities (Page 16) shows a net positive movement in funds of £3,298,556 (2015 - £ 1,831,892 ). This includes investment gains at the balance sheet date of £3,958,261(2015 - £ 447,382).

The return on the investment portfolio is currently an important contribution to sustaining the charitable objectives and in particular the provision of bursaries and scholarships and the maintenance and development of the estate including the Grade 1 and 2 listed buildings.

The income from the school and investments is supplemented by donations and fundraising of £423,325 (2015 - £295,006) and trading income £296,380 (2015 - £385,692).

The Governors consider that progress is being made in strengthening the finances of Stonyhurst despite the prevailing economic conditions, however, bursaries and maintenance and development of the buildings will continue to make substantial demands on the finances. Consequently continued fundraising efforts to create a growing bursary fund, and endowments, through donations and legacies, is of central importance to the future development of Stonyhurst. The Governors continuously keep these matters under review.

### **Key performance indicators**

Governors review internally as well as against a range of indicators which are benchmarked against peer group schools. The aim is to ensure always value and effectiveness, to know where and why Stonyhurst is not 'average'.

The governors seek for Stonyhurst to be an exceptional school. Stonyhurst is structured and runs as a boarding school, and offers a 'boarding day' for the local market.

The governors are mindful also that the 'positive zero' valuation for the listed buildings of the two schools, resulting in significant expenditure on the buildings having to be expensed within the year in which work is undertaken, reflecting their nature as repairs rather than being capital improvements.

The headline performance data, is as follows;

- Total pupil numbers are 715 pupils (2014/2015: 699)
- Full Boarder Equivalent (FBE) – The FBE for SMH is 151 pupils (2014/2015: 133), and the FBE figure for Stonyhurst College is 392 pupils (2014/2015: 403).
- Payroll to income from charitable activities - 71% (2015: 70%)
- Payroll to total resources expended - 59% (2015: 58%)
- Teaching costs per pupil - £11,522 (2015: £10,610)
- Welfare, Premises and support costs per pupil - £10,803 (2015: £10,150)
- Capital spend per pupil - £2,048 (2015: £1,106)

Details of principal risks and uncertainties are detailed on Page 4.

### **Investment Policy**

The investment powers of the Governors are unrestricted. The investment portfolio is managed by independent fund managers who are required under the terms of their appointments to submit quarterly reports to the Governors. The investment managers are instructed not to invest in any company or organisation whose work or products are inconsistent with the teaching of the Roman Catholic Church.

The Governors have considered the most appropriate policy for investing funds commensurate with an acceptable level of risk and have decided to allow the fund managers to identify the best investment opportunities in order to generate both income and capital growth. The Governors consider the return on investments is reasonable considering the state of the stock market over the period.

The funds are split between absolute return fund managers and general investment managers with expertise in the charitable sector.

The Governors continue with the program of managing investments for maximum benefit to the College by the transfer of value from investment properties. During the year the results reflect the realisation from investment property of £42,435 (2015: £1,214,467). Post year end this program has continued with further realisations for different investment objectives.

The Governors are excellently served by the Investment Committee, chaired by Richard Brumby, Governor, who brings a lifetime of experience of working in the investment sector. We thank Richard for the extensive work he does for Stonyhurst in this important area, and for providing a strong interface between our fund managers and the governing body.

### **Reserves Policy**

Details of the Schools' funds are shown in note 15. An analysis of the Schools' net assets between the funds is also given in note 14.

The Schools' assets are available and adequate to fulfil their obligations.

Unrestricted funds are required:

- a) to cover the working capital of the Schools and to maintain the Schools' buildings,
- b) to provide funds which can be designated to specific projects to enable these projects to be undertaken at short notice, and
- c) to cover direct charitable expenditure, administration costs, fundraising costs and support costs without which the Schools could not function.

# Stonyhurst

## GOVERNORS' REPORT

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### Reserves Level and Policy and Financial Viability

The College's reserves policy is to maintain sufficient unrestricted income reserves ( investment assets valued at £41m at year-end) to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall and to rely on the readily realisable investments of the Charities general-purpose expendable endowment (valued at £68m at the year-end) as adequate cover for the College's longer-term capital expenditure commitments and any longer-term financial obligations.

### **FUTURE PLANS**

A new Headmaster was appointed. In September 2016 a consultation (*Quo vadimus?- where are we going?*) was launched with pupils, parents, the wider Stonyhurst family and other stakeholders to discern a new strategic plan 2016-21 to be launched at Great Academies 2017.

Following a governance review, an Independent Safeguarding Commission, External Relations Committee and International Committee will be established. The College will continue to explore international school opportunities. A masterplan of the College buildings will be undertaken to ensure the best possible academic and boarding facilities for young people in the 21<sup>st</sup> century. New Wing and the Lower Grammar Playroom will be refurbished. A new Tennis Dome will be opened.

A full curriculum review will be conducted for implementation during 2017/18 including: the rebalancing of Key Stage 3 staffing between the College and St Mary's Hall; the introduction of A-Level Psychology (2017); establishing separate pathways for the Pre-IB course; preparation for the introduction of the International Baccalaureate Careers Pathway (2018). Video conferencing classrooms will be resourced for both schools to drive innovative teaching and learning with partner Jesuit schools around the world. A College Pupil Council will be established.

A new Lay Chaplain will be engaged as Sarah Young moves to the Jesuit retreat centre in North Wales. The College and St Mary's Hall will co- sponsor a project with the Jesuit Refugee Service. A Pastoral Review to evaluate the best pastoral structure around the needs of each individual child will be implemented. There will be a review of Learning Support to ensure that every child is thriving academically.

A new Department of External Relations will be created from the Admissions, Development and Marketing Departments with a new Director. One-year leadership posts will be introduced for staff.

There will be a review of the Year 7-9 curriculum to include more holistic tracking of individual children. In conjunction with the College there will be a review of Learning Support. A Shared Vision course will be developed for all parents to help them share in the Ignatian formation of their children. An integrated e-safety course and well-being programme will be implemented. SMH will co-sponsor a project with the Jesuit Refugee Service. New facilities will be developed for the Music Department. The International Primary Curriculum (IPC) and the Magis programme will be developed further.

# Stonyhurst

## GOVERNORS' REPORT

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### THANKS AND APPRECIATION

This report would not be complete without it recording a sincere appreciation to the whole Stonyhurst community for all that every member of that community has contributed to the success of the schools during the year under review.

We record our grateful thanks to the Headmasters of both schools and the Bursar and Clerk to the Governors and to their management and support teams.

To all the teaching staff we say thank you, especially to the way in which you deliver our ethos, our mission, our distinctiveness and our catholicity both in the classroom and in your everyday contact with our pupils. We are blessed in both schools with outstanding teachers who are able to teach and inspire the young people that they deal with. Every successful organisation can point to having first class support staff. This is certainly the case at Stonyhurst and we record our thanks and appreciation to every one of them in every department across the schools.

We pay a particular tribute to those of our staff who work in and for our chaplaincy and pastoral teams.

Finally but not least, the Chairman records his personal thanks to his Governor colleagues for all the time that they give to the governance of Stonyhurst and particularly for the personal support that individually and collectively they have given to him as Chairman.

### STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Stonyhurst College Governors (who are also directors of Stonyhurst College for the purposes of company law and are the charity trustees) are responsible for preparing the Governors' Report, Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

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

# Stonyhurst

## GOVERNORS' REPORT

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### AUDITOR

A resolution to re-appoint RSM UK Audit LLP, Chartered Accountants, as auditors will be put to the Governing Council at the next Board Meeting.

### DISCLOSURE OF INFORMATION TO AUDITOR

The Governors who held office at the date of approval of this report confirm that, so far as they are each aware:

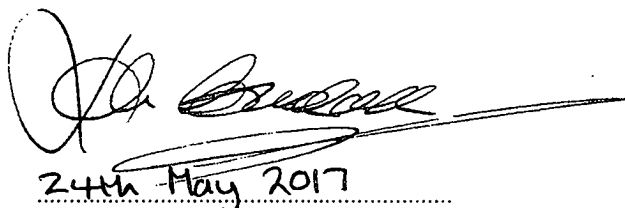
- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors' Annual Report including the Strategic Report was approved by the Board of Governors of Stonyhurst in their capacity as trustees and company directors on ..... and signed on its behalf by

24th May 2017

Signed on

on behalf of the Governing Body



24th May 2017

John Cowdall

Chairman of Governors, Stonyhurst, Clitheroe, Lancashire, BB7 9PZ

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STONYHURST

We have audited the financial statements of Stonyhurst (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2016, which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2016 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 Companies Act 2006

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Report and the incorporated Strategic Report.

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

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

### Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 12 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under the Companies Act 2006 and report in accordance with those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STONYHURST

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

*Ben W. Thorpe*

DALE THORPE BSc FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
3 Hardman Street  
Manchester  
M3 3HF

*31 May 2017*

# Stonyhurst

## Consolidated Statement of Financial Activities (including Income and Expenditure Account) For the year ended 31 August 2016 (Registered Company No: 06632303)

	Notes	Unrestricted £	Restricted £	Total 2016 £	Total 2015 £
<b>INCOME AND ENDOWMENTS FROM:</b>					
<b>Charitable activities</b>					
School fees	1	13,860,012	-	13,860,012	12,756,184
Other ancillary income	2	342,162	-	342,162	373,792
<b>Other trading activities</b>					
Trading turnover	8	296,380	-	296,380	385,692
<b>Voluntary Sources</b>					
Donations & Fundraising	3	47,006	376,319	423,325	295,006
<b>Investment income</b>	4	1,479,420	-	1,479,420	1,354,174
<b>Other income</b>					
Profit on disposal of fixed assets		132,024	-	132,024	6,579
<b>TOTAL INCOMING RESOURCES</b>		<u>16,157,004</u>	<u>376,319</u>	<u>16,533,323</u>	<u>15,171,427</u>
<b>EXPENDITURE ON:</b>					
<b>Raising funds:</b>					
Trading expenses		290,177	-	290,177	387,784
Fundraising costs		164,101	-	164,101	220,061
Financing costs		533,122	-	533,122	606,813
		<u>987,400</u>	<u>-</u>	<u>987,400</u>	<u>1,214,658</u>
<b>Charitable activities</b>					
Education and grant making		15,871,744	376,319	16,248,063	14,673,726
<b>TOTAL EXPENDITURE</b>	6	<u>16,859,144</u>	<u>376,319</u>	<u>17,235,463</u>	<u>15,888,384</u>
<b>NET EXPENDITURE FROM OPERATIONS</b>		(702,140)	-	(702,140)	(716,957)
Gains on investment assets	7	3,958,261	-	3,958,261	447,382
Realised gains on investment property	7	42,435	-	42,435	1,214,467
Revaluation of investment property		-	-	-	887,000
<b>NET INCOME</b>		<u>3,298,556</u>	<u>-</u>	<u>3,298,556</u>	<u>1,831,892</u>
Transfers between funds		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<u>3,298,556</u>	<u>-</u>	<u>3,298,556</u>	<u>1,831,892</u>
Fund Balances brought forward at 1 September 2015		64,992,930	251,651	65,244,581	63,412,689
Fund Balances carried forward at 31 August 2016		<u>68,291,486</u>	<u>251,651</u>	<u>68,543,137</u>	<u>65,244,581</u>

The consolidated net incoming funds for the year are all derived from continuing operations.


The notes on pages 19 to 39 form part of these accounts..

**Stonyhurst**  
BALANCE SHEETS  
As at 31 August 2016

Registered Company No:06632303

		Group		Stonyhurst (charity)	
	Notes	2016 £	2015 £	2016 £	2015 £
<b>FIXED ASSETS</b>					
Investments	7	40,837,671	39,317,113	29,614,004	29,123,306
Tangible fixed assets	9	32,216,668	31,878,497	32,216,668	31,878,497
		<u>73,054,339</u>	<u>71,195,610</u>	<u>61,830,672</u>	<u>61,001,803</u>
<b>CURRENT ASSETS</b>					
Debtors	10	1,179,111	1,375,593	1,279,823	1,498,607
Cash at bank		5,505,461	1,841,761	5,467,589	1,798,028
		<u>6,684,572</u>	<u>3,217,354</u>	<u>6,747,412</u>	<u>3,296,635</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>					
Creditors	11	(6,033,465)	(3,682,280)	(6,007,256)	(3,661,233)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>651,107</u>	<u>(464,926)</u>	<u>740,156</u>	<u>(364,598)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>73,705,446</u>	<u>70,730,684</u>	<u>62,570,828</u>	<u>60,637,205</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>					
Creditors	12	(5,162,309)	(5,486,103)	(5,162,309)	(5,486,103)
<b>TOTAL NET ASSETS</b>		<u>68,543,137</u>	<u>65,244,581</u>	<u>57,408,519</u>	<u>55,151,102</u>
<b>Restricted funds</b>	14	251,651	251,651	251,651	251,651
<b>Unrestricted funds</b>	14	68,291,486	64,992,930	57,156,868	54,899,451
<b>TOTAL FUNDS</b>		<u>68,543,137</u>	<u>65,244,581</u>	<u>57,408,519</u>	<u>55,151,102</u>

The financial statements were approved and authorised for issue by the Board of Governors on 24th May 2017 and signed on its behalf by:

  
John Cowdall  
Chairman of Governors

The notes on pages 19 to 39 form part of these accounts.

# Stonyhurst

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 August 2016

		2016 £	2016 £	2015 £	2015 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	17		1,166,960		(1,218,738)
<b>Cash flows from investing activities</b>					
Payments to acquire tangible fixed assets		(1,464,570)		(722,834)	
Addition of listed investments		(51,814)		234,709	
Cash drawdown in listed investments		430,000		-	
Disposal of investment property		2,099,416		3,197,987	
Disposal of tangible fixed assets		640,610		80,208	
<b>Net cash used in investing activities</b>			1,653,642		2,740,070
<b>Cash flows from financing activities</b>					
Interest paid		(132,273)		(182,733)	
Investment income		1,220,415		1,094,324	
Loans repaid				(245,044)	
<b>Net cash used in financing activities</b>			843,098		666,547
<b>Management of liquid resources</b>			-		9,565
<b>Increase in cash</b>			3,663,700		2,197,444
<b>Cash and cash equivalents at the end of the year</b>			1,841,761		(355,683)
<b>Cash and cash equivalents at the end of the year, represented by cash at bank and in hand</b>			<u>5,505,461</u>		<u>1,841,761</u>

# Stonyhurst

## NOTES TO THE ACCOUNTS

for the year ended 31 August 2016

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### LEGAL STATUS

Stonyhurst is an incorporated (private company limited by guarantee) charity (charity no. 1127929, company no.06632303), registered in England. Stonyhurst meets the definition of a public benefit entity under FRS102. The School's address is Stonyhurst, Clitheroe, Lancashire, BB7 9PZ.

The charitable objectives of Stonyhurst are to advance the Roman Catholic religion, and advance education by the conduct of one or more Roman Catholic schools in the charism of the Society of Jesus and by ancillary religious and educational activities for the benefit of the community at large.

The principal activity of Stonyhurst is the provision of education for boys and girls aged 3-18 as a boarding, weekly boarding and day school recruiting pupils locally, nationally and internationally.

### BASIS OF ACCOUNTING

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice ("SORP (FRS102)") and Financial Reporting Standard 102. The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

These financial statements are the first financial statements of Stonyhurst prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Stonyhurst for the year ended 31 August 2015 were prepared in accordance with previous UK GAAP and the Charities SORP (2005). The date of transition is 1 September 2014.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Comparative figures have been restated to reflect the adjustments made. Adjustments are recognised directly in funds at the transition date. Details can be found on Note 22.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated. The financial statements are presented in sterling which is also the functional currency of the School.

### BASIS OF CONSOLIDATION

The accounts have been consolidated to include the trading subsidiary, Stonyhurst College Developments Limited ('DevCo') and its separate subsidiary unincorporated charity, Stonyhurst Charitable Fund ("SCF"), all of which are registered in England, United Kingdom.

No separate SOFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006.

All financial statements are made up to 31 August 2016. The following accounting policies have been applied consistently in dealing with items that are considered material to the School's financial statements.

### Reduced disclosures

In accordance with FRS 102, the individual School has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of Stonyhurst:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches; and details of hedges and hedging fair value changes recognised in profit or loss and in other comprehensive income.

# Stonyhurst

## NOTES TO THE ACCOUNTS

for the year ended 31 August 2016

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### GOING CONCERN

The Governors have reviewed cash flow requirements for at least the ensuing 12 months and are satisfied that existing facilities are sufficient to support ongoing operations. The Governors have reviewed rolling 5 year plans for the Schools and Buildings.

On the basis of their assessment of the Charity's financial position, the Governors have a reasonable expectation that the School will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### INCOME

- (i) Fee income represents fees earned in respect of tuition given during the year. Fees received in respect of tuition to be given after the year end are included in creditors as fees received in advance.
- (ii) The contribution by the Community for Food and Provisions, Accommodation and Services is credited to the statement of financial activities.
- (iii) All other income is the amount receivable in the accounting year.
- (iv) Extras, for example School trips, which relate in nature to a banking relationship as opposed to the specific provision of goods by the school, are not included as income.

### DONATIONS AND LEGACIES

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

Donations received for the general purposes of the College are credited to unrestricted funds to distinguish them from direct school 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.

Legacies and bequests are accounted for only when there is sufficient evidence that the legacy will be received and the value of the incoming resource can be measured with sufficient certainty.

### EXPENDITURE

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure is summarised under functional headings either on a direct costs basis or for overhead costs, apportioned according to time spent. Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds. Charitable activities include expenditure associated with the objects of the charity and include both the direct costs and support costs relating to this activity. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

### TAXATION

The School is a registered charity and therefore it is exempt from income and corporation tax on income and gains falling within chapter 3 Part 11 Corporation Tax Act 2010 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

The subsidiary undertaking, Stonyhurst College Developments Limited, is liable to income and corporation tax on its income and gains. Gift Aid payments paid to the Charity will reduce the taxable income and gains. The subsidiary is eligible to make gift aid payments to its holding company, the School. Details of Stonyhurst College Developments Limited policy on gift aid can be found within their financial statements.

# Stonyhurst

## NOTES TO THE ACCOUNTS

for the year ended 31 August 2016

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### FIXED ASSETS

- (i) The School land, buildings and residential property were revalued in 2007 by Gerald Eve & Mortimers for the purposes of the transfer of assets from TRCP to a new charitable company. These valuations were updated in 2010 and incorporated into the accounts as at 1 September 2009 as appropriate transfer values and deemed cost.
- (ii) Motor vehicles, catering and IT equipment are incorporated in the accounts at cost less a provision for depreciation.

### IMPAIRMENT OF FIXED ASSETS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the School estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in net income/expenditure.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in net income/expenditure or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

### INVESTMENT PROPERTIES

Investment properties are valued as individual investments at their market values as at the balance sheet date. Rental income is recognised in the period to which it relates and is included within investment income within the Statement of Financial Activities. Purchases and sales of investment properties are recognised on exchange of contracts.

The trustees consider that, because the properties are not held for consumption, but for their investment potential, to depreciate it would not give a true and fair view. The amount of depreciation not included in the financial statements has been quantified on the basis of 2% straight line annual depreciation supplemented by any impairment as appropriate.

Investment property is revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. Details of the current value and historical cost information are given in note 7.

### ASSETS UNDER CONSTRUCTION

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 August. They are not depreciated until they are brought into use.

### DEPRECIATION

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives.

Depreciation of motor vehicles has been provided at the rate of 25% pa on a reducing balance basis. Depreciation of IT and catering equipment has been provided over 4 years on a straight line basis. No provision for depreciation of buildings is made, with the exception of new developments, as the school considers that the estimated useful lives of these properties are so long such that any depreciation charge would be immaterial. New developments, including Weld House and the refectory, are depreciated over 50 years on a straight line basis. Depreciation on the combined heat and power plant has been provided over a period of 25 years on a straight line basis.

Tangible fixed assets are reviewed for impairment in periods if events or changes in circumstance indicate that the carrying value may not be recoverable.

# Stonyhurst

## NOTES TO THE ACCOUNTS

for the year ended 31 August 2016

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### INVESTMENTS

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

### LIABILITIES

Liabilities are reflected in the Statement of Financial Activities as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

### PENSION SCHEMES

Retirement benefits for the School's teaching staff are provided by the Teachers' Pension Scheme (TPS). This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

A group money purchase scheme (defined contribution scheme) is open to all Support Staff on the basis of matched contributions between employee and employer. Minimum contributions start at 4% of salary and are employer matched up to 6% of salary. The new pension scheme was launched in January 2014 and meets all auto-enrolment requirements.

Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the schemes.

### EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense. The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the School is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### FUND ACCOUNTING

Stonyhurst has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

#### Unrestricted funds

Funds which are expendable at the discretion of the Trustees in furtherance of the objects of the college. In addition to expenditure on tuition, such funds may be held in order to finance capital investment and working capital.

#### Restricted funds

Donations or legacies received which are earmarked by the donor for specific purposes within the overall aims of the School.



# Stonyhurst

## NOTES TO THE ACCOUNTS

### for the year ended 31 August 2016

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#### FINANCIAL INSTRUMENTS

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

Trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

Bank loans and other loans are initially recognised at their transaction value and subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Investments are initially measured at transaction price and subsequently measured at fair value through net income or expenditure.

#### LEASES

An asset and corresponding liability are recognised for leasing agreements that transfer to the School substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the statement of financial activities so as to produce a constant periodic rate of interest on the remaining balance of the liability.

All other leases are operating leases and the annual rentals are charged to the statement of financial activities on a straight line basis over the lease term.

#### CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### *Critical accounting estimates and assumptions*

The College makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The Governors consider that there are no material sources of estimation uncertainty.

##### *Critical areas of judgement*

###### *Fee debtor provision*

A provision for impairment of fee debtors is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections due to financial difficulty of the parents.

###### *Useful life of fixed assets*

In making decisions regarding the depreciation of tangible fixed assets, management must estimate the useful life of said assets to the business. A change in estimate would result in a change in the depreciation charged to the statement of total comprehensive income in each year.

**Stonyhurst**  
**NOTES TO THE ACCOUNTS**  
for the year ended 31 August 2016

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**1 SCHOOL FEES**

	2016	2015
	£	£
<b>FEES RECEIVABLE</b>		
Total Gross Fees	16,242,389	15,122,148
Less: College allowances, bursaries and scholarships	(2,668,045)	(2,514,325)
	<u>13,574,344</u>	<u>12,607,823</u>
Plus: bursaries, scholarships and awards paid for by restricted funds	285,668	148,361
	<u>13,860,012</u>	<u>12,756,184</u>

The total of £2,668,045 (2015: £2,514,325) provided assistance to 376 (2015:346) individuals.

Fee income is generated by the School only and is credited to unrestricted funds in both 2016 and 2015.

**2 OTHER ANCILLARY INCOME**

	2016	2015
	£	£
Registration	37,972	44,610
Grant commissions and rebates	106,645	104,772
Educational activities	197,545	224,410
Unrestricted	<u>342,162</u>	<u>373,792</u>

Other ancillary income is generated by the School only and is credited to unrestricted funds in both 2016 and 2015.

**3 DONATIONS & FUNDRAISING THROUGH "STONYHURST THE FUTURE"**

	2016	2015
	£	£
<b>Unrestricted</b>		
Bursary Income	-	-
Appeal Income	47,006	72,395
	<u>47,006</u>	<u>72,395</u>
<b>Restricted</b>		
Donations and Annual Fund	90,651	74,250
Bursaries	285,668	148,361
	<u>423,325</u>	<u>295,006</u>

**Stonyhurst**  
**NOTES TO THE ACCOUNTS**  
for the year ended 31 August 2016

---

**4 INVESTMENT INCOME**

	2016	2015
	£	£
Rent received	259,005	259,850
Investment income	1,220,415	1,094,324
	<u>1,479,420</u>	<u>1,354,174</u>

In 2015 £1,354k of investment income was credited directly to restricted funds, and £nil was credited to unrestricted funds.

Dividends of £1,220k (2015: £1,094k) have been received from listed investments.

**5 EXPENDITURE**

	2016	2015
	£	£
<b>EXPENDITURE ON CHARITABLE ACTIVITIES INCLUDES:</b>		
Depreciation	571,340	456,183

**OTHER EXPENDITURE INCLUDES:**

Amounts payable to RSM UK Audit LLP and its associates

**Audit services**

- Statutory audit of parent and consolidated accounts	16,500	15,500
- Statutory audit of subsidiary accounts	7,500	6,900
- Teachers' Pension Scheme audit	1,500	1,250

**Other services**

- Non audit services	9,735	4,850
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Governors' expenses – relating to travel and accommodation	11,678	12,514
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Expenses were reclaimed by 9 members (2015: 9) of the Governing Body.

**FINANCE COSTS**

	2016	2015
	£	£
Interest on bank loans	132,273	136,555
	<u>132,273</u>	<u>136,555</u>

**Stonyhurst**  
**NOTES TO THE ACCOUNTS**  
for the year ended 31 August 2016

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**5 EXPENDITURE (CONTINUED)**

**TOTAL STAFF COSTS COMPRISED:**

	2016	2015
	£	£
Wages and salaries	8,554,174	7,840,297
Social security costs	723,475	627,661
Pension costs (note 16)	842,473	717,989
<b>Total</b>	<b>10,120,122</b>	<b>9,185,947</b>

The average number of staff employed by the Group during the year were:

	2016	2015
	No.	No.
Teaching/pastoral staff	208	192
Non teaching	154	144
	<b>362</b>	<b>336</b>

Neither the Governors nor persons connected with them received any remuneration (other than the disclosed expenses above) or other benefits from the School or any connected organisation. The number of employees whose emoluments, including benefits in kind, exceeded £60,000 were:

	2016	2015
	No	No
£60,001 - £70,000	8	5
£70,001 - £80,000	2	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	1
£100,001 - £110,000	-	1
£110,001 - £120,000	-	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

Included in the above higher paid employees were 12 (2015: 9) accruing benefits under defined benefit - schemes. Contributions in respect of these individuals totalled £125,479 (2015: £77,283).

Included in the above higher paid employees was nil (2015: 1) accruing benefits under a defined contribution scheme. Contributions in respect of this individual totalled £nil (2015: £13,334).

**Key management personnel**

The School considers its key management personnel comprise the Governors, the Headmasters and the Bursar. The total employment benefits including employer pension contributions of the key management personnel were £317,332 (2015: £349,450).

**Stonyhurst**  
**NOTES TO THE ACCOUNTS**  
for the year ended 31 August 2016

**6. ANALYSIS OF TOTAL RESOURCES EXPENDED**

	Staff Costs £	Other £	Depreciation £	Total £
<b>Expenditure on raising funds</b>				
Trading (DevCo)	129,679	160,498	-	290,177
Bad debts, interest and bank charges	-	362,118	-	362,118
Investment managers fees	-	171,004	-	171,004
Fundraising costs	101,154	62,947	-	164,101
	<u>230,833</u>	<u>756,568</u>	<u>-</u>	<u>987,401</u>
<b>Expenditure on charitable activities</b>				
Teaching costs	6,861,055	1,167,611	209,736	8,238,402
Welfare	1,555,148	838,835	104,000	2,497,983
Premises	661,986	2,384,792	257,604	3,304,382
Support costs of schooling	811,100	1,110,528	-	1,921,628
Grants, awards and prizes	-	285,668	-	285,668
	<u>9,889,289</u>	<u>5,787,434</u>	<u>571,340</u>	<u>16,248,063</u>
<b>Total resources expended</b>	<u>10,120,122</u>	<u>6,544,001</u>	<u>571,340</u>	<u>17,235,463</u>
<b>Governance costs (included within support costs of schooling)</b>	<u>-</u>	<u>46,913</u>	<u>-</u>	<u>46,913</u>

All expenditure is charged to the unrestricted fund, with the exception of £376,319 (2015: £222,611) of grants, awards and prizes that are charged to the restricted fund.

Support costs include professional fees, stationery, printing, office equipment, telephone and postage costs.

Bad debts, interest and bank charges include interest payable on bank loans of £132,276 (2015: £182,733).

Included within investment managers fees above are fees of £53,535 (2015: £68,919) which are incurred within Stonyhurst Charitable Fund.

**TAXATION**

The Charity is a registered charity and therefore it is exempt from income and corporation tax on income and gains falling within chapter 3 Part 11 Corporation Tax Act 2010 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

All expenditure where relevant is included gross of any irrecoverable VAT.

**Stonyhurst**  
**NOTES TO THE ACCOUNTS**  
**for the year ended 31 August 2016**

**7 INVESTMENTS**

GROUP	Listed investments	Cash	Investment properties	Total
	£	£	£	£
Market value				
At 1 September 2015	32,089,741	302,772	6,924,600	39,317,113
Net additions / (disposals)	51,814	-	(2,099,416)	(2,047,602)
Cash drawdown	(430,000)	-	-	(430,000)
Investment gains	3,831,530	166,630	-	3,998,160
Revaluation of investment property	-	-	-	-
At 31 August 2016	<u>35,543,085</u>	<u>469,402</u>	<u>4,825,184</u>	<u>40,837,671</u>

**CHARITY**

	Listed investments	Cash	Investment properties	Total
	£	£	£	
Market value				
At 1 September 2015	21,986,237	212,469	6,924,600	29,123,306
Net additions / (disposals)	-	-	(2,099,416)	(2,099,416)
Investment gains	2,416,559	173,555	-	2,590,114
Revaluation of investment property	-	-	-	-
At 31 August 2016	<u>24,402,796</u>	<u>386,024</u>	<u>4,825,184</u>	<u>29,614,004</u>

All listed investments relate to direct investment in listed securities.

	2016 £	2015 £
Investment assets in the UK	28,926,461	29,452,937
Investment assets outside the UK	11,909,458	9,864,176
	<u>40,837,671</u>	<u>39,317,113</u>

No single listed investment asset value in excess of 5% of the total portfolio.

Investment properties are included at market value. Carter Jonas, Chartered Surveyors, have advised the trustees on the change in market value (£nil) as at 31 August 2016. These comprise agricultural and other land and buildings on or surrounding the Stonyhurst Estate which are not used for the charity's own purposes.

On an historical cost basis investment properties would have been included at:

	Investment Property 2016 £	2015 £
Deemed cost	<u>2,906,280</u>	<u>4,889,800</u>
Aggregate depreciation	<u>406,879</u>	<u>586,776</u>

**Stonyhurst**  
**NOTES TO THE ACCOUNTS**  
**for the year ended 31 August 2016**

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**8 STONYHURST COLLEGE DEVELOPMENT'S LIMITED**

**Profit and loss amount for year ended 31 August 2016**

	£
Turnover	296,380
Cost of Sales	262,173
Gross Profit	34,207
Administrative expenses	22,054
Operating profit	12,153
Loan interest payable to Stonyhurst	5,950
Net profit	6,203

**Balance sheet as at 31 August 2016**

Debtors	50,344
Cash at bank	18,947
Creditors	(26,208)
Net Assets	43,083
Stonyhurst loan	(132,995)
Net liabilities	(89,912)
Share capital	3
Retained loss	(89,915)
Shareholder's funds	(89,912)

The Charity has a 100% control in its trading subsidiary which is registered in England. Stonyhurst College Developments Limited promotes commercial activities which use the School's assets to produce income from lettings and outside membership of the swimming pool.

The loan is due to be repaid in September 2020 with a fixed interest rate of 6% or bank base rate, if this is higher.

Any taxable profit is covenanted to Stonyhurst. Summaries of the trading results and balance sheet are shown above. Audited accounts will be filed with the Registrar of Companies.

The Company has accumulated retained losses and therefore requires the financial support of Stonyhurst in order to continue to trade. The results of the Company are consolidated with the results of Stonyhurst.

**Stonyhurst**  
**NOTES TO THE ACCOUNTS**  
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**9 TANGIBLE FIXED ASSETS**

GROUP AND CHARITY	School land and buildings £	IT Equipment £	Residential properties £	Motor Vehicles £	Assets under construction £	Total
Cost (or frozen* valuation)						
Brought forward	12,439,410	990,854	19,720,000	299,359	213,812	33,663,435
Additions	221,592	267,727	388,573	55,170	531,508	1,464,570
Impairment	-	-	-	-	(46,473)	(46,473)
Disposals	-	-	(450,000)	(58,586)	-	(508,586)
As at 31 August 2016	12,661,002	1,258,581	19,658,573	295,943	698,847	34,572,945
Depreciation						
Brought forward	1,016,388	601,424	-	167,126	-	1,784,938
Charge for the year	321,692	207,460	-	42,188	-	571,340
Disposals	-	-	-	-	-	-
As at 31 August 2016	1,338,080	808,884	-	209,314	-	2,356,278
As at 31 August 2016	11,322,922	449,884	19,658,573	86,629	698,847	32,216,668
As at 31 August 2015	11,423,022	389,430	19,720,000	132,233	213,812	31,878,497

The School land and buildings were revalued at “zero” by Gerald Eve, an independent firm of Chartered Surveyors, as at 16 November 2007, for the purposes of the transfer of assets from TRCP to a new charitable company. This reflects the unique nature of the School’s historic buildings, the level of repairing liability, and the ongoing maintenance obligations. A new boarding house, Weld House was completed during 2011/12 and a new refectory was completed during the prior year and included in School land and buildings.

\*The College has elected, in accordance with Section 35.10(d) of FRS102, to use the carrying value on 1 September 2014, the date of transition to FRS102, of any of the above residential properties previously carried at a valuation, as their deemed cost. The residential properties were revalued by Mortimers, a firm of independent Chartered Surveyors, as at 1 September 2014. This value has been used as deemed cost with any subsequent enhancement expenditure being capitalised.



**Stonyhurst**  
**NOTES TO THE ACCOUNTS**  
for the year ended 31 August 2016

**10 DEBTORS**

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	879,093	857,480	828,749	814,684
Prepayments and accrued income	259,078	458,170	259,078	458,170
Other debtors	40,940	59,943	40,940	28,150
Amount due from group undertakings	-	-	151,056	197,603
	<u>1,179,111</u>	<u>1,375,593</u>	<u>1,279,823</u>	<u>1,498,607</u>

**11 CREDITORS: Amounts falling due within one year**

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Bank loan	245,043	245,043	245,043	245,043
Creditors and accrued expenses	548,476	360,292	548,476	351,963
Fees received in advance (includes parental deposits)	3,628,939	2,733,199	3,628,939	2,733,199
Other taxes and social security	365,619	196,026	339,410	183,308
Other creditors	1,245,388	147,720	1,245,388	147,720
	<u>6,033,465</u>	<u>3,682,280</u>	<u>6,007,256</u>	<u>3,661,233</u>

The bank loan is secured by charges dated 18 December 2009 and 8 March 2012 over marketable securities held as part of the group's investment portfolio.

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Bank loan	4,799,608	5,044,652	4,799,608	5,044,652
Parental deposits	362,701	441,451	362,701	441,451
	<u>5,162,309</u>	<u>5,486,103</u>	<u>5,162,309</u>	<u>5,486,103</u>

**Maturity of debt**

	2016	2015
	£	£
Bank loans amounts payable within:		
1 year	245,043	245,043
1 to 2 years	245,043	245,043
2 to 5 years	735,129	735,132
More than 5 years	3,819,436	4,064,477
	<u>5,044,651</u>	<u>5,289,695</u>

**Stonyhurst**  
**NOTES TO THE ACCOUNTS**  
**for the year ended 31 August 2016**

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**12 CREDITORS: Amounts falling due after more than one year**

Bank loans comprise a loan of £800,000 (with a balance which now stands at £624,000) repayable in quarterly instalments with a fixed interest rate over LIBOR, and a loan of £4,900,000 (with a balance which now stands at £4,420,651) with annual repayments of £213,044 which commenced in June 2014 with a final payment of £3,284,909 due in June 2022. The latter loan accrues interest at a fixed interest rate over LIBOR.

The bank loan is secured by a charge dated 18 December 2009 over marketable securities held as part of the group's investment portfolio.

Overseas parents pay to the school a deposit of £2,000 in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the school, refundable deposits will be applied as follows:

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Within 2 to 5 years	181,350	220,726	181,350	220,725
Within 1 to 2 years	181,351	220,725	181,351	220,725
	<u>362,701</u>	<u>441,451</u>	<u>362,701</u>	<u>441,450</u>
Within 1 year (included within fees in advance within note 12)	150,000	100,000	150,000	100,000
	<u>512,701</u>	<u>551,450</u>	<u>512,701</u>	<u>551,450</u>

Parents may pay to the School up to the equivalent of seven years' fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice.

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Within 2 to 5 years	-	-	-	-
Within 1 to 2 years	180,756	288,313	180,756	288,313
	<u>180,756</u>	<u>288,313</u>	<u>180,756</u>	<u>288,313</u>
Within 1 year (included within fees in advance within note 12)	3,298,183	2,334,208	3,298,183	2,334,208
	<u>3,478,939</u>	<u>2,622,521</u>	<u>3,478,939</u>	<u>2,622,521</u>

**Stonyhurst**  
**NOTES TO THE ACCOUNTS**  
for the year ended 31 August 2016

**13 FINANCIAL INSTRUMENTS**

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>£000s</b>	<b>£000s</b>
<b>Financial assets</b>		
Debt instruments measured at amortised cost	<u>920,033</u>	<u>917,423</u>

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>£000s</b>	<b>£000s</b>
<b>Financial liabilities</b>		
Measured at amortised cost	<u>6,838,515</u>	<u>5,797,707</u>

**14 ALLOCATION OF THE CHARITY NET ASSETS**

	<b>Fixed Assets</b>	<b>Net Current Assets</b>	<b>Long Term Liabilities</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>GROUP</b>				
Unrestricted funds (note 14)	72,802,688	651,107	(5,162,309)	68,291,486
Restricted (note 14)	251,651	-	-	251,651
	<u>73,054,339</u>	<u>651,107</u>	<u>(5,162,309)</u>	<u>68,543,137</u>
<b>CHARITY</b>				
Unrestricted funds (note 14)	61,579,021	740,156	(5,162,309)	57,156,868
Restricted (note 14)	251,651	-	-	251,651
	<u>61,830,672</u>	<u>740,156</u>	<u>(5,162,309)</u>	<u>57,408,519</u>

**15 FUNDS**

<b>RESTRICTED FUNDS</b>	<b>Balance 1 September 2015</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Balance 31 August 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>GROUP AND CHARITY</b>				
Donations and Annual fund	251,651	376,319	(376,319)	251,651

The annual fund is restricted as it comprises donations for specific purposes, including capital development work and for bursaries.

**Stonyhurst**  
**NOTES TO THE ACCOUNTS**  
**for the year ended 31 August 2016**

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15 FUNDS (CONTINUED)

UNRESTRICTED FUNDS

GROUP	Revaluation reserve	Other Unrestricted Funds	Total
	£	£	£
Balance brought forward as at 1 September 2015	2,063,680	62,929,250	64,992,930
Net outgoing resources	-	(702,140)	(702,140)
Realised gains on investment property	-	42,435	42,435
Net gains on investment assets	-	3,958,261	3,958,261
Impairment of residential property	-	-	-
Transfer of revaluation reserve for properties disposed of	-	-	-
Balance carried forward as at 31 August 2016	<u>2,063,680</u>	<u>66,227,806</u>	<u>68,291,486</u>

CHARITY

	Revaluation reserve	Other Unrestricted Funds	Total
	£	£	£
Balance brought forward as at 1 September 2015	2,063,680	52,835,771	54,899,451
Net outgoing resources	-	(375,132)	(375,132)
Realised gains on investment property	-	42,435	42,435
Net gains on investment assets	-	2,590,114	2,590,114
Impairment of residential property	-	-	-
Transfer of revaluation reserve for properties disposed of	-	-	-
Balance carried forward as at 31 August 2016	<u>2,063,680</u>	<u>55,093,188</u>	<u>57,156,868</u>

**Stonyhurst**  
**NOTES TO THE ACCOUNTS**  
for the year ended 31 August 2016

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**16 CASH FLOW STATEMENT**

	2016	2015
	£	£
<b>Cash flows from operating activities</b>	<b>(702,140)</b>	<b>(716,957)</b>
Net expenditure	132,273	182,733
Add back interest payable	(1,220,415)	(1,094,324)
Deduct investment income	571,340	456,183
Depreciation charge, add back	(132,024)	(6,579)
Decrease in debtors	196,482	273,092
(Increase)/decrease in creditors	2,274,971	(312,886)
Impairment of fixed assets	46,473	-
<b>Net cash inflow/(outflow from operating activities)</b>	<b>1,166,960</b>	<b>(1,218,738)</b>
	2016	2015
	£	£
Increase/(decrease) in cash in the period	3,663,700	2,197,444
Cash (inflow) from change in liquid resources	-	(9,565)
Bank loans repaid	245,044	245,044
<b>Movement in the period</b>	<b>3,908,744</b>	<b>2,432,923</b>
<b>Net debt at beginning of period</b>	<b>(3,145,162)</b>	<b>(5,578,085)</b>
<b>Net debt at end of period</b>	<b>763,582</b>	<b>(3,145,162)</b>

**17 PENSION SCHEMES**

**TEACHERS' PENSION SCHEME**

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out below the information available on the scheme.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010 and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. 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. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pensions Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

**Stonyhurst**  
**NOTES TO THE ACCOUNTS**  
**for the year ended 31 August 2016**

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**17 PENSION SCHEMES (CONTINUED)**

**TEACHERS' PENSION SCHEME**

The latest actuarial valuation 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 for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The new employer contribution rate was 14.1% until 1 September 2015, when it increased to 16.48% (including a 0.08% administration fees), with an employer cost cap of 10.9% of pensionable pay. The employer contribution rate will be payable until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

Pension costs paid to TPS in the year amounted to £1,093,942 (2015: £964,662), of which £729,295 (2015: £612,384) related to employer's contributions. At the year-end, £nil (2015: £nil) was accrued in respect of contributions to this scheme.

**NON TEACHING STAFF PENSION SCHEME**

The Stonyhurst Pension Scheme is a defined contribution scheme available to non-teaching staff. Contributions are charged to the statement of financial activities as they become payable. Contributions to the scheme during 2016 totalled £163,965 (2015: £109,020).

**18 RELATED PARTIES**

Related parties consist of the Stonyhurst Charitable Fund (charity no. 265478) whose corporate trustee is Stonyhurst, and Stonyhurst College Developments Ltd (company no. 1482392) whose shares are held in the name of Stonyhurst.

Stonyhurst has provided a loan to Stonyhurst College Developments Limited, of which £14,754 was repaid in the year. The balance outstanding as at 31 August 2016 was £132,997.

Stonyhurst has provided a grant to Stonyhurst Charitable Fund of £51,814. Stonyhurst Charitable Foundation has provided a grant to Stonyhurst of £779,662. No amounts were outstanding at the 31 August 2016.

Stonyhurst has three Members who are appointed by the Trustee of the Society of Jesus (Trustees for Roman Catholic Purposes "TRCP") after consultation with the Chairman of Governors. There have been no transactions with TRCP during the year.

# Stonyhurst

## NOTES TO THE ACCOUNTS

### for the year ended 31 August 2016

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#### 19 CONTINGENT LIABILITIES

Except with the prior written consent of the TRCP, Stonyhurst is required to pay £16m to the TRCP in the event that either both schools close or merge or transfer to a third party.

#### 20 CAPITAL COMMITMENTS

At 31 August 2016 the School had capital commitments of £nil (2015: £nil).

#### 21 COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases in respect of IT equipment are as follows:

	2016 £	2015 £
Amounts due:		
Within one year	143,888	143,888
Between one and five years	143,888	287,776
After five years	-	-
	<hr/>	<hr/>
	287,776	431,664
	<hr/>	<hr/>

**Stonyhurst**  
**NOTES TO THE ACCOUNTS**  
for the year ended 31 August 2016

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**22 FIRST TIME ADOPTION OF CHARITIES SORP (FRS102)**

Reconciliations and descriptions of the effect of the transition to Charities SORP (FRS102) are given below.

Reconciliation of funds:

<b>Consolidated</b>	<b>1 September 2014 £</b>	<b>31 August 2015 £</b>
Funds as reported under Charities SORP 2005	64,639,293	68,099,890
Revaluation of residential properties at transition date	(1,226,604)	(2,855,309)
Funds as reported under Charities SORP (FRS102)	<u>63,412,689</u>	<u>65,244,581</u>

<b>Charity</b>	<b>1 September 2014 £</b>	<b>31 August 2015 £</b>
Funds as reported under Charities SORP 2005	56,276,131	58,006,411
Revaluation of residential properties at transition date	(1,226,604)	(2,855,309)
Funds as reported under Charities SORP (FRS102)	<u>55,049,527</u>	<u>55,151,102</u>

Reconciliation of net income:

<b>Consolidated</b>	<b>31 August 2015 £</b>
Net expenditure as reported under Charities SORP 2005	(716,957)
Fair value gains and losses on investments	447,382
Realised gains on investment properties	1,214,467
Net income as reported under Charities SORP (FRS102)	<u>944,892</u>

<b>Charity</b>	<b>31 August 2015 £</b>
Net outgoing resources as reported under Charities SORP 2005	(659,631)
Fair value gains and losses on investments	447,382
Realised gains on investment properties	1,214,467
Net income as reported under Charities SORP (FRS102)	<u>1,002,218</u>



# Stonyhurst

## NOTES TO THE ACCOUNTS

### for the year ended 31 August 2016

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#### ***Residential Properties at revalued deemed cost***

The College has elected, in accordance with Section 35.10(d) of FRS102, to use the carrying value on 1 September 2014, the date of transition to FRS102, of residential properties previously carried at a valuation, as their deemed cost.

#### ***Fair value gains and losses on investments***

During the year ended 31 August 2015, fair value losses on investments of £447,382 and realised gains on investment properties of £1,214,467 were recognised directly in funds under previous UK GAAP. Under FRS 102, those fair value gains and losses are recognised in net income.

#### ***Cash flow statement***

Under FRS 102, the Statement of Cash Flows presents changes in cash and cash equivalents (which include cash in hand, deposits repayable on demand and overdrafts and short-term, highly liquid investments), showing changes arising from operating activities, investing activities and financing activities separately. Under previous UK GAAP, the Cash Flow Statement presented changes in cash (which includes cash in hand, deposits repayable on demand and overdrafts) under the headings of operating activities, returns on investments and servicing of finance, taxation, capital expenditure and financial investment, acquisitions and disposals, equity dividends paid, management of liquid resources, and financing.