

**PLYMOUTH COLLEGE AND
ST DUNSTAN'S ABBEY SCHOOLS CHARITY
(A company limited by guarantee).**

**Charity No: 1105544
Company No: 05189426**

REPORT AND FINANCIAL STATEMENTS

31 August 2017



PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

REPORT AND FINANCIAL STATEMENTS 31 AUGUST 2017

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PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

CHARITY INFORMATION

Charity Registration Number:	1105544
Company Registration Number:	05189426
Company Secretary:	Mrs S.J. Wills MEng ACA
Registered Office:	Plymouth College Ford Park Plymouth Devon PL4 6RN
Headmaster of the Senior School	Mr J.P. Standen BA, PGCE
Headmaster of the Prep School	Mr C.D.M. Gatherer BA Keele Cert.Ed
Finance Director and Clerk to Governors	Mrs S.J. Wills MEng, ACA

The day-to-day running of the College is delegated to the Headmasters and the Bursar/Senior Leadership Teams respectively.

TRUSTEES (DIRECTORS)

Details of trustees (directors) and officers of the company who served during the year are:

CO-OPTED

Mr C.J. Robinson MA	Chairman to 13/03/2017
Mr D.R. Woodgate BSc, MBA	Vice Chairman to 13/03/2017
	Chairman from 13/03/2017
Mr P.H. Lowson FCA	
Mrs A.C. Mills ACIS, MCIPD	
Mrs R.J. Hattersley BA (Hons)	(Resigned 13/03/2018)
Mr T.J. Burke	(Resigned 13/03/2017)
Mr R.I. Penrose	(Resigned 13/03/2017)
Mr C. Thomson BSc, FCA	(Resigned 13/03/2018)
Mr D.F. Chapman BA Dunelm F Coll P, FRSA	(Resigned 01/11/2016)
Mrs C. Hammond BSc Econ	
Dr P. Atkinson MBChB, MRCGP Dip, SEM	Vice Chairman from 13/03/2017
Mr S. Elford FCMI	(Resigned 13/03/2017)
Ms. S. Coutinho	(Appointed 13/03/2018)
Mr A. Brett BSc, MInst RE	(Appointed 13/03/2018)
Cdre D. Pond RN	(Appointed 13/03/2018)

The co-opted trustees are appointed by the Board for a term of four years. They can be re-elected.

NOMINATED/REPRESENTATIVES

Plymouth University	Prof. P. Shears BA, LL.B. LL.M	(Resigned 14/06/2017)
Plymouth University	Mrs K. Davis FHEA, MEd, PGCE, BSc	(Appointed 09/02/2018)
University of St Mark and St John	Prof. A. Edwards BEd (Hons), MPhil, PhD	(Resigned 07/09/2017)
Bishop of Exeter	Prof. D.A. Huntley BA, MA, PhD	
Bishop of Exeter	Mrs J. McKinnel	(Resigned 07/09/2017)
Bishop of Exeter	Not filled	
Bishop of Exeter	Dr S. Thorpe MBBS, MRCGP, DFFP	
Flag Officer Sea Training	Not filled	
Rector of Minster Church of St Andrew's	Dr A. Williams BSc, MSC, PhD	(Appointed 09/02/2018)

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

PROFESSIONAL ADVISORS

Bankers:

Lloyds TSB Bank
Royal Parade
Plymouth
Devon
PL1 1HB

Solicitors:

Wolferstans
60/64 North Hill
Plymouth
Devon
PL4 8EP

Auditors:

RSM UK Audit LLP
Chartered Accountants and Statutory Auditors
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

Insurance Brokers:

Marsh Limited
Capital House
1-5 Perrymount Road
Haywards Heath
West Sussex
RH16 3SY

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TRUSTEES' ANNUAL REPORT INCLUDING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees, who are also directors of the company for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 August 2017. The financial statements comply with the requirements of the Charities Act 2011, the Charities SORP (FRS 102) and the Companies Act 2006.

PUBLIC BENEFIT

The Governors confirm that they have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

The Governors and College Officers actively encourage the contribution of time, money, resources and talent across the full range of the College community for the furtherance of public benefit at the local, regional and international levels.

A significant number of organisations in the local community, including local maintained schools, community groups and local charities, have benefitted from use of College facilities and from financial support, from pupils' fundraising initiatives and from the involvement of pupils and staff in events such as concerts and community events over the last year. Examples of such joint projects include, not exclusively:

- Plymouth Leander Swimming Club;
- Plymouth City Sports diving services agreement;
- Y7 fundraising for the Banana Tree project in Malawi;
- IB CAS (1st Aid in the Community);
- Junior Sports Leader Award (JSLA) accreditation for our pupils working with local schools;
- Stoke Damerel Combined Cadet Force project;
- CCF remembrance participation at events throughout Plymouth;
- loan of sports pitches at all sites to local schools;
- loan of mini buses to local schools and charities;
- providing facilities to local schools for hosting music exams;
- PGCE Student support;
- Sponsorship of the Evening Herald Sports Awards;
- Provision of facilities for National Citizens' Service programme;
- Accommodation in bunkhouse facilities and transport for local Scouts groups; and
- Festival of Sport for local primary schools

Our pupil led Charity Committee is a thriving organisation that continually encourages support for charities such as Red Nose Day, Operation Christmas Child, CLIC Sargent Cancer and Shelter Box by a variety of fund-raising events. Through these opportunities to serve others and to participate with other communities, our pupils also benefit from a meaningful interaction with those outside our College community. In addition, the Headmaster of the Senior School works to mentor senior leadership in the state sector through his membership of the National Learning Executive and the Finance Director offers expertise and advice directly to the maintained sector through her role as Chair of Governors at a local secondary Academy.

In addition to the very substantial benefits the College brings to our pupils, the local community and society through the education we offer, our bursary programme creates a social asset without cost to the Exchequer (£530,623 of means tested bursaries were provided in the year 2016-17). The College does not have a permanent endowment of retained reserves for funding bursaries and so tries hard to ensure an appropriate balance is struck between parents paying full fees and those on bursaries.

There are certain other discounts offered by the College in addition to bursaries in order to help families maintain continuity in the education of their children, such as discounts for children whose parents serve in HM Armed Forces and sibling discounts where parents have more than one child at the College.

As a charity, all the income of the College must be applied for educational purposes. As an educational charity we enjoy tax exemptions on our educational activities provided these are applied for our charitable aims. As a charity we are also entitled to an 80% reduction on our business rates on the property we occupy for our charitable purposes. The financial benefits we receive for these tax exemptions are all applied for educational purposes and indirectly help us to maintain our bursary policies. However, as an educational charity we are unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes. We also pay tax as an employer through the PAYE and national insurance contributions we make.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Objects

The objects for which the Company is established are the advancement of the education of boys and girls in accordance with the Christian faith. In particular, but without prejudice to the generality of the foregoing, to provide and conduct a day or a day and boarding school or

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schools in which religious instruction is given in accordance with the doctrines of the Church of England and any ancillary or incidental and other associated activities for the benefit of the community.

The College provides continuous education from the pre-school stage to university entrance. Boarding is available from age 11. Both the Senior and Preparatory Schools are fully co-educational. The College follows the broad thrust of the National Curriculum and, in the current academic year, the International Baccalaureate (IB).

Aims and Intended Impact

Plymouth College seeks to produce happy, knowledgeable and caring young adults who gain confidence in learning and who strive to reach their full potential. We aim to provide a diverse and enriching education that promotes self-discipline, motivation and excellence, in addition to consideration for others. This is underpinned by a belief in the importance of respecting ourselves and one another, of appreciating individual differences and of encouraging each other. Above all, we wish to see our pupils become independent and self-sufficient citizens who will succeed and contribute responsibly as members of a global community.

Plymouth College is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment. In the last Independent Schools' Inspectorate report, the pastoral care provided was described as 'excellent'. Parents are given regular information about their children's social and academic progress through parent evenings in addition to end of term and year reports. The College maintains regular contact with parents and guardians throughout the year through more informal contacts and newsletters.

The College welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that we will be able to educate and develop him/her to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy the College that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, race, religion or disability do not form part of our assessment process. We are an equal opportunity organisation and are committed to a working environment free from discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability.

STRATEGIC REPORT

Overall Achievement and Performance.

The academic year 2016-17 was extremely successful for both parts of the College; Prep and Senior School. In academic terms, DfE League Tables published in January 2017 recorded that Plymouth College was once again in the top three schools in Devon and Cornwall for value added in the sixth form in the prior academic year. The School continues to provide an excellent level of education, with 66% of A Level grades were at A*-B (2016: 65%) and 43% of GCSE grades were at A*-A (2016: 41%).

Our Sports Baccalaureate results were once again of a very high standard with a 100% pass rate, and sporting results at both the National and European Swimming Championships were outstanding, along with excellent diving, sailing and rugby performances. Both current pupils and alumni represented their countries at World Championship level.

Our Prep School pupils also did extremely well academically, with many winning scholarships to the Senior School and doing themselves proud in the 11+ exams.

The examination results are very important for any school and securing the best possible set of results for our students always has been and will remain one of our principal concerns, but such results are not the only measure of success. As a school, we do not forget that whilst good examination grades are both a key to unlock further opportunities and an objective measure of learning at a particular stage of an individual's life, they are not the only reason that parents invest in a school such as ours. The richness and the diversity of all that goes on beyond the classroom and the formal curriculum plays just as important a part in shaping the lives of the young people who pass through this school.

Music and Drama

School productions remained strong and varied in both music and drama. The music scholars and the choir took part in the annual concerts around the City, often in aid of charity, whilst the Lower School put on a highly acclaimed performance of 'Alice'. Added to these highlights there were House Drama, House Music, A level productions, and a gala concert with the nationally acclaimed St Dennis Band. A particular feature of this year was a piano concert at which pupils from both the Prep and Senior Schools performed to much acclaim.

Drama productions at the Prep School included the Year 6 production of 'A Viking Dawn'. There were also a junior and an infant production, the Years 3 and 4 Christmas production and Year 1 and 2's staging of 'Ballooning Around the World' as well as 'Diamonds'. There was a highly successful whole school music concert in addition to a concert put on specifically by Y3 and a beginners' (First steps) concert, and the school choir performed at various locations throughout Plymouth. Much historical role-play and dressing up took place during school trips to Saltram House, Lanhydrock House and Cothele House.

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Sport

Cricket, Hockey, Netball, Athletics and Rugby are all played in their appropriate seasons and many teams have been successful in a wide-ranging fixture list at all ages. The 2016-17 Rugby 1st XV continued to demonstrate the potential shown last year, with many players returning to play a second season of 1st XV Rugby.

In swimming, pupils in our Elite Swimmers programme have won many World and European school medals and continue to break British, English and other national records. One pupil has been named as part of British Swimming's World Class Programme for this Olympic season. Our partnership with Plymouth Leander Club, where the College provides the majority of the elite swimmers, continues to deliver a hugely successful programme of coaching and competitions to our young athletes.

The Modern Pentathlon and Fencing Academy had another very successful year with pupils winning medals at numerous domestic and international competitions. One student has been identified as a future Olympian and is participating in the UK talent development programme. Plymouth College is an NRSA Development Centre for shooting and our range is now getting maximum utilisation.

Equestrian pursuits play an increasing part in school life with many dedicated riders. Students have represented the school at a range of NSEA inter-school competitions as well as at independent events.

Our Diving Academy, run in conjunction with Plymouth City Council, continues to produce international competitors.

Other Activities

The Duke of Edinburgh Award Scheme, Ten Tors, Young Enterprise, Combined Cadet Force and Business competitions all remain extremely popular with pupils. This year 11 (2016:20) pupils out of 36 participants completed and received their bronze, silver or gold awards, with many more still working towards completing the scheme at different levels. The bronze team undertook their final expedition on Exmoor, the silver team went to the Brecon Beacons and the gold team ventured further afield to the Lake District.

The College entered 3 teams (18 pupils) into the annual Ten Tors event, which was the culmination of 9 months of hard training for more than 20 pupils on Dartmoor. This was made up of two 35 mile teams – one mixed team and one all-girl team - and a 55 mile team, the first such for several years. Less formally, our dynamic Outdoor Education team also ran after-school outdoor clubs throughout the year, including weekend trips and overnight camps, on which students experienced diverse activities including canoeing, caving, coasteering and bushcraft.

Prep School pupils from Year 6 enjoyed spending a week in Normandy, while Year 5 experienced an overnight adventure at Camp Kernow. This year, Year 2 undertook an exciting and educational 'Food to Fork' project which saw them paying visits to Riverford Farm, Pizza Express, farms at West Point and several intermediate steps on the food chain.

Pupil Numbers

The school roll averaged 681 across the academic year, of which 212 were pupils at the Preparatory School and 469 were at the Senior School.

Facilities

The School continued the programme of boarding refurbishment, with work now complete in the main boarding houses at the Senior School site and additional work having been completed on the smaller boarding houses. Comprehensive maintenance work is an ongoing cycle to refresh the 'envelope' of many of our older and listed buildings. The swimming pool at the Senior School site has benefited from a new air handling unit, and a new gym facility is nearing completion.

Health and Safety

An external consultant undertook a Health and Safety review and a firm direction of travel was outlined as a result of this annual process. The Governors have appointed a 'Competent External Adviser' as required under current legislation and he attends Health and Safety meetings annually and is available to advise and train staff. We formally brief all Governors on Health and Safety matters on an annual basis; in addition to this Health and Safety meetings with Governor representation are held termly at both sites and Health and Safety updates have become a standing agenda item at all meetings of the Full Board of Governors. A comprehensive Fire Risk Assessment, Asbestos inspection and Legionella assessment all provide a focus for maintenance issues.

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Financial Review

The academic year 2016-17 saw an operating deficit of £371,670 on a consolidated basis, compared to a consolidated deficit of £972,644 in 2015-16. This reduced level of deficit marks successful completion of the first stage of the restructuring plan actioned from the latter stages of 2015-16; the School is expected by Trustees and School Officers to return a sustainable surplus from the academic year 2017-18.

When the likely state of deficit became clear during 2015-16, Trustees and School Officers took action to correct the position going forward: with the support of the School's bankers, the decision was taken to cease offering the International Baccalaureate from September 2017 onwards. Although the academic results for IB have been outstanding, analysis showed that insufficient numbers of pupils were signing up to be able to make provision of the costly programme financially viable. Focused recruitment on specific overseas boarding markets has seen a rise in pupil numbers from these areas, which has helped the situation and added diversity to our boarding community. An ongoing curriculum review continues to identify further areas for saving, and additional steps have been taken throughout the academic year 2016-17 and beyond to further improve the College's financial position.

Key financial performance indicators, which the Trustees monitor closely to assess the School's financial performance, include overall surplus or deficit as described above, pupil numbers, percentage of gross fees offered as remissions and staff costs as a percentage of income. These combine over recent years to show the impact of restructuring to move towards the delivery of a curriculum offering that remains broad and balanced while being both sustainable for the School and more affordable for families. Over the last few years, pupil numbers have contracted to a sustainable level for the local area and have stabilised in the academic year 2017/18 (2017: 681, 2016: 722, 2015: 753). Remissions offered as a percentage of gross fees are now reducing (2017: 20.9%, 2016: 22.3%, 2015: 22.3%); within this overall decrease, scholarship awards have reduced more significantly while bursarial support for families who might not be able to afford the full tuition fees has increased, reflecting the Trustees' commitment to delivering the maximum possible public benefit. Staff costs are an area of constant focus and as a percentage of income they have varied, with a peak in 2016 reflecting the one-off restructuring costs required to deliver the re-balanced curriculum (2017: 72%, 2016: 80%, 2015: 72%).

The Trustees have been fully briefed on these figures and have taken the view that current expenditure is vital for the long-term future of the college to enable it to position itself in the independent school market. Future expenditure has been thoroughly examined in light of the current economic cycle. Pupil numbers are being carefully monitored, new markets are being vigorously examined and exciting new courses and activities are being added to the curriculum. As a consequence Trustees are confident that the College is now well placed to face a very positive future, yet they are still aware of real economic threats and have developed relevant and speedily deployable contingency plans.

Most freehold assets are held in two holding charities, Plymouth College Trust and St Dunstan's Abbey School Trust, as detailed below; on a consolidated basis these charities hold reserves of £7,158,965 (2016: £7,530,635). The School's general reserves are in deficit by £2,777,642 at the year-end compared to £2,377,074 (2016). The need for day-to-day working capital is being met by careful management of short term liquid resources in the absence of free reserves.

Borrowings are currently secured over the freehold property of Plymouth College Trust; actions are underway to secure current borrowing facilities against the entire freehold property of the Group. The current market value of the freehold property owned by Plymouth College Trust and Plymouth College and St Dunstan's Abbey Schools Charity was valued at £5.0m on a market value basis in a report commissioned by Lloyds Bank in May 2016. These valuations have not been included in the financial statements. The property at the Millfields is not included in these figures: this site was valued at £5.9m on an existing use basis in September 2016 and this value has been included in the financial statements.

It is the Trustees' intention that free reserves of £1m would be desirable in order to cover the risks and uncertainties of operating as an independent educational establishment.

Plans for Future Periods

Governors and College Officers have reviewed and revised the school business plan covering the period to 2020: this plan along with longer term strategic planning is revisited and updated regularly. The plan returns the school to a state of increasing surplus in 2017-18 and takes a very prudent approach to assumed pupil numbers, assuming that both Prep School and Senior School numbers stabilise at a slightly lower level than currently on roll. The curriculum has been designed to cater for significantly higher pupil numbers with no additional staffing cost required. The College's bankers are in support of this revised business plan, having renewed the extant overdraft facility in December 2017 and again in March 2018.

Work continues to be required on an ageing estate to ensure that it meets the expectation of a top-quality 21st Century education judiciously mixed with character and personality. This will need a firm financial base to achieve and the revised business plan delivers the foundations.

Grant-Making Policy

This year the value of scholarships, bursaries and other allowances was £2.3m (2016: £2.4m 2015: £2.5m, 2014: £2.4m, 2013: £2.2m and 2012: £1.8m) which represents 22% of gross income (2016: 22%, 2015: 22%, 2014: 21%, 2013: 21% and 2012: 19%). It is the

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Governors' policy to award scholarships on the basis of educational or co-curricular potential and rigorously means tested bursaries are granted where appropriate. The value of scholarships has increased in recent years as the difficulty in recruiting high quality pupils increased, though it has now stabilised and the international reputation of the school has continued to grow. There is currently no endowment sum to provide scholarships or bursaries, which are all provided from current income, but the Governors intend to build up a reserve which may eventually be used to offer education to a wider spectrum of society. Information about fee assistance through bursaries is provided on request to all applying to join the College and our 'Policy on Financial Assistance' is displayed on the College internet site and available to the public.

Investment Policy

The Trustees are authorised by the Memorandum of Association and by the Trustee Act 2000 to deposit money and to invest funds in any manner provided that they obtain appropriate advice from a qualified individual and keep the investments under review. The School works with investment managers who manage the investments on a discretionary basis.

The Trustees intend that the real value of the College assets be maintained and enhanced over the long term by investment in a portfolio comprised of equities, fixed income stocks and cash. The specific objectives for restricted and unrestricted funds are as follows:

- Restricted Funds - Income (to supplement scholarships and bursaries)
- Unrestricted Funds - A balance of income and capital growth

Under the direction of the Charity Commissioners, £10,000 is to be invested annually into new restricted funds, the income of which is to be used to help finance scholarships and bursaries.

Assistance for Teaching Staff

As part of our emphasis on attracting and retaining high calibre staff, we offer a discount scheme where staff members chose to educate their children at our school.

Access Policy

It is important to the College that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which help our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives. Our grant-making policies, together with our many community links, contribute to a widening of access to the education we offer and the facilities we enjoy.

Principal Risks and Uncertainties

Risks and Uncertainties lie with the quality of education Plymouth College is able to offer, the additional benefit the College can bring to the pupil in terms of developing confident and talented young people and how this is perceived as comparing with comparable schools across the country and with secondary education in West Devon and East Cornwall. Without this differentiation, our clients will look to the Maintained Sector.

The quality of teaching and coaching needs to be constantly monitored and upgraded and the environment for education needs to be modernised where appropriate: ongoing work to improve the utilisation of pupils' academic tracking data is being performed to focus attention as needed in this area.

Other risks are outside our control, such as the health of the local economy and its ability to bring in and retain high quality professionals who will need our services, the world economy and ongoing uncertainties over Brexit, and the reputation and affordability of a UK education.

Finally, the risk to the business of the College that could be caused by a loss of reputation is an element that needs constant review through our recruitment of staff, provision of a safe environment and robust behavioural as well as Health and Safety policies.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is a charitable company limited by guarantee and was incorporated on 26 July 2004. It is governed by a Memorandum and Articles of Association. In the event of the company being wound up no member will have to pay an amount exceeding £10.

The company began operating on 1 September 2004 and was incorporated to run the combined schools of Plymouth College and Mannamead School (established 1877) and St Dunstan's Abbey School (established 1865). These schools were previously run by two separate charities.

The charities retained their freehold assets - the school buildings - and were renamed:

Plymouth College and Mannamead School	became Plymouth College Trust
St Dunstan's Abbey School	became St Dunstan's Abbey School Trust

The company has use of the assets of these two trusts under a licence agreement.

The company has consolidated the financial statements of Plymouth College Trust (charity number 306949) and St Dunstan's Abbey School Trust (charity number 306736) as required by Financial Reporting Standard (FRS) 102 'Accounting for Subsidiary Undertakings'.

Plymouth College Trust (formerly Plymouth College and Mannamead School) has secured the borrowings of the new company on its freehold property, which was valued at £4.7 million in May 2016 on an existing use basis.

St Dunstan's Abbey School Trust (formerly St Dunstan's Abbey School) has borrowed money from Plymouth College Trust to improve its freehold property and build a sports hall complex. Plymouth College Trust has taken a legal charge over the freehold property of this charity. The freehold property of this charity on a current use basis was valued at £5.9 million in September 2016 and this valuation has been adopted as deemed cost on transition to FRS 102.

At the balance sheet date Plymouth College Trust owes £1,534,254 (2016 - £1,534,254) to Plymouth College & St Dunstan's Abbey Schools Charity.

Induction training is provided for all Trustees on appointment, and further training is given from time to time during the year, specifically at 'Governor's Twilight Training' sessions. All Governors are registered as members of AGBIS and are able and encouraged to attend relevant courses run by that and other organisations.

The Board meets a minimum of three times per year, and more frequently if necessary. Each meeting is preceded by Education, Foundation, Estates and Finance Committee meetings, as well as a Prep School Trustees' meeting which has executive powers. Marketing, Remuneration and Strategic Planning ad hoc sub committees meet when required. The Headmasters and Finance Director attend all meetings described above.

Key Management Personnel

The Trustees consider that they, together with the Headmasters, the Finance Director, the Operations Director, the External Relations Director, the Senior School Deputy Head and the Senior School Assistant Head are Key Management Personnel (see note 4 to the accounts):

All Trustees give of their time freely and no remuneration was paid during the year except legitimate travelling expenses.

The pay and remuneration of employed Key Management Personnel are set on appointment and reviewed annually. Several criteria are used in setting pay:

- Nature of the role and responsibilities
- Competitor salaries in the region
- The sector average salary for comparable positions
- Trends in pay

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Plymouth College and St Dunstan's Abbey Schools Charity for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the surplus or deficit of the group for that period. In preparing those financial statements, the trustees are required to:

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

The Trustees are responsible for ensuring adequate accounting records are maintained that are sufficient to show and explain the charity's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and ensuring their proper application in accordance with charity law, and hence for taking steps for the prevention and detection of fraud and other irregularities.

RISK MANAGEMENT

Risks are identified, assessed and controls established by the Trustees, assisted by the Leadership Support Group and Senior Management Teams, throughout the year. A formal review of the Charity's Risk Management processes is undertaken by the Board on an annual basis.

The Trustees have assessed the risks to which the college is exposed, including operational and financial risks. In the opinion of the trustees the Charity has established resources and review systems which should allow the risks identified to be mitigated to an acceptable level in its day to day operations. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

GOING CONCERN AND LIQUIDITY RISK DISCLOSURE

The Charity's core activities, together with factors likely to affect its development, performance and position within the Independent School sector are set out in the above paragraphs. Similarly, the financial positions of the charity, its cash flows, liquidity position and borrowing facilities are described both in the preceding paragraphs and in the detail of the audited accounts that follow.

As highlighted in the Financial Review, the Charity meets its day-to-day working requirements through an overdraft facility, which was renewed in March 2018 and is due for renewal on 30 June 2018. The current economic conditions create uncertainty particularly over the future level of pupil numbers and the increasing cost of teaching staff wages tied to national maintained sector pay scales.

The Charity's forecasts and projections, taking into account reasonable and possible changes in trading performance, show that the Charity should be able to operate within the level of its current facility, with predicted borrowing levels reducing as the business plan continues to be implemented. The Charity's key management personnel have carried out significant work over the last two years in order to reduce costs and secure income going forward in line with the new business plan; Trustees have carefully monitored this work to satisfy themselves as to its scope and efficacy. The Charity will open renewal negotiations with the bank in due course and has not sought any written commitment that the facility will be renewed. However, the Charity has held discussions with its bankers about future borrowing needs and advice has been received which is being acted upon by the Trustees and there is no suggestion that renewal may not be forthcoming on acceptable terms.

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going-concern basis in preparing the Annual Report and Financial Statements.

AUDITORS

A resolution proposing that RSM be appointed as auditors of the Charity and the Group was passed at the Annual General Meeting in March 2017 and a resolution proposing that RSM be retained as auditors of the Charity and the Group was passed at the Annual General Meeting in March 2018.

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**TRUSTEES' ANNUAL REPORT INCLUDING THE STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

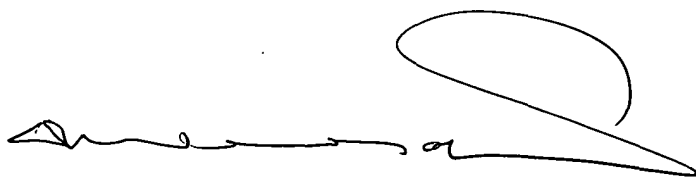
Statement as to disclosure of information to Auditors

Each of the directors of the company who held office at the date of approval of this report, as set out above, confirm that:

- so far as each director is aware there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

This report was approved by the Board on 20th April 2018.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned above the printed name of the Chairman.

Mr D.R. Woodgate BSc, MBA
(Chairman)

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

Opinion on financial statements

We have audited the financial statements of Plymouth College and St Dunstan's Abbey School Charity Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2017 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

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the 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. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (and the incorporated Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (and the incorporated Strategic Report) have been prepared in accordance with applicable legal requirements.

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

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 material misstatements in the Trustees' Annual Report (and the incorporated Strategic Report).

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

- adequate 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on pages 8 and 9, 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, 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 charitable company'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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report. This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Kevin Barwick (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
55-61 Victoria Street
Bristol
BS1 6AD

2 May 2018

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2017	Total Funds 2016
		£	£	£	£	£
INCOME AND ENDOWMENTS						
FROM:						
<i>Charitable activities:</i>						
School fees	2	8,157,884	-	-	8,157,884	8,095,727
Ancillary income	3a	660,797	-	-	660,797	605,769
<i>Donations and legacies:</i>						
Donations	3b	33,293	12,950	-	46,243	14,725
<i>Other trading activities:</i>						
Letting income		144,332	-	-	144,332	169,900
Trading income		14,282	-	-	14,282	13,919
Investment income	3c	3,377	-	5,690	9,067	8,699
TOTAL INCOME		9,013,965	12,950	5,690	9,032,605	8,908,739
EXPENDITURE ON:						
<i>Charitable activities:</i>						
School operating costs		8,950,999	20,560	-	8,971,559	9,573,841
Cost of raising funds		41,880	-	-	41,880	73,962
<i>Other expenditure:</i>						
Trading and lettings		3,246	-	-	3,246	20,089
Governance costs		287,425	-	-	287,425	139,666
Finance costs		120,532	-	-	120,532	105,132
TOTAL EXPENDITURE	4	9,404,082	20,560	-	9,424,642	9,912,690
Net gains on investments		-	-	20,367	20,367	31,307
NET INCOME / (EXPENDITURE)		(390,117)	(7,610)	26,057	(371,670)	(972,644)
Transfers		(10,000)	-	10,000	-	-
NET MOVEMENT IN FUNDS		(400,117)	(7,610)	36,057	(371,670)	(972,644)
Fund balances brought forward		6,630,533	588,736	311,366	7,530,635	8,503,279
Fund balances carried forward		6,230,416	581,126	347,423	7,158,965	7,530,635

The notes on pages 16 to 30 form part of these financial statements.

The statement of financial activities includes all gains and losses in the year. All income and expenditure is derived from continuing activities. In the prior year all income and expenditure was unrestricted, with the exception of £10,000 of restricted income and £765 of expenditure in relation to endowment funds.

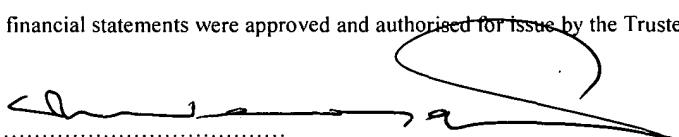
PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 AUGUST 2017

	Note	Group		Charity	
		2017 £	2016 £	2017 £	2016 £
FIXED ASSETS					
Intangible assets	5	225,000	240,000	225,000	240,000
Tangible assets	6	12,383,923	12,306,812	1,188,362	1,108,975
Investments	7	354,285	323,918	-	-
		<u>12,963,208</u>	<u>12,870,730</u>	<u>1,413,362</u>	<u>1,348,975</u>
CURRENT ASSETS					
Debtors	9	332,166	333,561	344,446	440,737
Debtors – Amounts falling due after one year		-	-	1,534,254	1,534,254
Cash at bank and in hand		63,093	84,368	10,753	475
		<u>395,259</u>	<u>417,930</u>	<u>1,889,453</u>	<u>1,975,466</u>
Creditors: Amounts falling due within one year	10	6,107,645	5,620,000	6,024,266	5,614,490
NET CURRENT LIABILITIES		<u>(5,712,386)</u>	<u>(5,202,070)</u>	<u>(4,134,813)</u>	<u>(3,639,024)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,250,822	7,668,660	(2,721,451)	(2,290,049)
Creditors: Amounts falling due after one year	11	(90,857)	(137,025)	(40,857)	(87,025)
Deferred taxation		(1,000)	(1,000)	-	-
TOTAL NET ASSETS / (LIABILITIES)		<u>7,158,965</u>	<u>7,530,635</u>	<u>(2,762,308)</u>	<u>(2,377,074)</u>
Funds					
Permanent endowment fund:	13	347,423	311,366	-	-
Unrestricted funds:	14	6,153,469	6,537,896	(2,777,642)	(2,400,019)
Restricted funds	15	581,126	588,736	15,334	22,944
Designated funds	14	76,947	92,637	-	-
		<u>7,158,965</u>	<u>7,530,635</u>	<u>(2,762,308)</u>	<u>(2,377,074)</u>

The net expenditure for the charity for the year was £385,233 (2016: £994,696).

The financial statements were approved and authorised for issue by the Trustees on 20th April 2018 and signed on their behalf by:


Mr D.R. Woodgate BSc, MBA
Trustee

Company Registration No. 05189426

The notes on pages 16 to 30 form part of these financial statements.

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

**CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 AUGUST 2017**

	Note	£	2017	£	£	2016	£
CASH FLOW FROM OPERATING ACTIVITIES							
Cash generated by / (used in) operations	18			30,871			(94,568)
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment income receipts			9,067			8,699	
Purchase of tangible fixed assets			(138,337)			-	
Proceeds from sale of tangible fixed assets			10,000			100	
Payment for investments			(10,000)			(9,235)	
Net cash used in investing activities				(129,270)			(436)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of bank loans			(197,929)			(154,105)	
Bank charges			(33,156)			(36,569)	
Interest paid			(82,725)			(76,107)	
Net cash used in financing activities				(313,810)			(266,781)
DECREASE IN CASH				(412,209)			(361,785)
CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD				(2,324,189)			(1,962,404)
CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD				(2,736,398)			(2,324,189)
ANALYSIS OF CASH AND CASH EQUIVALENTS							
Cash at bank and in hand			63,093			84,368	
Bank overdraft			(2,799,491)			(2,408,557)	
TOTAL CASH AND CASH EQUIVALENTS				(2,736,398)			(2,324,189)

The notes on pages 16 to 30 form part of these financial statements.

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2017

I. Accounting Policies

(a) Charity information

Plymouth College and St Dunstan's Abbey Schools Charity is a registered charity and company limited by guarantee in England and Wales. The registered office is Plymouth College, Ford Park Road, Plymouth, PL4 6RN.

Plymouth College and St Dunstan's Abbey Schools Charity meets the definition of a public benefit entity under section 34 of FRS 102. The principal objectives of the charity are detailed in the Trustees' report found on page 3 of these financial statements.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

(b) Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015) – (Charities SORP (FRS 102)).

(c) Going Concern

The accounts have been prepared on the going concern basis.

As highlighted in the Financial Review, the Charity meets its day-to-day working requirements through an overdraft facility, which was renewed in February 2017 and again on 31 December 2017 and 31 March 2018 and is currently reviewed on a three-monthly basis. The current economic conditions create uncertainty particularly over the future level of pupil numbers and the increasing cost of teaching staff wages tied to national maintained sector pay scales.

The Charity's forecasts and projections, taking into account reasonable and possible changes in trading performance, show that the Charity should be able to operate within the level of its current facility, with predicted borrowing levels reducing as the new business plan is implemented. The Charity will open renewal negotiations with the bank in due course and has not sought any written commitment that the facility will be renewed. However, the Charity has held discussions with its bankers about future borrowing needs and advice has been received which is being acted upon by the Trustees and there is no suggestion that renewal may not be forthcoming on acceptable terms.

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going-concern basis in preparing the Financial Statements.

(d) Group accounts

These financial statements consolidate the results of the charity and its associated charities Plymouth College Trust and St Dunstan's Abbey School Trust on a line by line basis. The results of Plymouth College Trust include the results of its trading subsidiary, Plymouth College Enterprises Ltd, consolidated on a line by line basis.

The assets and liabilities of the charities are consolidated in the balance sheet. The gross income and gross expenditure of the charities are included in the consolidated Statement of Financial Activities.

A separate statement of financial activities for the charity itself is not presented because the charity has taken advantage of the exemption afforded by Section 408 Companies Act 2006 and paragraph 397 of the SORP.

FRS 102 allows qualifying entities certain disclosure exemptions. The charity, only, has taken advantage of the exemptions for the following disclosure requirement:

- Section 7 "Statement of Cash Flows" – presentation of an entity only Statement of Cash Flow and related notes and disclosures.

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2017

(e) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are for a specific purpose and income comprises gifts, legacies and grants where there is no capital retention obligation or power but only trust law restriction to some specific purpose intended by the donor.

Endowment Funds are funds where the capital must remain intact and only the income distributed for the stated purpose of the fund.

(f) Income

Income is recognised when the charity is legally entitled to the income, it is probable it will be received and the amount can be measured reliably.

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 allowances, scholarships and other remissions granted by the school.

Donations are recognised in the year in which the charity is entitled to receipt, it is considered probable that they will be received and the amount can be measured reliably. Donations received for the general purposes of the charity are included as unrestricted funds. Donations received for activities restricted by the wishes of the donor are included as restricted funds. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments – permanent or expendable according to the nature of the restrictions.

Investment income is accounted for on a receivable basis.

Legacies are included when it is probable that a payment will be made or property transferred that the school is entitled to and the amount or value can be reliably measured.

(g) Expenditure

All expenditure is accounted for on accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been apportioned according to pupil numbers.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with statutory requirements. Redundancy costs are reported when the School is demonstrably committed to incurring such costs.

(h) Intangible fixed assets

Amortisation is provided to write off the cost of the 'usage agreement' of the all-weather hockey pitch at UCP St Mark & St John over the length of the agreement (30 years).

(i) Tangible fixed assets and depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following rates:

Freehold Property	2% straight line
Computer Equipment	20% reducing balance
Fixed Plant	5% reducing balance
Motor Vehicles	25% reducing balance
Fixtures, Fittings and Equipment	20% reducing balance and 10% straight line

The trustees estimate that the residual values of the freehold buildings are equal to or greater than their cost and so depreciation has not been provided in the year on the grounds that it would not be considered material.

Expenditure on school equipment is charged to the revenue account as the expense is incurred.

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2017

(j) Investments

Listed investments are carried at their mid-market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sale proceeds and market value at the start of the year or subsequent cost and are credited or charged to the statement of financial activities in the year of disposal. Unrealised gains and losses represent the movement in the market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Unlisted investments are held at cost.

(k) Pension costs

The School participates in a multi-employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ("The Scheme"), for its teaching staff. As a result it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the School. The standard employers contribution rate was increased to 16.48% from 14.1% from 1 September 2015

From April 2012 the employee's contribution was increased. The percentage employee contribution for teachers is based on annual salary. There are seven bands (April 2013 onwards - eight bands) where employees percentage paid depends on which salary band an employee is in.

The School also contributes to a defined contribution scheme for non-teaching staff at 7% basic pay and now has a auto-enrolment scheme where it contributes 1% of pay.

(l) Leased Assets

Rentals applicable to operating leases where substantially all of the risks and rewards of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

(m) Advance Fees Scheme

The charity offers parents the opportunity to pay boarding and tuition fees in advance in accordance with a written contract. Quotations are given based on an annual increase in fees each year. This is treated as deferred income until the pupil joins the school whereupon the fees for each school term are charged against the remaining balance and taken to income. All amounts are included in creditors split between amounts falling due within one year and amounts falling due after more than one year.

(n) 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 assets and liabilities are offset, within the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial Assets

Basic financial assets which include trade and other receivables and cash and bank balances are initially recognised 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 Liabilities

Basic financial liabilities including trade and other creditors are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2017

(o) Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying value 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.

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements:

Depreciation of tangible fixed assets

The Trustees exercise their judgement in assessing the expected remaining useful life of the assets held and expected residual values where appropriate.

Non-depreciation of historical buildings

In the opinion of the Trustees, the residual value of historical buildings is such that the resulting depreciation charge would be immaterial to the accounts and therefore no depreciation is provided against these buildings.

Multi-employer defined benefit pension schemes

Certain employees participate in a multi-employer defined benefit pension scheme (TPS). In the judgement of the Trustees, the charity does not have sufficient information on the plan assets and liabilities to be able to account reliably for its share of the defined benefit obligations and plan assets. Therefore, the scheme is accounted for as a defined contribution scheme.

2. School Fees

	2017 £	2016 £
Fees receivable consist of:		
Gross Fees	10,450,375	10,586,620
Less: Bursaries	530,623	481,694
Scholarships	1,154,386	1,343,522
Staff discounts	330,450	348,752
Sibling discounts	172,936	188,331
Commission	91,162	73,076
Bad debt provision	12,934	55,518
	<u>8,157,884</u>	<u>8,095,727</u>

3. Other Income

a) Ancillary Income

	2017 £	2016 £
Unrestricted Funds:		
School meals receipts	406,715	433,354
Registration fees	16,040	14,191
Childcare and aftercare	-	1,300
Special needs income	28,032	25,706
Other income	79,636	47,780
Examination income	74,796	82,240
Learn to Swim	49,239	-
Teacher training	3,176	1,198
Gain on disposal of fixed assets	3,163	-
	<u>660,797</u>	<u>605,769</u>

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended 31 August 2017

b) Donations Income

	2017 £	2016 £
Restricted donations – Piano Fund	12,950	-
Restricted donations – Astronomy	-	10,000
Restricted donations – Other	-	-
Other donations	33,293	4,725
	<u>46,243</u>	<u>14,725</u>

c) Investment Income

	2017 £	2016 £
Investment dividend income	9,067	8,699
	<u>9,067</u>	<u>8,699</u>

All investment income in both current and prior year is unrestricted. All investment gains in both current and prior year are in respect of endowment funds.

4. Analysis of Expenditure

(a) Expenditure on Charitable Activities:

	Staff Costs £	Other Direct Costs* £	Depreciation & Amortisation £	Total 2017 £	Total 2016 £
Teaching	5,052,700	474,478	61,420	5,588,598	5,988,084
Welfare	300,658	737,469	5,458	1,043,585	1,050,745
Premises	643,104	868,745	-	1,511,849	1,484,075
Support costs	522,689	304,838	-	827,527	1,050,937
	<u>6,519,151</u>	<u>2,385,530</u>	<u>66,878</u>	<u>8,971,559</u>	<u>9,573,841</u>
Other Expenditure:					
Governance costs	-	287,425	-	287,425	139,666
Fundraising costs	20,317	21,563	-	41,880	73,962
Trading and letting costs	-	3,246	-	3,246	20,089
Finance costs	-	120,532	-	120,532	105,132
	<u>20,317</u>	<u>432,766</u>	<u>-</u>	<u>453,083</u>	<u>338,849</u>
Total Expenditure	<u>6,539,468</u>	<u>2,818,296</u>	<u>66,878</u>	<u>9,424,642</u>	<u>9,912,690</u>

*Including gains and losses on disposal of tangible fixed assets.

Analysis of support costs

	Educational Operations £	Marketing £	Governance £	Total 2017 £	Total 2016 £
Staff costs	380,118	107,071	-	487,189	540,232
Finance and administration	191,925	112,913	-	304,838	396,626
Redundancy	35,500	-	-	35,500	114,079
Total Support Costs	<u>607,543</u>	<u>219,984</u>	<u>-</u>	<u>827,527</u>	<u>1,050,937</u>

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2017

(b) Net expenditure is stated after charging / (crediting):	2017 £	2016 £
(Gain)/Deficit on disposal of tangible fixed assets	(3,163)	1,190
Depreciation of tangible fixed assets:	51,878	52,891
Amortisation of intangible fixed assets	15,000	15,000
Operating leases	41,586	48,389
Interest payable on bank overdraft including setup charges	73,968	61,325
Interest payable on bank loans	41,888	51,326
Auditors' remuneration for audit of annual financial statements	22,150	26,100
Other professional services from audit firm:		
- Tax compliance services	1,800	1,800
- Other non-audit services	2,000	2,100
Bad debts	12,934	55,518

The above costs include irrecoverable VAT

Three Trustees were reimbursed a total of £4,534 for travel expenses (2016 - £4,920 for travel expenses).

No other Trustee or person connected with them received any remuneration or other benefit during the year except for those listed in Note 20.

(c) Employer payroll costs	2017 £	2016 £
Wages and salaries	5,370,511	5,780,093
Social security costs	499,207	490,672
Pension contributions	625,157	684,099
Other allowances and costs	9,093	37,532
Redundancy	35,500	114,079
	<u>6,539,468</u>	<u>7,106,475</u>

Of the redundancy costs, nothing was included in creditors at the year end (2016 - £74,577). These costs relate to restructuring of the staff body to align with the School's future curriculum demands and operating model.

The number of employees whose gross salaries amounted to £60,000 or over in the year was as follows:

	2017	2016
£60,000 - £70,000	3	2
£80,000 - £90,000	-	1
£90,000 - £100,000	-	1
£100,000 - £110,000	-	-
£110,000 - £120,000	1	1

The key management personnel are detailed in the Trustees' Report. The total emoluments for these personnel in the year, including employers' NI and pension contributions, was £580,075 (2016: £665,239).

The average number of employees analysed by function was:

	2017	2016
Charity:		
Teaching staff	97	105
Teaching support staff	20	10
Premises staff	45	48
Welfare staff	12	22
Support staff	66	69
	<u>240</u>	<u>254</u>

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2017

5. Intangible Fixed Assets

Group and Charity:

	Astroturf Pitch Usage £
Cost	
At 1 September 2016	300,000
Additions	-
At 31 August 2017	300,000
Amortisation	
At 1 September 2016	60,000
Charge for the Year	15,000
At 31 August 2017	75,000
Net Book Value	
At 31 August 2017	225,000
At 31 August 2016	240,000

In 2013 the school entered into an agreement for 30 years with University College Plymouth St Mark & St John for the use of their Astroturf hockey pitch for £300,000. The agreement is that £300,000 is placed in an escrow account in joint names and is to be drawn down over the life of the usage period at the rate of £15,000 per annum for the first 15 years and £5,000 per annum for the remaining 15 years to reflect the usage of the pitch. The school is treating this expenditure as an enduring benefit and writing it down over a period of 30 years to reflect the payments taken from the escrow account each year.

6. Tangible Fixed Assets

Group:

	Freehold Property	Fixtures Fittings and Equipment	Motor Vehicles	Group Total
Cost	£	£	£	£
At 1 September 2016	12,034,167	648,369	211,727	12,894,263
Additions	-	133,959	4,378	138,337
Disposal	-	-	(67,317)	(67,317)
At 31 August 2016	12,034,167	782,328	148,788	12,965,283
Depreciation				
At 1 September 2015	-	410,069	177,382	587,451
Charge for the Year	-	46,420	7,969	54,389
Eliminated on Disposal	-	-	(60,480)	(60,480)
At 31 August 2016	-	456,489	124,871	581,360
Net Book Value				
At 31 August 2017	12,034,167	325,839	23,917	12,383,923
At 31 August 2016	12,034,167	238,300	34,345	12,306,812

Charity:

	Freehold Property	Fixtures Fittings and Equipment	Motor Vehicles	Charity Total
Cost	£	£	£	£
At 1 September 2016	846,154	648,369	119,771	1,614,294
Additions	-	133,959	2,379	136,338
Disposal	-	-	(43,827)	(43,827)
At 31 August 2017	846,154	782,328	78,323	1,706,805
Depreciation				
At 1 September 2016	-	410,069	95,250	505,319
Charge for the Year	-	46,420	5,458	51,878
Eliminated on Disposal	-	-	(38,754)	(38,754)
At 31 August 2017	-	456,489	61,954	518,443
Net Book Value				
At 31 August 2017	846,154	325,839	16,369	1,188,362
At 31 August 2016	846,154	238,300	24,521	1,108,975

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2017

7. Investments

(a) Group:	Unrestricted	Permanent Endowment	Total 2017	Total 2016
	£	£	£	£
Balance at 1 September 2016	12,553	311,365	323,918	283,377
Additions (Net of management fee)	-	10,000	10,000	9,234
Gain on revaluation	-	20,367	20,367	31,307
Balance at 31 August 2017	12,553	341,732	354,285	323,918
Listed on the Stock Exchange	12,553	289,709	302,262	280,941
Cash deposits	-	52,023	52,023	42,977
	12,553	341,732	354,285	323,918
(b) Investments held in the portfolio at the year end were:-				
			2017	2016
			£	£
Permanent Endowment Funds				
M & G Charifund - Income Units			104,384	90,779
Schroder UK Growth Fund			30,825	28,800
Invesco Fund			28,050	27,742
Mellon Investment Funds			27,073	26,060
Invesco Managers			13,325	13,450
M & G Securities			22,400	19,114
Henderson UK Property			10,913	10,328
ISHARES II Plc – Barclays Capital			6,950	7,036
Standard Life – UK SMLLR Acc Retail			8,847	7,114
Standard Life – Global Absolute Return Strat			5,841	5,760
FIL Investment – Fidelity Moneybuilder Income			11,448	11,783
Allianz Global Invest – Allianz Gilt Yield Fund A Inc			16,506	17,296
Barclays Multi-Manager Fund – GlobalAccess GBL High Yield			3,147	3,126
Unrestricted Funds			12,553	12,553
			<u>302,262</u>	<u>280,941</u>

8. Group Undertakings' Financial Results

(a) Plymouth College Trust

The consolidated position reported in these financial statements includes Plymouth College Trust, registered charity number 306949, which was created prior to the merger with St Dunstan's Abbey School in 2004 to hold the assets previously owned by Plymouth College. The trading results for the Trust are shown below:

	2017	2016
	£	£
Income	112,161	121,045
Trading expenses and financing costs	(65,475)	(66,626)
Gross surplus	46,686	54,419
Governance costs	(1,450)	(2,065)
Donations to Plymouth College and St Dunstan's Abbey Schools Charity	(51,041)	(45,769)
Net gains on investments	20,367	31,307
Retained surplus	<u>14,562</u>	<u>37,892</u>

The donations to Plymouth College and St Dunstan's Abbey Schools Charity of £51,041 (2016: £45,769) are eliminated on consolidation.

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2017

The assets of Plymouth College Trust were:

	2017 £	2016 £
Tangible fixed assets	5,295,561	5,297,837
Investments	354,285	323,918
Current Assets	2,611,798	2,649,280
Creditors – falling due within one year	(133,095)	(157,048)
Creditors – falling due after one year	(1,584,254)	(1,584,254)
Deferred Taxation	(1,000)	(1,000)
Net assets	6,543,295	6,528,733

(b) Plymouth College Enterprises Limited

Plymouth College Enterprises Limited, registered company number 03911069, is a wholly owned subsidiary of Plymouth College Trust. From 1 May 2000 it operated the School Shop which sold school uniform and limited educational supplies. During 2001 it diversified into transport. In November 2002 Schooltogs (formerly Pinder and Tuckwell Limited) took over the running of the School Shop paying commission quarterly based on Shop Turnover.

The trading results of the company for the year are consolidated within the Plymouth College Trust financial statements. The trading results for the company as extracted from the audited financial statements are summarised below:

	2017 £	2016 £
Turnover	70,858	74,846
Cost of sales	(13,246)	(13,931)
Gross profit	57,612	60,915
Administrative expenses	(50,968)	(51,782)
	6,644	9,133
Corporation tax	-	-
Deferred tax	-	-
Donation of profit	(10,976)	-
Retained (loss) / profit for the year	(4,332)	9,133

Profits will be gifted to the Trust in future years under the gift aid provisions.

The assets of Plymouth College Enterprises Limited were:

	2017 £	2016 £
Tangible fixed assets	7,548	9,824
Current assets	71,946	104,757
	79,494	114,581
Creditors amounts falling due within one year	(9,942)	(40,697)
Deferred taxation	(1,000)	(1,000)
	68,552	72,884
Representing:		
Share capital	100	100
Profit and loss account	68,452	72,784
	68,552	72,884

(c) St Dunstan's Abbey School Trust

The consolidated position reported in these financial statements includes St Dunstan's Abbey School Trust, registered charity number 306736, which was created prior to the merger with Plymouth College in 2004 to hold the assets previously owned by St Dunstan's Abbey School. The financial results for the Trust are shown below:

	2017 £	2016 £
Governance costs	(1,000)	(840)
Net deficit	(1,000)	(840)

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2017

The governance costs comprise the audit fee for the financial statements.

The assets of St Dunstan's Abbey School Trust were:

	2017 £	2016 £
Tangible fixed assets	5,900,000	5,900,000
Current Assets	5,117	5,117
Creditors – falling due within one year	(5,916)	(4,916)
Creditors – falling due after one year	(2,521,224)	(2,521,224)
Net assets	3,377,977	3,378,977

All of the above subsidiaries have the same registered office as the School.

9. Debtors

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Fees receivable – current	237,429	257,618	237,429	257,618
Loan Plymouth College Trust – long-term	-	-	1,534,254	1,534,254
Group debtors	-	-	6,728	-
Other debtors	73,310	68,434	78,862	175,610
Prepayments	21,427	7,509	21,427	7,509
	332,166	333,561	1,878,700	1,974,991

The assets of Plymouth College Trust provide the security for the bank borrowing of the charity (see note 11).

10. Creditors: Amounts falling due within one year

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Bank overdraft (secured)	2,799,491	2,408,557	2,799,491	2,408,557
Trade creditors	413,896	198,412	335,276	193,237
Group creditors	-	-	35,714	-
Other creditors	677,871	691,172	642,158	697,562
Tax and social security	130,226	140,311	128,541	137,811
Accruals	91,577	38,705	88,502	34,480
Fees received in advance	968,758	919,088	968,758	919,088
Bank loans (secured)	1,025,826	1,223,755	1,025,826	1,223,755
	6,107,645	5,620,000	6,024,266	5,614,490

The bank borrowing is secured by a charge over the freehold property of Plymouth College Trust and a fixed and floating charge over the assets of the charity.

On 29 November 2011 a mortgage debenture was created over the entire assets of the company in favour of Lloyds TSB Bank, to secure the bank borrowing. The aggregate of secured liabilities is £3,825,317 (2016 - £3,362,312).

The consolidated bank loan originally for £760,000 is being repaid over 15 years.

The loan for the freehold property, The Haven, was for £280,000 and is being repaid over 15 years.

The third loan was for £717,000, which was for various works, refurbishment of the school's all weather pitch, renovations to The Haven freehold property and £300,000 for a long licence for use of AstroTurf (see note 20).

As in prior year, the entire balance owing on secured bank loans is shown as a current liability in these financial statements due to a technical breach of lending covenants at the 31st August 2017: no waiver of the covenants was obtained for this breach in advance of the financial year end. The charity's bank have provided a waiver after the year end confirming that they do not seek repayment of the full loan balances within one year. The amount that the bank expect to be repaid within one year is £174,818 (2016: £174,912).

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2017

11. Creditors: Amounts falling due after more than one year

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
OPM Loan	50,000	50,000	-	-
Fees received in advance	40,857	87,025	40,857	87,025
	<u>90,857</u>	<u>137,025</u>	<u>40,857</u>	<u>87,025</u>

12. Financial Instruments

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
<i>Financial assets that are debt instruments measured at amortised cost:</i>				
Fees	237,429	257,618	237,429	257,618
Other debtors	73,310	68,434	78,862	175,610
Other amounts due from group undertakings	-	-	1,534,254	1,534,254
	<u>310,739</u>	<u>326,052</u>	<u>1,850,545</u>	<u>1,967,482</u>
Equity instruments measured at market value	<u>289,709</u>	<u>268,388</u>	<u>289,709</u>	<u>268,388</u>
<i>Financial liabilities measured at amortised cost:</i>				
Bank overdraft	2,799,491	2,408,557	2,799,491	2,408,557
Bank loans	1,025,826	1,223,755	1,025,826	1,223,755
Trade creditors	413,896	198,412	335,276	193,237
Other creditors	677,871	691,172	642,158	697,562
Accruals	91,577	38,705	88,502	34,480
OPM loan	50,000	50,000	-	-
	<u>5,058,661</u>	<u>4,610,601</u>	<u>4,891,253</u>	<u>4,557,591</u>

13. a) Allocation of the Group's Net Assets

	Fixed Assets £	Net Current Liabilities £	Long- Term Liabilities £	Total £
Endowment Funds	347,423	-	-	347,423
Unrestricted Funds				
General reserve	12,058,549	(5,813,223)	(91,857)	6,153,469
Designated funds	-	76,947	-	76,947
Restricted Funds				
Foundation	-	7,944	-	7,944
J.C. Herringshaw – Chemistry	-	5,000	-	5,000
Astronomy donation – Prep School	-	10,000	-	10,000
Appeal funds	557,236	-	-	557,236
St Dunstan's Abbey funds	-	946	-	946
Group	<u>12,963,208</u>	<u>(5,712,386)</u>	<u>(91,857)</u>	<u>7,158,965</u>

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2017

b) Allocation of the Charity's Net Liabilities

	Fixed Assets £	Net Current Liabilities £	Long- Term Liabilities £	Total £
Unrestricted Funds				
General reserve	1,413,362	(4,150,147)	(40,857)	(2,777,642)
Restricted Funds				
Foundation	-	334	-	334
J.C. Herringshaw – Chemistry	-	5,000	-	5,000
Astronomy donation – Prep School	-	10,000	-	10,000
Charity	1,413,362	(4,134,813)	(40,857)	(2,762,308)

14. Unrestricted Funds – Movement in the Year

a) Group

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2017 £
General Reserve	6,537,896	9,013,965	(9,398,392)	-	6,153,469
Designated funds	92,637		(5,690)	(10,000)	76,947
	6,630,533	9,013,965	(9,404,082)	(10,000)	6,230,416

b) Charity

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2017 £
General Reserve	(2,400,019)	9,025,110	(9,402,733)	-	(2,777,642)

The general reserve represents the free funds of the charity which are not designated for any particular purpose.

15. Restricted Funds – Movement in the Year

a) Group

	Balance at 1 September 2016 £	Income £	Expenditure £	Balance at 31 August 2017 £
Foundation	7,944	-	-	7,944
J.C. Herringshaw – Chemistry	5,000	-	-	5,000
Astronomy donation – Prep School	10,000	-	-	10,000
St Dunstan's Abbey – Restricted Funds	946	-	-	946
Appeal Funds	564,846	12,950	(20,560)	557,236
Restricted Funds - Group	588,736	12,950	(20,560)	581,126

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31 August 2017

b) Charity

	Balance at 1 September 2016 £	Income £	Expenditure £	Balance at 31 August 2017 £
Foundation	7,944	-	(7,610)	334
J.C. Herringshaw – Chemistry	5,000	-	-	5,000
Astronomy donation – Prep School	10,000	-	-	10,000
Appeal Funds	-	12,950	(12,950)	-
Restricted Funds - Charity	22,944	12,950	(20,560)	15,334

Foundation

In previous years the Foundation office raised £7,944 for specific projects. These projects have balances that have not yet reached the targets necessary to fulfil the specific appeals.

J.C. Herringshaw – Chemistry

In the year ended 31st August 2015 the College received £5,000 from the estate of Jillian Clara Herringshaw for the furtherance of chemistry study at Plymouth College. This has not been utilised as yet.

Astronomy Donation – Prep School

The Prep School received a £10,000 donation towards the furtherance of Astronomy at the school. This has not been utilised as yet.

Appeal Funds

The Charity received very generous donations during the year which, added to funds raised previously, enabled the purchase of a grand piano for the School. The donations were restricted for this purpose.

16. Operating Leases – Group and Charity

At 31 August 2017, there were outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	31,633	28,818
Between two and five years	86,863	108,066
Over five years	1,571	-
	120,067	136,884

17. Contingent Liabilities

- (a) The music/hospitality suite was completed and brought into use during 2004. An agreement between Plymouth College Trust and the OPM Club was reached whereby the OPM Club paid a lease premium of £439,303 for the granting of a 999 year landlord repairing lease of the hospitality suite, for a peppercorn rent. The Plymouth College and St Dunstan's Abbey Schools Charity pays the OPM Club for the use of the facilities during school hours.

Under the terms of the agreement, should the OPM Club have to vacate the premises for various reasons (the likelihood of which is considered remote) then the Trust will have to repay to the OPM Club an amount equal to the lease premium, together with interest compounded annually in line with the RPI. During the year 2016-2017, the OPM Club resolved to freeze this RPI escalator for ten years effective from 1st September 2016.

The Trust believes the possibility of repayment is remote and so has recognised the income and has not incorporated the contingent liability into the accounts. The annual value accruing will be presented annually by way of note to the accounts.

The contingent liability at 31 August 2017 was £610,765 (2016 £610,765).

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

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Year Ended 31 August 2017

The OPM Club has taken a charge over part of the freehold property of the Trust.

- (b) The assets of Plymouth College Trust have been used to secure the bank borrowing of Plymouth College and St Dunstan's Abbey Schools Charity.

The trust believes the possibility of the bank exercising this charge is remote and so no provision has been included in the accounts.

18. Notes to the Statement of Cash Flows

Reconciliation of net expenditure to net cash inflow / (outflow) from operating activities:

	2017 £	2016 £
Net Expenditure	(371,670)	(972,644)
<i>Non-operating cash flows eliminated:</i>		
Interest received and investment income	(9,067)	(8,699)
Interest payable	82,725	76,107
Bank charges	33,156	36,569
Depreciation charges	54,389	56,160
Amortisation charges	15,000	15,000
(Profit) / Loss on disposal of fixed assets	(3,163)	1,190
Decrease in debtors	1,395	16,935
Increase in creditors	248,473	716,120
Gain on revaluation of investments	(20,367)	(31,307)
Net cash inflow / (outflow) from operating activities	30,871	(94,568)

19. Pension Schemes

Teachers' Pension Scheme

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

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the TPS

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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. Many of these were being discussed in the context of the design for a reformed TPS, and as set out in the Proposed Final Agreement, scheme valuations had been suspended since the last valuation in 2004.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

Valuations of the TPS are now required under the Public Service Pensions Act 2013 every 4 years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

PLYMOUTH COLLEGE AND ST DUNSTAN'S ABBEY SCHOOLS CHARITY

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Year Ended 31 August 2017

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million. The assumed real rate of return is 3% 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%.

Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75% and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2014 to 31 March 2015, the employee contribution rate ranged between 6.4% and 12.4%, depending on a member's Full Time Equivalent salary and for 2015/16 will range between 7.4% and 11.7%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate will increase from 14.1% to 16.4% although, recognising that teaching establishments work on an academic and not financial year, the Government has deferred the implementation of this increase to 1 September 2015. Employers have in addition paid a scheme administration levy of 0.08% of the employers' salary costs which will increase the total employer payment rate from 16.4% to 16.48%.

The employer contribution rate will be payable until the next valuation as at 31 March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

The total employer superannuation contributions payable (and paid) to the Scheme for the year ended 31 August 2017 were £560,712 (2016: £601,382).

The School also runs a defined contribution scheme and an auto-enrolment scheme for its non-teaching staff. £64,385 was payable (and paid) for the year ended 31 August 2017 (2016: £82,717).

Contributions are charged in the statement of financial activities as they accrue.

20. Related Parties

During the year the school received legal advice from Wolferstans Solicitors totalling £11,808 (2016: £24,658). C Hammond, a Trustee, is a partner in that firm. The legal authority for such payments to a Trustee's firm is a power in the Articles of Association.

Certain governors may have children at the school who receive bursaries or scholarships; these are assessed and awarded on the same terms available to all parents.

As at 31 August 2017, Plymouth College Trust owes £1,534,254 (2016: £1,534,254) to Plymouth College and St Dunstan's Abbey Schools Charity.

As at 31 August 2017, St Dunstan's Abbey School Trust owes £2,680 (2016: £1,680) to Plymouth College and St Dunstan's Abbey Schools Charity. The increase in year relates to audit fees settled by Plymouth College and St Dunstan's Abbey Schools Charity on behalf of St Dunstan's Abbey School Trust.

Other group entities were recharged costs totalling £46,512 (2016: £46,512) by Plymouth College and St Dunstan's Abbey Schools Charity, and invoiced the same entity £56,576 (2016: £60,927) for services provided. Plymouth College Enterprises donated its taxable profits for the year totalling £5,291 (2016: £10,976) to Plymouth College and St Dunstan's Abbey Schools Charity.

There are no other related party transactions or balances to disclose.