

St Chad's College Durham

Report of the Governors and Financial Statements

For the year ended 30 September 2019

18 North Bailey
Durham
DH1 3RH

Company number 00109442
Registered charity number: 01142958

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Report of the Governors

Legal and Administrative

St Chad's College is an independent constituent College of the University of Durham, founded in 1904 and governed by a Memorandum and Articles of Association dated 19 July 2014. The Members of the Association constitute the College and are the Governors for the time being, who are also the Trustees of the Registered Charity and Directors of the Limited Company.

Governors

Fr M Woodruff, Chair

Mr A Buckle

Ms J Haworth

Mr S Power

Ms E Rowark

Mr R Taylor

Mrs S Shaw, Nomination of the College Tutors (until 16 December 2018)

Mr J Marshall, Nomination of the Bishop of Newcastle

The Venerable Dr R Pratt, Nomination of the Bishop of Carlisle

Mr P Chandler, Nomination of the Bishop of Durham

Mr A McAllion, Nomination of the Archbishop of York

Ms J King, Nomination of the College Tutors (from 14 March 2019)

Mr C Ferguson, Nomination of the College Fellows (from 29 April 2019)

Prof C L H Warwick, Nomination of Durham University

Prof J MacNaughton, Nomination of Durham University

Prof H M Evans, Nomination of Durham University (until 9 March 2019)

Governors *ex officio*

Dr M J Masson, Principal & Head of House

Mr A Jackson, MCR President (until 31 August 2019)

Mr D Humphries, JCR representative (until 16 March 2019)

Mr J Burton, JCR representative (from 17 March 2019)

Mr J Barker, JCR President (until 16 March 2019)

Miss Lucie Goddard, JCR President (from 17 March 2019)

College Officers

Principal – Dr M J Masson*

Vice-Principal & Bursar – Mr A J Jenkins

Vice-Principal & Senior Tutor – Dr E Spencer-Regan

Vice-Principal & Postgraduate Director – Rev Dr A P Wilson

*Dr M J Masson is also a Director of the Limited Company.

Company number

00109442

Registered Charity Number

01142958

Report of the Governors *(continued)*

Registered office

18 North Bailey
Durham
DH1 3RH

Secretary to the Governors and Company Secretary

Mr A J Jenkins

Bankers

National Westminster Bank
12 Market Street
Durham
DH1 3NG

Solicitors

Swinburne Maddison Solicitors
Venture House
Aykley Heads Business Centre
Aykley Heads
Durham
DH1 5TS

Surveyor

Ashley Smith Chartered Surveyors
Oakmere
Belmont Business Park
Durham
DH1 1TW

Auditors

RSM UK Audit LLP
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Report of the Governors *(continued)*

The Governors, who are also directors of the Company or College for the purposes of the Companies Act, submit their annual report and the audited financial statements of St Chad's College (the "Company" or "College") for the year ended 30 September 2019. The Governors confirm that the annual report and financial statements of the Company or College comply with current statutory requirements, the requirements of the Company or College's governing document and the provisions of the Charities Statement of Recommended Practice (SORP) FRS 102 issued on 16 July 2014 and applicable from 1 January 2015.

Foreword of the Chair of Governors

An important focus for the Governors in 2018-19 has been to clarify the picture for the governance and management spheres of the College's life and progress. A thorough review of the Statutes, Regulations and Standing Orders setting this out will be completed in 2019/20, with the aim to provide the Principal and the College Officers with a workable framework for operating our historic Articles and Memorandum of Association. We are also now able to conduct regular reviews of risk and policy, and I wish to thank Dr Ashley Wilson, Vice-Principal and Postgraduate Director, for his assistance to me in all these painstaking tasks. Within the review of Statutes has been a complete reform to the body of Fellows, Research and Honorary Fellows, who stand at the heart of St Chad's as an intellectual and learning community. From now on, the Fellows will be represented among the governors by the President of the Senior Common Room. We have also given clear definition to who is a member of St Chad's and belongs to its community, so that each constituency has a place among the Governors of the College. Thus we have been able to ensure that all the places to which our stakeholders can nominate a Governor have been filled.

I am very glad, therefore, to be able to welcome to our board of trustees and directors Alex McCallion, Director of Works and Precinct at York Minster, nominated by the Archbishop of York, to take the lead for the Governors on the care and oversight of our estate and buildings. This comes just at the time we have needed to undertake a comprehensive review and work out a strategy for their refurbishment and development. It has also been excellent to be assured once again of the confidence and spirit of partnership with Durham University Council in its nomination of Professor Jane McNaughton, Professor of Medical Humanities in the Department of Anthropology, whose expertise in health and wellbeing, as well as her focus on behalf of the University on equality, diversity, bullying and harassment, brings valuable insight to the work of the Governors. Joining her as another of our three Governors from Council is Professor Simon Hackett, Professor of Child Abuse and Neglect in the Department of Sociology and Deputy Provost of the University supporting delivery on the academic strategy. As a strong advocate of the role of the Colleges in encouraging intellectual environments that foster learning and achievement, we welcome his involvement in developing what St Chad's has to offer. The President of the Senior Common Room is now to be an Official Fellow of the College, and so we welcome Colin Ferguson as a voice for the Fellows and the senior community of St Chad's among the Governors. Jenny King has likewise joined the board as one of the vitally important network of College Tutors, who do so much to support and encourage students. We also welcomed as governors Alex Jackson, President of the Middle Common Room, Lucie Goddard, President of the Junior Common Room, and James Burton, student governor for the Junior Common Room.

We bade farewell to three long-standing governors during the year. Professor Susan Banks is Director of Postgraduate Research in the Department of Sociology and co-director of the University's Centre for Social Justice and Community Action. A governor for ten years, her contribution to our planning of our strategy for 2017-27 challenged us on our founding principles, core values and future purpose. This helped us to be clear about our identity and the contribution we can hope to offer, not only to the University but also to the region and communities amid which we are set. It strongly supported the work of our College community and leadership in our social engagement programmes, as well as our concern for outreach and widening participation. Susan Shaw has served for an exceptional ten years as the voice of the College Tutors. Her concern for students and meeting their needs has been impassioned. She, too, has greatly assisted the Governors in keeping our foundational pastoral vision at the forefront of our work. Professor Martyn Evans, Professor of the Philosophy of Music, has been Principal of Trevelyan College and, as Head of another House, been an invaluable critical friend and keen advocate for St Chad's and its contribution in company with other Durham Colleges. Sadly for us, he stepped down after only four years as a Governor upon his appointment as Acting Pro-Vice-Chancellor for Colleges and Student Experience, but we thank him for his insight and strong encouragement at every turn. The College is also grateful for the positive and stimulating membership of the board during their terms of office of Joey Nelson, MCR President, Josh Barker, JCR President, and Dewi Humphries as Governing Body Representative from the JCR. Their participation in the Governors' business of all kinds brought sharp focus not only from the students' experience of practical problems to be addressed, but also the principles that matter to the student community in a College where the values and ethos matter deeply. I would like to record a particular note of appreciation to Dewi Humphries for his challenge on food

sustainability and sourcing renewable energy supplies. It has already made a difference for our future responsibility in this sphere.

We were delighted that the Visitor, the Most Reverend Dr John Sentamu, Archbishop of York, agreed to serve a final term as our Visitor. He will make a Visit to the College in 2019/20 and then upon retirement will remain part of the College community as a distinguished Honorary Fellow.

Two large questions face the College. First, what is the place of a small independent College in a growing University of international standing and its projections that ever more numbers will come to Durham? While it will be difficult to expand on our site or elsewhere, it is our sense of being a strong community with a clear identity and purpose that the University values as a source of support, ideas and encouragement for other Colleges. It is good to know that St Chad's as one of the independent Colleges has a place in the thinking of the University about its own development. So it was particularly gratifying in the year that our Outreach and Widening Participation programme successfully attracted new students from the regional community applying to study at Durham through St Chad's. This programme, led by Senior Tutor Dr Eleanor Spencer-Regan and Chaplain Fr David Rushton, was hailed as a successful template that has now been commended to the other Colleges and departments.

Secondly, how we do sustain the College when funds for Higher Education are ever tighter and there is always pressure on other sources of income that we can earn? Paul Chandler, a Fellow of the College who is also a non-executive Director of The Co-operative Group, as the College's Vice-Chair and Treasurer, and Alistair Jenkins, Vice-Principal and Bursar, have worked thoroughly on establishing a reliable picture of our finances, and the plans we need to make for growing our income and managing our budgets for the next five years at least. This has been an essential step as the Bursar has embarked on the comprehensive assessment of our buildings and accommodation for students and our research community. The Bursar has already been overseeing a programme of refurbishment and upgrade for our rooms and facilities (alongside the successful upgrade of the kitchen in 2017-18). But it is clear that important maintenance deferred long ago is now catching up with us. It will require more time and resources than we first thought. We also face development needs for further study space, a lecture room and better leisure and social facilities for our community, as well as a long overdue replacement building for our Chapel. 2019-20 will therefore see us examine our financial planning carefully, with a view to growing our funds for the upgrade and development of our College estate. We owe Paul and Alistair a great debt of gratitude for their considerable efforts to put us on a track where we can see more clearly the way ahead.

The current Development focus, led by Director of Development and Alumni Relations Mark Roberts and the Principal, has nearly met its target for an endowment fund which can ensure we have the means to provide scholarships and bursaries for those who would benefit from coming to St Chad's in particular to study at Durham, but who might otherwise be unable to do so. Mark Roberts deserves particular recognition for this achievement.

None of the work of the College, or the success and optimism of its students, would be possible without such an excellent Principal in Dr Margaret Masson. Her quiet, positive and determined leadership not only creates the positive environment in which St Chad's can fulfil its high aims as a learning community. It also invites all of us involved in the College to be the best we can for the College and do the best we can at the College. Our now annual surveys of students, and our challenges from the future of Higher Education, our estates and the financial plans we need to make for the future, show that there is always more work to be done, but we know the task ahead.

On behalf of the Governors I thank Dr Margaret Masson, the College Officers and all the other officers and staff for their dedication and hard work in another exciting year in the College's life. I also thank my fellow Governors for their commitment and invaluable assistance and wisdom in our work together for St Chad's and its future.

Mark Woodruff, Chair of Governors

Structure, Governance and Management

a) Constitution

The Company or College is a charitable company limited by guarantee and established by a Memorandum of Association on 4 May 1910. St Chad's College became a registered charity, of which the Governors are the trustees, registration number 1142958, on 19 July 2014. Prior to that it was an exempt charity. The Members of the Association are the Governors, who constitute the College and form its Governing Body.

St Chad's College (Trading) Limited is a 100% owned subsidiary company which is included in these consolidated accounts.

b) Method of Election of Governors

The management of the College is the responsibility of the Governors who are elected or appointed under the terms of the Articles of Association.

The Governors who held office during the year were as stated on page 3.

c) College Governing Body's liability

The Governors guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

d) Policies adopted for the induction and training of Governors

New Governors are inducted by the Secretary to the Governing Body and the Principal of the College. They are also given a copy of the College's Memorandum and Articles of Association, its current Standing Orders, the Principal's annual report and the annual audited financial report. They are required to subscribe to the College's charitable aims and objectives, and to disclose possible conflicts of interest. They are invited to participate in the life of the College on a regular basis.

e) Organisational structure and decision making

The day to day running of the College is delegated to the Principal, the trustees and the Vice Principals (Bursar, Postgraduate Director and Senior Tutor).

f) Risk management

The Governors have assessed the major risks to which the Company or College is exposed, in particular those related to the operations and finances of the Company or College and they regularly review the systems that are in place to mitigate exposure to major risks.

Risks are categorised into the following broad headings: strategic direction, infrastructure, conduct of business, academic/research activities, student support, financial sustainability, health & safety, building maintenance and commercial activity. The major risks relate to fluctuations in student residence and the associated levels of income. Ensuring stakeholder satisfaction by delivering value for money, a good quality service and investment in infrastructure is essential.

In order to oversee risk management, the governors have an audit committee with the following terms of reference:

1. The Audit Committee's remit is to maintain, on behalf of the Governors, regular oversight of the College's accounting, audit and risk procedures. The Committee shall also review the extent to which all wider areas of risk and governance are addressed through the College's management and governance organisation.
2. The Audit Committee's relationship with the Governors' Finance Committee is important and the Chairs of the two Committees shall communicate to ensure that the more proactive, advisory role of the Finance Committee and the more assurance-based role of the Audit Committee are complementary and do not duplicate each other.
3. Where the Audit Committee believes that improvement to procedures is required, it shall raise this with the College Officers and also with the Finance Committee for follow up.
4. In particular, the Audit Committee's task is:

Audit and financial statements

- i) to advise the Governors on the appointment of the external auditors, the audit fee, the provision of any

non-audit services by the external auditors, and any question of the resignation or dismissal of the external auditors;

- ii) to agree with the external auditors, before the audit begins, the nature and scope of the audit;
- iii) to discuss with the external auditors any problems and reservations arising from the interim and final audits, including a review of the management letter incorporating management responses, and any other matters the external auditors may wish to discuss (in the absence of the College Officers where necessary); and this shall include a private session with the auditors each year without any College Officer or other staff being present;
- iv) to consider the annual financial statements in the presence of the external auditor, including the auditor's formal opinion, the statement of members' responsibilities, corporate governance policy statements and internal controls and risk management statements, and to recommend adoption of the accounts to the Governors;
- v) to monitor annually the performance and effectiveness of external auditors and to make recommendations to the Governors concerning their reappointment, where appropriate;
- vi) in the event of the merger or dissolution of the College, to satisfy itself that the Finance Committee has ensured that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed.;

Internal controls

- vii) to keep under review the effectiveness of risk management systems, internal controls, financial and investment procedures and in particular to review the external auditor's annual report, and senior management responses, together with any concerns raised by the Finance Committee;
- viii) to oversee the College's policy on fraud and irregularity, including being notified of any action taken under that policy, ensuring that any significant losses have been properly investigated and that the external auditors and, where appropriate, the Office for Students' Accounting Officer have been informed;
- ix) to satisfy itself that procedures are in place for the proper investment of the Restricted Funds entrusted to the College, the keeping of governing documents for each fund and the transfer or use of any monies in accordance with them, and for the required reports to be made to the donor, grantor or settlor;

Wider governance, regulation and compliance

- x) to review an annual report from the Bursar on how the College has addressed wider aspects of regulation and compliance, particularly to ensure that appropriate oversight is in place in all cases, the report referring when relevant to any reports from the National Audit Office, the College for Students, the Charity Commission, and other authorities and organisations;
- xi) to satisfy itself through this review that the Governors and College Officers keep risk management, health and safety, regulatory compliance, other policies and good governance under regular review, and to raise any gaps or clear deficiencies with the Governors;
- xii) to satisfy itself that the findings of any internal or external quality or other audit are addressed by an appropriate group and to raise any gaps or clear deficiencies where necessary with the Governors.

The College has considered the following specific risks to be the most critical in the context of its operations:

Meeting intake targets

The student intake risks are managed by detailed monitoring of student admissions through close liaison with Durham University, regular conversation between College Officers, and routine reporting and scrutiny and discussion at meetings of the Governors.

In addition to monitoring admissions in collaboration with the University, the College is proactively establishing its own fund that will provide, from interest generated, a significant number of bursaries and scholarships targeted at students who find funding their education a considerable challenge. This will help to alleviate the risk of reduced income because of unoccupied rooms, thanks to a fund created from external funding (mostly from the donations of alumni), which strongly advances the College's foundational social justice ethic to provide a place of higher education for those less able to afford it.

Achieving value for money

The risks as to value for money are a combination of budget monitoring to prevent unnecessary expenditure, and enabling value for money in procurement. These are monitored through discussion with student representatives and surveys of the student community, in order to ascertain that value is being given and seen as received. These feed into a report to the Governors, and during the year we recorded the positive position of 98% student occupancy.

Funding of investments in infrastructure

The risk as to investment in infrastructure would be a major problem if the College had buildings which were not fit for purpose. This is being mitigated by an ongoing capital refurbishment plan which commenced in 2010, supplemented by work identified within our regular building condition surveys. Regular reporting through an internal committee structure, with a costed five year plan approved by Governing Body, will enable significant progress.

Objects and activities

a) Objects of the College

The objects for which the College is established are:

- (i) to advance education, learning, religion and research within the College in accordance with the principles of the Church of England; and
- (ii) to provide a College for persons who shall be members of the University of Durham wherein they may work for degrees and other qualifications of the University of Durham (including, in particular, advancing the education, spiritual and moral welfare of students enrolled at the College).

Our principal means of meeting those objects is our provision of academic and pastoral support to undergraduates and postgraduate students reading for degrees in the University of Durham.

St Chad's also provides its own education, study support, and research programmes within the College.

b) Our Strategy for achieving our objectives

Our aim is to provide excellent academic and pastoral support in a residential context via College Officers, the Chaplaincy, our mentoring and tutorial team, our academic and research staff, the provision of our extensive libraries and other facilities, not to mention our *Sed Vos* Programme, which offers support and other opportunities for engagement through various summer schools and courses, chiefly in the Easter and Summer breaks.

Our academic and pastoral support exists not only to enable our students to do well in their departmental-based studies, but also to stretch their academic and social potential by exposing them to issues and challenges beyond the curriculum. We do this by providing our students with a variety of tutors and through our Perspectives Programme, which, in addition to encouraging the acquisition and honing of transferable skills, gives our students the opportunity to engage with regional issues by actually visiting the region, and experiencing some of the challenges faced by people in the community at first hand.

The academic support at St Chad's is offered in the context of support within the University of Durham as a whole. It is essential to our overall strategy that we coordinate what we do in the College with what is done in the University, be it through collaboration with the University's departments or its student support services.

We target our conference work to further the academic aims of the College. While conferences generate income to support our own academic activities, most of them are academic activities in and of themselves. Our conference strategy has been to enter into longer-term relationships with providers who are doing what we otherwise might do ourselves, and so further our charitable aims.

During the year, the College continued to implement its Vision, Values, and Strategic Framework for 2018 to 2027. There is general agreement that, in many ways, St Chad's College is currently in very good shape. Application rates are excellent, academic results are outstanding, student satisfaction levels with the opportunities we provide are high and our relationship with the University is as good as it has ever been. Nevertheless, there are clearly areas in which we need to improve and we must avoid complacency. We are living in competitive and fast-changing times, both within the University and in our national and global context. We have to stay alert, responsive to opportunities and

risks, and to develop St Chad's as a flourishing College, realising the social purposes and academic aims for which it was founded, for decades to come.

The Principal, College Officers and other senior staff regularly map the management and operations of the College to this framework, and this in turn is regularly monitored through reports to each meeting of the Governors. The overall framework is set out as follows:

Our Vision: To be a hospitable, supportive, challenging community of learning, respected for our distinctive contribution to Durham University, the North East region, and the wider world.

Our Mission: To work as a warm, reflective community which sustains an outstanding collegiate experience, promotes academic excellence and personal development, and encourages our members to make a positive social impact.

Our Values: As an independent college within Durham University, shaped by our Anglican heritage, and embedded in the North East region, we seek to live with integrity as a community serving people of all faiths and beliefs.

St Chad's is:

- **Communal and Curious**

We welcome and value people from all backgrounds and perspectives, and promote a culture of respect, friendship, inclusion, and diversity. Our ethos supports the pursuit of academic excellence, the passion for ideas, the quest for truth, and a lifelong commitment to learning.

- **Just and Responsible**

We reach out to marginalised people within local, national, and global communities, and work towards a fairer and more ethical society. We respect our planet, and minimise the harm we do to it by adopting environmentally sustainable practices.

- **Holistic and Beautiful**

We live as a community which nurtures spiritual as well as intellectual growth, and we facilitate an appreciation of the personal and political significance of faith in our world today. We value the aesthetic quality of our community environment, recognise the creativity involved in all intellectual endeavor, and integrate sport, music, art, drama and literature into our life together.

- **Professional and Sustainable**

We live in a competitive, fast-changing world. We are committed to sustaining all that we love about our College and also to ensuring that we develop and flourish in the future.

Thus, we have created a Strategy that we believe will sustain the St Chad's culture, ethos and sense of community, building on the many things we already do well, whilst working to further enhance the quality and effectiveness of our college life. We will focus on five priorities.

Improving the quality of our community life

We must remain an attractive and vibrant community, for this is central to being able to develop our mission.

- **Enhancing our core residential offer:** we will create a more flexible and attractive catering package, explore a differential residence offer, and establish a programme of bursaries for returning students. This will improve the experience of all our residents and sustain our returner rates in the face of increased competition from private landlords.
- **Investing in our buildings and facilities with a view to both beauty and functionality:** building on the successful installation of a new kitchen in December 2017, our plans for refurbishment and development will run alongside the work identified within the building condition surveys to ensure that our students are accommodated in premises which are attractive, functional and safe. The recently agreed Estates Strategy was implemented in summer 2019, commencing with work to replace the boilers in Grads. A seven year plan is now in place to refurbish the College estate with planned capital investment of c.£5m

Building on our opportunities to contribute more widely

St Chad's has always been a college with a conscience, committed to promoting social justice. We are keen to build on this tradition and ensure that we are living our values.

- **Creating greater access to learning:** we will increase student diversity at St Chad's through establishing more bursaries and we will enhance our Widening Participation Programme to reach more school students and made a deeper impact on those with whom we engage.
- **Increasing our engagement with and contribution to the University and to the North East:** we will encourage our students both to get involved across the University and to link to the region's communities through volunteering and internships, and we will build on the regional focus and impact of our research programme.

Improving our systems, empowering our staff

Whilst maintaining an ethos of warm community, St Chad's needs to have the systems, structures and culture in place to enable our staff to help us become a more efficient responsive and sustainable organisation.

- **Becoming more professional:** through better staff engagement, improved governance systems, more effective financial and commercial management, regular reviews of all key policies and procedures, a stronger culture of health and safety, and establishing a more adequate system of induction, training and review for all staff.
- **Remuneration:** The College broadly follows Durham University's pay and grading structure for staff. A remuneration committee meets termly and decides on grading and salary structure for key management personnel.

c) Activities for achieving objectives

The College's major charitable activity is furthering the education of students who are enrolled within the University of Durham. This is carried out by providing a residential experience in a highly engaged and engaging learning community, integral to which is academic and personal support from College Officers, our Tutors and mentors, and the skills and experiences offered through the Perspectives programme of extra-curricular activities.

St Chad's provides a residential College to 250 students living in at any one time, as well as infrastructure support to a further 300. Of these 550, students 395 are undergraduates and 155 postgraduates. We are glad to report that the academic and personal support provided to all students is of an exceptional standard, as recently confirmed by the University-wide student experience survey.

As an independent college within Durham University shaped by our Anglican heritage and embedded in the North East region, we seek to live with integrity as a community serving people of all faiths and beliefs.

Thus, at the heart of the College is its chapel and its regular worshipping community. A full time Chaplain, who is an Anglican priest, offers spiritual as well as pastoral support to the whole College community, working closely with our work to promote social inclusion and wider community engagement.

In addition to providing student accommodation, the College becomes a 3 Star guest house during vacation periods. The financial benefits from this trading activity are utilised to support the College main activities in pursuit of our objects.

The College has experienced another successful year and continues to generate a valued and much sought after academic environment.

Fundraising

Our main focus throughout the year remained raising funds to enable scholarships to be paid to students who may otherwise have struggled to afford funding of their university degree. In support of this, a telephone campaign was held in January 2019, where a number of current students contacted former students to raise their awareness of the scholarship campaign and to generate additional fundraising. Our annual alumni dinner was held in London, again a very well supported event bringing together students from different generations to support the College, and the annual Christmas carol concert was once more held in London in December 2018, attracting a good number of our alumni and their families. The College continues to work to develop its relationship with existing and prospective donors both in the UK and overseas.

Financial Review

The financial review refers to the consolidated group activities of St Chad's College Limited (parent) and St Chad's College (Trading) Limited (the subsidiary). The subsidiary is fully owned and controlled by the college.

Summary

Net income before transfers was 2% lower than the previous year at £342,875 (2018: £349,640).

Donations & legacies income is lower this year, as a significant legacy was accounted for within the previous financial year.

Increased residence fee rates, in line with Durham University, together with improved occupancy rates led to a higher level of income from maintenance fees.

Total expenditure has remained similar to the previous year at £2,494,339 (2018: £2,474,603).

Balance sheet

The balance sheet remains in a healthy position, with freehold land and building asset values being based on the most recent valuations (as at 30 September 2018) and investment into those assets continuing throughout the year.

Year end debtors and creditors balances are under control.

The cash balance increased by £630,544 in the year to £1,664,075, compared with £1,033,531 in the previous year. The amount previously held in a fixed term deposit, shown within short-term investments, (£256,807) has been transferred to cash in advance of commencement of our significant capital projects. A major replacement of the boiler infrastructure at Grads House took place during the summer of 2019. The year-end liability for this work can be seen in our trade creditor balance.

The balance of our short-term investments at the year-end was £849,792 (2018: £1,060,944).

Overall net assets increased to £13,470,355 (2018: £13,127,480).

Income

Total income reduced slightly to £2,791,559 compared with £2,800,189 in the previous year.

Our core income generating activity of residential accommodation showed an improvement on the previous year of 4.0% (2018: 5.3%).

The College fee, received from Durham University, remains at £360,000 per annum (2018: £360,000) and this reflects the agreement negotiated in 2016, which is fixed for 5 years until the end of 2021/22.

Income from educational conferences was 5.4% higher than the previous year.

This year we have experienced a small increase in income from St Chad's College (Trading) Limited in terms of our non-educational conferences and weddings. The investment income from St Chad's College (Trading) Limited as a donation to St Chad's College was £47,980 compared to £26,722 in 2017/18.

Part of the increase in the level of this donation can be explained by a change to the management recharge mechanism which is used to apportion costs from St Chad's College to the trading company. The level of variable conference costs now being apportioned is based on conference sales levels in both companies. Staff and utility costs are now allocated based on trading turnover as a proportion of overall consolidated turnover.

Bank interest income was remained broadly in line with the previous year, reflecting the performance of our short-term investments, generating £28,017 this year compared to £28,803 in 2017/18.

Income from donations and legacies was lower than the previous year at £107,837 (2018: £206,118). A substantial legacy had been accounted for in the prior year at £86,770, with a revision made in the current year accounts as shown in note 2. The College's current focus on developing a fund to provide scholarships to students who may benefit from coming to St Chad's has ensured that we are well on the way to reaching the initial target of £1m.

Income from research activity was £95,831 in the current year (2018: £84,880). The College recognises the value of the work being undertaken by our researchers and is keen to maintain the strong relationship it enjoys with its Research Fellows. The College sees this as an integral part of delivering its social values and developing its relationship with key partners across the region.

Report of the Governors *(continued)*

Expenditure

The group expended total resources of £2,494,339 in 2018/19, compared to £2,474,603 in the previous year. This represents an increase of around 0.8%. The majority of expenditure remains in line with prior year spend and the costs remain under tight control.

The areas of expenditure where significant differences can be seen are as follows:

Staff costs are comparatively high this year due to a) one-off redundancy costs, b) higher levels of catering overtime and casual hours due to staff absence.

Within student costs, food costs were higher at £210,238 (2018: £161,517). Significant investment has been made over the past 12 months to improve the quality of student food provided.

The Choir Tour and South Africa Placement which took place in 2018 did not repeat in 2019 and therefore student costs were comparatively lower here.

Depreciation costs charged in the year were £168,751 (2018: £179,249).

Repairs and maintenance costs were £89,307 in the year (2018: £48,458). The current year costs were high due to emergency plumbing repairs over the winter months and an increase in the levels of painting and decoration to communal areas within college.

Office costs, within support costs, showed a credit in the prior year accounts of (£5,550) compared with a current year costs of £13,969. This can be explained by an accrual release of (£19,400) in 2018 relating to several years of information support costs from Durham University. Durham University has confirmed that a separate accrual is not required, since the costs have already been recovered via existing IT service invoices.

The College continues to work hard to ensure the delivery of the standards and quality that exceed the expectations of our students and commercial customers.

d) Reserves Policy

Our total reserves at the end of 2018/19 were £13,470,355 (2017/18: £13,127,480). There are four elements to our reserves:

- i) Our estate reserves: Our policy is to keep our buildings renewed, to prevent erosion of their value. We hold a reserve equivalent to the market value of the land and buildings. We generate annual operating surpluses and use these in part to maintain these buildings, so no extra reserve is anticipated beyond the actual (effectively unrealisable) value of our current buildings and land.
- ii) Our restricted reserves: these are funds held for specific purposes, principally in relation to our Scholarships & Bursaries Fund but also in relation to monies raised to enable the delivery of other special projects.
- iii) Our free operating reserves, which are reviewed annually. The figure should normally be within the bounds of 3-6 months of normal expenditure plus an amount that would cover the orderly wind-down of operations (currently estimated at £145,000). For 2018/19 this would indicate a target range between £785,000 and £1,400,000. These reserves allow us to manage fluctuations in cashflow and meet urgent needs. The Finance Committee considers the prudent minimum level of reserves at present to be £1,000,000. Any surplus over this figure may be considered as designated for strategic development.
- iv) Our strategic development reserves. To further our charitable purposes we need to ensure that we have the capacity to undertake major expenditure projects on our buildings or to acquire new residential properties that may become available on the Bailey or close to our other sites where these would further our charitable purposes. These reserves are intended to contribute towards such projects, but may be redesignated to other purposes by the Governors.

Report of the Governors *(continued)*

As at 30 September 2019 the estate reserve was £11,379,735 (2018: £11,303,936), restricted reserves were £575,677 (2018: £464,017), and non-fixed assets designated reserves were £17,831 (2018: £17,223) leaving free reserves of £1,497,112 (2018: £1,342,304).

The level of free reserves at £1,497,112 is currently in excess of the £1 million target. A major capital refurbishment project has commenced during the year and is expected to reduce free reserve levels significantly within the next 12 months. Planned capital expenditure on our buildings over the next 6 years is expected to be in the region of £4.8 million. This will be funded from available free reserves, annual business surpluses and additional bank borrowing. Governors will review reserve levels and the reserves policy in future years as the capital programme progresses.

e) **Principal funding**

The principal sources of funding for the year to 30 September 2019 were student maintenance and College fees - income generated through charitable trading, educational conferences, related research activity and alumni donations and gifts.

f) **Investment policy and performance**

The power to invest monies is held by the Governors who have the power to invest monies as they see fit. The investments are held in the form of fixed interest bonds, common investment funds and unit trusts and the performance of the investments is considered adequate. £849,792 is invested in this manner.

Market value of land and buildings

The Governors consider that the market value of the land and buildings is equivalent to the figure disclosed in the accounts. A valuation of the land and buildings was carried out to 30 September 2018.

Disclosure of information to auditor

The Governors who held office at the date of the approval of this Report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditor is unaware; and each Governor has taken all the steps that he or she ought to have taken as a Governor to make himself or herself aware of any relevant audit information and to establish that the College's auditor is aware of that information.

Public benefit statement

In shaping our objectives for the year and planning our activities, the Governors have considered the Charity Commission's guidance on public benefit and are satisfied that the College benefits the public through the advancement of education, learning and research within the College in accordance with the principles of the Church of England. In addition, the College provides a community for members of the University of Durham wherein they may work for degrees and other qualifications of the University (including, in particular, advancing the education, spiritual and moral welfare of the students enrolled at the College).

Auditor

RSM UK Audit LLP were appointed as auditor to the group on 24 May 2019 and a resolution proposing that they be re-appointed will be put forward at a Governing Body meeting.

By order of the College Governing Body.



Revd Mark Woodruff
Chair of Governors

18 North Bailey
Durham
DH1 3RH

12/12/19
DATE

Statement of the Governors' responsibilities in respect of the Governors' Annual Report and Financial Statements

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

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of 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 governors are required to:

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

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

In so far as the governors are aware:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF ST CHAD'S COLLEGE

Opinion

We have audited the financial statements of St Chad's College (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 September 2019 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 September 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 152 of the Charities Act 2011 and report in accordance with those Acts.

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

Conclusions relating to going concern

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

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

Other information

The governors are responsible for the other information. The other information comprises the information included in the Governors Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF ST CHAD'S COLLEGE

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Governors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Governors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Governors' Report.

Responsibilities of Governors

As explained more fully in the Statement of Governors' responsibilities set out on page 15, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF ST CHAD'S COLLEGE

Use of our report

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

L. Robson

LUCY ROBSON (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

13/12/15

Consolidated statement of financial activities (incorporating income and expenditure account)
for the year ended 30 September 2019

	Notes	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	Total 2019 £	Total 2018 £
Income						
Donations and legacies	2	1,643	-	106,194	107,837	206,118
Investment income	3	13,169	6,000	14,848	34,017	36,603
<i>Income from charitable activities</i>						
Income from educational activities	4	2,396,896	32,081	63,750	2,492,727	2,402,204
<i>Income from other trading activities</i>						
Commercial business income	5	156,978	-	-	156,978	155,264
Total income		2,568,686	38,081	184,792	2,791,559	2,800,189
Expenditure						
Fundraising expenses and other costs	6	(51,148)	-	-	(51,148)	(62,085)
Commercial trading operations	7	(108,998)	-	-	(108,998)	(128,541)
<i>Expenditure on charitable activities</i>						
Expenditure on educational activities	8	(2,200,985)	(37,472)	(95,736)	(2,334,193)	(2,283,977)
Total expenditure		(2,361,131)	(37,472)	(95,736)	(2,494,339)	(2,474,603)
Unrealised gains on investments	18	23,051	-	22,604	45,655	24,054
Net income before transfers	11	230,606	609	111,660	342,875	349,640
Gross transfers between funds	25	-	-	-	-	-
Net income before other recognised gains and losses		230,606	609	111,660	342,875	349,640
Movements on revaluation of fixed assets		-	-	-	-	2,480,540
Net movement in funds for the year		230,606	609	111,660	342,875	2,830,180
Fund balances brought forward		5,807,146	6,856,317	464,017	13,127,480	10,297,300
Fund balances carried forward	25	6,037,752	6,856,926	575,677	13,470,355	13,127,480

All of the above results are derived from continuing activities. The group has no other recognised gains and losses other than those stated above.

The notes on pages 23 to 43 form part of these financial statements.

Consolidated Balance sheet
at 30 September 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	11,379,735	11,303,936
		<u>11,379,735</u>	<u>11,303,936</u>
Current assets			
Stock	16	6,207	4,215
Debtors	17	245,328	252,446
Cash at bank and in hand		1,664,075	1,033,531
Short-term investments	18	849,792	1,060,944
		<u>2,765,402</u>	<u>2,351,136</u>
Creditors: amounts falling due within one year	19	<u>(437,780)</u>	<u>(260,541)</u>
Net current assets		<u>2,327,622</u>	<u>2,090,595</u>
Total assets less current liabilities		<u>13,707,357</u>	<u>13,394,531</u>
Creditors: amounts falling due after more than one year	20	<u>(237,002)</u>	<u>(267,051)</u>
Net assets		<u>13,470,355</u>	<u>13,127,480</u>
Group funds			
Restricted funds	24	575,677	464,017
Designated funds	24	6,856,926	6,856,317
Unrestricted funds	24	6,037,752	5,807,146
		<u>13,470,355</u>	<u>13,127,480</u>

These financial statements were approved by the Governors on 12th December 2019 and were signed on its behalf by:



The Rev M Woodruff
Chair of Governors

Registered number: 00109442

Charity Balance sheet
at 30 September 2019

	Note	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	14	11,359,610		11,303,936	
Fixed asset investments	15	1		1	
			11,359,611		11,303,937
Current assets					
Stock	16	6,207		4,215	
Debtors	17	387,210		412,271	
Cash at bank and in hand		1,501,387		844,715	
Short-term investments	18	849,792		1,060,944	
		2,744,596		2,322,145	
Creditors: amounts falling due within one year	19	(396,850)		(231,551)	
Net current assets			2,347,746		2,090,594
Total assets less current liabilities			13,707,357		13,394,531
Creditors: amounts falling due after more than one year	20		(237,002)		(267,051)
Net assets			13,470,355		13,127,480
Group funds					
Restricted funds	24	575,677		464,017	
Designated funds	24	6,856,926		6,856,317	
Unrestricted funds	24	6,037,752		5,807,146	
			13,470,355		13,127,480

A separate Statement of Financial Activities for the Charity as an individual entity is not presented because the Charity has taken advantage of the exemption offered by Section 408 of the Charities Act 2006. The net incoming resources before gains and losses for the year for the Charity was £297,220 (2018: £325,586).

These financial statements were approved by the Governors on 12th December 2019 were signed on its behalf by:



The Rev M Woodruff
Chair of Governors

Registered number: 00109442

The notes on pages 23 to 43 form part of these financial statements.

Consolidated statement of cash flows
for the year ended 30 September 2019

	2019 £	2018 £
Cash flows from operating activities	648,336	447,500
Cash flows from investing activities		
Acquisition of tangible fixed assets	(244,550)	(558,175)
Acquisition of short term investments	-	-
Proceeds from disposal of short term investments	256,807	-
Net cash outflow from investing activities	660,593	(558,175)
Financing activities		
Repayment of borrowings	(30,049)	(30,050)
(Decrease)/increase in cash and cash equivalents in the year	630,544	(140,725)
Cash and cash equivalents at the beginning of the year	1,033,531	1,174,256
Cash and cash equivalents at the end of the year	1,664,075	1,033,531

Cash flows from operating activities

	2019 £	2018 £
Net income	342,875	349,640
Gains on investments	(45,655)	(24,054)
Depreciation	168,751	179,249
(Increase)/decrease in stock	(1,992)	1,618
Decrease/(increase) in debtors	7,118	(63,131)
Increase in non-bank loan creditors	177,239	10,985
Short term investments interest receivable	-	(6,807)
Net cash flow from operating activities	648,336	447,500

The notes on pages 23 to 43 form part of these financial statements.

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS102)), and the Companies Act 2006.

FRS 102 requires that, if appropriate, the group's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and reasonable projected resources. There are no material uncertainties in respect of the group's ability to continue as a going concern. As a consequence, the Governors believe the group is well placed to manage its business risks successfully and therefore have adopted the going concern basis of accounting in preparing the financial statements.

Consolidation

The financial statements consolidate the results of the charity and its wholly owned subsidiary undertaking, St Chad's College (Trading) Limited, on a line by line basis. All financial statements are made up to 30 September 2019, and consistent accounting policies are used.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Reduced disclosure options

In accordance with FRS 102, the Charity has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures (in relation to the Charity's own statement of cash flows – a consolidated statement of cash flows is presented in these financial statements)

Company status

The Group is a company limited by guarantee. The Members of the Group are the Governors named on page 3. In the event of the Group being wound up, the liability in respect of the guarantee is limited to £1 per member of the Group.

Fund accounting

Designated funds comprise general funds which have been set aside at the discretion of the Group Governing Body for specific purposes. The purpose and use of the designated funds are set out in note 24.

Restricted funds are funds subject to specific restrictive conditions imposed by funders or by the purpose of the appeal. The purpose and use of the restricted funds are set out in note 24.

All income and expenditure is shown in the Statement of Financial Activities.

Notes (continued)

1 Accounting policies (continued)

Income

All income is recognised when the Group becomes entitled to the funds, likelihood of receipt is probable and the amount is measurable:

- Fees income comprises Group fees, maintenance and student rents.
- Vacation business income comprises, bed and breakfast lettings and conferences during vacations.
- Other income comprises gains on disposal of fixed assets, sales of alumni merchandise and various publications and other miscellaneous income.
- Donations and legalities comprises gifts and donations given by supporters, the general public and business.

Expenditure

All expenditure is recognised on the accruals basis. Charitable expenditure comprises expenditure relating to the direct furtherance of the charitable objectives. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with use of the resources. Central overheads are allocated on the basis of their use with the aim of ensuring that those costs remaining within administration relate to the management of the Group's assets, administration and compliance with constitutional and statutory requirements.

Irrecoverable VAT is included as an expense where appropriate.

Governance costs

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. These are included within expenditure on charitable activities.

Foreign currency

Transactions in foreign currencies are translated to the Company or Group's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Statement of Financial Activities.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable and finance leases recognised in the Statement of Financial Activities using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the Statement of Financial Activities (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in Statement of Financial Activities as they accrue, using the effective interest method. Dividend income is recognised in the Statement of Financial Activities on the date the Company or Group's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Notes (continued)

1 Accounting policies (continued)

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the charitable company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in Statement of Financial Activities except investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation (freehold land and buildings) including any incidental expenses of acquisition. Additions, which are capitalised when greater than a *de minimis* level of £5,000 for any individual item or £500 for any computer equipment items, and disposals are included when all contractual obligations have been met. Cost includes directly attributable finance costs.

Freehold land held as an investment is not depreciated.

Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, over their estimated useful economic lives as follows:

Long term leasehold property	-	over the period of the lease
Fixtures and fittings	-	5-12 years
Computer equipment	-	3 years

The Trustees consider the need for impairment of fixed assets on an annual basis. No depreciation is provided on freehold buildings as estimated residual value exceeds net book value.

Revaluation

Gains on revaluation are recognised on the face of the Statement of Financial Activities before arriving at net movement in funds and accumulated in revaluation reserve.

Losses arising on revaluation are recognised on the face of the Statement of Financial Activities before arriving at net movement in funds to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any excess is recognised in expenditure.

Notes (continued)

1 Accounting policies (continued)

Impairment excluding stocks, investment properties and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through the Statement of Financial Activities is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the charitable company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the Statement of Financial Activities. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Financial Activities.

Non-financial assets

The carrying amounts of the charitable company's non-financial assets, other than investment property and stocks are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Financial Activities. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Provisions

A provision is recognised in the balance sheet when the charitable company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the charitable company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company or Group treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company or Group will be required to make a payment under the guarantee.

Stocks

Stocks are stated at the lower of cost and net realisable value. Stock includes catering provisions and bar provisions.

Notes (continued)

1 Accounting policies (continued)

Pension costs

The Group operates various pension schemes. The assets of these funds are held separately from those of the Group in independently administered funds.

For defined contribution schemes, the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits are the contributions payable in the year.

The main schemes in which the charity participates are the Universities Superannuation Scheme and Durham University Pension Scheme.

The Universities Superannuation Scheme (USS) is a defined benefit scheme. The Group is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 102, accounts for the scheme as if it were a defined contribution scheme.

Investments

Investments are stated at market value. Unrealised and realised gains or losses are reported in accordance with the SORP.

Investment income is recognised on a receivable basis.

2 Donations and legacies

	Unrestricted general funds 2019 £	Unrestricted designated funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Alumni donations	8,413	-	106,194	114,607	119,348
Legacy income	(6,770)	-	-	(6,770)	86,770
	<u>1,643</u>	<u>-</u>	<u>106,194</u>	<u>107,837</u>	<u>206,118</u>
For the year ended 30 September 2018	<u>90,710</u>	<u>-</u>	<u>115,408</u>		<u>206,118</u>

3 Investment income

	Unrestricted general funds 2019 £	Unrestricted designated funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Bank and other interest	13,169	-	14,848	28,017	28,803
Rental income from investment property	-	6,000	-	6,000	7,800
	<u>13,169</u>	<u>6,000</u>	<u>14,848</u>	<u>34,017</u>	<u>36,603</u>
For the year ended 30 September 2018	<u>15,944</u>	<u>7,800</u>	<u>12,859</u>		<u>36,603</u>

Notes (continued)

Rental income from investment property of £6,000 (2018: £7,800) has been reclassified in the year to investment income, and this was previously disclosed within commercial business income.

4 Income from educational activities

	Unrestricted general funds 2019 £	Unrestricted designated funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Maintenance fees	1,769,406	-	-	1,769,406	1,700,867
College fees	360,000	-	-	360,000	360,000
Conferences	184,862	-	-	184,862	175,397
Academic projects	-	32,081	63,750	95,831	84,880
Other income	82,628	-	-	82,628	81,060
	<u>2,396,896</u>	<u>32,081</u>	<u>63,750</u>	<u>2,492,727</u>	<u>2,402,204</u>
For the year ended 30 September 2018	1,957,324	84,880	360,000		2,402,204

During the year, St Chad's College has received a grant of £43,250 from the Community Foundation serving Tyne & Wear and Northumberland. St Chad's College has also received a grant of £20,500 from the Power to Change Research Institute. These restricted funds are shown within academic projects above and total £63,750.

£23,073 (2018: 19,758) has been reclassified from commercial business income to be included in the income from educational activities. This has been included with other income above and relates predominantly to income from extended lets to students outside of normal term time.

5 Commercial business income

	Unrestricted general funds 2019 £	Unrestricted designated funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Conferences and accommodation	156,978	-	-	156,978	155,264
For the year ended 30 September 2018	155,264	-	-		155,264

Income totalling £27,558, shown with commercial business income in the St Chad's College financial statements in the year ended 30th September 2018, has been reclassified within the consolidated accounts to investment income £7,800 and income from educational activities £19,758.

Notes (continued)

6 Fundraising expenses and other costs

	Unrestricted general funds 2019 £	Unrestricted designated funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2019 £
Merchandise expenditure	44	-	-	44	809
Other expenditure	1,269	-	-	1,269	2,838
Alumni development and travel costs	49,835	-	-	49,835	58,438
	<u>51,148</u>	<u>-</u>	<u>-</u>	<u>51,148</u>	<u>62,085</u>
For the year ended 30 September 2018	62,085	-	-		62,085

Alumni development and travel costs £49,835 (2018: £58,438) have been reclassified from support costs to fundraising expenses.

7 Expenditure from commercial trading operations

	Unrestricted general funds 2019 £	Unrestricted designated funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2019 £
Conferences and accommodation	108,998	-	-	108,998	128,541
For the year ended 30 September 2018	128,541	-	-		128,541

8 Expenditure by charitable activity

Summary by fund type

	Unrestricted general funds 2019 £	Unrestricted designated funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Educational activities	2,200,985	37,472	95,736	2,334,193	2,283,977
For the year ended 30 September 2018	1,749,015	128,927	406,035		2,283,977

Summary by expenditure type

	Staff costs 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Educational activities	1,291,032	1,043,161	2,334,193	2,283,977

Notes (continued)

Summary by activity type

	Activities undertaken directly 2019 £	Support costs 2019 £	Total 2019 £	Total 2018 £
Educational activities	2,234,440	99,753	2,334,193	2,283,977

9 Educational activities undertaken directly

	2019 £	2018 £
Student costs	310,013	324,100
Premises costs	580,950	564,671
Conference expenses	29,226	44,204
Academic projects	23,219	46,108
Wages and salaries	1,052,430	994,476
National insurance	97,642	87,380
Pension cost	140,960	141,647
	<u>2,234,440</u>	<u>2,202,586</u>

Expenditure of alumni donations to fund the purchase of rowing boats amounting to £5,912 (2018: £24,682) has been reclassified to student costs from support costs.

10 Support costs

	2018 £	2018 £
Miscellaneous expenditure	26,555	24,782
Office costs	13,969	(5,550)
<i>Governance costs</i>		
Fees payable to auditor	9,000	7,800
Professional fees	39,576	37,596
Bank charges	10,653	9,640
Other	-	7,123
	<u>99,753</u>	<u>81,391</u>

All support costs are allocated to educational activities. Alumni development and travel costs £49,835 (2018: £58,438) have been reclassified from support costs to fundraising expenses. Expenditure of alumni donations to fund the purchase of rowing boats amounting to £5,912 (2018: £24,682) has been reclassified to student costs from support costs.

Net income

This is stated after charging:	2019 £	2018 £
Depreciation of tangible fixed assets		
Owned by the charity	167,876	179,249
Owned by trading subsidiary	875	-
Fees payable to auditor:		
- Audit of financial statements	9,000	7,800
- Audit of the trading subsidiary financial statements	2,500	2,100
- Other fees	1,200	-

Notes (continued)

11 Staff costs

	2019 £	2018 £
Wages and salaries	1,116,043	1,038,241
Social security costs	97,642	87,380
Pension costs	140,960	141,647
Redundancy Costs	15,841	29,005
	<hr/>	<hr/>
	1,370,486	1,296,273
	<hr/>	<hr/>

Redundancy payments amounting to £15,841 (2018: £29,005) were recognised in the year.

There was one employee (2018: one) whose emoluments, as defined for taxation purposes, amounted to over £60,000 in the current or prior year. The emoluments excluding employer pension costs of these employees fell within the following bands:

	2019	2018
£70,000 - £79,999	-	1
£80,000 - £89,999	1	-
	<hr/>	<hr/>

Pension contributions for the above employees totalled £15,325 (2018: £13,991)

The average number of employees, analysed by function, was:

	2019	2018
Academic and administration	20	20
Support staff	38	31
	<hr/>	<hr/>
	58	51
	<hr/>	<hr/>

The average number of full-time equivalent persons employed by the Group during the year was

41	38
<hr/>	<hr/>

12 Key management personnel

The Governors of the Group and the Group Officers are the key management personnel of the Charitable Company. They are in charge of directing and controlling, running and operating the Charitable Company on a day to day basis.

No remuneration was paid to any of the Governors in their capacity as trustees during the year (2018: nil). One (2018: one) Governor received remuneration in total of £81,979 (2018: £77,552) in connection with their full-time employment by the Group. The Group paid contributions of £15,325 (2018: £13,991) to money purchase and defined benefit pension schemes in respect of one (2018: one) Governor. Remuneration was received for duties other than those connected to the Governors of the Group.

The Group Officers received remuneration in total of £223,256 (2018: £215,440) in connection with their full-time employment by the Group. The Group paid contributions of £41,720 (2018: £38,935) to money purchase and defined benefit pension schemes in respect of the Group Officers.

£1,970 of expenses (2018: £699) were reimbursed to the key management personnel during the year. No expenses were waived by the key management personnel (2018: £nil). 4 donations (2018: 4) were made to the charitable company by the key management personnel during the year amounting to £5,353 (2018: £3,760).

Notes (continued)

12 Key management personnel (continued)

Owing to the nature of the Group's operations and the composition of the Group's Governing Body, it is inevitable that transactions will take place with organisations in which a Governor may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with Group financial regulations and normal procurement procedures.

13 Taxation

St Chad's College, is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

14 Tangible fixed assets

Group	Leasehold land and buildings £	Freehold land and buildings £	Other fixed assets £	Total £
Cost or valuation				
At the beginning of the year	703,522	10,020,000	2,375,227	13,098,749
Additions	-	-	244,550	244,550
Revaluation	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the year	703,522	10,020,000	2,619,777	13,343,299
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At the beginning of the year	282,308	-	1,512,505	1,794,813
Charge for year	22,270	-	146,481	168,751
	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the year	304,578	-	1,658,986	1,963,564
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 30 September 2019	398,944	10,020,000	960,791	11,379,735
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2018	421,214	10,020,000	862,722	11,303,936
	<hr/>	<hr/>	<hr/>	<hr/>

Freehold land and buildings of £10,020,000 (2018: £10,020,000), have not been depreciated. The freehold property has been revalued as at 30 September 2018. The value of the freehold property had appreciated by £2,435,000 since the last valuation in July 2013. There has been no indication of material change since the valuation in 2018.

The Group's collection of rare books, antiques, paintings and silverware were reviewed and catalogued in 1997. Those assets considered to be of value have been identified and were included at an original valuation of £106,170. These assets have been revalued as at the 30 September 2018 at £212,670.

At 30 September 2019, included within the net book value of land and buildings is £398,944 (2018: £421,214) relating to leasehold land and buildings.

Notes (continued)

14 Tangible fixed assets (continued)

Following the building revaluation in September 2018 the cost or valuation statement as at 30 September 2019 is as follows:

	Land and buildings £
At cost	703,522
At valuation	10,020,000
	<hr/> 10,723,522 <hr/>

The freehold land and buildings were revalued as at 30 September 2018 by an independent firm, Ashley Smith Chartered Surveyors (RICS) on the basis of market value at £10,020,000.

Charity	Leasehold land and buildings £	Freehold land and buildings £	Other fixed assets £	Total £
Cost or valuation				
At the beginning of the year	703,522	10,020,000	2,375,227	13,098,749
Additions			223,550	223,550
Revaluation	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the year	703,522	10,020,000	2,598,777	13,322,299
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At the beginning of the year	282,308	-	1,512,505	1,794,813
Charge for year	22,270	-	145,606	167,876
	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the year	304,578	-	1,658,111	1,962,689
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 30 September 2019	398,944	10,020,000	940,666	11,359,610
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2018	421,214	10,020,000	862,722	11,303,936
	<hr/>	<hr/>	<hr/>	<hr/>

Freehold land and buildings of £10,020,000 (2018: £10,020,000), have not been depreciated. The freehold property has been revalued as at 30 September 2018. The value of the freehold property had appreciated by £2,435,000 since the last valuation in July 2013. There has been no indication of material change since the valuation in 2018.

The Group's collection of rare books, antiques, paintings and silverware were reviewed and catalogued in 1997. Those assets considered to be of value have been identified and were included at an original valuation of £106,170. These assets have been revalued as at the 30 September 2018 at £212,670.

At 30 September 2019, included within the net book value of land and buildings is £398,944 (2018: £421,214) relating to leasehold land and buildings.

Notes (continued)

14 Tangible fixed assets (continued)

Following the building revaluation in September 2018 the cost or valuation statement as at 30 September 2019 is as follows:

	Land and buildings £
At cost	703,522
At valuation	10,020,000
	<hr/>
	10,723,522
	<hr/>

The freehold land and buildings were revalued as at 30 September 2018 by an independent firm, Ashley Smith Chartered Surveyors (RICS) on the basis of market value at £10,020,000.

15 Subsidiary undertaking

The following was a subsidiary undertaking of the Group:

St Chad's College (Trading) Limited 100%

The wholly owned trading subsidiary, St Chad's College (Trading) Limited, is incorporated in the United Kingdom (company number 05844646) and pays all of its profits to the charity under the gift aid scheme. St Chad's College (Trading) runs non-educational conferences and the provision of accommodation within the college buildings. A summary of the trading result is shown below:

	2019 £	2018 £
Turnover	156,978	155,263
Cost of sales and administration costs	(108,998)	(128,541)
	<hr/>	<hr/>
Net profit	47,980	26,722
Amount gift aided to the charity	(47,980)	(26,722)
	<hr/>	<hr/>
Retained in subsidiary	-	-
	<hr/>	<hr/>
The assets and liabilities of the subsidiaries were:		
Fixed assets	20,125	-
Current assets	174,664	200,430
Current liabilities	(194,788)	(200,429)
	<hr/>	<hr/>
Total net assets	1	1
	<hr/>	<hr/>
Aggregate share capital and reserves	1	1
	<hr/>	<hr/>

During the period wages, salaries and premises costs of £93,871 (2018: £112,713) were recharged by the Group to its subsidiary and the Group received a gift aid payment of £47,980 (2018: £26,722) from the subsidiary. At 30 September 2018 the Group was owed £153,859 (2018: £171,440) by the subsidiary.

The registered office at St Chad's College (Trading) Limited is the same as St Chad's College Durham.

Notes (continued)

16 Stock

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Goods for resale	6,207	4,215	6,207	4,215

17 Debtors

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Trade debtors	71,207	122,902	59,230	111,287
Amounts owed by group undertakings	-	-	153,859	171,440
Other debtors	2,845	2,745	2,845	2,745
Prepayments	27,778	10,977	27,778	10,977
Accrued income	143,498	115,822	143,498	115,822
	245,328	252,446	387,210	412,271

18 Short-term investments

Group and Charity	Unrestricted general		Restricted	Restricted Elizabeth Griffiths Trust	Total 2019	Total 2018
	CCLA £	Fixed term investments £	CCLA £	£	£	£
<i>Market value</i>						
At beginning of year	404,479	256,807	348,499	46,159	1,060,944	1,030,083
Additions in year	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	6,807
Disposals in year	-	(256,807)	-	-	(256,807)	-
Transfers	(75,383)	-	75,383	-	-	-
Net gains/(losses) on revaluation	23,051	-	21,678	926	45,655	24,054
At end of year	357,147	-	445,560	47,085	849,792	1,060,944

Notes (continued)

19 Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Bank loans (note 21)	30,049	30,049	30,049	30,049
Trade creditors	233,467	87,207	232,924	86,149
Social security and other taxes	62,025	60,901	38,596	39,456
Other creditors	6,330	9,754	6,330	9,754
Accruals and deferred income	105,909	72,630	88,951	66,143
	<u>437,780</u>	<u>260,541</u>	<u>396,850</u>	<u>231,551</u>
Deferred income	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Deferred income brought forward	18,189	32,775	17,599	32,750
Amounts released from previous year	(18,189)	(32,775)	(17,599)	(32,750)
Resources deferred in the year	17,339	18,189	7,381	17,599
	<u>17,339</u>	<u>18,189</u>	<u>7,381</u>	<u>17,599</u>
Deferred income carried forward	17,339	18,189	7,381	17,599

20 Creditors: amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Bank loans	237,002	267,051	237,002	267,051

The bank loan is secured by a first legal charge over 30 Hallgarth Street and 25 North Bailey, both situated in Durham.

The repayment of the loan commenced in March 2010.

Interest is charged at between 0.15% and 1.25% above base rate.

The loan is being repaid in instalments over 18 years with the expected final payment due in July 2028.

Maturity – loans	2019 £	2018 £
Aggregate amounts payable:		
Within two and five years	120,200	120,200
More than five years	116,802	146,851
	<u>237,002</u>	<u>267,051</u>
Within one year (note 19)	30,049	30,049
	<u>267,051</u>	<u>297,100</u>

Notes (continued)

21 Financial instruments

21 (a) Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Assets measured at fair value through profit or loss	849,792	804,137	849,792	804,137
Assets measured at amortised cost	74,051	125,646	215,934	285,472
Liabilities measured at amortised cost	(506,848)	(394,061)	(506,305)	(393,004)

21 (b) Financial instruments measured at fair value

The financial assets measured at fair value held by the Charitable Company are represented by two short term investment portfolios:

- 1 Shares held in the COIF Charities Ethical Investment Fund administered by the CCLA (Churches, Charities and Local Authorities) Investment Management Limited
- 2 The Elizabeth Griffiths Bursary Trust for St Chad's College investment portfolio administered by Speirs & Jeffrey Limited

The fair value of these investments is determined by reference to their quoted bid price at the balance sheet date.

The Charitable Company does not hold any financial liabilities that are measured at fair value.

21 (c) Fair values

The amounts for all financial assets carried at fair value are as follows (group and charity):

	Fair value 2019 £	Fair value 2018 £
Non-derivative financial assets at fair value through profit and loss		
Short-term investments	849,792	804,137

22 Pension scheme

The College contributes towards two pension schemes, the Universities Superannuation Scheme (USS) and the Durham University Pension Scheme. The pension cost for the year represents contributions payable by the Group to the funds and amounted to £140,960 (2018: £141,647).

23 Commitments

Non-cancellable operating lease rentals are payable as follows:

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Within one year	60,000	60,000	60,000	60,000
Within two to five years	240,000	240,000	240,000	240,000
More than five years	840,000	900,000	840,000	900,000
	1,140,000	1,200,000	1,140,000	1,200,000

Notes (continued)

24 Movements in funds – Group (2019)

	Brought forward	Income	Expenditure	Revaluations/ Unrealised gains/(losses) on investments	Transfers	Carried forward
	£	£	£	£	£	£
Designated funds						
Revaluation reserve	6,624,094	-	-	-	-	6,624,094
Policy and Practice fund	17,223	32,081	(31,472)	-	-	17,832
Fixed asset funds	215,000	6,000	(6,000)	-	-	215,000
Total designated funds	6,856,317	38,081	(37,472)	-	-	6,856,926
General funds						
General funds	5,807,146	2,568,686	(2,361,131)	23,051	-	6,037,752
Total unrestricted funds	12,663,463	2,606,767	(2,398,603)	23,051	-	6,037,752
Restricted funds						
Policy and Practice fund	-	63,750	(63,750)			-
Farmington Trust	2,892					2,892
Chaplaincy to the Arts	49,943					49,943
Elizabeth Griffiths Trust	46,159	900	(900)	926		47,085
Scholarships & Bursaries Fund	348,533	103,312	(13,948)	21,678		459,575
Boat Club Fund	2,510	7,156	(5,812)			3,854
College Choir Fund	11,325	8,709	(11,325)			8,709
Other Funds	2,655	965	(1)			3,619
Total restricted funds	464,017	184,792	(95,736)	22,604		575,677
Total funds	13,127,480	2,791,559	(2,494,339)	45,655		13,470,355

Revaluation reserve

The revaluation reserve represents the revaluation of antiques at £212,670 and the revaluation of the Group's freehold land and buildings of £6,411,424.

General fund

The general fund is retained to cover working capital. The Group Governing Body consider that sufficient appropriate funds are now held.

Restricted funds

As at 30 September 2019 the estate reserve was £11,359,610 (2018: £11,303,936), restricted reserves were £575,677 (2018: £464,017), and non-fixed assets designated reserves were £17,832 (2018: £17,223) leaving free reserves of £1,497,112 (2018: £1,342,304).

The Policy and Practice fund includes restricted grant income during the year which was used to fund specific academic research projects.

Income received from the Farmington Trust is to be used for research projects.

Elizabeth Griffiths Trust (a donation received in 2014/15) is restricted such that any investment income is used for scholarships and bursaries for students of the College.

Chaplaincy to the Arts is a restricted gift to be used to fund Arts in the North East via annual/biannual awards.

The Scholarships & Bursaries Fund is formed from donations restricted for scholarships. The fund balance is currently invested in CCLA Ethical £445,560.

The investment income from the Scholarships & Bursaries Fund is used to fund scholarships for students studying at Durham University who are St Chad's members.

Notes (continued)

The Boat Club Fund is restricted to funding St Chad's College Boat Club and this year includes within expenditure the purchase of 1 new rowing boats. The College Choir Fund is a restricted to funding choral scholarships and music expenses for the college choir.

Transfers

There have been no transfers between funds during the financial current year. In 2018, following a comprehensive review of historic donations, £87,586 was reclassified from unrestricted to restricted reserves as a correction to restricted fund balances.

Designated funds

The Policies and Practice fund is income received and designated to enable Professors Fred Robinson and Tony Chapman to carry out their research.

Fixed asset funds relate to 11 Tenter Terrace which was donated to the Group during 2014/15. The property now is let on a residential basis to tenants on a standard short-term lease. The property was revalued at the 30 September 2018 by Ashley Smith Chartered Surveyors to a value of £215,000.

Movements in funds – Charity (2019)

	Brought forward	Income	Expenditure	Revaluations/ Unrealised gains/(losses) on investments	Transfers	Carried forward
	£	£	£	£	£	£
Designated funds						
Revaluation reserve	6,624,094					6,624,094
Policies and Practice fund	17,223	32,081	(31,472)			17,832
Fixed asset funds	215,000	6,000	(6,000)			215,000
Total designated funds	6,856,317	38,081	(37,472)	-	-	6,856,926
General funds						
General funds	5,807,146	2,459,688	(2,252,133)	23,051	-	6,037,752
Total unrestricted funds	12,663,463	2,459,688	(2,252,133)	23,051	-	6,037,752
Restricted funds						
Policy and Practice fund	-	63,750	(63,750)			-
Farmington Trust	2,892					2,892
Chaplaincy to the Arts	49,943					49,943
Elizabeth Griffiths Trust	46,159	900	(900)	926		47,085
Scholarships & Bursaries Fund	348,533	103,312	(13,948)	21,678		459,575
Boat Club Fund	2,510	7,156	(5,812)			3,854
College Choir Fund	11,325	8,709	(11,325)			8,709
Other Funds	2,655	965	(1)			3,619
Total restricted funds	464,017	184,792	(95,736)	22,604		575,677
Total funds	13,127,480	2,682,561	(2,385,341)	45,655		13,470,355

Notes (continued)

Movements in funds – Group (2018)

	Brought forward	Income	Expenditure	Revaluations/ Unrealised gains/(losses) on investments	Transfers	Carried forward
	£	£	£	£	£	£
Designated funds						
Revaluation reserve	4,208,554	-	-	2,415,540	-	6,624,094
Policies and Practice fund	53,470	84,880	(121,127)	-	-	17,223
Fixed asset funds	150,000	7,800	(7,800)	65,000	-	215,000
Total designated funds	4,412,024	92,680	(128,927)	2,480,540	-	6,856,317
General funds						
General funds	5,610,203	2,219,242	(1,939,641)	4,928	(87,586)	5,807,146
Total unrestricted funds	10,022,227	2,311,922	(2,068,568)	2,485,468	(87,586)	12,663,463
Restricted funds						
College fees	-	360,000	(360,000)	-	-	-
Farmington Trust	2,892	-	-	-	-	2,892
Chaplaincy to the Arts	49,943	-	-	-	-	49,943
Elizabeth Griffiths Trust	47,027	1,503	(1,503)	(868)	-	46,159
Scholarships & Bursaries Fund	175,211	108,774	(11,356)	19,994	55,910	348,533
Boat Club Fund	-	4,510	(24,682)	-	22,682	2,510
College Choir Fund	-	11,325	(8,384)	-	8,384	11,325
Other Funds	-	2,155	(110)	-	610	2,655
Total restricted funds	275,073	488,267	(406,035)	19,126	87,586	464,017
Total funds	10,297,300	2,800,189	(2,474,603)	2,504,594	-	13,127,480

Revaluation reserve

The revaluation reserve represents the revaluation of antiques at £212,670 and the revaluation of the Group's land and buildings of £6,411,424.

General fund

The general fund is retained to cover working capital. The Group Governing Body consider that sufficient appropriate funds are now held.

Restricted funds

The College fees, received from Durham University towards the group running costs, were classified as restricted in 2018 and have been reclassified to un-restricted in 2019.

Income received from the Farmington Trust is to be used for research projects.

Elizabeth Griffiths Trust (a donation received in 2014/15) is restricted such that any investment income is used for scholarships and bursaries for students of the College.

Chaplaincy to the Arts is a restricted gift to be used to fund Arts in the North East via annual/biannual awards.

The Scholarships & Bursaries Fund is restricted in such a way that any investment income receivable is used to fund scholarships for students studying at Durham University enrolled at St Chad's College. The fund balance is invested in the COIF Charities Ethical Investment Fund.

The Boat Club Fund is restricted to funding St Chad's College Boat Club and this year includes within expenditure the purchase of 2 new rowing boats.

Notes (continued)

25 Movement in funds (continued)

The College Choir Fund is restricted to funding choral scholarships and music expenses for the college choir.

Transfers

Following a comprehensive review of historic donations, £87,586 has been reclassified from unrestricted to restricted reserves in the accounting period as a correction to restricted fund balances.

Designated funds

The Policies and Practice fund is income received to enable Professors Fred Robinson and Tony Chapman to carry out their research.

Fixed asset funds relate to 11 Tenter Terrace which was donated to the Group during 2014/15. The property now is let on a residential basis to tenants on a standard short-term lease. The property has been revalued at the 30th September 2018 by Ashley Smith Chartered Surveyors to a value of £215,000.

Movements in funds – Charity (2018)

	Brought forward	Income	Expenditure	Revaluations/ Unrealised gains/(losses) on investments	Transfers	Carried forward
	£	£	£	£	£	£
Designated funds						
Revaluation reserve	4,208,554	-	-	2,415,540	-	6,624,094
Policies and Practice fund	53,470	84,880	(121,127)	-	-	17,223
Fixed asset funds	150,000	7,800	(7,800)	65,000	-	215,000
Total designated funds	4,412,024	92,680	(128,927)	2,480,540	-	6,856,317
General funds						
General funds	5,610,203	2,090,701	(1,811,100)	4,928	(87,586)	5,807,146
Total unrestricted funds	10,022,227	2,183,381	(1,940,027)	2,485,468	(87,586)	12,663,463
Restricted funds						
College fees	-	360,000	(360,000)	-	-	-
Farmington Trust	2,892	-	-	-	-	2,892
Chaplaincy to the Arts	49,943	-	-	-	-	49,943
Elizabeth Griffiths Trust	47,027	1,503	(1,503)	(868)	-	46,159
Scholarships & Bursaries Fund	175,211	108,774	(11,356)	19,994	55,910	348,533
Boat Club Fund	-	4,510	(24,682)	-	22,682	2,510
College Choir Fund	-	11,325	(8,384)	-	8,384	11,325
Other Funds	-	2,155	(110)	-	610	2,655
Total restricted funds	275,073	488,267	(406,035)	19,126	87,586	464,017
Total funds	10,297,300	2,671,648	(2,346,062)	2,504,594	-	13,127,480

Notes (continued)

25 Analysis of net assets between funds

Group 2019	Unrestricted Funds £	Designated funds £	Restricted Funds £	Total 2019 £
Tangible fixed assets	4,540,641	6,839,094	-	11,379,735
Cash at bank and in hand	1,563,211	17,832	83,032	1,664,075
Other net current assets	170,902	-	492,645	663,547
Long term liabilities	(237,002)	-	-	(237,002)
	<u>6,037,752</u>	<u>6,856,926</u>	<u>575,677</u>	<u>13,470,355</u>
Group 2018	Unrestricted Funds £	Designated funds £	Restricted Funds £	Total 2018 £
Tangible fixed assets	4,464,842	6,839,094	-	11,303,936
Cash at bank and in hand	961,732	2,440	69,359	1,033,531
Other net current assets	647,623	14,783	394,658	1,057,064
Long term liabilities	(267,051)	-	-	(267,051)
	<u>5,807,146</u>	<u>6,856,317</u>	<u>464,017</u>	<u>13,127,480</u>
Charity 2019	Unrestricted Funds £	Designated funds £	Restricted Funds £	Total 2019 £
Tangible fixed assets	4,520,516	6,839,094	-	11,359,610
Fixed asset investments	1	-	-	1
Cash at bank and in hand	1,400,523	17,832	83,032	1,501,387
Other net current assets	353,714	-	492,645	846,359
Long term liabilities	(237,002)	-	-	(237,002)
	<u>6,037,752</u>	<u>6,856,926</u>	<u>575,677</u>	<u>13,470,355</u>
Charity 2018	Unrestricted Funds £	Designated funds £	Restricted Funds £	Total 2018 £
Tangible fixed assets	4,464,842	6,839,094	-	11,303,936
Fixed asset investments	1	-	-	1
Cash at bank and in hand	772,916	2,440	69,359	844,715
Other net current assets	836,438	14,783	394,658	1,245,879
Long term liabilities	(267,051)	-	-	(267,051)
	<u>5,807,146</u>	<u>6,856,317</u>	<u>464,017</u>	<u>13,127,480</u>

Notes *(continued)*

26 Accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The Trustees consider that the valuation of land and buildings to be the principal judgemental areas in these accounts. Freehold land and buildings are carried on the balance sheet at depreciated fair value. The directors periodically engage with external valuation specialists to ensure that valuations used are up to date and in cases where they consider market factors may indicate material changes in value.