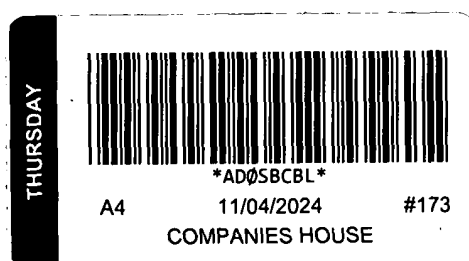


Registered number: 00050404  
Charity number: 529686

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**



**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**CONTENTS**

	Page
<b>Reference and administrative details of the Company, its Governors and advisers</b>	<b>1</b>
<b>Governors' report</b>	<b>2 - 13</b>
<b>Governors' responsibilities statement</b>	<b>14</b>
<b>Independent auditors' report on the financial statements</b>	<b>15 - 18</b>
<b>Statement of financial activities</b>	<b>19</b>
<b>Balance sheet</b>	<b>20 - 21</b>
<b>Statement of cash flows</b>	<b>22</b>
<b>Notes to the financial statements</b>	<b>23 - 49</b>

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2023**

<b>Governors</b>	Mr G W Robinson, Chairman (appointed 5 January 2023) Mr A S Green, Vice Chairman Mrs R Clements (Resigned 22 September 2022) Mrs V J Gillingham Mr J A Cliffe Mr R Guthrie Mr J R Marshall Mr S N Fairbank Mr J S Rowlands Mr J F W Swiers Mr G N M Young Dr J Renshaw Mr A W Ingham (appointed 28 June 2023) Mrs W E Martin (appointed 10 July 2023)
<b>Company registered number</b>	00050404
<b>Charity registered number</b>	529686
<b>Registered office</b>	Scarborough College Filey Road Scarborough North Yorkshire YO11 3BA
<b>Independent auditors</b>	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors Third Floor 10 South Parade Leeds West Yorkshire LS1 5QS
<b>Bankers</b>	Lloyds Scarborough North Yorkshire YO11 2YY
<b>Solicitors</b>	Lupton Fawcett 2 The Embankment Sovereign Street Leeds LS1 4BA

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

The Governors, (who are also the Trustees and Directors of the Company for the purposes of company law, and so will be referred to through out the report as "the Governors") present their annual report together with the audited financial statements of the Company for the 1 September 2022 to 31 August 2023. The Annual report serves the purposes of both a Governors' report and a Directors' report under company law. The Governors confirm that the Annual report and Financial Statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

**Objectives and activities**

**a. Objectives and Activities**

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.

**b. Aims and Intended Impact**

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

**c. 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.

---

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Objectives and activities (continued)**

**d. Aims of the Company**

The Company 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 Company's links with the community.

The Company's 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.

**e. Principal Activity**

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 530, not including younger children attending the nursery.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Objectives and activities (continued)**

**f. Volunteers**

The Friends of Scarborough College, and the Old Scardeburgians Association (OSA) both continue to support the Company in many ways. Both groups fund raise to support projects in the Company 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 Company. The Board continues to be extremely grateful for all their efforts, and the enthusiastic support of both groups creates a strong bond between the Company and parents, helping to strengthen community spirit.

**g. Public Benefit**

The Company 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 a leading role in a number of areas of support to the local community and, in particular, to sports in the Scarborough area. This can be highlighted by a few examples. Further to the council's permission to allow third-party users, the Company will continue to offer the all-weather astro pitch to Scarborough Hockey Club as well as other local clubs for a nominal fee.

During the summer period and other periods outside of term time, the Company actively reaches out to schools, sports clubs and other organisations. Yorkshire County Cricket Club and subsidiaries such as the Yorkshire Cricket Development Group make use of both the indoor and outdoor facilities. Various schools can use, and do use, the sporting facilities on Bramcote, Deepdale and the Main College field.

In addition, schools can make use of the performing arts facilities at Lisvane Hall as well as classrooms in the Science block, the visual arts department and other areas of the school. Depending on the nature of the provider, usage is either free of charge or for a nominal fee.

The Company organises a number of events for local primary schools, including, though not limited to, Tykes in Tune performing arts day, CSI Science Day and sports days. Furthermore, the Company offers its minibuses to support schools with transportation of its pupils.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Objectives and activities (continued)**

**h. Community Service**

Throughout the Company and across all age groups, there is a strong sense of community spirit and service. Outside of school life, numerous students are actively involved in community service and, in addition, many overseas students have been active in or even founded community projects in their own countries and communities. Their enthusiasm and altruistic entrepreneurial spirit inspires and supports other pupils. Examples of charities supported by the staff and pupils are MacMillan, Mellow Yellow, Young Minds, the recent Sunflower Appeal and the international We See You Run in South Africa.

Together with pupils, the Friends of Scarborough College and the Scarborough College Charities Committee; the Company maintains strong ties with several charities in the community as well as nationwide. The Rainbow Centre, in particular, has enjoyed a long relationship with the Company and features throughout on the charities calendar.

Within the Senior School, students are engaged with community service as part of their Duke of Edinburgh's programme of which almost all the eligible students of the Senior School take part in at some point. It is an essential part of the International Baccalaureate Diploma Programme during Sixth Form, where the Creativity, Action and Service (CAS) component of the Diploma Programme encourages students to engage with the world around them.

Charitable donations from fund raising activities amount to £6,498 (2022: £8,162) in the year.

**i. Bursaries 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.

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 the Company. Our bursary awards are available to all who meet our general entry requirements and are made solely based on parental means or to relieve hardship where a pupil's education and prospects would otherwise be at risk, for example, in the case of redundancy. In assessing means the Company takes several 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 Company. Bursary awards are subject to the annual testing of the guardians' means.

This year the value of means tested bursaries totalled £659,623 (2022: £495,913) and represented 7.02% of our gross fees. They aided 119 pupils, representing 22.45% of the school roll, of which 1 pupil benefited from a full fee remission.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Objectives and activities (continued)**

**j. 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 £656,498 (2022: £530,107) awarded to 126 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 212 pupils and amounted to £868,936 (2022: £922,613).

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 Projects**

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 the Company first offered a place to a scholar. By 2023 the Company had 4 scholars. The value of such Scholarships in the school year totalled £138,144.

**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 2023 the Company supported 2 pupils from across the UK by giving them access to a life-changing education. The value of such Scholarships in the school year totalled £47,776.

**k. Our ethos; a caring Company 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 Company provides.

The Company 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 Company, 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 Company 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 Company 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 Company 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 Company makes reasonable adjustments to meet the needs of staff or pupils who are or become disabled. The Company is committed to safeguarding and promoting the welfare of the pupils and expects all staff and volunteers to share this commitment.



**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Objectives and activities (continued)**

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 Company maintains regular contact with parents throughout the year through informal contacts and the fortnightly news publications (The Owl). All pupils have a Form Tutor responsible for pastoral care and academic development.

**Strategic report**

**Achievements and performance**

**a. Our successes**

As a non-selective school, the Company is proud to remain true to its founding mission and provide deserving children with a world class, holistic education. Students in the Sixth Form study the renowned and globally recognised International Baccalaureate Diploma Programme (IBDP). Through its Learner Profile, IB World Schools such as the Company embrace and foster academic excellence in a learning environment that is culturally diverse, caring, forward facing and robust.

Public examination in both the GCSEs and IBDP continued to be extremely positive and far above the world average (IBDP). Sixth Form students were successful at gaining places at several top universities in both the United Kingdom and the rest of the world, while some earned highly sought-after scholarships at some of these universities. The IBDP exam cohort was 32 students, who achieved an average of 31.4 points. GCSE results were once again outstanding with 47% of students achieving grades 9-7 (A\* and A). 69 students did GCSE exams and the overall pass rate was 94%.

Furthermore along with its mission, the Company continues to provide a diverse, challenging and inspiring co-curricular programme. These include activities of a sporting nature, performing and visual arts, outdoor exploits as well as activities that promote a healthy and sustainable lifestyle and well-being. This mission is highlighted in the Company's Yorkshire Grit programme, its Enrichment Programme and the extremely high numbers of children registering for the Duke of Edinburgh programme.

As a direct result of this dedicated approach, both performing arts and sports continue to thrive at the school. Gig on the Green has become an annual event and an extra production has been added to the school calendar, providing more depth and opportunities for children interested in the performing arts. A record number of children are enrolled into private music lessons and the Company's LAMDA programme.

Further investment in sports has seen, the Company competes at an extremely high level in cricket, hockey, golf and rugby. After having reached the Tier 2 final twice in a row, the Girls' U18s were entered into Tier 1. The Company proudly holds second spot in Tier 1 division north currently. Lower down the school, there have been several hockey successes including the U16s Boys and Girls. The Cricket Centre of Excellence has seen its first alum get selected for England U19s. The Company's First XI has outgrown its local rivals and lower down the school, there were several huge successes including the Yorkshire Championship for the U16 Boys. Rugby is continuing to be developed and significant results for both for the First XV and lower age groups are extremely positive. The completion of the running track is already attracting interest both locally and from further afield; a strategy to recruit athletic talent is being deployed as well as a fixture calendar for the summer term.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Financial Review and Results**

The Company continues to grow in size both in terms of pupil numbers, with a 10% increase in the numbers and a £751,124 growth in net fees. It does, however, maintain committed to providing support to families struggling with the effects of the current economic climate. The principal source of income is fees accounting for 93% of the Company's total income.

The Company itself has seen a rise in expenditure of 10.04% which is driven in part by the rise in pupil numbers and as a result of cost-of-living crisis and inflationary pressure on prices. The Governing Body maintains focussed on controlling the levels of expenditure.

The Company produced a surplus in 2022 - 2023 of £473,670. This does include a gain of £18,245 relating to the fair value adjustment on the defined benefit scheme. It is planned that the Company will next year be once again in surplus and hoped that this position can be maintained for future years.

The Governors are continuing their strategy of deploying all net incoming resources to investing in the educational purposes and fabric of the Company.

As a charity the parents of the pupils have the assurance that all income of the Company 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 Company 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 Company 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.

**c. Development and Maintenance**

Major projects included completion of the re-roofing of the main Company building. The Company carried out extensive works upgrading the fire and lockdown alarms in all of its premises.

Other significant maintenance works have been undertaken during the year as part of the Company's prioritised maintenance plan to ensure the Company's buildings continue to function fully as intended.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Strategic report (continued)**

**Achievements and performance (continued)**

**d. Key Performance Indicators**

	2023	2022	2021	2020	2019
IB exam pass rate	87%	88%	100%	81%	80%
GCSE pass rate (9-4)	92%	95.6%	96%	89%	90%
Net fee income (£'000)	6,790	6,275	5,431	4,709	4,888
Non fee income (£'000)	502	1,086	258	621	191
Net incoming (outgoing) resources before fair value adjustments (£'000)	(207)	325	(655)	(23)	(258)
Capital expenditure (£'000)	881	996	173	416	3,106

**e. 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 Company.

In common with other independent schools, the Governors have invested substantial sums into the Company 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 £3,123,263 at the year end, and these were wholly deployed in funding the Company's Capital Expenditure on the premises and equipment. The Company's restricted funds stood at £74,963 at the year end.

The policy of the Governors of Scarborough College Limited 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 Company. The Governors also aim that at the end of each academic year, an amount equal to 10% of the cash surplus generated in that year, as reported in the cashflow statement, shall be transferred into a dedicated reserve account. The aim of this reserve is to provide a contingency fund for any future major, unforeseen event and also to provide funding for future developments.

**f. Market Value of Land and Buildings**

In the opinion of the Governors of the Company, the current market value of the Company's land and buildings was not less than the amount £7,010,000 shown in the balance sheet.

**g. Going Concern**

After making appropriate enquiries, the Governors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Strategic report (continued)**

**Structure, governance and management**

**a. 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.

**b. Governing Body**

The Governors are responsible for the overall management and control of the Company and meet four times a year at various sub committees, and 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 governors are elected at a full governors' meeting of the Company. The Company's Business Manager is responsible for co-ordinating the work of the Governors and their Committees, preparation of papers and management accounts, and the review of matters arising.

**c. Governor Recruitment and Training**

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 Company 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 Company including attendance at concerts and sports events, plus time in the classroom observing lessons.

**d. Other Relationships**

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

The Business Manager is a Board member of the Independent Schools Bursars Association.

---

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Structure, governance and management (continued)**

**e. Organisational Management**

The Governors meet 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 G Young, 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 Company. 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 Company but the day to day running of the Company 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 Company.

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.

**f. Related party relationships**

None of the Governors received remuneration or other benefits from their work with the Company. Any contractual relationships must be disclosed, and notes of interest are retained in declarations of interests.

One of the governors, Mr R Guthrie, is a Governor and person with significant control of Broadland Properties Limited. During the year a sum of £60,000 (2022: £60,000) was paid to Broadland Properties for property rental on an arm's length basis.

Three Governors had children enrolled in the Company during the year with fees payable at normal published rates, with discounts and scholarships applied which are available to all parents, totalling £80,100 (2022: £89,212). 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.

During the year, the athletics track on the Company's Bramcote site was completed. This has been donated by a related party, Bramcote Athletics Ltd. Richard Guthrie, a Governor of the Company. An element of Bramcote Sports Centre has, post year end, been leased to Bramcote Athletics on a long lease, with approval by the Charities Commission.

**g. 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 14 to the accounts). The Governors give up 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.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Structure, governance and management (continued)**

**h. Pay policy for senior staff**

The Company operates banded salary ranges for all staff including senior staff. The banded ranges are benchmarked against those of other independent schools. This allows the Company 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 Company and increases being offered in similar schools. Progression within the bands is based upon performance for all levels of staff.

**i. Risk management**

The Governors and the Board of Scarborough College, with assistance from the Company's Finance and Management Committee, have examined the principal areas of the Company's operations and have considered the major areas of strategic, operational, and business risk which the Company faces. The Governors 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 the identified risks are contained within the Company Risk Management Summary.

The Governors considers the economic turbulence in recent years, political uncertainty, and the possible changes to arrangements regarding VAT or Business Rates and the affordability of fees by parents across the independent sector to be the major risks faced by the Company. The Board continue to closely monitor the situation and scenario planning work is ongoing.

**j. Future Plans**

The Governor's intend to continue their strategies of maintaining the Company'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 pupil's 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.

We have a programme of planned maintenance and investment with the upgrading of our sport facilities, art block, theatre and science laboratories a priority alongside the continued investment in our boarding provision.

**Disclosure of information to auditors**

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

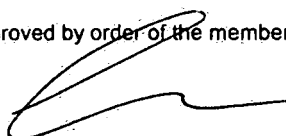
**Auditors**

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. A motion will be proposed by the Governors to reappoint the Auditors.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

Approved by order of the members of the board of Governors and signed on their behalf by:



.....  
**Mr G Robinson**  
Governor

Date:

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

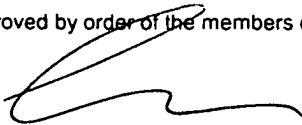
The Governors are responsible for preparing the Governors' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Governors and signed on its behalf by:

  
.....  
**Mr G Robinson**  
Governor

Date:



**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT 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 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 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 United Kingdom, including the Financial Reporting Council'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**

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

---

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED**  
**(CONTINUED)**

**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Governors are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our 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 Governors' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of governors**

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

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

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED**  
(CONTINUED)

**Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with governors, and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non compliance throughout the audit.

We assessed the susceptibility of the charitable company financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED**  
(CONTINUED)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Huw Nicholls (Senior statutory auditor)**  
for and on behalf of  
**Armstrong Watson Audit Limited**  
Chartered Accountants & Statutory Auditors  
Leeds

Date: 09/04/2024

**SCARBOROUGH COLLEGE LIMITED**

(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Income and endowments from:</b>						
Donations and legacies	4	93,608	-	-	93,608	767,624
Charitable activities	5	6,879,494	147,118	-	7,026,612	6,275,488
Other trading activities	6	415,706	-	-	415,706	313,622
Investments	7	82	-	-	82	742
Other income	8	-	-	-	-	4,364
<b>Total income and endowments</b>		<b>7,388,890</b>	<b>147,118</b>	<b>-</b>	<b>7,536,008</b>	<b>7,361,840</b>
<b>Expenditure on:</b>						
Raising funds	9	422,680	-	-	422,680	351,032
Charitable activities	10	7,092,010	147,029	-	7,239,039	6,338,090
Other expenditure	11	81,713	-	-	81,713	348,122
<b>Total expenditure</b>		<b>7,596,403</b>	<b>147,029</b>	<b>-</b>	<b>7,743,432</b>	<b>7,037,244</b>
<b>Net (expenditure)/income</b>		<b>(207,513)</b>	<b>89</b>	<b>-</b>	<b>(207,424)</b>	<b>324,596</b>
Revaluation	22	662,849	-	-	662,849	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>455,336</b>	<b>89</b>	<b>-</b>	<b>455,425</b>	<b>324,596</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains on defined benefit pension schemes		18,245	-	-	18,245	24,776
<b>Net movement in funds</b>		<b>473,581</b>	<b>89</b>	<b>-</b>	<b>473,670</b>	<b>349,372</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		2,649,682	74,874	102	2,724,658	2,375,286
Net movement in funds		473,581	89	-	473,670	349,372
<b>Total funds carried forward</b>		<b>3,123,263</b>	<b>74,963</b>	<b>102</b>	<b>3,198,328</b>	<b>2,724,658</b>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 23 to 49 form part of these financial statements.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 00050404**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	16	21,274	28,694
Tangible assets	17	9,163,712	7,910,735
		<u>9,184,986</u>	<u>7,939,429</u>
<b>Current assets</b>			
Debtors	18	5,641,596	5,074,145
Cash at bank and in hand		885,677	1,282,953
		<u>6,527,273</u>	<u>6,357,098</u>
Creditors: amounts falling due within one year	19	(9,709,401)	(8,562,183)
<b>Net current liabilities</b>		<u>(3,182,128)</u>	<u>(2,205,085)</u>
<b>Total assets less current liabilities</b>		<u>6,002,858</u>	<u>5,734,344</u>
Creditors: amounts falling due after more than one year	20	(2,508,543)	(2,582,335)
Provisions for liabilities		(295,987)	(427,351)
<b>Net assets excluding pension asset</b>		<u>3,198,328</u>	<u>2,724,658</u>
<b>Total net assets</b>		<u><u>3,198,328</u></u>	<u><u>2,724,658</u></u>


**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)  
REGISTERED NUMBER: 00050404

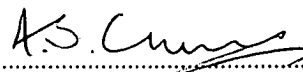
**BALANCE SHEET (CONTINUED)**  
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
<b>Charity funds</b>			
Endowment funds	22	102	102
Restricted funds:			
Peggy Bailey Legacy	22	73,470	73,470
Early Years	22	393	304
Cricket Pavilion Fund	22	1,100	1,100
Total restricted funds	22	74,963	74,874
Unrestricted funds			
Called up share capital	22	5,507	5,507
General funds	22	2,439,667	2,628,935
Revaluation reserve	22	678,089	15,240
Total unrestricted funds	22	3,123,263	2,649,682
<b>Total funds</b>		<b>3,198,328</b>	<b>2,724,658</b>

The Governors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:

  
.....  
**Mr G Robinson**  
Governor

  
.....  
**Mr A S Green**  
Governor

Date:

The notes on pages 23 to 49 form part of these financial statements.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash generated in operating activities	25	611,130	530,848
<b>Cash flows from investing activities</b>			
Interest received		82	742
Purchase of intangible assets		(3,495)	(229,137)
Purchase of tangible fixed assets		(792,730)	(125,617)
<b>Net cash used in investing activities</b>		(796,143)	(354,012)
<b>Cash flows from financing activities</b>			
Loan repayments		(75,123)	(75,701)
Capital repayments		(120)	(120)
Interest paid		(137,020)	-
<b>Net cash used in financing activities</b>		(212,263)	(75,821)
<b>Change in cash and cash equivalents in the year</b>		(397,276)	101,015
Cash and cash equivalents at the beginning of the year		1,282,953	1,181,938
<b>Cash and cash equivalents at the end of the year</b>	26	885,677	1,282,953

The notes on pages 23 to 49 form part of these financial statements



**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**1. General information**

Scarborough College Limited ("the Company") is a private limited company incorporated in England. The address of the Company's registered office and principal place of business is Scarborough College, Filey Road, Scarborough, North Yorkshire, YO11 3BA.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements 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 Company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Going concern**

The Governors are satisfied that the going concern basis is appropriate for the preparation of the financial statements due to the net asset position of the Charity and the availability of sufficient cash reserves to meet liabilities as they fall due. The Governors are confident that reserves will remain sufficient to meet the Charity's needs into the 2023-24 financial year.

In reaching their conclusion, the Governors have considered cash flows covering a period of 12 months from the date of sign off, including any funding to support the organisation. They have also considered future strategic and operational objectives for the ensuing 12 months and have considered and applied sensitivity analysis on the forecasts as appropriate.

As a consequence, the Governors believe that the charity is well placed to manage its financial risks successfully despite the current challenging and unpredictable economic outlook. The Governors have a reasonable expectation that the charity has adequate reserves to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of signing of these financial statements. Accordingly, the Governors continue to adopt the going concern basis in preparing the accounts.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**2. Accounting policies (continued)**

**2.3 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.

**Grants receivable**

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.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure accounted for on an accruals basis is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs that contribute to more than one activity and support costs that are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities that further the Company's objectives, as well as any associated support costs.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**2. Accounting policies (continued)**

**2.4 Expenditure (continued)**

All expenditure is inclusive of irrecoverable VAT.

**Allocation of Support Costs**

Support costs are those functions that assist the work of the Company but do not directly undertake charitable activity. Support costs include the costs of office salaries and governance costs which support the Company in the provision of education. The bases on which support costs have been allocated are set out in note 12.

**2.5 Research and development**

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Statement of Financial Activities.

**2.6 Intangible assets and amortisation**

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 provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life within expenditure on charitable activities heading within the Statement of Financial Activities.

The estimated useful lives are as follows:

Marketing film	- 5 years
Website Development Costs	- 5 years

**2.7 Tangible fixed assets and depreciation**

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

---

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**2. Accounting policies (continued)**

**2.7 Tangible fixed assets and depreciation (continued)**

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	-	0%-4% Straight line
Short-term leasehold property	-	Over the term of the lease
Fixtures and fittings	-	2%, 5%, 10% or 20% straight line
Equipment	-	5% straight line

Each financial year the Governors review the treatment of each class of asset during that year.

Previously it was deemed that only Weaponness House, which is included in the land and building asset heading, should be depreciated to write it down to its value as it was deemed to be impaired.

This has now been revised and the Governors deem it necessary to commence depreciation of all assets within the Land and Property classification, in line with the provisions of FRS 102. This would result in a depreciation adjustment being processed in the financial year ended 2023. The estimate useful life of land and buildings has been deemed to be 100 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.

**2.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.9 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.10 Liabilities**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**2. Accounting policies (continued)**

**2.11 Financial instruments**

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.12 Finance leases and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.13 Pensions**

The Company participates and where necessary contributes into the Independent Schools' Pension defined benefit schemes at rates set by the schemes' actuaries. The scheme is a multi-employer pension scheme, 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 Company. Contributions are charged in the financial statements in the period when they fall due. When the scheme is in deficit and where the Company has agreed to a deficit funding arrangement, the Company recognises a liability for this obligation.

The Company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 30 September 2020.

**2.14 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Endowment funds are a prize giving fund, and represents monies held for the endowment of a prize.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**3. Critical accounting estimates and areas of judgment**

The preparation of these financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a heightened risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**Bad Debt Provision**

The Charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 18 for the net carrying amount of the debtors and associated impairment provision.

**Provision against liabilities**

Provisions are recognised when there is a present obligation as a result of a past event, where transfer of economic benefits is probable to settle the obligation and this can be reliably measured. The entity makes use of available relevant legal expertise to establish whether quantum can be reliably measured in such cases. Based on this information, the Company makes a provision based on the best estimate of the amount potentially required to settle the obligation including costs, taking into account the time value of money where material.

The Governors 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.

**Pension Liability**

The Company has an obligation to pay benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the Statement of Financial Position. The assumptions reflect historical experience and current trends. See note 29 for the disclosures relating to the pension scheme.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**4. Income from donations and legacies**

	Unrestricted funds 2023 £	Total funds 2023 £
Donations	93,608	93,608
	<u>93,608</u>	<u>93,608</u>
	Unrestricted funds 2022 £	Total funds 2022 £
Donations	767,624	767,624
	<u>767,624</u>	<u>767,624</u>

Included within the income from donations is an amount of £93,608 which relates to a donation from a related party for the construction of an athletics track on the Company's Bramcote site.

**5. Income from charitable activities**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Fees generated from the Provision of Education	6,879,494	147,118	7,026,612
	<u>6,879,494</u>	<u>147,118</u>	<u>7,026,612</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Fees generated from the Provision of Education	6,165,676	109,812	6,275,488
	<u>6,165,676</u>	<u>109,812</u>	<u>6,275,488</u>

The income from school fees was £7,026,612 (2022: 6,275,488) of which of £6,879,494 (2022: £6,156,676) was unrestricted and £147,118 (2022: £109,812) was restricted. Included within restricted funds is early years funding to fund early years education of pupils aged between 3 and 5 years old.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**6. Income from other trading activities**

**Income from non charitable trading activities**

	Unrestricted funds 2023 £	Total funds 2023 £
Other Trading Income	106,984	106,984
School Holiday and Hiring Income	21,365	21,365
Special Educational Needs Income	141,434	141,434
Bus Income	145,923	145,923
	<u>415,706</u>	<u>415,706</u>

	Unrestricted funds 2022 £	Total funds 2022 £
Other Trading Income	46,744	46,744
School Holiday and Hiring Income	31,462	31,462
Special Educational Needs Income	98,578	98,578
Bus Income	123,463	123,463
Registration Fees	13,375	13,375
	<u>313,622</u>	<u>313,622</u>



**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**7. Investment income**

	Unrestricted funds 2023 £	Total funds 2023 £
Deposit Account Interest	82	82

	Unrestricted funds 2022 £	Total funds 2022 £
Deposit Account Interest	742	742

**8. Other incoming resources**

	Total funds 2023 £
Insurance claims	-

	Unrestricted funds 2022 £	Total funds 2022 £
Insurance claims	4,364	4,364

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**9. Expenditure on raising funds**

**Fundraising trading expenses**

	Unrestricted funds 2023 £	Total funds 2023 £
Loan Interest	137,020	137,020
Bank Charges	21,805	21,805
Bad Debts	22,049	22,049
Agent commission	236,610	236,610
Debt collection fees	5,196	5,196
	<u>422,680</u>	<u>422,680</u>

**Fundraising trading expenses (continued)**

	Unrestricted funds 2022 £	Total funds 2022 £
Loan Interest	125,614	125,614
Bank Charges	20,760	20,760
Bad Debts	(4,656)	(4,656)
Agent commission	204,150	204,150
Debt collection fees	5,161	5,161
Other interest	3	3
	<u>351,032</u>	<u>351,032</u>

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**10. Analysis of expenditure on charitable activities**

**Summary by fund type**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Provision of Education	7,092,010	147,029	7,239,039

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Provision of Education	6,227,278	110,812	6,338,090

**11. Other expenditure**

	Unrestricted funds 2023 £	Total funds 2023 £
Historic Legal Claim	81,713	81,713

	Unrestricted funds 2022 £	Total funds 2022 £
Historic Legal Claim	348,122	348,122

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**12. Analysis of expenditure by activities**

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Provision of Education	6,099,001	1,140,038	7,239,039

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Provision of Education	5,301,794	1,036,296	6,338,090

**Analysis of support costs**

	Total funds 2023 £	Total funds 2022 £
Staff costs	506,636	416,623
Staff superannuation	21,207	16,535
HR Services	24,429	8,066
Advertising	172,051	163,722
Telephone	44,017	49,081
Postage	90,056	90,303
Vehicles	120,054	204,358
Auditors remuneration	12,600	10,650
Auditors remuneration for non audit work	2,000	1,995
Governors indemnity insurance	3,423	3,111
Legal and professional fees	118,787	52,712
Amortisation	10,915	10,332
Depreciation	13,863	8,808
	<u>1,140,038</u>	<u>1,036,296</u>

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**13. Auditors' remuneration**

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	12,600	10,650
Fees payable to the Company's auditor in respect of: All non-audit services not included above	2,000	1,995
	<u>14,600</u>	<u>12,645</u>

**14. Staff costs**

	2023 £	2022 £
Wages and salaries	3,686,395	3,158,819
Social security costs	345,471	293,942
Operating costs of defined benefit pension schemes	403,767	364,140
	<u>4,435,633</u>	<u>3,816,901</u>

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

The key management personnel of the Company 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 Company were £293,280 (2022: £290,121).

The average number of persons employed by the Company during the year was as follows:

	2023 No.	2022 No.
Tuition	80	73
Administration and Services	59	56
	<u>139</u>	<u>129</u>

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	-
In the band £100,001 - £110,000	-	1
In the band £120,001 - £130,000	1	-

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**15. Governors' remuneration and expenses**

During the year, no Governors received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, no Governor expenses have been incurred (2022 - £NIL).

**16. Intangible assets**

	Marketing Film £	Website Development Costs £	Total £
<b>Cost</b>			
At 1 September 2022	46,684	24,635	71,319
Additions	3,495	-	3,495
At 31 August 2023	50,179	24,635	74,814
<b>Amortisation</b>			
At 1 September 2022	28,665	13,960	42,625
Charge for the year	5,988	4,927	10,915
At 31 August 2023	34,653	18,887	53,540
<b>Net book value</b>			
At 31 August 2023	15,526	5,748	21,274
At 31 August 2022	18,019	10,675	28,694

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**17. Tangible fixed assets**

	Freehold property £	Short leasehold improv'mts £	Fixtures and fittings £	Assets under construction £	Total £
<b>Cost or valuation</b>					
At 1 September 2022	6,726,445	88,461	4,004,349	767,323	11,586,578
Additions	-	-	681,546	196,442	877,988
Disposals	-	-	(955)	-	(955)
Transfers between classes	-	-	852,581	(852,581)	-
Revaluations	283,555	-	-	-	283,555
At 31 August 2023	7,010,000	88,461	5,537,521	111,184	12,747,166
<b>Depreciation</b>					
At 1 September 2022	379,294	21,559	3,274,990	-	3,675,843
Charge for the year	-	6,226	280,679	-	286,905
On revalued assets	(379,294)	-	-	-	(379,294)
At 31 August 2023	-	27,785	3,555,669	-	3,583,454
<b>Net book value</b>					
At 31 August 2023	7,010,000	60,676	1,981,852	111,184	9,163,712
At 31 August 2022	6,347,151	66,902	729,359	767,323	7,910,735

Freehold properties totalling £7,010,000 (2022: £6,347,151) have been pledged as security for liabilities.

**18. Debtors**

	2023 £	2022 £
<b>Due after more than one year</b>		
Trade debtors	59,404	95,882
	59,404	95,882
<b>Due within one year</b>		
Trade debtors	5,325,985	4,746,722
Other debtors	62,526	42,209
Prepayments and accrued income	193,681	189,332
	5,641,596	5,074,145

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**19. Creditors: Amounts falling due within one year**

	2023 £	2022 £
Bank loans	76,203	77,654
Trade creditors	418,758	289,626
Other taxation and social security	82,020	71,985
Obligations under finance lease and hire purchase contracts	120	120
Other creditors	1,077,452	1,323,506
Accruals and deferred income	8,054,848	6,799,292
	<u>9,709,401</u>	<u>8,562,183</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 £8,023,905 (2022: £6,751,852), with amounts being released to the Statement of Financial Activities of £6,799,292 (2022: £5,955,302).

**20. Creditors: Amounts falling due after more than one year**

	2023 £	2022 £
Bank loans	2,506,983	2,580,655
Net obligations under finance lease and hire purchase contracts	1,560	1,680
	<u>2,508,543</u>	<u>2,582,335</u>

Bank borrowings at the year end total £2,583,186. The original bank loan is repayable in 300 consecutive monthly instalments representing principal and interest, which commenced in 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.



**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**21. Provisions**

	Legal Provision £	Pension provision £	Total £
At 1 September 2022	89,840	337,511	427,351
Additions	73,660	(41,524)	32,136
Amounts used	(163,500)	-	(163,500)
	<u>-</u>	<u>295,987</u>	<u>295,987</u>

Following the part conclusion of an ongoing litigation case surrounding the historic use of a since demolished building, a transfer has been made from the provision, previously made, of £705,256 to creditors for the known settlement amount. As at the date of signing, the case has been settled, with a remaining balance of £158,500, having been paid, the balancing £5,000 is for legal expenses. The entity is taking advantage of the available exemptions under Section 10.83 of Charities SORP (FRS 102) on the grounds that it could be prejudicial to the outcome of this case to disclose further information.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**22. Statement of funds**

**Statement of funds - current year**

	Balance at 1 September 2022 £	Income £	Expenditure £	Revaluation £	Gains/ (Losses) £	Balance at 31 August 2023 £
<b>Unrestricted funds</b>						
Called up share capital						
Called up share capital	5,507	-	-	-	-	5,507
<b>General funds</b>						
General Funds - all funds	2,628,935	7,388,890	(7,596,403)	-	18,245	2,439,667
Revaluation reserve	15,240	-	-	662,849	-	678,089
	<u>2,644,175</u>	<u>7,388,890</u>	<u>(7,596,403)</u>	<u>662,849</u>	<u>18,245</u>	<u>3,117,756</u>
<b>Total Unrestricted funds</b>	<u>2,649,682</u>	<u>7,388,890</u>	<u>(7,596,403)</u>	<u>662,849</u>	<u>18,245</u>	<u>3,123,263</u>
<b>Endowment funds</b>						
Endowment Funds - all funds	102	-	-	-	-	102
<b>Restricted funds</b>						
Peggy Bailey Legacy	73,470	-	(5,004)	-	-	68,466
Early Years	304	147,118	(142,025)	-	-	5,397
Cricket Pavillion Fund	1,100	-	-	-	-	1,100
	<u>74,874</u>	<u>147,118</u>	<u>(147,029)</u>	<u>-</u>	<u>-</u>	<u>74,963</u>
<b>Total of funds</b>	<u>2,724,658</u>	<u>7,536,008</u>	<u>(7,743,432)</u>	<u>662,849</u>	<u>18,245</u>	<u>3,198,328</u>

---

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**22. Statement of funds (continued)**

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 Company restricted to the endowment of an award, prize of scholarship for students.

In regards to the other restricted funds, one of our sixth form students received a scholarship which related to the Peggy Bailey Legacy, totalling £5,004.

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

The Cricket Pavilion Fund represents monies donated to the Company towards the cost of rebuilding a new pavilion within the grounds of the Company, following a fire which completely destroyed the previous building.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**22. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>					
<b>Called up share capital</b>					
Called up share capital	5,507	-	-	-	5,507
<b>General funds</b>					
General Funds	2,278,563	7,252,028	(6,926,432)	24,776	2,628,935
Revaluation reserve	15,240	-	-	-	15,240
	<u>2,293,803</u>	<u>7,252,028</u>	<u>(6,926,432)</u>	<u>24,776</u>	<u>2,644,175</u>
<b>Total Unrestricted funds</b>	<u>2,299,310</u>	<u>7,252,028</u>	<u>(6,926,432)</u>	<u>24,776</u>	<u>2,649,682</u>
<b>Endowment funds</b>					
Endowment Funds - all funds	102	-	-	-	102
<b>Restricted funds</b>					
Peggy Bailey Legacy	73,470	-	-	-	73,470
Early Years	1,304	109,812	(110,812)	-	304
Cricket Pavillion Fund	1,100	-	-	-	1,100
	<u>75,874</u>	<u>109,812</u>	<u>(110,812)</u>	<u>-</u>	<u>74,874</u>
<b>Total of funds</b>	<u>2,375,286</u>	<u>7,361,840</u>	<u>(7,037,244)</u>	<u>24,776</u>	<u>2,724,658</u>

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**23. Summary of funds**

**Summary of funds - current year**

	Balance at 1 September 2022 £	Income £	Expenditure £	Revaluation £	Gains/ (Losses) £	Balance at 31 August 2023 £
Designated funds	5,507	-	-	-	-	5,507
General funds	2,644,175	7,388,890	(7,596,403)	662,849	18,245	3,117,756
Endowment funds	102	-	-	-	-	102
Restricted funds	74,874	147,118	(147,029)	-	-	74,963
	<u>2,724,658</u>	<u>7,536,008</u>	<u>(7,743,432)</u>	<u>662,849</u>	<u>18,245</u>	<u>3,198,328</u>

**Summary of funds - prior year**

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
Designated funds	5,507	-	-	-	5,507
General funds	2,293,803	7,252,028	(6,926,432)	24,776	2,644,175
Endowment funds	102	-	-	-	102
Restricted funds	75,874	109,812	(110,812)	-	74,874
	<u>2,375,286</u>	<u>7,361,840</u>	<u>(7,037,244)</u>	<u>24,776</u>	<u>2,724,658</u>

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**24. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	9,163,712	-	-	9,163,712
Intangible fixed assets	21,274	-	-	21,274
Debtors due after more than one year	59,404	-	-	59,404
Current assets	6,392,804	74,963	102	6,467,869
Creditors due within one year	(9,545,901)	-	-	(9,545,901)
Creditors due in more than one year	(2,508,543)	-	-	(2,508,543)
Provisions for liabilities and charges	(459,487)	-	-	(459,487)
<b>Total</b>	<b>3,123,263</b>	<b>74,963</b>	<b>102</b>	<b>3,198,328</b>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	7,910,735	-	-	7,910,735
Intangible fixed assets	28,694	-	-	28,694
Debtors due after more than one year	95,882	-	-	95,882
Current assets	6,186,240	74,874	102	6,261,216
Creditors due within one year	(8,562,183)	-	-	(8,562,183)
Creditors due in more than one year	(2,582,335)	-	-	(2,582,335)
Provisions for liabilities and charges	(427,351)	-	-	(427,351)
<b>Total</b>	<b>2,649,682</b>	<b>74,874</b>	<b>102</b>	<b>2,724,658</b>

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**25. Reconciliation of net movement in funds to net cash flow from operating activities**

	2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(207,424)	324,596
<b>Adjustments for:</b>		
Depreciation/amortisation charges	297,820	383,593
Interest received	(82)	(742)
Interest paid	137,020	125,617
Decrease in stocks	-	7,174
Increase in debtors	(567,451)	(755,371)
Increase in creditors	1,148,669	1,569,185
Increase/ (decrease) in provision	(131,364)	(356,461)
Donated fixed assets	(85,258)	(767,323)
Loss on disposal of fixed asset	955	580
Defined benefit pension scheme remeasurement	18,245	-
<b>Net cash generated by operating activities</b>	<b>611,130</b>	<b>530,848</b>

**26. Analysis of cash and cash equivalents**

	2023 £	2022 £
Cash in hand	885,677	1,282,953
<b>Total cash and cash equivalents</b>	<b>885,677</b>	<b>1,282,953</b>

**27. Analysis of changes in net debt**

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	1,282,953	(397,276)	885,677
Debt due within 1 year	(77,654)	1,451	(76,203)
Debt due after 1 year	(2,580,655)	73,672	(2,506,983)
Finance leases	(1,800)	120	(1,680)
	<b>(1,377,156)</b>	<b>(322,033)</b>	<b>(1,699,189)</b>

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**28. Called up share capital**

There are 5,507 Ordinary shares of £1 each which have been allotted, called up and fully paid (2022 same).

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 Company.

**29. Pension commitments**

The Company, together with many other independent schools, operates a contributory plan providing defined benefits based on final pensionable pay for its employees. The assets of the plans are held separately from those of the Company. They also operate three defined contribution schemes.

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

	<b>Employer</b>	<b>Employee</b>	<b>Total</b>
Independent Schools' Pension Scheme	8%	8%	16%
Aviva Pension Scheme	16.4%	7.4% - 11.7%	23.8% - 28.1%
People's Pension.	3%	5%	8%

The defined benefit pension scheme is a multi-employer pension scheme. 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 Company. Accordingly the Company has accounted for its contributions as if they were defined contribution schemes.

**Independent Schools' Pension Scheme**

The Company 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 Company 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 Company 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 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the Governors 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 2022 to 30 April 2032: £2,687,000 per annum  
(payable monthly and increasing by 3% on each  
1st September)



**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**29. Pension commitments (continued)**

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the Pension Scheme Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit Contributions**

From 1 September 2019 to 31 April 2030: £2,387,357 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.

Where the scheme is in deficit and where the Company has agreed to a deficit funding arrangement, the Company 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.

	2023 £	2022 £
<b>Reconciliation of Opening and Closing Provisions</b>		
Provision at start of period	337,511	358,588
Unwinding of the discount factor (interest expense)	13,690	3,699
Deficit contribution paid	(36,969)	(38,645)
Remeasurements - impact of any change in assumptions	-	(56,028)
Remeasurements - amendments to the contribution schedule	(18,245)	69,897
<b>Provision at end of period</b>	<b>295,987</b>	<b>337,511</b>

	2023 £	2022 £
<b>Income and Expenditure Impact</b>		
Interest expense	13,690	3,699
Remeasurements - impact of any change in assumptions	-	(56,028)
Remeasurements - amendments to the contribution schedule	(18,245)	69,897
	<b>(4,555)</b>	<b>17,568</b>

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**Assumptions**

The discount rates shown below 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.

	31 August 2023	31 August 2022	31 August 2021
Discount rate (% per annum)	5.79	4.31	1.09

**30. Operating lease commitments**

At 31 August 2023 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
<b>Non-cancellable operating leases</b>		
Within one year	125,262	182,673
Between one and five years	384,166	399,887
In more than five years	328,979	385,093
	<u>838,407</u>	<u>967,653</u>

**31. Finance lease commitments**

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	120	120
Between one and five years	480	480
In more than five years	1,080	1,200
	<u>1,680</u>	<u>1,800</u>

---

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**32. Related party transactions**

During the year the Company leased a property, on an arm's length basis from Broadland Properties Limited, for £60,000 (2022: £60,000). Mr R Guthrie (a Governor of Scarborough College Limited), is a Director and person with significant control of Broadland Properties Limited.

Three Governors had children enrolled in the Company during the year with fees payable at normal published rates, with discounts and scholarships applied which are available to all parents, totalling £80,100 (2022: £89,212).

The asset which was, in the prior year, an asset under construction, has now been completed and asset transferred to Equipment. This is the completed athletics track at the Company's Bramcote site. This is leased long term to Bramcoate Athletic Ltd of which Richard Guthrie, a Governor of Scarborough College Limited, is a Director of this company.