
Annual Report

for the year ended 31 August 2011

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COMPANIES HOUSE

Report of the directors

for the year ended 31 August 2011

The Board of Directors present their annual report for the year ended 31 August 2011 together with the audited financial statements for the year, and confirm that these comply with the requirements of the Charities Act 1993, the Companies Act 2006, the Company's Memorandum & Articles of Association and the Charities SORP 2005

REFERENCE AND ADMINISTRATIVE INFORMATION

Scarborough College Limited is a charitable company, incorporated in 1896 as a private limited company, which founded the school in 1898 and which was placed in the Register of Charities in 1962

The Charity Registration Number is 529686 and the Company Registration Number is 50404 The Registered Office and principal address of the Company is at Filey Road, Scarborough, North Yorkshire, YO11 3BA

Directors

The present Directors of the Company who are also the Charity Trustees and the School Governors, and also any ex-Directors who served during the year as indicated, are

Dr J Renshaw	(Chairman)
Mrs L J Griffin	(Deputy Chair)
Mr M J Baines	
Mrs G A Braithwaite	
Ms C J Cullen	Retired 11 12 10
Mr A S Green	
Mr J M Green	
Mrs Z Harrison	
Mr D M Hastie	Retired 19 03 11
Mr J R Marshall	
Dr M Precious	
Dr I G H Renwick	
Dr C A Rhodes	
Dr S Westland	Resigned 18 06 11
Mr P F Worsley	
Mr J Rowlands	Appointed 19 03 11

Officers

Headmistress	Mrs I E Nixon (Appointed 1 August 2010)
Head of Junior School	Mr D N Davey (Appointed 1 September 2010)
Business Manager Clerk to the Governors & Company Secretary	Sqn Ldr T J Fenton

Advisers

Auditors	Moore Stephens Chartered Accountants 12 - 13 Alma Square Scarborough YO11 1JU
Bankers	The Royal Bank of Scotland 19 Huntriss Row Scarborough YO11 2ED Allied Irish Bank (GB) Goodbard House 15 Infirmary Street Leeds LS1 2JS

Report of the directors

for the year ended 31 August 2011

Advisers (continued)

Solicitors Hague & Dixon
Cumberland House
Cumberland Street
York
YO1 9SR

Insurance Brokers Bluefin
Castlemead
Lower Castle Street
Bristol
BS1 3AG

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by its Memorandum and Articles of Association issued on 4 December 1896 and last amended on 13 June 2005

Governing Body

The present Directors of the company, who are also the Chantry Trustees and Governors of the College are stated on page two. The Board is a self-appointing body and Directors are elected at a full Directors' meeting of the Company. Directors serve for a term of four years, and Retiring Directors can be re-elected for a further or successive term of four years.

Five of the Directors had children enrolled in the school during the year. The fees payable were at normal published prices.

Director Training

On appointment, new Directors are inducted into the workings of the Board and their responsibilities as Directors, Chantry Trustees and School Governors. The Chantry has no formal Director training procedures in place, however Directors are encouraged to attend training courses and seminars run by AGBIS (The Association of Governing Bodies of Independent Schools). The training offered by AGBIS has been utilised during this last financial year.

Organisational Management

The Directors meet as a Board at least four times a year to determine the general policy of the Company and review its overall management and control, for which they are legally responsible. The work of implementing most of their policies is carried out by the Finance and Management Committee, chaired by Mr A S Green, and which meets regularly prior to each meeting of the full Governing board, and on other occasions when necessary to regulate the administration of the College. The other principal committees are the Education Committee, chaired by Ms C J Cullen until her retirement in December 2010, and then by Mrs L J Griffin who also chairs the Appointments Committee.

The day to day running of the College is delegated to the Headmistress, Head of the Junior School, the Business Manager and other members of the Senior Management Team. The Headmistress, Head of the Junior School and the Business Manager attend the Finance and Management Committee meetings, with the Headmistress and Head of the Junior School also attending the Education Committee meeting.

Group Structure

Scarborough College has a wholly owned non-charitable subsidiary company, Scarborough College 2000 Limited, a company incorporated in Great Britain and registered in England. The subsidiary company provides transportation services to the College, and covenants the whole of its profits to the Company. The financial results of the subsidiary are not material to the company and therefore, consolidated accounts have not been prepared.

Risk Management

The Board with particular assistance from its Finance and Management Committee have examined the principal areas of the College's operations and has considered the major areas of strategic, operational and business risk which the College faces. The Directors actively review the major risks that may arise on a regular basis, as well as the systems and procedures established to manage them, ensuring that those risks already identified can be mitigated. All of the identified risks are contained within the College Risk Management Summary.

Report of the directors

for the year ended 31 August 2011

OBJECTIVES AND ACTIVITIES

The objects of the Company, in accordance with its Memorandum of Association, are to establish and conduct in Scarborough and elsewhere a Day and Boarding School or Schools for Boys and Girls (aged 3 to 18 years) in which there shall be given a sound education, combined with moral and religious training. However, religious training now has less focus within the school curriculum compared to when the College was founded.

Aims and Intended Impact

Within these objects the College seeks to provide a first class independent education through strong academic tuition, and through developing sporting, musical, dramatic, artistic and social skills in all its pupils.

Scarborough College's stated aim is 'to meet pupils' needs and develop their talents'. This aim is supported by eight explanatory objectives listed in the College handbook:

- To continue to meet students' academic and personal needs as a successful, flourishing school
- To ensure a high degree of personal care, support and guidance within and outside the formal pastoral structure
- To encourage students to achieve their academic potential and to foster a climate in which teaching and learning of high quality are given central priority
- To respond to and support the aspirations of students and their parents and to be attentive to their views
- To promote the acquisition and development of moral values
- To cultivate and develop in students a spiritual awareness
- To provide an environment in which students feel valued and learn to work co-operatively within a community
- To support the work of the staff and with a commitment to on-going professional development

For pupils at the Junior School, the school sets out a mission statement, given to staff and parents, 'to help each child develop and flourish, and extend his or her perceived potential and as a school, to improve the quality of education provided'. From this are developed aims for the school's pupils, its parents and its interaction with the local community. For pupils these include:

- the development of confidence and security,
- fostering competence in learning,
- the encouragement of self-esteem, happiness and personal fulfilment,
- care for others and the development of friendships,
- understanding of right and wrong,
- preparedness for secondary education

For parents and the community, emphasis is placed on partnership and good relationships.

The main objectives for the year were to achieve excellent public examination results, to continue with the successful work related to the International Baccalaureate programme, to enhance the boarding provision and to strengthen even further the College's links with the community.

The College's strategy is to continue to develop the school's facilities, both physical and intellectual, for providing an excellent education for its students.

Principal Activity

The Company's principal activity continues to be the provision in Scarborough of Independent Boarding and Day Schools for 3 - 18 year old students. The Junior School takes boys and girls from 3 - 11 years of age and also operates a pre-school nursery called Little Owls. The Senior School takes 11 - 18 year old students.

Volunteers

The Friends of Scarborough College continue to support the College activities through fundraising and the Board are very grateful for all their efforts. Their enthusiastic support of the school creates a strong bond between the school and parents and helps to strengthen community spirit. Of equal importance the Board also acknowledges the loyalty shown by members of the Old Scardeburgians Association who form part of the Friends of Scarborough College.

Report of the directors

for the year ended 31 August 2011

Public Benefit

The Directors consider that they have complied with their duty in s4 of the Charities Act 2006 to have due regard to the guidance on public benefit published by the Charity Commission. A review of the significant activities undertaken by the charity during the period to further its charitable purposes for the public benefit are detailed below.

The College continues to be aware of its responsibility to achieve public benefit by working closely with the local community whilst also developing links with other schools, charities and local organisations. The College achieves this aim in two ways. Firstly by allowing its facilities to be used by the local community, and secondly by advertising and offering the chance for people who have no direct link with the College to attend various functions at the College, these have included concerts, Shakespearean drama and "Saturday Specials" were a range of activities including bush craft and drama offered to children who are not pupils of the College.

This last year has been exceptionally busy with almost constant use of the College facilities by numerous external organisations. These have included a monthly concert by the Scarborough Electric Organ Society, coaching classes four times per week by a Brazilian Soccer skills company, two evening sessions per week for Zumba classes, Monday evening use of the all weather sports pitch by a six-a-side football league, use four evenings per week of the astroturf pitch for training sessions for four football teams, football matches on Sundays with the four football teams, and a hockey academy during the school summer holidays. Additionally the long standing relationship continues with Scarborough Cricket Club who use the College wickets during the summer plus nets for training sessions. Other events have included the National Student Drama Festival, a production of A Midsummer Night's Dream by the Lord Chamberlains' Men, a book quiz hosted in the main hall involving several local schools, plus the finals of the area rugby and cross country championships.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The public examination results this year were very good, with a 94% pass rate at the IB. Most IB students secured entrance to their chosen university and with one student going to Oxford to study medicine. At GCSE, 93% of students passed 5 or more GCSE's at grades A* to C.

The College continues to teach the International Baccalaureate Diploma Programme in preference to GCSE A Levels in the Sixth Form, and students maintaining the position of achieving higher than average results in July 2011. The excellent IB exam results continue to justify and strengthen the decision for switching from A levels to the IB.

The Independent Schools Inspectorate (ISI) Inspectors and the OFSTED Inspectors at their last inspections (December 2009 and January 2010), concluded that Scarborough College provides their students with a good, broad, balanced and stimulating educational experience well suited to the interests, aptitudes and needs of all its students, and which lives up to the aims of the school. The Commission for Social Care Inspection Team (CSCI) in January 2006 and the OFSTED Inspectors in January 2010 declared that the school provides a boarding experience which is of high quality and contributes well to the achievement of its aims. The Board is committed to maintaining this high standard of care for its students.

The College continues to make very good provision for creative and aesthetic developments with music, art and drama taught throughout the school. Interest in these areas is further fostered and developed in the Extra Curricular Programme (ECP), which is an enriching experience for all students. Sports teams achieve considerable success not only in local inter school competitions but in regional and national competitions, and the College offers some of the best hockey facilities on the Yorkshire coast. Many students also play to a high standard in local and county teams. Students have the opportunity to become involved in voluntary service as part of their commitment from Year 9 to the Combined Cadet Force (CCF) and from Year 10 in the Duke of Edinburgh's Award Scheme (D of E).

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The full financial statements and the Auditors' Report can be found in the accompanying Annual Accounts for the year.

The College produced a deficit in 2010 - 2011 of £301,134.

The Total Income was below the level expected in the Annual Budget for the year due to the loss of a contract valued at £35,000. Savings were achieved against expenditure in many areas although with a difficult economic climate more funding than planned was expended on marketing activity. Other ancillary income and income from generated funds failed to match the levels from previous years, performing poorly against the projected budget. As always the College's principal source of funding is school fees.

Key performance indicators

	2011	2010	2009	2008	2007
IB exam pass rate	94%	100%	94%	n/a	n/a
A level pass rate	n/a	n/a	n/a	96%	97%
GCSE pass rate (A*-C)	93%	89%	80%	89%	89%
Net fee income (£'000)	3,268	3,492	3,839	3,892	4,108
Non fee income (£'000)	171	198	259	238	361
Net incoming (outgoing) resources (£'000)	(301)	84	(178)	(210)	91
Capital expenditure (£'000)	11	26	93	159	206

Report of the directors

for the year ended 31 August 2011

Reserves Policy

The Company's unrestricted funds stood at £3,616,481 at the year end, and these were wholly deployed in funding the College's Capital Expenditure on the premises and equipment

The Board's policy is to aim to build up the free reserves to £1 million or more, equivalent to approximately three months expenditure, by means of annual operating surpluses, subject to the prior demands of further capital and revenue expenditure needed to maintain the high standard of the educational facilities provided at the College

Market Value of Land and Buildings

In the opinion of the Directors, the current market value of the company's land and buildings was not less than the amount of £4,414,006 (2010 -£4,529,401) shown in the balance sheet

FUTURE PLANS

The Board will continue to keep the financial position of the College under constant review during the difficult economic recession. The short to medium term aim is for the College to generate funds to cover operating costs and to then reserve funding for its long-term development of facilities including replacement of the all weather pitch surface

The College was accepted by the International Baccalaureate Organisation to participate in the International Baccalaureate Diploma Programme in September 2007, and it is rewarding that the examination results for the summer of 2011 were once again above the national average for those schools offering the IB programme

The College will continue to expand its various third party activities using the College facilities in order to maintain an element of income outside of the standard fees charged to parents. However, any fees charged for third party use of the facilities will be kept to a minimum just covering utility costs (electricity) consumed by those users. Keeping charges to a minimum and offering facilities to the largest possible audience of users will enable the College to maintain its relationship with all areas of the local community

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company and Charity Law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of its net income or expenditure for that year. In preparing those accounts the directors are required to

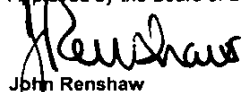
- Select suitable accounting policies and then apply them consistently,
- Make judgements and accounting estimates that are reasonable and prudent,
- Follow applicable accounting standards and the Charities SORP, disclosing and explaining any material departures in the accounts
- Prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the Charity will continue in business

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Charities Act 1993 and the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Approved by the Board of Directors at its meeting on 10 December 2011 and signed on its behalf by



John Renshaw
Chairman

Independent auditors' report to the members of Scarborough College Limited

for the year ended 31 August 2011

We have audited the financial statements of Scarborough College Limited for the year ended 31 August 2011 which comprise the statement of financial activities the balance sheet the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 6 the trustees (who are also the directors of the charitable company for the purposes of the company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

give a true and fair view of the state of the charitable company's affairs as at 31 August 2011 and of its 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

the financial statements have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us,

the financial statements are not in agreement with the accounting records and returns, or

certain disclosures of trustees' remuneration specified by law are not made, or

we have not received all the information and explanations we require for our audit.

Sarah-Jane Sargent (Senior Statutory Auditor)

for and on behalf of Moore Stephens

Statutory Auditors

Chartered Accountants

12-13 Alma Square

Scarborough

YO11 1JU

15 December 2011

Statement of financial activities (including income and expenditure account)

for the year ended 31 August 2011

		Continuing operations			
	Note	Unrestricted funds £	Restricted funds £	Total funds 2011 £	Total funds 2010 £
INCOMING RESOURCES					
Income from charitable activities					
Fees	2	3,195,745	72,838	3,268,383	3,492,358
Other ancillary trading income		144,305	821	145,126	135,556
Income from generated funds					
Voluntary income					
Donation - general		100	-	100	-
Donation - subsidiary company	6	6,131	-	6,131	21,087
Activities for generating funds					
Summer schools, hirings etc		18,187	-	18,187	39,753
Investment income					
Interest receivable		1,331	-	1,331	1,470
Total incoming resources		3,365,799	73,459	3,439,258	3,690,224
RESOURCES EXPENDED					
Costs of generating funds	4				
Trading expenses		6,052	56	6,108	37,736
Bank interest		7,173	224	7,397	9,437
Charitable activities					
Teaching costs		2,229,508	40,540	2,270,048	2,224,995
Welfare		363,159	-	363,159	366,660
Premises		575,693	14,982	590,675	544,906
Support costs		471,568	14,393	485,961	410,472
		3,653,153	70,195	3,723,348	3,594,206
Governance costs		16,552	492	17,044	11,743
Total resources expended		3,669,705	70,687	3,740,392	3,605,949
NET OUTGOING RESOURCES		(303,906)	2,772	(301,134)	84,275
Transfer between funds		600	(600)	-	-
NET MOVEMENT IN FUNDS		(303,306)	2,172	(301,134)	84,275
Total funds brought forward at 31 August 2010		3,919,787	159,470	4,079,257	3,994,982
Balances carried forward at 31 August 2011		3,616,481	161,642	3,778,123	4,079,257

The results for the year derive from continuing activities and there are no gains or losses other than those shown above

SCARBOROUGH COLLEGE LIMITED

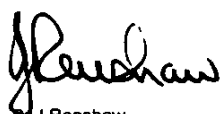
Company registration 00 050 404

Balance sheet

as at 31 August 2011

	Note	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible assets	5		4,505,908		4,678,801
Investments	6		115		115
			<u>4,506,023</u>		<u>4,678,916</u>
Current assets					
Stocks	1 05	3,351		1,920	
Debtors	7	801,093		883,360	
Cash at bank and in hand		84,727		552,209	
		<u>889,171</u>		<u>1,437,489</u>	
Creditors amounts falling due within one year	8	1,295,796		1,603,753	
Net current liabilities			<u>(406,625)</u>		<u>(166,264)</u>
Total assets less current liabilities			<u>4,099,398</u>		<u>4,512,652</u>
Creditors amounts falling due after more than one year	9		315,666		427,786
Net assets			<u>3,783,732</u>		<u>4,084,866</u>
Capital and reserves					
Called up share capital	10		5,507		5,507
Endowment fund	12 01		102		102
Restricted funds	12 02		161,842		159,470
Unrestricted funds	12 03		3,616,481		3,919,787
			<u>3,783,732</u>		<u>4,084,866</u>

Approved by the board of directors and authorised for issue on 10 December 2011



Dr J Renshaw

SCARBOROUGH COLLEGE LIMITED

Company registration 00 050 404

Cash flow statement

for the year ended 31 August 2011

	2011 £	2011 £	2010 £	2010 £
Net cash inflow/(outflow) from operating activities		(301,957)		231,776
Returns on investments and servicing of finance				
Interest received	1,331		1,630	
Interest paid	(7,809)		(9,937)	
		(6,478)		(8,307)
Capital expenditure				
Payments to acquire tangible fixed assets	(11,430)		(35,683)	
Receipts from sales of tangible fixed assets	-		5,710	
Net cash outflow for capital expenditure		(11,430)		(29,973)
Financing				
Loans repaid		(147,617)		(145,492)
Increase (decrease) in cash in the period		<u>(467,482)</u>		<u>48,004</u>

Notes to the cash flow statement

(a) Reconciliation of changes in resources to net cash flow from operating activities		2011 £		2010 £
Net outgoing resources		(301,134)		84,275
Non-operating cash flows eliminated				
Interest receivable		(1,331)		(1,470)
Interest payable		7,397		9,437
Depreciation		184,323		216,047
(Increase)/decrease in stocks		(1,431)		(94)
Decrease/(increase) in debtors		82,266		85,089
(Decrease) in creditors		(272,047)		(161,508)
Net cash inflow/(outflow) from operating activities		<u>(301,957)</u>		<u>231,776</u>
(b) Reconciliation of net cash flow to movement in net funds/debt				
	2011 £	2011 £	2010 £	2010 £
Increase/(decrease) in cash in the period	(467,482)		48,004	
Cash outflow from changes in debt and lease financing	147,617		145,492	
Change in net funds		(319,865)		193,496
Net funds/(debt) brought forward		(23,635)		(217,131)
Net funds/(debt) carried forward		<u>(343,500)</u>		<u>(23,635)</u>
(c) Analysis of changes in net funds/(debt) during the period	At 31 August 2011	Cash flows	Other non cash movements	At 31 August 2010
	£	£	£	£
Cash in hand, at bank	84,727	(467,482)	-	552,209
Debt due within one year	(112,560)	35,498	-	(148,058)
Debt due after one year	(315,667)	112,119	-	(427,786)
	(428,227)	147,617	-	(575,844)
Total	<u>(343,500)</u>	<u>(319,865)</u>	<u>-</u>	<u>(23,635)</u>

Notes to the accounts

for the year ended 31 August 2011

1 Accounting policies

These financial statements have been prepared in accordance with the Companies Act 2006, the Charities Act 1993 and applicable accounting standards under the historical cost convention. They comply with current statutory requirements and the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005). The financial statements adopt the following principal accounting policies.

1 01 Incoming resources

Fees receivable and charges for services and use of premises are accounted for in the academic year in which the service is provided. Fees receivable are after deduction of bursaries and allowances. Where fees are received in advance they are carried forward as deferred income. Donations and other income are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

1 02 Resources expended

All expenditure is accounted for on an accruals basis and has been classified on an actual basis wherever possible. Overhead and other costs not directly attributable to particular functional activity categories are apportioned on the basis of management estimates of the amount attributable to that category in the year, either by reference to staff time or space occupied, as appropriate. Costs include attributable VAT which cannot be recovered.

Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

1 03 Depreciation

Depreciation of fixed assets has been provided at various rates which are anticipated to amortise the cost over the assets' expected useful lives. Indicative annual rates are -

Freehold property	2% and 5% straight line
Motor rollers and mowers	20% straight line
Computers and other short life equipment	20% and 33% straight line
Other equipment, furnishings and fittings	20% and 10% straight line

There is no specific capitalisation threshold for tangible fixed assets. Impairment reviews are undertaken when there is indication an asset may be impaired.

1 04 Grants and donations for fixed assets

The relevant assets are capitalised at cost and depreciated in accordance with note 1 03. The grant or donation is recognised in the statement of financial activities on receipt by being credited to the restricted capital grant fund and is released by a transfer to unrestricted funds over the estimated lives of the assets.

1 05 Stocks

Stocks comprise consumable stores and are valued at the lower of cost and net realisable value.

1 06 Subsidiary

The charity has one wholly-owned trading subsidiary, Scarborough College 2000 Limited, registered in England. A summary of the subsidiary's trading results is shown in note 6 to these accounts. The subsidiary covenants the whole of its profits to the company. The results of the subsidiary are not material to the group and, therefore, consolidated accounts have not been prepared as permitted under section 405 of the Companies Act 2006 and paragraph 3(2) of schedule 5A to the Charities Act 1993.

1 07 Fund accounting

Unrestricted income funds are available for use at the discretion of the trustees in furtherance of the general objectives of the College. Restricted income funds are funds to be used in accordance with specific restrictions imposed by donors or funds which have been raised for a particular purpose. The aim and use of each restricted fund is set out in the notes to the financial statements.

1 08 Operating leases

Operating lease rentals are included within expenses of the period to which they relate.

1 09 Pension costs

The company contributes to both the Teachers' Pensions Agency and Independent Schools' Pension defined benefit schemes at rates set by the schemes' actuaries. The schemes are multi-employer pension schemes, as a result of which it is neither possible nor appropriate to identify the assets and liabilities of the schemes which are attributable to the College. In accordance with FRS 17, therefore, the schemes are accounted for as defined contribution schemes. Contributions are charged in the financial statements in the period when they fall due.

Notes to the accounts

for the year ended 31 August 2011

2	School fees	2011	2010			
		£	£			
	The school fees income comprised					
	Gross fees	3,472,404	3,922,830			
	Less Bursaries, grants and allowances	(276,659)	(430,472)			
		<u>3,195,745</u>	<u>3,492,358</u>			
3	Staff costs	2011	2010			
		£	£			
	Wages and salaries	2,099,041	2,077,773			
	Social security costs	158,356	150,234			
	Pension contributions	242,575	218,861			
		<u>2,497,972</u>	<u>2,446,868</u>			
	Employees' emoluments in excess of £60,000	Number	Number			
	£70,000 - £80,000	1	-			
	£80,000 - £90,000	-	1			
	The staff are not accruing benefits under defined benefit pension schemes this year The cost of providing these pensions were £10,575 (2010 - £nil)					
	The average number of employees, analysed by function, was	2011	2010			
		Number	Number			
	Tuition	46	49			
	Administration and services	36	37			
		<u>82</u>	<u>86</u>			
	The governors received no remuneration or other benefits for the year (2010 - nil)					
4	Expenditure - Analysis of Total Resources Expended	Staff costs	Other costs	Depreciation	Total 2011	Total 2010
		£	£	£	£	£
	<u>Costs of generating funds</u>					
	Fundraising trading costs	-	4,257	-	4,257	36,169
	Financing costs	-	9,248	-	9,248	11,004
		<u>-</u>	<u>13,505</u>	<u>-</u>	<u>13,505</u>	<u>47,173</u>
	<u>Charitable activities</u>					
	Teaching costs	1,983,988	252,350	33,710	2,270,048	2,224,995
	Welfare costs	209,991	145,963	7,205	363,159	366,660
	Premises	189,047	266,107	135,521	590,675	544,906
	Support costs of schooling	197,410	288,551		485,961	410,472
		<u>2,580,436</u>	<u>952,971</u>	<u>176,436</u>	<u>3,709,843</u>	<u>3,547,033</u>
	<u>Governance costs</u>	-	17,044	-	17,044	11,743
	Total resources expended	<u>2,580,436</u>	<u>969,915</u>	<u>176,436</u>	<u>3,740,392</u>	<u>3,605,949</u>
	Expenditure - Other disclosures	2011	2010			
		£	£			
	<u>Governance costs include</u>					
	Auditors remuneration for audit	8,500	8,375			
	for other	7,725	2,181			
	Governors indemnity insurance	<u>819</u>	<u>1,187</u>			

Notes to the accounts

for the year ended 31 August 2011

5	Tangible assets	Freehold land & buildings £	Equipment, furniture & fittings £	Total £
	Cost			
	As at 31 August 2010	6,006,984	2,280,610	8,287,594
	Additions	11,430	-	11,430
	Disposals	-	-	-
	As at 31 August 2011	<u>6,018,414</u>	<u>2,280,610</u>	<u>8,299,024</u>
	Depreciation			
	As at 31 August 2010	1,477,493	2,131,300	3,608,793
	Provided in year	126,915	57,408	184,323
	As at 31 August 2011	<u>1,604,408</u>	<u>2,188,708</u>	<u>3,793,116</u>
	Net book value			
	As at 31 August 2011	<u>4,414,006</u>	<u>91,902</u>	<u>4,505,908</u>
	As at 31 August 2010	<u>4,529,491</u>	<u>149,310</u>	<u>4,678,801</u>

6	Fixed asset investments	Subsidiary undertaking (at cost) £	Listed investments (at valuation) £	Total £
	Cost or valuation	<u>2</u>	<u>113</u>	<u>115</u>

The investment in subsidiary undertakings comprises 100% of the issued £1 share capital of Scarborough College 2000 Limited, a company registered in England. The subsidiary provides transport services to the college. The summarised results for the subsidiary were

	2011 £	2010 £
Turnover	91,250	88,970
Cost of sales	72,180	55,012
Administrative expenses	12,839	12,871
Operating profit	<u>6,131</u>	<u>21,087</u>
Interest payable	-	-
Gift aid donation - Scarborough College Limited	6,131	21,087
(Loss)/profit on ordinary activities before taxation	<u>-</u>	<u>-</u>
Taxation	-	-
Profit on ordinary activities after taxation	<u>-</u>	<u>-</u>
Balance brought forward	326	328
Balance carried forward	<u>326</u>	<u>326</u>
Assets	43,282	41,703
Liabilities	(42,954)	(41,375)
Shareholders funds	<u>328</u>	<u>328</u>

Notes to the accounts

for the year ended 31 August 2011

7 Debtors	2011 £	2010 £
Amounts due within one year		
Fee debtors	731,289	808,869
Amounts owed by subsidiary company	28,552	28,350
Other debtors	7,747	4,853
Prepayments and accrued income	33,505	41,288
	<u>801,093</u>	<u>883,360</u>

The amounts owed by subsidiary undertakings are unsecured, non-interest bearing and repayable upon demand

8 Creditors amounts falling due within one year	2011 £	2010 £
Bank loan (see note 9)	112,560	148,058
Trade creditors	55,847	31,784
Amounts owed to subsidiary company	1,335	-
Other creditors	154,900	174,166
Accruals	44,833	137,222
Deferred income	926,321	1,112,523
	<u>1,295,796</u>	<u>1,603,753</u>

The amounts owed to subsidiary undertakings are unsecured, non-interest bearing and repayable upon demand

9 Creditors amounts falling due after more than one year	2011 £	2010 £
Bank loan		
- instalments due within one to two years	114,521	150,220
- instalments due within two to five years	201,145	277,566
- instalments due after five years	-	-
	<u>315,666</u>	<u>427,786</u>
	<u>315,666</u>	<u>427,786</u>

The bank loan is secured on certain freehold properties held by the company

10 Called up share capital	2011 £	2010 £
Allotted, called up and fully paid		
5,507 ordinary shares of £1 each	<u>5,507</u>	<u>5,507</u>

11 Allocation of net assets	Fixed assets £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Share capital	-	5,507	-	5,507
Endowment fund	-	102	-	102
Restricted funds	19,796	141,846	-	161,642
Unrestricted funds	4,485,627	(440,919)	(428,227)	3,616,481
	<u>4,505,423</u>	<u>(293,464)</u>	<u>(428,227)</u>	<u>3,783,732</u>

Notes to the accounts

for the year ended 31 August 2011

12 Funds

12 01 Endowment fund	At 1 September 2010	Movement in resources		Funds transfer	At 31 August 2011
	£	Incoming £	Outgoing £	£	£
Prize-giving fund	102	-	-	-	102

12 02 Restricted funds	At 1 September 2010	Movement in resources		Funds transfer	At 31 August 2011
	£	Incoming £	Outgoing £	£	£
Capital grants	19,196	821	-	(600)	19,417
Centenary appeal fund	509	-	-	-	509
Peggy Bailey legacy	139,765	-	-	-	139,765
Early Years funding	-	72,638	(70,687)	-	1,951
	<u>159,470</u>	<u>73,459</u>	<u>(70,687)</u>	<u>(600)</u>	<u>161,642</u>

The capital grants fund represents monies donated to the college for the purchase of equipment. The Peggy Bailey legacy represents monies donated to the college restricted to the endowment of an award, prize or scholarship for students. The Early Years funding is government funding received for the education of pupils aged 3-5 years.

12 03 Unrestricted funds	At 31 August 2010	Movement in resources		Funds transfer	At 31 August 2011
	£	Incoming £	Outgoing £	£	£
General fund					
At 31 August	<u>3,919,787</u>	<u>3,365,799</u>	<u>(3,669,705)</u>	<u>600</u>	<u>3,616,481</u>

13 Operating leases	2011 £	2010 £
The College is committed to operating lease rentals payable next year for land and buildings under leases which expire - 2-5 years	<u>3,782</u>	<u>1,434</u>

14 Commitments	2011 £	2010 £
Capital commitments contracted for but not provided in the accounts	<u>-</u>	<u>-</u>

15 Related party transactions

Included in these accounts are the following related party transactions and balances with Scarborough College 2000 Limited

	2011 £	2010 £
Donation receivable	(6,131)	(21,087)
Services - other costs	68,470	68,470
Administration - management charge receivable	(11,000)	(11,000)
Debtors due within one year	39,552	39,350
Creditors due within one year	<u>(1,335)</u>	<u>-</u>

16 Controlling party

Mr S J Chittock, Mr G T V Pindar, Mrs L J Gnffin and Mr A S Green are trustees of a trust which holds 5,367 shares in the company for the charitable purposes of the company. This represents a holding of 97.46%. Mrs L J Gnffin and Mr A S Green are current directors of the College, Mr Pindar and Mr S J Chittock are former directors.

Notes to the accounts

for the year ended 31 August 2011

17 Pension schemes

Scarborough College Limited, together with many other independent schools, operates two contributory pension plans providing defined benefits based on final pensionable pay for its employees. The assets of the plans are held separately from those of Scarborough College Limited.

Contributions to the two schemes during the year were based on the following percentages of salary -

	Employer	Employee	Total
Teachers' Pension Scheme	14.1%	6.4%	20.5%
Independent Schools' Pension Scheme	15.9%	8.0%	23.9%

Both pension schemes are multi-employer pension schemes, as a result of which it is neither possible nor appropriate to identify the assets and liabilities of the schemes which are attributable to the College. Accordingly the College has accounted for its contributions as if they were defined contribution schemes.

Outstanding amounts payable to the schemes at the year end were £29,905 (2010 - £28,404).

Teachers' Pension Scheme

The Teachers' Pension Scheme is an unfunded defined benefit scheme. Contributions on a pay as you go basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972. The pensions cost is assessed every five years in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 2004 (published November 2006)
Actuarial method	Prospective benefits
Gross rate of return	6.5% per annum
Real rate of return in excess of prices	3.5% per annum
Real rate of return in excess of earnings	2.0% per annum
Real rate of earnings growth	1.5% per annum
Total liabilities	£166,500 million
Market value of assets at date of last valuation	£163,240 million

Following the implementation of the Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2000 the government actuary carried out a further review on the level of employers' contributions. From 1 January 2007 the total joint contribution was increased to 20.5%.

Independent Schools' Pension Scheme

The Independent Schools' Pension Scheme is a multi-employer defined benefit scheme. The scheme is funded and is contracted out of the state scheme. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest formal actuarial valuation	30 September 2008
Actuarial method	Prospective unit
Investment returns per annum pre retirement	7.6% per annum
Investment returns per annum post retirement	5.7% per annum
	- pensioner
	- non pensioner
	5.2% per annum
Inflation rate	3.2% per annum
Salary scale increases per annum	3.7% per annum
Rate of pension increases	2.3% - 3.00% per annum
Market value of assets at date of last valuation	£77.4 million

The above 2008 valuation revealed a shortfall of assets compared with the value of liabilities of £25.3 million (equivalent to a past service funding level of 75%). The ongoing future service joint contribution rate was assessed as 20.6% of pensionable salaries. In view of the past service shortfall it was decided that participating employers would pay a joint contribution rate of 24.5% of pensionable salaries, to include a deficit contribution of 3.9% from 1 September 2010 to 31 March 2018. If the valuation assumptions are borne out in practice the envisaged pattern of contributions should be sufficient to eliminate the past service deficit by 31 August 2018. The next valuation will be carried out as at 30 September 2011.