



CHELTENHAM
LADIES'
COLLEGE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2017

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MESSAGE FROM THE CHAIRMAN OF COUNCIL

I am pleased to say that College has had a busy and successful year.

In the last twelve months, our sector has come under challenge from all parties across the UK political spectrum. Our representative body, the Independent Schools Council (ISC), has taken the lead in discussions with the Department for Education on behalf of all schools in our sector. In March it published a draft agreement which contains nine principles to drive the use of the maximum available resource from independent schools for the greatest impact on state school pupils. College is committed to making sure that we, as a leading school in the UK, support these principles. One of the key principles relates to the provision of bursaries. College is proud that the equivalent of 6% of our annual gross fees help to ensure that girls can receive the very best education College can provide, irrespective of their circumstances. Third party benchmarking shows this puts us amongst the leaders in our sector in bursary provision.

Last year, I commented on the start of construction of College's new Health and Fitness Centre (HFC). I am delighted to say that this was delivered within budget and on time. College took possession of the building in early Autumn 2017 and it is already in use. It is specifically designed with multi-functional spaces so that we can offer the broadest range of physical activities to every pupil, from the elite athlete and the committed team player to those for whom physical activity is something simply to be enjoyed for its own sake.

Plans for the next phases of capital development, which include Phase 2 of the HFC, are currently under review and discussion by Council. There is much that we would like to do but we do not have unlimited resources, so we are planning our next steps very carefully.

Academically, this summer's public exam results demonstrated that College remains one of the foremost schools in the UK. We maintained our position as the top girls' IB boarding school in the country, with an average points score of 39.9. At A Level, a third of pupils achieved three or more A*/A grades and 84% of results were A*-B grades. At GCSE and IGCSE, more than 69% of results achieved were A* grades, and over 90% were A*/A grades.

We are extremely proud of the achievements of our leavers. This year 137 girls, including our 2017 cohort and leavers from previous years, will be going on to study at more than 45 universities worldwide. This includes 12% at Oxbridge colleges and 4% at Ivy League and other prestigious US universities, including Harvard, NYU and UPenn. Ten UK universities accounted for over 50% of places secured: Bristol, Cambridge, Durham, Edinburgh, Exeter, LSE, Oxford, St Andrews, UCL and Warwick.

On behalf of Council, I would like to thank all those who contribute to the vibrant life and continued success of this exceptional school.

Libby Bassett
Chairman of Council

REPORT OF THE COUNCIL FOR THE YEAR ENDED 31 JULY 2017

REFERENCE AND ADMINISTRATIVE INFORMATION

Cheltenham Ladies' College ("College") operates under the terms of a Royal Charter granted in 1935, and Supplemental Charters granted in 1955 and in 1991 and further amendments passed on 11 September 2015 and granted by an Order from the Privy Council dated 8 October 2015. College is registered with the Charity Commission under charity registration number 311722.

Principal Address:

Bayshill Road
Cheltenham
Gloucestershire
GL50 3EP

www.cheltladiescollege.org

STRUCTURE, GOVERNANCE AND LEADERSHIP

The Royal Charter limits the size of Council to a maximum of 15 Elected Members and three Nominated Members. Council meets once a term, with an additional annual meeting to review strategy. Council Members are appointed by the Members of College at the AGM. They serve for a three-year period and may be re-elected for two further three-year periods.

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

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

The pay and remuneration of Key Management Personnel is discussed and set by the Finance and Executive Committee on an annual basis using benchmark data.

MEMBERS OF COUNCIL AND CHARITY TRUSTEES

Members of Council as at 31 July 2017 (showing changes during the financial year and up to the date of signing).

Elected Members

Ms E Bassett MA ACA, Chairman
Mr R Leechman BA, Vice Chairman
Ms S Boyle MA
Mr G Evans MA
Mr M Liu LLB
Mrs C Moulder MA (appointed 25.11.16)
Mr D Pittaway QC MA FCIArb
Ms S Putt MA (appointed 25.11.16)
Mrs A Ravano BBA MBA
Mr K Senior LLB FCA
Mrs L Terry MA
Mrs S Thompson MA MA MBA
Mr D Tinsley BA MA MBA FCA (resigned 25.11.16)
Dr V Udale MA
Mrs D Williams MA FCA
Mrs L Williamson BSc CEng FICE MBIFM

Nominated Members

Incorporated Guild of Cheltenham Ladies' College: Mrs K Robyns LLB
Academic Staff of College: Mrs M Henderson MA
Support Staff of College: Mrs F Weldin MA

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

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

Finance and Executive Committee

Mrs D Williams (Chairman)
Mr K Senior (Vice Chairman)
Ms E Bassett
Mr R Leechman
Mr M Liu
Mrs C Moulder
Mrs K Robyns
Mrs L Terry
In attendance: Principal, Chief Operating Officer and Finance Director

Audit and Risk Committee

Dr V Udale (Chairman)

Mrs L Williamson (Vice Chairman)

Mrs M Henderson

Mrs F Weldin

Dr C Biswas (co-opted)

Mrs S Cattermole (co-opted)

In attendance: Principal, Chief Operating Officer and Finance Director

Nominations Committee

Ms S Boyle (Chairman)

Mr G Evans (Vice Chairman)

Ms E Bassett

Mr R Leechman

Mrs A Ravano

Mrs C Bates (co-opted)

In attendance: Principal

Land and Buildings Committee

Mr R Leechman (Chairman)

Ms E Bassett

Mrs K Robyns

Dr V Udale

Mrs L Williamson

Mrs H Gibbs (co-opted)

In attendance: Principal, Chief Operating Officer, Finance Director and Estates Manager

Development Sub-Committee (a Sub-Committee of the Finance and Executive Committee)

Mr K Senior (Chairman)

Ms E Bassett

Mr R Leechman

Ms S Putt MA

Mr D Pittaway

Mrs K Robyns

Mrs L Terry

In attendance: Principal, Chief Operating Officer, Development Director and Finance Director

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

Mrs D Williams (Chairman)

Mr K Senior

Ms L Arnold (co-opted)

In attendance: Chief Operating Officer

Principal's Appraisal and Remuneration Committee

Ms E Bassett
Mr R Leechman
Mrs D Williams

Corporate Members

Corporate Members are the members of College as constituted by the Royal Charter. They elect Members of Council and receive the annual report but are not involved in the day-to-day running of College. At 31 July 2017 there were 268 Corporate Members.

LEADERSHIP TEAM

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

Principal	Ms E Jardine-Young MA
Vice Principal	Mr R Dodds BSc NPQH
Vice Principal Academic	Miss J Adams BSc
Head of Pastoral Care	Miss C Ralph BEd
Director of Admissions	Dr H Laver BSc
Co-Curricular Director	Mr J Potheary MSci
Head of Lower College	Mrs C Oosthuizen BEd
Head of Upper College	Dr D Gamblin MChem MRSC
Head of Sixth Form College	Mr J Marchant BA MA
Chief Operating Officer	Mr N Richards BSc
Finance Director	Mr J Speke BSc MPhil FCA ACT (resigned 7 April 2017)
Interim Finance Director	Mr J Barr BA FCCA (appointed 20 February 2017)
Marketing and Communications Director	Mrs D Hartley BSc FRSA FCIM
Development Director	Ms S Bagchi BSc (resigned 18 May 2017)
Director of Human Resources	Mrs C Grobler BA FCIPD

SUBSIDIARIES

College has three wholly-owned subsidiaries: CLC Services Limited and CLC Sports Services Limited which undertake trading activities, and CLC Parabola Limited, which undertakes development.

The relevant directors have decided to strike off CLC Sports Services Limited and CLC Parabola Limited and hence their accounts have not been prepared on a going concern basis because the purposes for which the entities were created have been fulfilled. Further details are included in the Notes to the Financial Statements.

RELATED PARTIES

The Incorporated Guild of Cheltenham Ladies' College (Guild) is connected to College because a Director of Guild is also a member of College Council. Guild is an association of former pupils of Cheltenham Ladies' College.

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

SOLICITOR

Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol BS1 5WS

INVESTMENT MANAGER

Cazenove Capital Management
12 Moorgate
London EC2R 6DA

BANKER (PRINCIPAL)

Lloyds Bank plc
130 High Street
Cheltenham GL50 1EW

BANKER

HSBC
60 Queen Victoria Street
London EC4N 4TR

AUDITOR

Crowe Clark Whitehill LLP
Carrick House
Lypiatt Road
Cheltenham GL50 2QJ

RISK MANAGEMENT

Council is responsible for the management of the risks faced by College and its subsidiary operating companies. Council is assisted in this task by the Audit and Risk Committee, which comprises Members of Council and, from time to time, co-opted members, and also by the Leadership Team and Support Staff managers. These groups are supported by specialist staff including the Health and Safety Adviser.

Risk management is overseen by full Council, the Audit and Risk Committee, the Leadership Team and the Support Staff managers. Continuity between these bodies is maintained through the Audit and Risk Committee, which reviews sections of the College's Risk Register termly and reports to full Council. The Health and Safety Adviser reports termly to the Audit and Risk Committee. Council is also represented at the termly College Health

and Safety Committee meetings by a specifically nominated Council member who reports to full Council. Full Council reviews the Risk Register annually.

The key controls used by College include:

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

Through the risk management processes established for College, Council is satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

As part of its regular review of risks College has identified four key strategic risks:

1. Government policy

Independent schools have been the subject of recent discussions by government. There is a risk that changes to government policy (such as amendments to VAT legislation on educational supplies) would have a significant impact on College's ability to operate, and links closely with another key strategic risk of affordability. This in turn could have a large impact on the demand for College's places, and therefore on fee income.

2. Long-term financial viability

To secure its long-term financial viability, College has to balance the investment it makes in its staff and buildings with its funding, the key source of which is fee income. To optimise this balance, College plans for the next 10 years. To ensure all its commitments are met, College has robust management processes. These include forecasting pupil numbers, detailed budgeting and cash flow projections which are prepared by the Leadership Team and subject to detailed scrutiny by Council. Progress against this plan is monitored continually by the Leadership Team and termly by Council. The current plan includes a significant investment in the estate which has necessitated College putting in place debt funding.

3. Affordability of a College education

College operates in a very competitive market with fees increasing faster than earnings. We are conscious that the cost of private education is increasingly beyond the financial means of many families. Recognising this, College looks to ensure it achieves value for money in every area of its operations, while maintaining the excellent all-round education for which it is renowned. In addition, College is looking to increase the funding it has available for means-tested bursaries in order to provide financial support to even more families than it currently does.

4. Safety and security of pupils, staff and premises

College aims to provide a safe and secure environment. To do this it has in place detailed policies and procedures including in the areas of safeguarding children, anti-bullying, health and safety, physical security, cyber-security, wellbeing and critical incident management. These are regularly reviewed by Council. Staff and pupils are provided with detailed training, as appropriate, to ensure these policies are adhered to across College.

OBJECTIVES

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

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

Vision

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

Mission

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

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

Values

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

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

College is committed to:

- Providing a secure and caring community in which girls can grow and mature, equipping them for productive and purposeful lives both in and beyond College.
- Recruiting and retaining excellent staff who can lead, support and advise each girl in her personal and intellectual development.
- Every girl having access to an intellectually challenging and coherent curriculum which is exciting, balanced and relevant and which will equip her with the knowledge and skills needed to participate in and contribute to a rapidly changing global society.
- Every girl having the opportunity to develop a range of intellectual, sporting and cultural interests, fulfil her potential and leave with a sense of fulfilment and achievement through reflective practice.
- Providing, sustaining and developing high quality teaching and learning with the aim of producing intellectually curious, self-motivated, enthusiastic, successful women who will develop an enduring love of learning throughout their time at College, in Higher Education and in the wider world.
- Each girl successfully balancing academic and co-curricular activities, supported by a pro-active tutorial system to guide and monitor her progress and welfare.

- Providing day and boarding facilities, services, structures and routines to promote each girl's physical and mental wellbeing.
- Promoting positive and enriching integration of different national and cultural groups.
- Making effective use of technology to develop the skills required in a modern world.
- Empowering pupils in making positive and meaningful contributions to the communities in which they live, nurturing social awareness, strong communication skills and a sincere desire to care and support others.
- Ensuring each girl feels confident in her access to effective support systems if needed, including medical, and spiritual counsel, with each girl having effective mentoring to support and guide her in setting and achieving her goals for personal development and academic progress.

MEDIUM TERM AIMS

College's major medium-term aims include:

- Remaining on a sound financial footing by maintaining pupil numbers.
- Ensuring we can continue to recruit and retain high quality staff.
- Ensuring tight control of costs.
- Widening opportunities for commercial revenue.
- Increasing donations that support our vision for the future of College.

Specific aims also include:

Developments to the College estate

- To complete the next iteration of the Estates Masterplan, encompassing refurbishment and improvements to pastoral facilities (day and boarding houses), and the academic campus.
- To complete Phase 2 of the Health and Fitness Centre, which will further enhance the sport and wellbeing facilities at College.

Developments in education and welfare provision

- Ensure a successful ISI regulatory compliance inspection.
- Further develop our public benefit offering through partnership with Balcarras School.
- Increased empowerment of the students of all ages in shaping their own personal development, and continuing to provide further opportunities to develop leadership qualities and competencies in both staff and girls.

REPORT ON OBJECTIVES TO DATE

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

Progress towards the following agreed objectives published last year is well underway:

DEVELOPMENTS TO THE COLLEGE ESTATE

1. To commence the building project for the Health and Fitness Centre, and to complete the development of a new boathouse at Gloucester which will be a secure long-term base for the CLC Rowing Club.

The first phase of the Health and Fitness Centre construction programme began in August 2016 with the main contractors making good progress during the year. This phase was completed during Autumn 2017 and the facilities are now in use.

The initial phase of the Health and Fitness Centre project provides the following:

- Several flexible, multi-purpose spaces for a variety of sports and activities
- New fitness gym with over 50 stations
- Rowing training and ERG area
- Indoor hockey and netball facilities
- Squash, badminton, handball, volleyball and indoor tennis court facilities
- Five state-of-the art squash courts
- Hospitality area and viewing terrace for parents and visitors

These facilities will enable a significantly enhanced provision for girls of all abilities, and across a wide range of individual and team sports, both competitive and recreational. The second phase will be to refurbish the existing sports hall and swimming pool.

Work on the new boathouse at Gloucester continued during the year and the boat racks have recently been installed. Operational use of the site began during August 2017 and the new boathouse provides greater stability and quality of facilities for the CLC Rowing Club.

2. To develop the next iteration of the Estates Masterplan, encompassing refurbishment and improvements to pastoral facilities (day and boarding houses), and the academic campus.

Following a formal tender process, architects have been appointed to undertake the new Estates Masterplan. They commenced the project by visiting various departments and boarding houses and meeting key stakeholders.

The Stage 1 report was delivered in late July and summarised progress to date including a demonstration of the comprehensive 3D modelling work completed so far. The project is progressing well and the final outline Estates Masterplan is due for submission by the end of the calendar year.

DEVELOPMENTS IN EDUCATION AND WELFARE PROVISION

1. To introduce the new opportunity for HPQs (Higher Project Qualifications) in Year 10 (UC4) alongside GCSE options, following the successful launch of EET last year (Engineering, Enterprise and Technology).

The new offering has been successfully implemented and three groups of girls are currently working towards the new qualification. The first exam results are due in the 2017/18 academic year.

2. To develop a clear and coherent vision for how the co-curricular offering at College complements and works alongside the academic curriculum.

This work is continuing, and is likely to do so for another two or three years as we undertake thorough reviews and extensive internal debate as to the optimal range and balance of provision, and the degree of choice offered to the girls in different discipline areas.

3. Increased empowerment of the students in shaping their own personal development, and continuing to provide further opportunities to develop leadership qualities and competencies in both staff and girls.

Through the use of pupil surveys, Divisional Forums, House Committees and an online pupil feedback/reporting system, we have been able to incorporate the student perspective into the deliberations about changes we are making. We are seeking to make imaginative and effective use of the Prefect body, whilst also offering many opportunities for leadership at different age ranges (Lower College and Upper College included). This allows girls to have the opportunity to develop leadership skills and make a meaningful contribution to the College community.

We have a considerable number of pupils taking the initiative with personal projects to raise funds or rally support for a variety of national and international causes, experiences and challenges which contribute a great deal to personal development.

4. To review the consistency and effectiveness of tutoring and mentoring support for all girls across College.

A review of tutoring support for girls across College was completed during the year. The resulting tutor structure is being implemented during the 2017/18 academic year, whereby each pupil has a dedicated tutor, with smaller tutor groups for LC1s and LC2s. The introduction of the FastVein biometric registration system has released tutors from some administrative tasks, allowing more contact time with pupils to be centred on mentoring and support.

Training of House Staff now includes a number of sessions in main College, helping to ensure that communication between academic and pastoral teams is strong and consistent.

5. To introduce and successfully embed a biometric system for registration of pupils, and to make further improvements to the security of both pupils and premises.

The FastVein biometric registration system was successfully introduced during the year, further enhancing College's commitment to ensuring the safety and wellbeing of pupils and staff.

College is continually evaluating and improving security processes. As a result, a new Security Manager has been appointed and security staff are now regularly deployed around the estate during the day. By September 2017, we had moved away from the use of any agency security staff during term time and our own College security staff are providing around the clock security coverage, seven days a week.

COLLEGE FUNDRAISING

College secured £1.3m of voluntary income during the financial year, made up of £1.12m of donations and legacies, and £182K of income secured from fundraising events. Of our 380 donors, eight gifts were received as legacies, totally £350K. The Fundraising Department has campaign targets and annual budgets. It exceeded its income budget during the year and the major campaign relating to the Health and Fitness Centre is ongoing.

The department also held fundraising events during the year which generated income of £182k. This included one large event specifically held for the purpose of raising funds for the Health and Fitness Centre development. College is grateful for the generous donations made towards the auction for this event and for those participating in the auction and attending the event.

Looking ahead, to deliver our vision and maintain our place as one of the world's leading schools for girls, we need appropriate investment in our bursaries programme, facilities and estate. The environment we create for our girls needs to sustain every aspect of their development. With the support of Council, we are committed to a programme of investment to meet these needs. These plans include investment in our bursary programme, which will enable us to offer places to the brightest and most promising girls, regardless of circumstances. £1.4m of the legacy received during the previous financial year was endowed this year as evidence of College's commitment to the bursary programme.

College is also investing in significant capital projects underpinned by an Estates Masterplan. As already mentioned, the first of these is a new Health and Fitness Centre with a focus on wellbeing as well as team sports and elite coaching. College has already invested significantly in the past to create strong co-curricular support for each girl at College, with a bespoke art block, a state-of-the-art theatre and a refurbished music department.

OVERVIEW OF 2016/17

PUBLIC BENEFIT

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

College is committed to providing means-tested bursaries to facilitate girls whose families are unable to afford the full fees of attending College. College has limited financial resources to fund means-tested bursaries and utilises these funds in a prudent manner. College is seeking to increase its financial resources to fund bursaries through fundraising.

In 2016/17 College granted means-tested bursaries of £1.62m to 64 girls. This includes 21 girls who received 100% support on fees. In certain circumstances College also provides financial assistance towards ancillary costs of attending College, such as uniform and laptops. Girls who have benefited from this form of support are invited to become Beale Award Ambassadors.

College also provides an indirect public benefit from its community links; the effects of these are more difficult to quantify but are viewed as an important part of College's commitment to public benefit. Girls at College undertake volunteering and charity work in many forms, but the most popular is our successful Community Links scheme, with approximately 200 girls annually providing over 3,200 hours volunteering in and around Cheltenham on a weekly basis.

Activities range from teaching languages and cultural awareness, to volunteering at primary schools, caring for animals at the local animal shelter, providing drama and music performances in elderly care homes and cooking breakfast at the Open Door homeless project. The girls are encouraged to view this volunteering as mutually beneficial and follow the principles of service learning.

Our links with local schools, such as Dunalley, Gloucester Road, and Battledown Centre for Children and Families, remain strong, as do our relationships with local charities, such as IT Schools for Africa, and with St Hilda's East (an East London project established by Guild in 1889).

College has also continued its outreach work and has hosted a number of events in conjunction with the Cheltenham Literature, Science, Music and Jazz Festivals. In addition, we continue to support Cheltenham Children's Festival, in conjunction with local schools and community groups.

PUBLIC EXAMINATIONS AND HIGHER EDUCATION DESTINATIONS

Girls at College continue to perform well in public examinations. At A Level, a third of pupils received three or more A*/A grades and at IB our average was 39.9 points, which carries a UCAS tariff equivalent to A*A*A*A at A Level.

Across IB, Pre-U and A Level exam results, CLC pupils achieved almost a quarter (24%) of results at A* grade or equivalent (7 points at IB Higher or Distinction 1/2 grades at Pre-U). At GCSE/IGCSE, over 90% of results awarded were A*/A grades.

College continues to encourage pupils to pursue their passions. Girls from our 2017 cohort, as well as 27 leavers from 2016, will be going on to study at more than 45 different institutions, including Oxbridge colleges, Russell Group universities, and Ivy League and other prestigious universities in the US. This year's most popular university destinations were Bristol, Cambridge, Durham, Edinburgh, Exeter, LSE, Oxford, St Andrews, UCL and Warwick, making up over 50% of places.

The Professional Guidance Centre hosted speakers and business leaders, including many Guild members and parents. This year they welcomed representatives from more than 40 universities across the UK, Europe, US and Canada, and over 45 businesses, including Condé Nast, Goldman Sachs, KPMG and The Sunday Times Magazine.

CO-CURRICULAR

We understand that every girl at College is an individual, and talent and potential lie within each one. Our co-curricular programme offers each girl the chance to experience new opportunities and find an activity to suit her. The girls' co-curricular achievements in sport have been wide-ranging, with national selections and successes in lacrosse, hockey, netball, equestrian, polo, waterpolo, fencing and dance. Many exceptional achievements in the arts include LAMDA, ABRSM and other qualifications, as well as three girls winning places in the National Youth Theatre, two girls joining in the National Youth Training Choir and one girl winning Gloucestershire Young Musician of the Year.

Drama performances have included *The Lion, The Witch and The Wardrobe*, *Arabian Nights* and an open-air performance of *Hamlet*, while musical highlights have included all our regular concerts, as well as piano masterclasses, library music nights and songwriters' workshops.

Among other achievements in STEM subjects, three girls secured Arkwright Engineering Scholarships, two girls won awards in the Newnham College, Cambridge, Essay Competitions for engineering and architecture, and two girls won the University of Sheffield's Kroto Prize.

FINANCIAL REVIEW

The consolidated statement of financial activities for the year is set out on page 25 and includes the consolidated activities of the three legal entities described in note 29.

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

An increase in the number of pupils resulted in a 6% increase in the fee income against previous year. College has taken action to address the falling pupil numbers seen during 2015/16. Overall, total income was £1.4m lower than in the previous year to £30.7m, which is the result of a significant legacy College had received in 2016.

Total Expenditure increased by £0.5m (2%) compared with the previous year to £28.5m. Given the increasing financial pressures faced during the year, this is indicative of the strong financial management being exercised to focus on achieving value for money.

The consolidated surplus decreased from £4.3m in 2016 to £2.6m. Without the significant legacy in the previous year the surplus would have been £0.8m.

College is investing in the estate. With previous renovations of some of the boarding houses now complete, the Health and Fitness Centre has been the major project for 2016/17 and Phase 1 was completed early in 2017/18. The project is currently within budget. College has been using up available funds for this project before utilising the HSBC loan facility and this gives rise to the current liability position on the Balance Sheets.

The College endowed £1.4m of the large legacy received in the previous year for means tested bursaries as commitment to increasing the charitable provision offered.

TRUST FUNDS

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

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

The Investment Policy adopted by Council reads:

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

INVESTMENT POWERS, POLICY AND PERFORMANCE

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

During the year to 31 July 2017 College's investment portfolio was invested in Cazenove's Charity Multi-Asset Fund (CMAF). CMAF is a Common Investment Fund approved by the Charity Commission and managed by Cazenove. It is a fund of funds investing in a broad range of asset classes including equities, fixed income, hedge funds and property. The fund targets a long term total return of inflation plus 4%.

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

In the year ended 31 July 2017 the applied return of the Trust Funds amounted to £124,000 (2016: £122,000). This enabled grants and prizes to be awarded totalling £113,000 (2016: £136,000), of which £99,000 (2016: £97,000) was transferred to College in respect of bursaries and scholarships.

RESERVES

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

College has total reserves of £59.2m and negative free reserves of £10.4m. Total reserves comprises Endowed, Restricted and Designated Funds of £9.4m and Unrestricted, undesignated Funds of £49.8m; the latter including the pension reserve of £174,000.

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

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

i) Endowed Funds

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

ii) Restricted Funds

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

iii) Designated Funds

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

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

STATEMENT OF COUNCIL'S RESPONSIBILITIES

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these financial statements, the Trustees are required to:

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

Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the Charity and Group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Libby Bassett
Chairman
1 December 2017

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

OPINION

We have audited the financial statements of The Cheltenham Ladies' College for the year ended 31 July 2017 which comprise the consolidated Statement of Financial Activities, the consolidated and charity Balance Sheets, the consolidated Cash Flow Statement and notes to the financial statements, including 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 July 2017 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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

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:

- Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- Council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity'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

Council are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF COUNCIL

As explained more fully in the Statement of Council's Responsibilities, Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Council are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intend to liquidate the 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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Crowe Clark Whitehill LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
GL50 2QJ
1 December 2017

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2017

	<i>Notes</i>	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total 2017 £'000	Total 2016 £'000
Income and Endowments from:						
Charitable activities						
Fee income	2	26,289	-	-	26,289	24,765
Ancillary trading income		1,663	-	-	1,663	1,443
Other income	3	43	-	-	43	130
Voluntary sources						
Donations and legacies	4	472	832	-	1,304	4,191
Other trading activities						
Non-ancillary trading income	5	1,203	-	-	1,203	1,389
Investments						
Investment income and interest	6	34	34	179	247	250
Total income and endowments		29,704	866	179	30,749	32,168
Expenditure on:						
Raising funds						
Fundraising		446	-	-	446	418
Non-ancillary trading	5	1,095	-	-	1,095	1,235
Financing costs	8	24	-	-	24	55
Investment management costs		-	-	6	6	6
		1,565	-	6	1,571	1,714
Charitable activities		26,631	320	-	26,951	26,258
Total expenditure	7	28,196	320	6	28,522	27,972
Net incoming funds from operations before investment gains or losses		1,508	546	173	2,227	4,196
Net gains on investments		-	55	307	362	106
Net income		1,508	601	480	2,589	4,302
Transfers between funds		(1,379)	(21)	1,400	-	-
Total return transfers between funds		-	124	(124)	-	-
Actuarial gains/(losses) on defined benefit pension schemes	23	77	-	-	77	(32)
Net movement in funds		206	704	1,756	2,666	4,270
Reconciliation of funds:						
Total funds brought forward		50,496	1,578	4,418	56,492	52,222
Total funds carried forward	20	50,702	2,282	6,174	59,158	56,492

The notes on pages 28 to 47 form part of these financial statements.

BALANCE SHEETS AS AT 31 JULY 2017

	<i>Notes</i>	Group		Charity	
		2017	2016	2017	2016
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	<i>11</i>	61,926	51,672	62,329	51,992
Investments	<i>12</i>	7,175	5,283	7,342	5,450
		69,101	56,955	69,671	57,442
CURRENT ASSETS					
Stocks	<i>13</i>	124	100	83	60
Debtors	<i>14</i>	1,209	3,204	1,704	3,572
Short term cash deposits		1,071	8,240	1,071	8,240
Cash at bank and in hand		3,467	2,067	2,749	1,565
		5,871	13,611	5,607	13,437
CURRENT LIABILITIES					
Creditors payable within one year	<i>15</i>	(9,517)	(7,853)	(9,362)	(8,141)
NET CURRENT (LIABILITIES)/ASSETS		(3,646)	5,758	(3,755)	5,296
TOTAL ASSETS LESS CURRENT LIABILITIES		65,455	62,713	65,916	62,738
LONG-TERM LIABILITIES					
Creditors: amounts payable in more than one year	<i>16</i>	(6,123)	(5,937)	(6,123)	(5,937)
Defined benefit pension scheme liability	<i>23</i>	(174)	(284)	(174)	(284)
NET ASSETS		59,158	56,492	59,619	56,517
REPRESENTED BY:					
Endowment Funds	<i>20</i>	6,174	4,418	6,174	4,418
Restricted Funds	<i>20</i>	2,282	1,578	2,282	1,578
Unrestricted Funds					
Unrestricted Funds	<i>20</i>	50,876	50,780	51,337	50,805
Pension Reserve	<i>20</i>	(174)	(284)	(174)	(284)
TOTAL FUNDS	<i>21</i>	59,158	56,492	59,619	56,517

The financial statements on pages 25 to 47 were approved and authorised for issue by the Council on 1 December 2017.

Libby Bassett
Chairman

The notes on pages 28 to 47 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2017

	<i>Notes</i>	2017 £'000	2016 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	<i>24</i>	8,605	6,349
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		160	135
Proceeds from sale of tangible fixed assets		8	4
Purchase of investments		(1,400)	-
Purchase of tangible fixed assets		(13,072)	(5,347)
Purchase of derivative investment		-	(114)
Purchase of programme related investments		(70)	(27)
Net cash used in investing activities		(14,374)	(5,349)
Change in cash and cash equivalents in the year		(5,769)	1,000
Cash and cash equivalents at the beginning of the year		10,307	9,307
Cash and cash equivalents at the end of the year		4,538	10,307

The notes on pages 28 to 47 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Principal Accounting Policies

College is a Public Benefit Entity registered as a charity on 13 July 1966 in England and Wales (charity number: 311722) and was granted Royal Charter on 20 March 1935 (number RCO00111) with supplemental charters granted 22 December 1955, 26 June 1991, 24 July 2002 and 8 October 2015. Principal address is Bayshill Road, Cheltenham, Gloucestershire GL50 3EP.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 and the Statement of Recommended Practice (SORP(FRS102)) 'Accounting and Reporting by Charities' effective 1 January 2015 and the Charities Act 2011.

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Council are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

At 31 July 2017 College had the following uncertain estimates and accounting judgements:

- Accrued legacies of £127,710 (2016: £1,949,935). The value of accrued legacies is based on available information and estimated values of assets. College recognises residual legacies on receipt of probate which therefore requires an estimation of the amount to be included.
- Bad debt provision at 31 July 2017 of £248,686 (2016: £239,903). The provision is calculated on outstanding debts at the year end where recoverability is doubtful.
- Depreciation charge during the year of £3,046,293 (2016: £2,831,056). Depreciation is calculated on estimated life of assets by categories. It is reviewed annually to assess the reasonableness.

College recognises its liability to its defined benefit pension scheme which involves a number of estimations as detailed in note 23.

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

a. Basis of accounting

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

b. Basis of consolidation

The Consolidated Statement of Financial Activities (SOFA), the Consolidated Balance Sheets and the Consolidated Cash Flow Statement include the financial statements of the charity and its subsidiary undertakings made up to 31 July 2017. The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement within the consolidated financial statements. The results of the Charity are disclosed in note 30.

c. Going concern

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

d. Donations, legacies and other voluntary income

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

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

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

e. Fees and similar income

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

f. Trading activities

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

g. Fees in advance

College offers parents the opportunity to pay for between two and seven years' tuition fees in advance in accordance with a written contract. All contracts guarantee parents' future cash flows to be applied against the fees. Since 2013, all fees in advance received form part of College's funds. Prior to this, when fees were paid in advance for more than two years, College purchased a matching annuity.

h. Refundable deposits

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

i. Expenditure

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

j. Bursaries, grants and allowances payable

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

k. Irrecoverable VAT

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

l. Foreign currencies

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

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

m. Cash at bank and in hand

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

n. Recognition of debtors

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

o. Recognition of liabilities

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

p. Fund accounting

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

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

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

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

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

q. Pension costs

College contributes to the Teachers' Pension Scheme (England and Wales) at rates set by the Scheme Actuary and advised to Council by the Scheme Administrator. College also contributes to a defined contribution scheme for Support Staff.

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

Actuarial gains and losses are included in the statement of financial activities; further details in respect of the unfunded pension liability are contained in note 23. All pension costs are charged to Unrestricted Funds.

r. Operating leases

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

s. Tangible fixed assets

i. Capitalisation and replacement

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

ii. Depreciation

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

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

t. Investments

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

u. Stocks

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

v. Total Return Accounting

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

w. Financial Instruments

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

2. Fee income

	2017 £'000	2016 £'000
Gross fees	28,542	27,102
Less: Total Bursaries, Scholarships and allowances	(2,237)	(2,179)
Less: Discounts	(319)	(280)
	25,986	24,643
Add back: Bursaries, Scholarships etc. paid for by Restricted Funds	303	122
Net Fee Income	26,289	24,765

3. Charitable activities – other income

	2017 £'000	2016 £'000
Other income	2	91
Staff restaurant	33	35
Proceeds from disposal of tangible fixed assets	8	4
	43	130

4. Voluntary income

	2017 £'000	2016 £'000
Donations	773	721
Legacies	349	3,472
Fundraising events	182	34
	1,304	4,227

5. Trading activities

	CLC Services Ltd £'000	CLC Sports Services Ltd £'000	CLC Parabola Ltd £'000	College £'000	Intercompany Adjustments £'000	2017 Total £'000	2016 Total £'000
Turnover	1,671	-	-	286	(754)	1,203	1,389
Cost of sales	(1,414)	-	-	-	405	(1,009)	(1,104)
Gross Profit / (Loss)	257	-	-	286	(349)	194	285
Operating costs	(81)	(2)	(3)	-	-	(86)	(131)
Operating Profit / (Loss)	176	(2)	(3)	286	(349)	108	154
Gift Aid to College	(176)	(120)	(318)	-	614	-	-
Retained in subsidiary	-	(122)	(321)	N/A	N/A	N/A	N/A
Shareholder's funds	166	1	2	N/A	N/A	N/A	N/A

6. Investment income

	2017 £'000	2016 £'000
Income from investment funds	210	206
Bank and building society interest	37	44
	247	250

7. Analysis of expenditure

a. Total expenditure

	Staff costs £'000	Depreciation £'000	Other costs £'000	2017 £'000	2016 £'000
Cost of generating funds					
Fundraising and development costs	283	-	163	446	418
Cost of good sold	618	22	455	1,095	1,235
Investment management	-	-	6	6	6
Financing costs	-	-	24	24	55
	<u>901</u>	<u>22</u>	<u>648</u>	<u>1,571</u>	<u>1,714</u>
Charitable activities:					
Teaching	9,602	326	1,199	11,127	10,617
Welfare	3,512	-	2,551	6,063	5,852
Premises repairs and maintenance	1,148	2,697	1,417	5,262	5,273
Premises operational costs	-	-	608	608	595
Awards	-	-	320	320	163
Support costs and governance	1,904	-	699	2,603	2,826
Marketing	563	-	405	968	932
College operations	<u>16,729</u>	<u>3,023</u>	<u>7,199</u>	<u>26,951</u>	<u>26,258</u>
Total expenditure	<u>17,630</u>	<u>3,045</u>	<u>7,847</u>	<u>28,522</u>	<u>27,972</u>
Total expenditure 2016	<u>16,767</u>	<u>2,831</u>	<u>8,374</u>	<u>27,972</u>	

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

b. Grants, awards and prizes

	2017 £'000	2016 £'000
From Restricted Funds		
Bursaries, scholarships and grants	303	122
Prizes and leaving awards	17	41
	<u>320</u>	<u>163</u>

c. Governance included in support costs

	2017 £'000	2016 £'000
Auditor remunerations – statutory audit (net of VAT)	28	29
Auditor remunerations – tax services (net of VAT)	3	4
Auditor remunerations – other non-audit services (net of VAT)	2	29
Reimbursement of personal expenses to Council	8	4
Other governance costs	74	68
	<u>115</u>	<u>134</u>

Seven Council Members (2016: seven) have been reimbursed expenses totalling £8,093 (2016: £4,161). Expenses claimed are directly attributable to their duties as trustees (e.g. travelling to and from meetings).

8. Finance and other costs

	2017 £'000	2016 £'000
Other costs	20	48
Defined benefit pension scheme finance costs	4	7
	24	55

9. Staff costs

	2017 Number	2016 Number
The average number of persons employed by the group during the year was:		
Education	233	236
Pastoral	86	94
Support	267	238
Fundraising	3	6
Marketing, Communications and Development	9	11
Trading subsidiaries	40	30
	638	615

	2017 £'000	2016 £'000
Staff costs		
Wages and salaries	14,800	14,152
Social security costs	1,364	1,171
Pension costs	1,466	1,444
	17,630	16,767

	2017 Number	2016 Number
The number of employees whose emoluments exceeded £60,000 were:		
£60,001 - £70,000	5	1
£70,001 - £80,000	4	4
£80,001 - £90,000	2	2
£90,001 - £100,000	1	-
£100,001 - £110,000	1	1
£110,001 - £120,000	1	-
£120,001 - £130,000	1	1
£140,001 - £150,000	1	-
£160,001 - £170,000	-	1

Key management personnel are College's Leadership Team and during the year consisted of fourteen members (2016: thirteen). The total employee benefits, including employer National Insurance, of these personnel were £1,559,339 (2016: £1,340,756).

The total amount relating to termination payments during the year was £152,499 (2016: £27,350). These amounts relate to agreements made with employees to end employment contracts. £31,357 was outstanding at the year end (2016: £Nil).

No Council members received remuneration from College (2016: none).

10. Taxation

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

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

11. Tangible fixed assets

Group	Assets Under Construction £'000	Freehold Land and Buildings £'000	Furniture, Fittings and Equipment £'000	Works of Art £'000	Motor Vehicles £'000	Total £'000
Cost						
Balance at 1 August 2016	1,043	71,976	3,621	1,614	333	78,587
Additions	12,182	584	502	-	72	13,340
Disposals	-	(173)	(879)	-	(64)	(1,116)
	13,225	72,387	3,244	1,614	341	90,811
Accumulated depreciation						
Balance at 1 August 2016	-	24,306	2,418	-	191	26,915
Charge for year	-	2,698	313	-	35	3,046
Disposals	-	(165)	(860)	-	(51)	(1,076)
	-	26,839	1,871	-	175	28,885
Net book value at 31 July 2017	13,225	45,548	1,373	1,614	166	61,926
Net book value at 31 July 2016	1,043	47,670	1,203	1,614	142	51,672
Charity						
	Assets Under Construction £'000	Freehold Land and Buildings £'000	Furniture, Fittings and Equipment £'000	Works of Art £'000	Motor Vehicles £'000	Total £'000
Cost						
Balance at 1 August 2016	1,043	71,559	3,378	1,614	333	77,927
Additions	12,182	644	502	-	72	13,400
Disposals	-	(173)	(879)	-	(64)	(1,116)
	13,225	72,030	3,001	1,614	341	90,211
Accumulated depreciation						
Balance at 1 August 2016	-	23,482	2,262	-	191	25,935
Charge for year	-	2,698	290	-	35	3,023
Disposals	-	(165)	(860)	-	(51)	(1,076)
	-	26,015	1,692	-	175	27,882
Net book value at 31 July 2017	13,225	46,015	1,309	1,614	166	62,329
Net book value at 31 July 2016	1,043	48,077	1,116	1,614	142	51,992

11. Tangible fixed assets (continued)

Land of £5,384,520 and Works of Art of £1,614,000 are not depreciated.

During the year no fees in respect of setting up the loan agreement have been capitalised (2016: £104,000).

During the year, borrowing costs of £89,600 were capitalised (2016: £2,700).

Included within the cost and accumulated depreciation of the Group are balances which relate to CLC Sports Services Limited. The assets held in this company's break-up basis accounts are within its current assets.

12. Fixed asset investments

a. Group

	Investment Assets £'000	Cash for reinvestment £'000	Programme Related Investments £'000	Derivative Instrument £'000	Total 2017 £'000	Total 2016 £'000
Valuation						
At 1 August 2016	5,187	3	27	66	5,283	5,007
Additions	86	-	70	-	156	225
Net revaluation gain/(loss)	362	-	-	(20)	342	58
Investment management fees	(6)	-	-	-	(6)	(6)
Cash used to purchase units	-	1,400	-	-	1,400	(1)
Market value at 31 July 2017	5,629	1,403	97	46	7,175	5,283
Historical cost at 31 July 2017	4,266	1,403	97	114	5,880	

b. Charity

	Investment Assets £'000	Investment in CLC Services Ltd £'000	Investment in CLC Sports Services Ltd £'000	Investment in CLC Parabola Ltd £'000	Cash for reinvest- ment £'000	Programme Related Investments £'000	Derivative Assets £'000	Total £'000
Ordinary shares	-	166	1	-	-	-	-	167
Total for subsidiaries Investments	-	166	1	-	-	-	-	167
Endowment Fund	4,773	-	-	-	1,401	-	-	6,174
Restricted Funds	856	-	-	-	2	-	-	858
Unrestricted Funds	-	-	-	-	-	97	46	143
Market value at 31 July 2017	5,629	166	1	-	1,403	97	46	7,342
Market value at 31 July 2016	5,187	166	1	-	3	27	66	5,450

c. Group and charity

Investments included in the above with a market value greater than 5% of the total portfolio market value at 31 July 2017 are as follows:

	£'000	%
Cazenove's Charity Multi-Asset Fund – Income Units	2,387	42.40
Cazenove's Charity Multi-Asset Fund – Accumulation Units	3,242	57.60

13. Stocks

	Group		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Stationery and consumables	85	62	83	60
Goods for resale	39	38	-	-
	124	100	83	60

14. Debtors

	Group		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Amounts falling due after more than one year				
Amounts due under annuity policies:				
Fees in Advance (see notes 16 and 17)	-	25	-	25
Amounts falling due within one year				
Fees	497	513	497	513
Amounts due from subsidiary undertakings	-	-	605	583
Amounts due under annuity policies: Fees in Advance (see notes 15 and 17)	25	58	25	58
Amounts due from HM Revenue and Customs	3	58	3	42
Other debtors	113	448	101	249
Prepayments	334	152	272	152
Accrued income	237	1,950	201	1,950
	1,209	3,179	1,704	3,547
	1,209	3,204	1,704	3,572

15. Creditors: payable within one year

	Group		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Trade creditors	1,440	665	1,372	570
Accruals and deferred income	2,534	2,848	2,358	2,670
Amounts due to subsidiary undertakings	-	-	99	583
Amounts due to HM Revenue and Customs	350	344	341	325
Refundable deposits	1,839	1,004	1,839	1,004
Fees paid in advance:				
Annuity Scheme (see note 17)	25	58	25	58
Other (see note 17)	3,104	2,720	3,104	2,720
Pension Schemes	204	199	203	196
Other creditors	21	15	21	15
	9,517	7,853	9,362	8,141

Deferred income

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

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

Group and Charity	£'000
As at 1 August 2016	169
Income released from previous years	(168)
Income deferred during year	211
As at 31 July 2017	212

16. Creditors: payable in more than one year

	2017 £'000	Group 2016 £'000	2017 £'000	Charity 2016 £'000
Fees paid in advance:				
Annuity Scheme (see note 17)	-	25	-	25
Other (see note 17)	2,085	2,286	2,085	2,286
Refundable deposits	4,038	3,626	4,038	3,626
	6,123	5,937	6,123	5,937

17. Advance fees schemes and fees paid in advance

Parents may pay to College up to the equivalent of seven years' tuition fees in advance. Such payments may be returned, subject to specific conditions, on the receipt of one term's notice. When fees are paid in advance for several years, College historically purchased an annuity policy with an insurance company with the amount received. These amounts are shown in debtors (the annuity) (note 14) and creditors (notes 15 and 16). College's annuity provider withdrew from the schools' market in 2013 (for new contracts) and College has been unable to source an alternative third party provider of school annuity policies. Fees paid in advance will be applied to off-set fees as follows:

Group and Charity	2017 £'000	2016 £'000
Within one year	3,129	2,778
More than one year	2,085	2,311
	5,214	5,089
		£'000
As at 1 August 2016		5,089
New contracts		1,432
Lump sums refunded in the year		-
Amounts relating to contracts utilised in payment of fees		(1,654)
Net movement in sundry fee creditors		347
As at 31 July 2017		5,214

18. Bank loan

In July 2016, College arranged an unsecured Revolving Credit Facility of £16m with HSBC for 10 years. The College entered into an Interest Rate Cap on the same date with HSBC to protect College from adverse interest rate movements for the first five years of the facility in relation to a significant proportion of it. At the year end College had not drawn down any of the facility (2016: £Nil).

19. Financial instruments

	2017 £'000	2016 £'000
Financial assets measured at amortised cost (a)	5,410	13,301
Financial assets measure at fair value (b)	7,175	5,283
Financial liabilities measured at amortised cost (c)	(9,861)	(8,188)
Financial liabilities measured at fair value (d)	(174)	(284)
	2,550	10,112

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

Impairment losses charged to financial assets in the year amounted to £70,886 (2016: £52,855).

20. Funds

	Balance 1 August 2016 £'000	Income £'000	Total Return Transfers £'000	Expenditure £'000	Other gains/ (losses) £'000	Other Transfers £'000	Balance 31 July 2017 £'000
ENDOWMENT FUNDS	4,418	179	(124)	(6)	307	1,400	6,174
RESTRICTED FUNDS							
Income from Endowment Funds:							
The Bursaries Fund	-	-	85	(85)	-	-	-
The Leaving Exhibitions Fund	29	-	8	(9)	-	-	28
Vera Morpott Hounslow Fund	-	-	6	(4)	-	-	2
Beale Memorial Fund	9	-	3	-	-	-	12
Overseas Foundation	9	-	3	-	-	-	12
Holt Foundation	-	-	5	(5)	-	-	-
Vicky Tuck Scholarship Fund	23	-	12	(8)	-	-	27
Others	-	-	2	(2)	-	-	-
	70	-	124	(113)	-	-	81
Other restricted funds:							
Bursaries	899	103	-	(167)	55	(10)	880
Morgan Legacy	110	-	-	(24)	-	-	86
Perman Bursary	12	-	-	(14)	-	2	-
Health and Fitness Centre	394	744	-	-	-	12	1,150
Others	93	19	-	(2)	-	(25)	85
	1,508	866	-	(207)	55	(21)	2,201
Total Restricted Funds	1,578	866	124	(320)	55	(21)	2,282
UNRESTRICTED FUNDS							
Designated Funds							
Bursaries	15	5	-	(20)	-	-	-
Health and Fitness Centre	779	111	-	-	-	-	890
Other	-	45	-	-	-	(27)	18
Unrestricted Funds	50,011	29,195	-	(27,425)	-	(1,352)	50,429
Pension deficit	(284)	37	-	(4)	77	-	(174)
Total Unrestricted Charity Funds	50,521	29,393	-	(27,449)	77	(1,379)	51,163
Total Charity Funds	56,517	30,438	-	(27,775)	439	-	59,619
Unrestricted Funds – subsidiaries	(25)	311	-	(747)	-	-	(461)
Total Funds - Group	56,492	30,749	-	(28,522)	439	-	59,158

£14,000 (2016: £Nil) of transfers were made during the year between restricted funds to more accurately recognise the wishes of the donor.

£21,472 (2016: £Nil) was transferred out of restricted funds which represents fulfilment of restricted capital projects.

a. Endowment Funds

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

The Funds also contain College endowed funds of £1.4m restricted under a declaration of trust dated 16 June 2017 whose income is applied towards the award of bursaries.

20. Funds (continued)

b. Restricted Funds

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

Bursaries Fund

Provides financial assistance to parents who:

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

Morgan Legacy

Restricted use for bursaries.

Health and Fitness Centre Fund

This fund holds donations College receives which will be used to finance part of new sports facilities College is building adjacent to the existing sports hall. This was formerly known as the 'Sports Pavilion Fund'.

c. Unrestricted Funds

The Unrestricted Funds include the following funds:

Designated Bursaries Fund

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

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

Designated Health and Fitness Centre Fund

This is unrestricted donations and legacies that College has designated towards its development of the new Health and Fitness Centre. The funds are expected to be fully spent within the next two years, in line with the construction contract.

The Pension Deficit Fund

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

21. Analysis of the net assets between funds

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

	Tangible Fixed Assets £'000	Investments £'000	Net Current Assets/ Liabilities £'000	Cash £'000	Long Term Liabilities £'000	Total £'000
Endowment Funds	-	6,174	-	-	-	6,174
Restricted Funds	822	858	10	592	-	2,282
Unrestricted Funds	61,041	143	(10,990)	3,228	(2,259)	51,163
Total Charity	61,863	7,175	(10,980)	3,820	(2,259)	59,619
Unrestricted Subsidiary Funds	63	-	(1,242)	718	-	(461)
Total Group	61,926	7,175	(12,222)	4,538	(2,259)	59,158

22. Statement of total return

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

	Preserved Value	Unapplied Total Return	Total
	£'000	£'000	£'000
Brought forward at 1 August 2016			
Trust for investment/permanent endowment	2,046	-	2,046
Unapplied Total Return	-	2,372	2,372
Total	2,046	2,372	4,418
Movements in the reporting period:			
Declaration of Trust	1,400	-	1,400
Investment return: dividends and interest	-	179	179
Investment return: gains	-	307	307
Investment management costs	-	(6)	(6)
Unapplied return allocated to income	-	(124)	(124)
At 31 July 2017			
Trust for investment/permanent endowment	3,446	-	3,446
Unapplied Total Return	-	2,728	2,728
Total	3,446	2,728	6,174

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

The College signed a Declaration of Trust to permanently endow £1.4m to the Bursaries Fund on 16 June 2017.

23. Pension schemes

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

Defined benefit schemes

a. Teachers' Pension Scheme

College participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,226,581 (2016: £1,202,589) and at the year end £102,211 (2016: £99,550) was accrued in respect of contributions to this scheme.

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 employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

23. Pension schemes (continued)

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016 and completed in 2018, with any resulting changes to the employer rate expected to take effect 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.

b. College's defined benefit scheme

College has made certain unfunded pension guarantees to former employees. An actuarial valuation of the guarantees has been provided by an independent actuary as at 31 July 2017. Pension payments made in respect of the pension guarantees were £37,000 for the year ended 31 July 2017 (2016: £43,000). College expects to contribute £29,000 in the next financial year.

The principal assumptions made by College were:

	2017	2016	2015	2014	2013
	%	%	%	%	%
Rate of increase in pensions payment ¹	1.50	1.25	1.50	2.00	1.50
Discount Rate	1.40	1.35	2.45	3.00	3.00

¹ An annual increase has been assumed based on College's annual pay rise from September 2017.

The mortality table used was the final SAPS ALL with medium cohort year of birth projection. This is the same assumption as was adopted last year. Sample life expectancy for a female aged 80 in 2017 is 11.2 years and in 2027 is 11.5 years.

	2017	2016	2015	2014	2013
	£'000	£'000	£'000	£'000	£'000
Fair value of plan assets	-	-	-	-	-
Present value of scheme liabilities	174	284	288	295	309
Deficit	(174)	(284)	(288)	(295)	(309)
Net liability	(174)	(284)	(288)	(295)	(309)

Analysis of the amount charged to finance costs:

	2017	2016
	£'000	£'000
Interest cost	(4)	(7)
Total pension cost	(4)	(7)

Reconciliation of the present value of the Scheme Liabilities:

	2017	2016
	£'000	£'000
Present value of Scheme Liabilities at the start of the year	(284)	(288)
Interest cost	(4)	(7)
Actuarial gain/(loss)	77	(32)
Benefits and expenses paid	37	43
Present value of Scheme Liabilities at the end of the year	(174)	(284)

Reconciliation of the assets:

	2017	2016
	£'000	£'000
Employer contributions	37	43
Benefits and expenses paid	(37)	(43)
Actual return on assets over the period	-	-

23. Pension schemes (continued)

Amounts for the current and previous four years are as follows:

	2017 £'000	2016 £'000	2015 £'000	2014 £'000	2013 £'000
Plan assets	-	-	-	-	-
Scheme liabilities	174	284	288	295	309
Deficit in plan	(174)	(284)	(288)	(295)	(309)
Cumulative amount of actuarial gains/(losses) recognised in SOFA	(92)	(169)	(137)	(110)	(91)

Defined contribution scheme

College offers defined contribution schemes to all non-teaching members of staff. The assets of these schemes are held separately from those of College in funds administered by an insurance company. The pension cost charge represents contributions payable in respect of these schemes amount to £240,000 (2016: £214,000). There were contributions outstanding at the year end of £21,000 (2016: £18,000).

24. Reconciliation of cashflows from operating activities

	2017 £'000	2016 £'000
<u>Continuing Activities</u>		
Net income for the year before investment gains and losses	2,227	4,196
Adjustments for:		
Depreciation	3,046	2,831
Impairment of derivative asset	20	48
Less investment income	(240)	(244)
FRS102 pension adjustment	(33)	(36)
Loss on sale of tangible fixed assets	33	65
Decrease/(increase) in debtors	1,995	(1,937)
Increase in stocks	(24)	(45)
Increase in creditors	1,581	1,471
Net cash inflow from operating activities	8,605	6,349

25. Analysis of cash and cash equivalents

Group	2017 £'000	2016 £'000
Cash at bank and in hand	3,467	2,067
Short term deposits	1,071	8,240
Total cash and cash equivalents	4,538	10,307

26. Operating leases

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

	2017 Other £'000	2016 Other £'000
Not later than one year	46	-
Later than one year and not later than five years	92	-
	138	-

£46,036 (2016: £38,007) was charged to the Consolidated Statement of Financial Activities during the year in respect of operating lease payments.

27. Capital commitments

Group and Charity	2017	2016
	£'000	£'000
Amounts contracted but not yet provided	995	12,948

28. Related party transactions

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

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

The Incorporated Guild of Cheltenham Ladies' College is connected to The Cheltenham Ladies' College because a Director of Guild is also a member of College Council. During the year College awarded £34,000 (2016: £34,000) to Guild so that it can continue its operations. College incurred expenditure of £1,174 (2016: £1,230) which was recharged to Guild. During the year Guild donated £10,460 (2016: £960) to Health and Fitness Centre development, College for Awards for pupils and also an unrestricted donation. There was £10,000 due to College from Guild at College's year end (2016: £Nil).

29. Subsidiaries

a. CLC Services Limited

CLC Services Limited, company number 02721621, incorporated in England and Wales, registered office Bayshill Road, Cheltenham, Gloucestershire GL50 3EP, is a wholly owned subsidiary of College. CLC Services Limited had turnover of £1,671,788 (2016: £1,814,168), gross profit of £256,605 (2016: £287,191) and a profit before tax and gift aid of £175,717 (2016: £198,362) for the year ended 31 July 2017.

The company leases the Sports Centre from College for £210,000 (2016: £210,000). College also recharges CLC Services Limited for use of its facilities for events and lettings, and recharges of staff and other costs incurred on behalf of the company, during the year these amounted to £511,394 (2016: £391,703).

CLC Services Limited charges College for its use of the Sports Centre; during the year the charge amounted to £305,952 (2016: £321,502). CLC Services Limited also recharges for all other costs incurred on behalf of College and these amounted to £21,377 (2016: £42,586).

At the year end CLC Services Limited owed College £484,640 (2016: £522,643) and College owed CLC Services Limited £99,359 (2016: £320,076). At the year end the company had shareholder funds of £166,000 (2016: £161,262).

b. CLC Sports Services Limited

CLC Sports Services Limited, company number 04375298, incorporated in England and Wales, registered office Bayshill Road, Cheltenham, Gloucestershire GL50 3EP, is a wholly owned subsidiary of College. During the year the company sold the synthetic pitch to College for £60,000. In the prior year, the company leased the pitch to CLC Services Limited. CLC Sports Services Limited had a turnover of £Nil (2016: £68,205), gross profit of £Nil (2016: £62,359) and a profit before tax and gift aid of £58,391 (2016: £59,618) for the year ended 31 July 2017.

The company gifted the College of £119,976 (2016: £59,618). At the year end CLC Sports Services Limited owed College £119,976 (2016: £59,618). At the year end the company had shareholder funds of £Nil (2016: £62,563).

29. Subsidiaries (continued)

c. CLC Parabola Limited

CLC Parabola Limited, company number 07594999, incorporated in England and Wales, registered office Bayshill Road, Cheltenham, Gloucestershire GL50 3EP, is a wholly owned subsidiary of College. The company was setup to build a new residential boarding house which was sold to College in the year ended 31 July 2015. During the year the company gifted £318,000 to College (2016: £Nil). At the year end CLC Parabola Limited owed College £Nil (2016: £Nil) and College owed CLC Parabola Limited £Nil (2016: £260,753). At the year end the company had shareholder funds of £1,620 (2016: £322,224).

30. College only total funds

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

	2017 £'000	2016 £'000
Income and Endowments from:		
Charitable activities		
Fee income	26,289	24,765
Ancillary trading income	1,661	1,443
Other income	43	130
Voluntary sources		
Donations and legacies	1,913	4,541
Other trading activities		
Non-ancillary trading income	285	281
Investments		
Investment income and interest	247	250
Total income and endowments	30,438	31,410
Expenditure on:		
Raising funds		
Fundraising	446	418
Financing costs	24	55
Investment management costs	6	6
	476	479
Charitable activities	27,299	26,607
Total expenditure	27,775	27,086
Net incoming funds from operations before investment gains or losses	2,663	4,324
Net gains on investments	362	106
Net income	3,025	4,430
Actuarial losses on defined benefit pension schemes	77	(32)
Net movement in funds	3,102	4,398
Reconciliation of funds:		
Total funds brought forward	56,517	52,119
Total funds carried forward	59,619	56,517

31. Consolidated Statement of Financial Activities – Comparative figures by fund type for the year ended 31 July 2016

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total 2016 £'000
Income and Endowments from:				
Charitable activities				
Fee income	24,765	-	-	24,765
Ancillary trading income	1,443	-	-	1,443
Other income	130	-	-	130
Voluntary sources				
Donations and legacies	3,771	420	-	4,191
Other trading activities				
Non-ancillary trading income	1,389	-	-	1,389
Investments				
Investment income and interest	42	34	174	250
Total income and endowments	31,540	454	174	32,168
Expenditure on:				
Raising funds				
Fundraising	418	-	-	418
Non-ancillary trading	1,235	-	-	1,235
Financing costs	55	-	-	55
Investment management costs	-	1	5	6
	1,708	1	5	1,714
Charitable activities	26,096	162	-	26,258
Total expenditure	27,804	163	5	27,972
Net incoming funds from operations before investment gains or losses	3,736	291	169	4,196
Net gains on investments	-	14	92	106
Total return transfers between funds	-	122	(122)	-
Net income	3,736	427	139	4,302
Actuarial losses on defined benefit pension schemes	(32)	-	-	(32)
Net movement in funds	3,704	427	139	4,270
Reconciliation of funds:				
Total funds brought forward	46,792	1,151	4,279	52,222
Total funds carried forward	50,496	1,578	4,418	56,492

32. Funds for year ended 31 July 2016

	Balance 1 August 2015 £'000	Income £'000	Total Return Transfers £'000	Expenditure £'000	Investment (losses)/ gains £'000	Other Transfers £'000	Balance 31 July 2016 £'000
ENDOWMENT FUNDS	4,279	174	(122)	(5)	92	-	4,418
RESTRICTED FUNDS							
Income from Endowment Funds:							
The Bursaries Fund	-	-	85	(85)	-	-	-
The Leaving Exhibitions Fund	32	-	7	(10)	-	-	29
Vera Morpott Hounsfield Fund	16	-	6	(22)	-	-	-
Beale Memorial Fund	6	-	3	-	-	-	9
Overseas Foundation	6	-	3	-	-	-	9
Holt Foundation	-	-	5	(5)	-	-	-
Vicky Tuck Scholarship Fund	20	-	11	(8)	-	-	23
Others	2	-	2	(4)	-	-	-
	82	-	122	(134)	-	-	70
Other restricted funds:							
Bursaries	802	83	-	-	14	-	899
Morgan Legacy	134	-	-	(24)	-	-	110
Perman Bursary	12	-	-	-	-	-	12
Health and Fitness Centre	34	360	-	-	-	-	394
Others	87	11	-	(5)	-	-	93
	1,069	454	-	(29)	14	-	1,508
Total Restricted Funds	1,151	454	122	(163)	14	-	1,578
UNRESTRICTED FUNDS							
Designated Funds							
Bursaries	220	-	-	-	-	(205)	15
Health and Fitness Centre	630	149	-	-	-	-	779
Unrestricted Funds	46,127	30,590	-	(26,911)	-	205	50,011
Pension deficit	(288)	43	-	(7)	(32)	-	(284)
Total Unrestricted Charity Funds	46,689	30,782	-	(26,918)	(32)	-	50,521
Total Charity Funds	52,119	31,410	-	(27,086)	74	-	56,517
Unrestricted Funds – subsidiaries	103	758	-	(886)	-	-	(25)
Total Funds - Group	52,222	32,168	-	(27,972)	74	-	56,492