

REGISTERED COMPANY NUMBER: 00050404 (England and Wales)
REGISTERED CHARITY NUMBER: 529686

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020
FOR
SCARBOROUGH COLLEGE LIMITED**



SCARBOROUGH COLLEGE LIMITED

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for the year ended 31 August 2020**

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**REPORT OF THE TRUSTEES
for the year ended 31 August 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the Company, in accordance with its Articles and 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 a moral and religious input.

Aims and Intended Impact

The Company's vision is to be a recognised leader in British independent education:

Mission Statement

The Company's commitment is to discover and fully realise every child's potential by ensuring that all pupils are seen as individuals whose specific needs are recognised and met. We are dedicated to providing a far-reaching education that goes beyond the boundaries of the classroom, underpinned by strong lifelong values, which inspires academic excellence and ensures pupils are challenged. Regular opportunities to understand their own capabilities through exposure to a broad range of sporting, cultural and creative activities, widens our pupils' horizons and builds their self-confidence. Within our outward-facing, grounded and caring community the relationships that exist nurture tolerant, honest and compassionate people who will make a genuine difference in their futures beyond the confines of our school.

Aims of the Company

Scarborough College seeks:

- To encourage and enable pupils to achieve their academic potential and to foster a climate in which high quality teaching and learning are the upmost priorities.
- To respond to, support, and bring about the aspirations of pupils and their parents, whilst being attentive to their views.
- To consistently provide a high degree of personal care, support and guidance within, and outside of, the formal pastoral structure.
- To promote the acquisition and development of life-long values and 'character'.
- To cultivate and develop in pupils a sense of spirituality, cultural awareness and a moral framework through which they can live a fulfilling and happy life.
- To provide an environment in which pupils feel valued and learn to work co-operatively within a safe and nurturing community.
- To provide regular opportunities for all pupils to engage with a varied co-curricular programme so that they may explore their talents and discover life-long passions.
- To be a caring, supportive and appreciative employer, recognising the work and commitment of all staff whilst facilitating a climate of continual professional development.
- To consistently look for improvements in everything we do, thereby ensuring that the experience all our stakeholders undergo becomes ever more positive and rewarding.

The main objectives remain unchanged and are 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 Scarborough College strategy is to continue to develop the school's facilities, both physical and intellectual, for providing an excellent education for its students. The enhancement of the school facilities will be driven through property development activity which is given in greater detail in the Future Plans section of this report.

Significant activities

The principal activity continues to be the provision in Scarborough of independent education for both boarding and day children between the ages of 3 to 18 years old. The Prep School takes boys and girls from 3 - 11 years of age and also operates a pre-school nursery (Little Owls). The Senior School provides for students aged 11 to 18 years. For this academic year the student population was 406, not including younger children attending the nursery.

OBJECTIVES AND ACTIVITIES

Public benefit

The College remains 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 Company has complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission.

The Company continues to take an important role in many areas of support to the local community and, in particular, to sport. Following the council's recent permission to allow third-party users, it is the Company's intention to have the all-weather pitch used by both Scarborough Hockey Club and any local sports clubs for a nominal fee.

The summer is, normally, exceptionally busy with local cricket matches, a cricket festival arranged in partnership with Scarborough Cricket Club and the Scarborough Athletic Club using the field for athletics including the long jump and running, all of which use the College facilities and minibuses. The College hosts children from other schools of the area for cross country running competitions, hockey and football trials. This has obviously reduced due to the impact of COVID-19.

Bramcote Sports Hall, Deepdale playing fields and the Company's main playing fields and tennis courts are available and are used by clubs such as Scarborough Cricket Club, Scarborough Football Club and Yorkshire County Cricket Club

The Company also provides support in renting out other areas of the campus such as Lisvane Hall and school areas. Although some of these events incur charges for staffing costs and use of the premises, many local schools use the premises for free. Lisvane Hall, for example, is used by local primary schools for their nativity productions and other school productions. The Primary Proms events invites all local primary school children for a free day of music tuition and enjoyment in Lisvane Hall. Other local companies, which are held for nominal charges, are Welcome to Yorkshire, The English Chess Federation and the Yorkshire Cricket Board.

As mentioned above, due to the global pandemic, COVID-19, the above activities and events have had to be restricted in order to comply with Government guidance.

Community Service

Pupils of all age groups within Scarborough College share a sense of community service. Together with the Friends of Scarborough College parents' group, there are a number of fundraising activities throughout the entire school, including the Harvest Festival and the MacMillan Cancer Trust. Both initiatives directly benefit the local community with the Harvest Festival proceeds going the Rainbow Centre in Scarborough and part of the MacMillan Big Breakfast allocated to local children.

In the senior school, activities within the Duke of Edinburgh's and the Sixth Formers' CAS (Creativity, Activity and Service) support local, regional and international charities and causes. It is an essential part of both the D of E as well as the International Baccalaureate Diploma Programme. Charitable donations from fund raising activities amount to £2,122 in the year.

**REPORT OF THE TRUSTEES
for the year ended 31 August 2020**

OBJECTIVES AND ACTIVITIES

Bursary and scholarship awards

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. Learning occurs through social interaction, conversation and shared experiences which help our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

Our bursary policy together with our out-reach work contribute to a widening of access to the education we offer and the facilities we enjoy.

Bursaries

The governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education offered by Scarborough College. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example, in the case of redundancy. In assessing means the College takes a number of factors into consideration including family income, investments and savings, and family circumstances, for example, dependent relatives and the number of siblings.

Those wishing to be considered for bursary support are required to complete a Bursary Application giving full details of their financial situation, supported by original documents. Bursary remission on fees is assessed according to the guardians' ability to pay full fees and the availability of bursary funds to the College. Bursary awards are subject to the annual testing of the guardians' means.

This year the value of means tested bursaries totalled £604,135 and represented 9.89% of our gross fees. They provided assistance to 118 pupils, representing 29.1% of the school roll.

Non means-tested fee remissions

The purpose of our scholarship awards is to recognise high academic, musical, and sporting potential or ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the aforementioned abilities which will contribute to our co-curricular activities; awards may be subject to conditions. Scholarships are awarded with a fixed remission of fees of between 10% and 100%. Where further assistance is required, scholarship awards may be supplemented by a means-tested bursary. The value of Scholarships in the school year totalled £423,142 awarded to 74 pupils.

Other forms of non means-tested assistance were also awarded during the academic year, including sibling and staff discounts. In total these awards were made to 122 pupils and amounted to £376,733.

The progress of pupils receiving scholarships is reviewed at least annually to ensure their progress is in line with abilities. No scholarships were withdrawn in the year as a result of reviews.

HMC Scholars

In the early 1990s, as communism collapsed in eastern Europe, the Headmasters' and Headmistresses' Conference (HMC) supported a sixth form scholarship scheme to provide educational opportunities for young people in countries that had been behind the Iron Curtain. HMC Projects, as it was called, aimed to identify talented 16 and 17 year olds and give them the opportunity to study and live at a British boarding school. The aim of the scholarship programme is to foster bonds of understanding and friendship between young people across Europe and to give young people from the former communist countries in Central and Eastern Europe an enriching and rewarding experience in some of the best schools in the world. In 2019 Scarborough College first offered a place to a scholar. By 2020 the College had 3 scholars in Year 13 and 3 in Year 12. The value of such Scholarships in the school year totalled £109,860.

Royal SpringBoard

Royal SpringBoard is the UK's largest bursary charity, helping disadvantaged and vulnerable children from across the UK to access fully funded bursaries at leading schools. It is a social mobility charity focusing on harnessing the power of educational opportunities at some of the UK's leading schools to benefit young people who need them the most. In 2019 Scarborough College supported 3 pupils from across the UK by giving them access to a life-changing education. The value of such Scholarships in the school year totalled £50,461.

Our ethos; a caring College serving our local community and society

The governors are responsible for setting a strategy for achieving the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic and co-curricular achievement and to further widen access to the education the College provides.

**REPORT OF THE TRUSTEES
for the year ended 31 August 2020**

OBJECTIVES AND ACTIVITIES

Scarborough College is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The fees are set at a level to ensure the financial viability of the College, and at a level that is consistent with our aim of providing a first class education to boys and girls from all backgrounds of the local community and beyond. To admit a prospective pupil we need to be satisfied that the College will be able to educate and develop him/her to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments and interviews are undertaken to satisfy the College and parents that potential pupils can cope with the pace of learning and benefit from the education provided. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of the assessment process.

The College is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. The College makes reasonable adjustments to meet the needs of staff or pupils who are or become disabled. The College is committed to safeguarding and promoting the welfare of the pupils and expects all staff and volunteers to share this commitment.

Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. The College maintains regular contact with parents throughout the year through informal contacts and the fortnightly newsletter (The Owl). All pupils have a Form Tutor responsible for pastoral care and academic development.

Volunteers

The Friends of Scarborough College, and the Old Scardeburgians Association (OSA) both continue to support the College in many ways. Both groups fund raise to support projects in the College including enhancement of the facilities. The OSA also holds regular functions to bring present and past pupils together both through sport and socially. Furthermore, the OSA sponsor scholarships as part of the scholarship and bursary scheme operated by the College. The Board continues to be extremely grateful for all their efforts, and the enthusiastic support of both groups creates a strong bond between the College and parents, helping to strengthen community spirit.

STRATEGIC REPORT

Achievement and performance

The public examination results this year continue to be excellent. Students were successful at gaining places at the top universities. At GCSE, 89% of students passed 5 or more GCSEs at grades A* to C.

In accordance with its mission, the College continues to provide excellent quality in music, art and performing arts lessons, as well as sports coaching. The College's representative teams in the main sports achieve successes sometimes beyond what could be expected with regard to current funds and facilities compared to those of the opponents.

Both the depth of activities as well as the qualities of the activities is highlighted by the College's Enrichment Programme, and Yorkshire Grit.

Cricket Centre of Excellence

The Cricket Centre of Excellence is a partnership between Scarborough College and Pro Coach Yorkshire Cricket Academy. Pupils benefit from first-class facilities, such as training at Headingley, as well as first class coaching. The College has 2 former international cricketers as coaches and a number of coaches with either First Class Cricket or Minor County experience.

The tailor-made programme ensures that the needs of the players are met and addresses all aspects of what makes a successful cricketer. As well as aiming to get players to get involved in matches of a suitably high calibre, the programme also focuses on facets such as strength and conditioning and nutritional advice.

Golf Centre of Excellence

With the College grounds adjacent to the grounds of South Cliff Golf Club, the school has formed a partnership to help develop players from beginners to those aiming for a professional career. Mr Ivan Oliver, the Head Pro, has been working with Scarborough College as part of our Yorkshire Grit programme as well as school fixtures. In 2020 this success saw the launch of the Golf Centre of Excellence.

The Golf Centre of Excellence provides athlete specific and individual development in small groups and one-to-one sessions. The training regime takes into account fitness, strength and conditioning, nutrition and playing ability and progress. Players have an opportunity to play in club-based competitions as well as the opportunity to represent Scarborough College against other schools.

SCARBOROUGH COLLEGE LIMITED

REPORT OF THE TRUSTEES for the year ended 31 August 2020

STRATEGIC REPORT

Financial review

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 2019-2020 of £26,500. This does include an expense of £3,855 relating to the fair value adjustment on the defined benefit scheme. It is planned that the College will next year be once again in surplus and hoped that this position can be maintained for future years.

The principal source of income is fees accounting for 88% of the College's total income. The governors are continuing their strategy of deploying all net incoming resources to investing in the educational purposes and fabric of the College.

As a charity the parents of the pupils have the assurance that all income of the College must be applied for educational purposes. As an educational charity we enjoy tax exemption on our educational activities and on our investment income and gains, provided these are applied for our charitable aims. As a charity we are also entitled to an 80% reduction in our business rates on the property we occupy for our charitable purposes. The financial benefits we receive from these tax exemptions are all applied for the educational purposes and indirectly help us to maintain our bursary policy and out-reach programme.

However, as an educational charity, we are unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes. We also pay tax as an employer through the national insurance contributions we make.

In addition to the very substantial benefits the College brings to our pupils, the local community and society through the education we offer, our bursary programme and our out-reach work create a social asset without a cost to the Government.

Developments and Maintenance

Due to COVID-19 many major projects had to be put on hold this year. However, the College is committed to the continuation and final re-roofing works and continuing the window replacement.

Key Performance Indicators

	2020	2019	2018	2017	2016
IB exam pass rate	81%	80%	88%	88%	88%
GCSE exam pass rate (9-4)	89%	90%	89%	88%	95%
Net fee income (£000)	4,709	4,888	4,989	4,416	3,755
Non fee income (£000)	621	191	888	264	151
Net incoming (outgoing) resources before fair value adjustments (£000)	(23)	(235)	736	228	(174)
Capital expenditure (£000)	416	3,106	507	333	11

Reserves Policy

The governors regularly review the finances, budgets and spend against budget together with a cash flow analysis as part of the effective stewardship of the College.

In common with other independent schools, the governors have invested substantial sums into the College buildings and have a continuing programme of refurbishment and development to maintain the excellent teaching facilities for our pupils.

The Company's unrestricted funds stood at £2,951,555 at the year end, and these were wholly deployed in funding the College's Capital Expenditure on the premises and equipment. The company's restricted funds stood at £75,999 at the year end.

The policy of the trustees and the directors of Scarborough College is to aim to retain reserves of £1.3 million or more. This is 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 trustees of Scarborough College the current market value of the company's land and buildings was not less than the amount £6,565,225 shown in the balance sheet.

**REPORT OF THE TRUSTEES
for the year ended 31 August 2020**

STRATEGIC REPORT

Future plans

The governors intend to continue their current strategies of maintaining the College's position in a competitive market by investing to provide high quality education for our pupils. Achieving a high standard of academic results is a constant aim whilst maintaining the breadth and depth of the education provided.

The Headmaster and senior staff continue to review the curriculum to ensure that the educational qualifications remain appropriate for our pupils' development.

The governors need to maintain an equitable balance ensuring our current pupils benefit whilst, at the same time, ensuring a sound infrastructure and financial base are preserved for the next generation of pupils in the same way as our current pupils benefit today from past investment.

The governors view our bursary and scholarship awards as important in widening our access to the education our College provides.

Maintaining and, where necessary, developing the fabric and facilities of the College are central to our strategy. Our plans are primarily focused on the completion of the main college re-roofing works, replacement of windows and the development of boarding houses.

We have a programme of planned maintenance and investment with the upgrading of our art block, theatre and science laboratories a priority.

During and after the financial year end there has been a global pandemic, COVID 19, which has affected all businesses. It has in turn affected Scarborough College which went into lock down prior to the 2020 Easter holidays and at the start of the January 2021 term. The College successfully implemented an online educational programme for all pupils and continues to do so.

Although COVID 19 was still active the College is reopening fully in September 2020 in line with Government guidance and pupil numbers still remain extremely buoyant throughout and predictions for September 2021 looking healthy.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The College has arranged qualifying third party indemnity for all of its directors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company is governed by its Memorandum and Articles of Association first issued on 4 December 1896, and filed at Companies House most recently on 29 September 2018.

Governing Body

The directors, who are also the charity trustees, are responsible for the overall management and control of the College and meet four times a year at various sub committees, and also four times a year as the full board. The work of implementing their policies is carried out through several governors sub committees. The sub committees include a Finance and Management Committee, Education and Welfare Committee, and a Marketing Committee. The Board is a self-appointing body, and directors are elected at a full directors' meeting of the Company. The College Business Manager is responsible for co-ordination the work of the governors and their Committees, preparation of papers and management accounts, and the review of matters arising.

**REPORT OF THE TRUSTEES
for the year ended 31 August 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The Governing body requires breadth and depth of experience to carry out its duties effectively and efficiently. When recruiting new governors the important attribute is a passion for the work of the College and an understanding of education as a holistic and rounded experience of personal growth. Where possible the governors consider that the skills and experience of the Board should comprise of the following:

- A governor with a legal background.
- A governor with a financial/accounting background.
- A governor with education experience and background.
- A governor with senior managerial or business experience.
- A governor with HR/employment law experience.
- A governor with property/surveying experience.

On appointment, new governors are inducted into the workings of the Board and their responsibilities as directors, charity trustees and school governors. The Charity has no formal governor training procedures in place. However governors are encouraged to attend training courses and seminars run by AGBIS (The Association of Governing Bodies of Independent Schools). Additionally, governors are encouraged to take a full part in the activities of the College including attendance at concerts and sports events, plus time in the classroom observing lessons.

Other relationships

The Headmaster is a member of the Society of Heads, attending the society conference which is an opportunity to share expertise, knowledge and experience across the independent school sector. The conference also permits appropriate representation to Government and regulators of the views of the sector. The College is also a member of IAPS and BSA, whilst also holding IB World School status.

Organisational management

The governors and trustees meet as a Board at least four times a year (October, December, March and June) to determine the general policy of the Company and review the 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 committee is the Education and Welfare Committee, which as its title indicates, focuses on matters relating to education/curriculum and welfare.

The governors determine the general policy of the College but the day to day running of the College is delegated to the Headmaster, supported by the Senior Management Team. The Headmaster undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration of both the Prep and Senior schools is undertaken within the policies and procedures approved by the governors which provide for only significant expenditure decisions and major capital projects to be referred to the governors for prior approval. The approval process is detailed within the Financial Regulations of the College.

The Headmaster oversees the recruitment of all educational staff, whilst, under delegated authority, the Business Manager oversees the recruitment of administrative and non-teaching support staff. The Headmaster, Head of the Prep School and Business Manager attend governors' meetings.

Key management personnel

The governors consider that they, together with the Headmaster, The Business Manager and the Prep School Headmaster comprise the key management personnel (see note 12 to the accounts). The governors give of their time freely and the pay and the remuneration of the Headmaster and senior staff is set by the Board and is kept under annual review.

The College operates banded salary ranges for all staff including senior staff. The banded ranges are benchmarked against those of other independent schools. This allows the College to remain an attractive employer in the independent school sector.

The bands are reviewed annually and generally an inflationary increase is applied. This is dependent upon the financial success of the College and also increases being offered in similar schools. Progression within the bands is based upon performance for all levels of staff.

Group Structure

Scarborough College Limited had a wholly owned non-charitable subsidiary company, Scarborough College 2000 Limited, a company incorporated in United Kingdom and registered in England and Wales. This company was dissolved on 6 October 2020.

SCARBOROUGH COLLEGE LIMITED

REPORT OF THE TRUSTEES for the year ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

None of the governors receives remuneration or other benefits from their work with the College. Any contractual relationships must be disclosed and notes of interest are retained in written form.

Three of the governors had children enrolled in the school during the year with the fees payable at normal published rates. This does not affect their capability to make independent and fair decisions but, if there is a specific situation where there may be conflicted interests, governors will remove themselves from meetings.

One of the governors, Mr R Guthrie, is a director and person with significant control of Broadland Properties Limited. During the year a sum of £60,000 (2019: £52,146) was paid to Broadland Properties for property rental on an arm's length basis.

Risk management

The governors and the Board of Scarborough College, with particular assistance from the College Finance and Management Committee, have examined the principal areas of the College's operations and have 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.

REFERENCE AND ADMINISTRATIVE DETAILS

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

Registered Company number

00050404 (England and Wales)

Registered Charity number

529686

Registered office

Filey Road
Scarborough
North Yorkshire
YO11 3BA

Trustees

Mrs R S Clements (appointed 16.12.19)

J A Cliffe

S N Fairbank

Mrs V J Gillingham

A S Green

R Guthrie

J R Marshall

Dr J Renshaw

Dr I G H Renwick

J S Rowlands

J F W Swiers

G N M Young

J J Cook (resigned 20.9.20)

N Gardner (resigned 27.5.20)

J M Green (resigned 28.9.19)

Company Secretary

Miss A J Higgins

Auditors

Moore

Statutory Auditors

Chartered Accountants

12 Alma Square

Scarborough

North Yorkshire

YO11 1JU

SCARBOROUGH COLLEGE LIMITED

REPORT OF THE TRUSTEES for the year ended 31 August 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds
1 St Nicholas Street
Scarborough
North Yorkshire
YO11 2YY

Solicitors

Lupton Fawcett Denison Till
Yorkshire House
East Parade
Leeds
LS1 5BD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Scarborough College Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

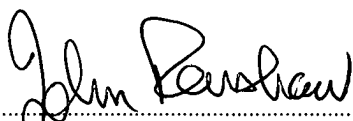
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 27/4/21 and signed on the board's behalf by:



Dr J Renshaw Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED

Opinion

We have audited the financial statements of Scarborough College Limited (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 2020 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
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED

Responsibilities of trustees

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

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

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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 auditors' 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.

Sarah-Jane Sargent (Senior Statutory Auditor)
for and on behalf of Moore
Statutory Auditors
Chartered Accountants
12 Alma Square
Scarborough
North Yorkshire
YO11 1JU

27 April 2021

SCARBOROUGH COLLEGE LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 August 2020**

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	3	7,814	1,100	-	8,914	1,050
Charitable activities	6					
Provision of education		4,577,538	131,600	-	4,709,138	4,888,434
Other trading activities	4	148,050	-	-	148,050	181,984
Investment income	5	6,684	-	-	6,684	7,892
Other income		<u>457,714</u>	<u>-</u>	<u>-</u>	<u>457,714</u>	<u>-</u>
Total		5,197,800	132,700	-	5,330,500	5,079,360
EXPENDITURE ON						
Raising Funds	7	172,288	-	-	172,288	71,794
Charitable activities	8	<u>5,049,787</u>	<u>131,068</u>	<u>-</u>	<u>5,180,855</u>	<u>5,242,233</u>
Total		5,222,075	131,068	-	5,353,143	5,314,027
Net gains/(losses) on investments		<u>(2)</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>-</u>
NET INCOME/(EXPENDITURE)		(24,277)	1,632	-	(22,645)	(234,667)
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		<u>(3,855)</u>	<u>-</u>	<u>-</u>	<u>(3,855)</u>	<u>(6,000)</u>
Net movement in funds		(28,132)	1,632	-	(26,500)	(240,667)
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>2,979,687</u>	<u>74,265</u>	<u>102</u>	<u>3,054,054</u>	<u>3,294,721</u>
TOTAL FUNDS CARRIED FORWARD		<u>2,951,555</u>	<u>75,897</u>	<u>102</u>	<u>3,027,554</u>	<u>3,054,054</u>

The notes form part of these financial statements

SCARBOROUGH COLLEGE LIMITED
BALANCE SHEET
31 August 2020

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	2020 Total funds £	2019 Total funds £
FIXED ASSETS						
Intangible assets	14	20,529	-	-	20,529	983
Tangible assets	15	7,548,175	-	-	7,548,175	7,438,940
Investments	16	-	-	-	-	2
		<u>7,568,704</u>	<u>-</u>	<u>-</u>	<u>7,568,704</u>	<u>7,439,925</u>
CURRENT ASSETS						
Stocks	17	11,608	-	-	11,608	-
Debtors	18	4,202,700	-	-	4,202,700	3,655,230
Cash at bank		<u>228,469</u>	<u>75,897</u>	<u>102</u>	<u>304,468</u>	<u>855,277</u>
		<u>4,442,777</u>	<u>75,897</u>	<u>102</u>	<u>4,518,776</u>	<u>4,510,507</u>
CREDITORS						
Amounts falling due within one year	19	(5,935,136)	-	-	(5,935,136)	(6,234,860)
		<u>(1,492,359)</u>	<u>75,897</u>	<u>102</u>	<u>(1,416,360)</u>	<u>(1,724,353)</u>
NET CURRENT ASSETS						
		<u>(1,492,359)</u>	<u>75,897</u>	<u>102</u>	<u>(1,416,360)</u>	<u>(1,724,353)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,076,345</u>	<u>75,897</u>	<u>102</u>	<u>6,152,344</u>	<u>5,715,572</u>
CREDITORS						
Amounts falling due after more than one year	20	(2,729,071)	-	-	(2,729,071)	(2,237,622)
PROVISIONS FOR LIABILITIES	24	(395,719)	-	-	(395,719)	(423,896)
		<u>(395,719)</u>	<u>-</u>	<u>-</u>	<u>(395,719)</u>	<u>(423,896)</u>
NET ASSETS		<u><u>2,951,555</u></u>	<u><u>75,897</u></u>	<u><u>102</u></u>	<u><u>3,027,554</u></u>	<u><u>3,054,054</u></u>

The notes form part of these financial statements

SCARBOROUGH COLLEGE LIMITED

BALANCE SHEET - continued
31 August 2020

FUNDS	25	2020 £	2019 £
Called up share capital:			
Called up share capital		5,507	5,507
Unrestricted funds:			
General fund		2,930,808	2,958,940
Revaluation reserve		<u>15,240</u>	<u>15,240</u>
		2,951,555	2,979,687
Restricted funds:			
Peggy Bailey legacy		73,470	73,470
Early Years		1,327	795
Cricket pavilion fund		<u>1,100</u>	<u>-</u>
		75,897	74,265
Endowment funds:			
Endowment funds		<u>102</u>	<u>102</u>
TOTAL FUNDS		<u><u>3,027,554</u></u>	<u><u>3,054,054</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 27/4/21 and were signed on its behalf by:



Dr J Renshaw - Trustee

SCARBOROUGH COLLEGE LIMITED

CASH FLOW STATEMENT
for the year ended 31 August 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	(232,222)	34,969
Interest paid		<u>(127,941)</u>	<u>(39,846)</u>
Net cash used in operating activities		<u>(360,163)</u>	<u>(4,877)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(24,635)	-
Purchase of tangible fixed assets		(912,908)	(2,509,372)
Sale of tangible fixed assets		230,600	-
Sale of fixed asset investments		-	10
Interest received		<u>6,684</u>	<u>7,892</u>
Net cash used in investing activities		<u>(700,259)</u>	<u>(2,501,470)</u>
Cash flows from financing activities			
New loans in year		509,733	1,721,126
Capital repayments in year		<u>(120)</u>	<u>(240)</u>
Net cash provided by financing activities		<u>509,613</u>	<u>1,720,886</u>
Change in cash and cash equivalents in the reporting period		<u>(550,809)</u>	<u>(785,461)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>855,277</u>	<u>1,640,738</u>
Cash and cash equivalents at the end of the reporting period		<u><u>304,468</u></u>	<u><u>855,277</u></u>

The notes form part of these financial statements

SCARBOROUGH COLLEGE LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 August 2020**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(22,645)	(234,667)
Adjustments for:		
Depreciation charges	286,977	108,077
Losses on investments	2	-
Profit on disposal of fixed assets	(230,600)	-
Interest received	(6,684)	(7,892)
Interest paid	127,941	39,846
Increase/(decrease) in provisions	(36,477)	(39,104)
(Increase)/decrease in stocks	(11,608)	13,354
Increase in debtors	(547,470)	(227,610)
Increase in creditors	<u>208,342</u>	<u>382,965</u>
Net cash (used in)/provided by operations	<u>(232,222)</u>	<u>34,969</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.19 £	Cash flow £	At 31.8.20 £
Net cash			
Cash at bank	<u>855,277</u>	<u>(550,809)</u>	<u>304,468</u>
	<u>855,277</u>	<u>(550,809)</u>	<u>304,468</u>
Debt			
Finance leases	(2,160)	120	(2,040)
Debts falling due within 1 year	(44,955)	(18,164)	(63,119)
Debts falling due after 1 year	<u>(2,235,582)</u>	<u>(491,569)</u>	<u>(2,727,151)</u>
	<u>(2,282,697)</u>	<u>(509,613)</u>	<u>(2,792,310)</u>
Total	<u>(1,427,420)</u>	<u>(1,060,422)</u>	<u>(2,487,842)</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

COVID-19 is not expected to have a significant impact on the College. The Governors have determined that there is no material uncertainty that casts doubt on the College's ability to continue as a going concern. It expects that COVID-19 might have some impact, though not significant, for example, in relation to expected future performance, or the effects on some future asset valuations. The College therefore continues to adopt the going concern basis in preparing its financial statements.

Income

Fees receivable, and charges for services and use of the 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 deferred until the criteria for income recognition are met. 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.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Legacies

Entitlement is when income is probable and measurable. A legacy receipt is normally probable when there has been a grant of probate, executors have established that there are sufficient assets, and any conditions attached to the legacy are in control or met by the charity. A legacy is measurable when it can be measured or estimated with sufficient reliability.

Government grants receivable

Grants are recognised using the performance model. Grant income is recognised once both the income recognition criteria and terms and conditions attached to the grant are met. Grants receivable as compensation for expenses or losses already incurred, or for the purpose of receiving immediate financial support, are recognised in other operating income in the period in which they become receivable.

Expenditure

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.

Allocation of support costs

Support costs are those functions that assist the work of the College but do not directly undertake charitable activity. Support costs include the costs of office salaries and governance costs which support the College in the provision of education. The bases on which support costs have been allocated are set out in note 9.

Intangible assets

Intangible assets comprise of a marketing film and website development costs, both of which are being amortised over their useful estimated lives of five years. Website development costs are capitalised on the basis that they meet the recognition criteria of an asset, namely that future economic benefits will flow to the entity.

Amortisation is recognised as an expense within the expenditure on charitable activities heading within the Statement of Financial Activities.

Tangible fixed assets

Fixed assets are included in the accounts at cost less depreciation. Freehold land and buildings costs comprise previous revaluations as deemed cost on transition to FRS 102 and subsequent additions at cost. Depreciation of fixed assets has been provided at various rates which are anticipated to amortise the cost less residual value over the assets' expected useful lives. Indicative annual rates are:-

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Freehold land	0%
Freehold buildings	0%-4% straight line
Short leasehold property improvements	over the term of the lease
Motor rollers and mowers	20% straight line
Computers and other short life equipment	20%- 33% straight line
Other equipment, furnishings and fittings	2%, 5%, 10% or 20% straight line

Management has estimated the useful life of the freehold buildings, except for Weaponness House, to be at least 100 years. Management have estimated the residual value of the freehold buildings to be generally higher than their book value and have accordingly charged no depreciation. Weaponness House has been assessed separately and improvements are being depreciated over a useful life of 25 years.

There is no specific capitalisation threshold for tangible fixed assets. Impairment reviews are undertaken annually for freehold land and buildings and for other assets when there is indication an asset may be impaired.

Inventories

Inventories are included at the lower of cost or net realisable value.

Taxation

The charity is exempt from corporation tax on its charitable activities.

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.

Pension costs and other post-retirement benefits

The company contributes to both the Teachers' Pensions Agency (until December 2019 when members were withdrawn) and the 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 scheme which are attributable to the College. In accordance with FRS 102, the schemes are accounted for as defined contribution schemes. Contributions are charged in the financial statements in the period when they fall due. When the scheme is in deficit and where the College has agreed to a deficit funding arrangement, the College recognises a liability for this obligation. The company also operates two defined contribution schemes and the pension charge represents the amounts payable by the company to the pension funds in respect of the year.

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade, other accounts receivable and payable and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Debt instruments, such as loans and other accounts receivable or payable, are initially measured at present value of the future payments and subsequently at amortised costs using the effective interest method.

2. SIGNIFICANT JUDGEMENTS AND ESTIMATES

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Critical judgements in applying the company's policies

Impairment reviews

Impairment reviews are undertaken where there is an indication that an asset may be impaired. The recoverable amounts of freehold properties including integral features are based on valuations prepared by external professional RICS valuers and management's assessment of the present value of future cash flows expected to be derived from the asset.

Critical accounting estimates and assumptions

Useful economic lives and residual values of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The assumptions used regarding useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates, based on market conditions and the physical condition of the assets.

The directors do not consider that any other judgements, estimates and assumptions used in the preparation of these financial statements have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	<u>8,914</u>	<u>1,050</u>

The income from donations and legacies was £8,914 of which £1,100 (2019 - £nil) was restricted and £7,814 (2019 - £1,050) was unrestricted.

4. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Bus income	59,971	76,250
Special educational needs income	34,314	19,013
Holiday club income	6,073	14,853
Registration fees	13,198	10,196
School holiday and hiring income	9,195	7,569
Other trading income	<u>25,299</u>	<u>54,103</u>
	<u>148,050</u>	<u>181,984</u>

5. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	<u>6,684</u>	<u>7,892</u>

The income from investments was all unrestricted.

SCARBOROUGH COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2020

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2020 £	2019 £
Gross fees	Provision of education	6,107,427	5,945,620
Allowances	Provision of education	(1,398,289)	(1,057,186)
		<u>4,709,138</u>	<u>4,888,434</u>

The income from school fees was £4,709,138 (2019 - £4,888,434) of which £4,577,538 (2019 - £4,701,312) was unrestricted and £131,600 (2019 - £187,122) was restricted. Included within restricted funds is early years funding to fund early years education of pupils aged between 3 and 5 years old.

7. RAISING FUNDS

Raising funds

	2020 £	2019 £
Bank charges	25,215	19,552
Bank loan interest	113,602	45,223
Other interest	9,240	8,000
Bad debts	24,231	(981)
	<u>172,288</u>	<u>71,794</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 9) £	Totals £
Provision of education	<u>4,192,634</u>	<u>988,221</u>	<u>5,180,855</u>

Expenditure on charitable activities was £5,180,855 (2019 - £5,242,233) of which £131,068 (2019 - £220,619) was restricted and £5,049,787 (2019 - £5,021,614) unrestricted.

9. SUPPORT COSTS

The College initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are allocated to the charitable activity undertaken in the year. Refer to the table below for the basis of apportionment and the analysis of support and governance.

	General support £	Governance function £	Total £	Basis of apportionment
Salaries	332,344	-	332,344	Support costs
Staff superannuation	5,669	-	5,669	Support costs
Agent commission	149,191	-	149,191	Support costs
HR services	21,091	-	21,091	Support costs
Advertising and marketing	129,235	-	129,235	Support costs
Telephone	30,375	-	30,375	Support costs
Postage and stationery	72,745	-	72,745	Support costs
Vehicles	100,304	-	100,304	Support costs
Amortisation	5,089	-	5,089	Support costs
Depreciation	3,538	-	3,538	Support costs
Auditors' remuneration	-	10,910	10,910	Governance

SCARBOROUGH COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2020

9. SUPPORT COSTS - continued

Auditors' remuneration for non audit work	-	7,346	7,346	Governance
Governors indemnity insurance	-	711	711	Governance
Legal and professional fees	-	119,673	119,673	Governance
	<u>849,581</u>	<u>138,640</u>	<u>988,221</u>	

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration	10,910	11,760
Auditors' remuneration for non audit work	7,346	6,329
Depreciation - owned assets	281,888	104,147
Surplus on disposal of fixed assets	(230,600)	-
Marketing film amortisation	983	3,931
Website development costs amortisation	4,106	-
Operating leases - equipment	56,559	44,738
Operating leases - property	62,277	202,960
Bank loan interest payable	113,602	45,223
Government grants receivable	<u>(149,769)</u>	<u>-</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2020 nor for the year ended 31 August 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2020 nor for the year ended 31 August 2019.

12. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	2,631,640	2,530,889
Social security costs	237,957	232,484
Other pension costs	<u>342,471</u>	<u>305,103</u>
	<u>3,212,068</u>	<u>3,068,476</u>

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The College governors were not paid and did not receive any other benefits from employment with the College in the year, neither were they reimbursed expenses during the year. No governor received payment for professional or other services supplied to the College.

The key management personnel of the College comprise the governors, the Headmaster, the Headmaster of the Prep School and the Business Manager. The total employee benefits, including employer pension contributions, of the key management personnel of the College were £269,883 (2019 - £299,239).

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2020

12. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
£60,001 - £70,000	1	2
£100,001 - £110,000	<u>1</u>	<u>-</u>
	<u>2</u>	<u>2</u>

The cost of providing a defined contribution pension for these employees was £18,153 (2019 - £21,343).

The average monthly head count was 106 staff (2019: 100 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was as follows:

The average number of full-time equivalent employees, analysed by function, was:

	2020 Number	2019 Number
Tuition	53	52
Administration and service	<u>33</u>	<u>32</u>
	<u>86</u>	<u>84</u>

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	1,050	-	-	1,050
Charitable activities				
Provision of education	4,701,312	187,122	-	4,888,434
Other trading activities	181,984	-	-	181,984
Investment income	<u>7,892</u>	<u>-</u>	<u>-</u>	<u>7,892</u>
Total	4,892,238	187,122	-	5,079,360
EXPENDITURE ON				
Raising funds	71,794	-	-	71,794
Charitable activities				
Provision of education	5,021,614	220,619	-	5,242,233
Total	<u>5,093,408</u>	<u>220,619</u>	<u>-</u>	<u>5,314,027</u>
NET INCOME/(EXPENDITURE)	(201,170)	(33,497)	-	(234,667)
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	<u>(6,000)</u>	<u>-</u>	<u>-</u>	<u>(6,000)</u>
Net movement in funds	(207,170)	(33,497)	-	(240,667)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2020

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
RECONCILIATION OF FUNDS				
Total funds brought forward	3,186,857	107,762	102	3,294,721
TOTAL FUNDS CARRIED FORWARD	<u>2,979,687</u>	<u>74,265</u>	<u>102</u>	<u>3,054,054</u>

14. INTANGIBLE FIXED ASSETS

	Marketing film £	Website development costs £	Totals £
COST			
At 1 September 2019	19,656	-	19,656
Additions	-	24,635	24,635
At 31 August 2020	<u>19,656</u>	<u>24,635</u>	<u>44,291</u>
AMORTISATION			
At 1 September 2019	18,673	-	18,673
Charge for year	983	4,106	5,089
At 31 August 2020	<u>19,656</u>	<u>4,106</u>	<u>23,762</u>
NET BOOK VALUE			
At 31 August 2020	<u>-</u>	<u>20,529</u>	<u>20,529</u>
At 31 August 2019	<u>983</u>	<u>-</u>	<u>983</u>

15. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Fixtures and fittings £	Totals £
COST				
At 1 September 2019	6,397,943	88,461	3,566,794	10,053,198
Additions	319,181	-	71,942	391,123
Reclassification	(74,823)	-	74,823	-
At 31 August 2020	<u>6,642,301</u>	<u>88,461</u>	<u>3,713,559</u>	<u>10,444,321</u>
DEPRECIATION				
At 1 September 2019	-	2,949	2,611,309	2,614,258
Charge for year	77,076	3,538	201,274	281,888
At 31 August 2020	<u>77,076</u>	<u>6,487</u>	<u>2,812,583</u>	<u>2,896,146</u>
NET BOOK VALUE				
At 31 August 2020	<u>6,565,225</u>	<u>81,974</u>	<u>900,976</u>	<u>7,548,175</u>
At 31 August 2019	<u>6,397,943</u>	<u>85,512</u>	<u>955,485</u>	<u>7,438,940</u>

SCARBOROUGH COLLEGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the year ended 31 August 2020**16. FIXED ASSET INVESTMENTS**

The trade and assets and liabilities of the subsidiary company Scarborough College 2000 Ltd have been hived up during the period and the £2 investment brought forward has been treated as a disposal in these accounts as the company was struck off shortly after the year end.

17. STOCKS

	2020	2019
	£	£
Stocks	<u>11,608</u>	<u>-</u>

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	3,991,531	3,465,129
Amounts owed by group undertakings	-	1,850
Other debtors	88,106	34,766
Prepayments and accrued income	<u>123,063</u>	<u>153,485</u>
	<u>4,202,700</u>	<u>3,655,230</u>

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

Fee debtors include £86,014 (2019 - £68,807) falling due after more than one year.

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 21)	63,119	44,955
Hire purchase (see note 22)	120	120
Trade creditors	354,386	411,034
Social security and other taxes	61,709	56,556
Other creditors	525,308	534,601
Accrued expenses	60,748	507,690
Deferred income	<u>4,869,746</u>	<u>4,679,904</u>
	<u>5,935,136</u>	<u>6,234,860</u>

Deferred income comprises school fees paid in advance for the next school year. The balance included within creditors relates to amounts deferred during the reporting period of £4,869,746 (2019: £4,679,904), with amounts being released to the Statement of Financial Activities of £4,679,904 (2019: £4,429,096).

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Bank loans (see note 21)	2,727,151	2,235,582
Hire purchase contracts (see note 22)	<u>1,920</u>	<u>2,040</u>
	<u>2,729,071</u>	<u>2,237,622</u>

Bank borrowings at the year end total £2,790,271. The original bank loan is repayable in 300 consecutive monthly instalments representing principal and interest, which commenced May 2016. The rate of interest payable on the loan is Base Rate plus 4.2% per annum. The loan matures in 2041. Further loan advances were obtained for the re-development of Weaponness House, which are repayable in 288 consecutive monthly instalments representing principal and interest and repayments commenced in April 2019. The rate of the interest payable on this loan is fixed at 4.52% per annum and it matures in 2043.

21. LOANS

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year on demand:		
Bank loans	<u>63,119</u>	<u>44,955</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>76,455</u>	<u>86,363</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>256,129</u>	<u>287,654</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	2,394,567	1,861,565
Hire purchase contracts	<u>1,440</u>	<u>1,560</u>
	<u>2,396,007</u>	<u>1,863,125</u>

22. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2020 £	2019 £
Net obligations repayable:		
Within one year	120	120
Between one and five years	480	480
In more than five years	<u>1,440</u>	<u>1,560</u>
	<u>2,040</u>	<u>2,160</u>

SCARBOROUGH COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2020

22. LEASING AGREEMENTS - continued

	Non-cancellable operating leases	
	2020	2019
	£	£
Within one year	105,538	119,080
Between one and five years	306,074	331,181
In more than five years	<u>495,436</u>	<u>560,939</u>
	<u>907,048</u>	<u>1,011,200</u>

Operating lease payments recognised as an expense are £118,836 (2019 - £247,698).

23. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank loans	2,790,270	2,280,537
Hire purchase contracts	<u>2,040</u>	<u>2,160</u>
	<u>2,792,310</u>	<u>2,282,697</u>

The bank loans are secured by a legal charge on certain freehold properties held by the company and an unlimited debenture incorporating a fixed and floating charge. Finance leases are secured upon the assets to which they relate.

24. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Provisions	<u>395,719</u>	<u>423,896</u>

25. MOVEMENT IN FUNDS

	At 1.9.19	Net movement in funds	At 31.8.20
	£	£	£
Called up share capital			
Called up share capital	5,507	-	5,507
Unrestricted funds			
General fund	2,958,940	(28,132)	2,930,808
Revaluation reserve	<u>15,240</u>	<u>-</u>	<u>15,240</u>
	2,979,687	(28,132)	2,951,555
Restricted funds			
Peggy Bailey legacy	73,470	-	73,470
Early Years	795	532	1,327
Cricket pavilion fund	<u>-</u>	<u>1,100</u>	<u>1,100</u>
	74,265	1,632	75,897
Endowment funds			
Endowment funds	<u>102</u>	<u>-</u>	<u>102</u>
TOTAL FUNDS	<u>3,054,054</u>	<u>(26,500)</u>	<u>3,027,554</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2020

25. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	5,197,800	(5,222,075)	(3,857)	(28,132)
Restricted funds				
Early Years	131,600	(131,068)	-	532
Cricket pavilion fund	<u>1,100</u>	<u>-</u>	<u>-</u>	<u>1,100</u>
	<u>132,700</u>	<u>(131,068)</u>	<u>-</u>	<u>1,632</u>
TOTAL FUNDS	<u><u>5,330,500</u></u>	<u><u>(5,353,143)</u></u>	<u><u>(3,857)</u></u>	<u><u>(26,500)</u></u>

Comparatives for movement in funds

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
Called up share capital			
Called up share capital	5,507	-	5,507
Unrestricted funds			
General fund	3,166,110	(207,170)	2,958,940
Revaluation reserve	<u>15,240</u>	<u>-</u>	<u>15,240</u>
	3,186,857	(207,170)	2,979,687
Restricted funds			
Peggy Bailey legacy	107,266	(33,796)	73,470
Early Years	<u>496</u>	<u>299</u>	<u>795</u>
	107,762	(33,497)	74,265
Endowment funds			
Endowment funds	<u>102</u>	<u>-</u>	<u>102</u>
TOTAL FUNDS	<u><u>3,294,721</u></u>	<u><u>(240,667)</u></u>	<u><u>3,054,054</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	4,892,238	(5,093,408)	(6,000)	(207,170)
Restricted funds				
Peggy Bailey legacy	-	(33,796)	-	(33,796)
Early Years	<u>187,122</u>	<u>(186,823)</u>	<u>-</u>	<u>299</u>
	<u>187,122</u>	<u>(220,619)</u>	<u>-</u>	<u>(33,497)</u>
TOTAL FUNDS	<u><u>5,079,360</u></u>	<u><u>(5,314,027)</u></u>	<u><u>(6,000)</u></u>	<u><u>(240,667)</u></u>

SCARBOROUGH COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2020

25. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.18 £	Net movement in funds £	At 31.8.20 £
Called up share capital			
Called up share capital	5,507	-	5,507
Unrestricted funds			
General fund	3,166,110	(235,302)	2,930,808
Revaluation reserve	15,240	-	15,240
	3,186,857	(235,302)	2,951,555
Restricted funds			
Peggy Bailey legacy	107,266	(33,796)	73,470
Early Years	496	831	1,327
Cricket pavilion fund	-	1,100	1,100
	107,762	(31,865)	75,897
Endowment funds			
Endowment funds	102	-	102
TOTAL FUNDS	<u>3,294,721</u>	<u>(267,167)</u>	<u>3,027,554</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	10,090,038	(10,315,483)	(9,857)	(235,302)
Restricted funds				
Peggy Bailey legacy	-	(33,796)	-	(33,796)
Early Years	318,722	(317,891)	-	831
Cricket pavilion fund	1,100	-	-	1,100
	319,822	(351,687)	-	(31,865)
TOTAL FUNDS	<u>10,409,860</u>	<u>(10,667,170)</u>	<u>(9,857)</u>	<u>(267,167)</u>

The endowment fund is a prize giving fund, and represents monies held for the endowment of a prize.

The Peggy Bailey Legacy fund represents monies donated to the college restricted to the endowment of an award, prize or scholarship for students.

The Early Years fund represents government funding received for the education of pupils aged 3-5 years.

The cricket pavilion fund represents monies donated to the college towards the cost of rebuilding a new pavilion within the grounds of the college, following a fire which completely destroyed the previous building.

26. CALLED UP SHARE CAPITAL

	2020 £	2019 £
Allotted, called up and fully paid		
5,507 Ordinary shares of £1 each	<u>5,507</u>	<u>5,507</u>

Shares carry equal voting rights and each class of share also ranks equally in regard to distributions, including distributions arising from a winding up of the College.

27. EMPLOYEE BENEFIT OBLIGATIONS

Scarborough College Limited, together with many other independent schools, operates two contributory 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. They also operate a defined contribution scheme.

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

	<u>Employer</u>	<u>Employee</u>	<u>Total</u>
Teachers' Pension Scheme	23.7%	7.4% - 11.7%	31.1% - 35.4%
Independent Schools' Pension Scheme	8.0%	8.0%	16.0%
Aviva Pension Scheme	16.5%	7.4% - 11.7%	23.9% - 28.2%
People's Pension	3.0%	5.0%	8.0%

Both defined benefit 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. The College took the decision to withdraw from the Teachers' Pension Scheme in December 2019, and all affected staff were transferred to the Aviva defined contribution scheme with effect from January 2020.

Outstanding amounts payable to the schemes at the year end were 2020 - £44,572 (2019 - £44,878).

Independent Schools' Pension Scheme

The College participates in the scheme, which is a multi-employer scheme, and provides benefits to some 66 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the College to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the College is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2017. This actuarial valuation was certified on 27 December 2018 and showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions

From 1 September 2019 to 30 April 2030: £2,387,357 per annum
(payable monthly and increasing by 3% on each 1st September)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £110.0m, liabilities of £147.4m and a deficit of £37.4m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 September 2016 to 31 August 2029: £2,341,000 per annum
(payable monthly and increasing by 3% on each 1st September)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2020

27. EMPLOYEE BENEFIT OBLIGATIONS - continued

Where the scheme is in deficit and where the College has agreed to a deficit funding arrangement, the College recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present value of provision

	31 August 2020 (£'000s)	31 August 2019 (£'000s)	31 August 2018 (£'000s)
Present value of provision	396	424	449

Reconciliation of opening and closing provisions

	2020 £ (£'000s)	2019 £ (£'000s)
Provision as at 1 September 2019	424	449
Unwinding of the discount factor (interest expense)	4	8
Deficit contribution paid	(36)	(39)
Remeasurement - impact of any change in assumptions	4	19
Remeasurement - amendments to the contribution scheme	-	(13)
	<u>396</u>	<u>424</u>

Income and expenditure impact

	2020 £ (£'000s)	2019 £ (£'000s)
Interest expense	4	8
Remeasurement - impact of any change in assumptions	4	19
Remeasurement - amendments to the contribution schedule	-	(13)
Contributions paid in respect of future service	-	39
Costs recognised in income and expenditure account	-	4

Assumptions

	31 August 2020 % per annum	31 August 2019 % per annum	31 August 2018 % per annum
Rate of discount	0.90	1.10	1.96

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

28. CAPITAL COMMITMENTS

	2020 £	2019 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>280,669</u>

29. RELATED PARTY DISCLOSURES

During the year the company leased a property, on an arm's length basis from Broadland Properties Limited, for £60,000 (2019: £52,146). Mr R Guthrie (a director of Scarborough College Limited), is a director and person with significant control of Broadland Properties Limited, During the year the company received an unrestricted donation of £nil (2019: unrestricted donation of £550) from Broadland Properties Limited.

Three governors had children enrolled in the College during the year with fees payable at normal published rates totalling £74,117 (2019 £70,595).