

SCARBOROUGH COLLEGE LIMITED
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

SCARBOROUGH COLLEGE LIMITED
(A company limited by guarantee)

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SCARBOROUGH COLLEGE LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 September 2021 to 31 August 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees 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, the Charities Act 2011 and the Companies Act 2006 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.

d. Aims of the Company

Scarborough College seeks:

- To encourage and enable pupils to achieve their academic potential and to foster a climate in which high quality teaching and learning are the upmost priorities.
- To respond to, support, and bring about the aspirations of pupils and their parents, whilst being attentive to their views.
- To consistently provide a high degree of personal care, support and guidance within, and outside of, the formal pastoral structure.
- To promote the acquisition and development of life-long values and 'character'.
- To cultivate and develop in pupils a sense of spirituality, cultural awareness and a moral framework through which they can live a fulfilling and happy life.
- To provide an environment in which pupils feel valued and learn to work co-operatively within a safe and nurturing community.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and Activities (continued)

- To provide regular opportunities for all pupils to engage with a varied co-curricular programme so that they may explore their talents and discover life-long passions.
- To be a caring, supportive and appreciative employer, recognising the work and commitment of all staff whilst facilitating a climate of continual professional development.
- To consistently look for improvements in everything we do, thereby ensuring that the experience all our stakeholders undergo becomes ever more positive and rewarding.

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

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

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 482, not including younger children attending the nursery.

f. Volunteers

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

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.

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FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and Activities (continued)

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.

h. Community Service

Throughout the College 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 Scarborough College 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 £8,162 (2021: £4,445) 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and Activities (continued)

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

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

This year the value of means tested bursaries totalled £495,913 (2021: £618,881) and represented 10.11% of our gross fees. They provided assistance to 117 pupils, representing 24.3% of the school roll, of which 1 pupil benefited from a full fee remission.

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 £530,107 (2021: £481,112) awarded to 110 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 189 pupils and amounted to £922,613 (2021: £400,683).

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 Scarborough College first offered a place to a scholar. By 2022 the College had 4 scholars. The value of such Scholarships in the school year totalled £129,108.

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 2022 Scarborough College 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 £41,056.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and Activities (continued)

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

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

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

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

Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. The College maintains regular contact with parents throughout the year through informal contacts and the fortnightly 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, Scarborough College is proud to provide students with a world class and all-round education that culminates with students in the Sixth Form studying the International Baccalaureate Diploma Programme (IBDP). It embraces and fosters academic excellence in an atmosphere of involvement, diversity and care.

The public examination results this year continued to be excellent with record breaking GCSE results and equally impressive IBDP results. Sixth Form Students were successful at gaining places at the top universities across the world, with some students earning scholarships to the best universities in the USA, Canada and others securing places at the finest universities in the UK. With an IBDP average of close to 33 points and with a 1/3 of students achieving 36 points or above there was much to celebrate. The average IBDP score equates to over 200 UCAS points. 3 A* for A Levels equals 168 UCAS points, which highlights the achievements of the students.

The GCSE results were outstanding with 49% of all grades being graded A* and A (9-7), 20% of all grades awarded were 9s. This was a record number of grade 9s for the College and the overall pass rate was 96% and matched the 2021 GCSE results.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

In accordance with its mission, the College continues to provide excellent quality in music, art and performing arts lessons, as well as various sports. Both the depth of activities as well as the qualities of the activities is highlighted by the College's Enrichment Programme, Yorkshire Grit and Prep School Holiday Club programmes. Both in the Prep and Senior School we continue to open the doors to exciting, challenging and adventurous opportunities so that our pupils can thrive and develop.

Performing Arts continue to thrive at the College and the 'Gig on Green' has become an annual event where the College showcases the musical, drama and Lamda talent at the College. Lamda has led the way with pupils completing the largest exam series yet with 101 exams completed over two days. Over 100 students are signed up for individual music and singing lessons and once again over a 100 pupils took part in the annual full school production. Each pupil is provided with regular opportunities for examination entry with ABRSM, Trinity, MTB and Rockschoool examinations. The pass rate over the last 5 years has been 99% and 54% passing with merit or distinction. There are a number of choirs performing to a high standard. Again, in the interest of inclusion, most of these choirs are not auditioned, yet still achieve a high standard of performance.

Sport has continued to thrive at the College. The main team sports are hockey, rugby, cricket, netball and rounders, as well as athletics, swimming and tennis. Both boys and girls hockey continue to thrive from the prep school teams to the unbeaten 1st XI. The girls U16s team were crowned North of England Indoor Hockey Champions and they also reached the National Hockey Tier Final where they played at the Olympic Stadium. The boys' rugby teams continue to thrive and in the U15 national bowl competition they reached the last 8 in the country for the second year running. The netball teams also enjoyed district success across various ages and the golf team had some impressive victories, including in the national cup. The 1st XI football team also won their first tournament and tennis continues to develop at the College, with a particularly impressive girls' U15s team. The school continues to thrive on the cricket field with victories against leading schools. The school became one of the top ranked schools in the country by the Cricketer magazine and games against County Academy teams such as Yorkshire are an exciting addition to the fixture card. In various sports pupils benefited from coaching by former International players, including Ryan Sidebottom, Piet Rinke, Craig White, Chris Jones, Nick Clark and Stephen Parry. In addition to driving excellence in sport our focus for participation continues with all pupils having the opportunity to represent their school in the academic year. We have more and more pupils participating in Club sport outside of school and a distinguished number of pupils achieving success on a County, Academy and National level.

Co-curricular activities continue to flourish. Whether it is the daily Enrichment Programme, Yorkshire Grit or the Duke of Edinburgh's Award, more activities are being tried, more pupils are involved and valuable experiences are being created. The annual Lyke Wake Walk for Sixth Form pupils is a great example of pupils embracing the opportunities provided.

The Yorkshire Grit programme continues to challenge pupils in Year 7, 8 and 9. To end Old Scardeburgians (OS) were able to enjoy the Duke of Edinburgh Gold Award Celebration at Buckingham Palace. This was hosted by His Royal Highness, The Earl of Wessex and Forfar (Prince Edward). It was the first time since 2019 that this event had taken place due to COVID. OS pupils Tom, Layla, Hattie, Harry and Ehsaan all attended and highlighted our love of the great outdoors and the contribution of co-curricular activities to our curriculum. This event, is highlighted in the below link in our bi-weekly 'The Owl' newsletter.

b. Financial Review and Results

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

The College produced a surplus in 2021 – 2022 of £349,372. This does include an expense of £24,776 relating to the fair value adjustment on the defined benefit scheme. It is planned that the College will next year be once

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

again in surplus and hoped that this position can be maintained for future years.

The principal source of income is fees accounting for 96% of the College's total income. The Governors are continuing their strategy of deploying all net incoming resources to investing in the educational purposes and fabric of the College.

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

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

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

c. Developments and Maintenance

Major projects included completion of the re-roofing of the main college building. The College 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 College's prioritised maintenance plan to ensure the College's buildings continue to function fully as intended.

d. Key Performance Indicators

	2022	2021	2020	2019	2018
IB exam pass rate	88%	100%	81%	80%	88%
GCSE pass rate (9-4)	95.6%	96%	89%	90%	89%
Net fee income (£'000)	6,275	5,431	4,709	4,888	4,416
Non fee income (£'000)	1,086	258	621	191	264
Net incoming (outgoing) resources before fair value adjustments (£'000)	325	(655)	(23)	(258)	228
Capital expenditure (£'000)	996	173	416	3,106	333

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

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 College.

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

The Company's unrestricted funds stood at £2,649,682 at the year end, and these were wholly deployed in funding the College's Capital Expenditure on the premises and equipment. The company's restricted funds stood at £74,874 at the year end.

The policy of the Trustees and the Directors of Scarborough College is to aim to retain reserves of £1.3 million or more. This is equivalent to approximately three months' expenditure, by means of annual operating surpluses, subject to the prior demands of further capital and revenue expenditure needed to maintain the high standard of the educational facilities provided at the College.

f. Market Value of Land and Buildings

In the opinion of the Trustees of Scarborough College the current market value of the Company's land and buildings was not less than the amount £6,194,015 shown in the balance sheet.

g. Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity 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.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

b. Governing Body

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

c. Trustee 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 College and an understanding of education as a holistic and rounded experience of personal growth. Where possible the governors consider that the skills and experience of the Board should comprise of the following:

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

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

d. Other Relationships

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

e. Organisational Management

The Governors and Trustees meet as a Board at least four times a year (October, December, March and June) to determine the general policy of the Company and review the overall management and control, for which they are legally responsible. The work of implementing most of their policies is carried out by the Finance and Management Committee, chaired by Mr A S Green, and which meets regularly prior to each meeting of the full Governing Board, and on other occasions when necessary to regulate the administration of the College. The other principal committee is the Education and Welfare Committee, which as its title indicates, focuses on matters relating to education/curriculum and welfare.

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

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

f. Related party relationships

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

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

One of the governors, Mr R Guthrie, is a Director and person with significant control of Broadland Properties Limited. During the year a sum of £60,000 (2021: £60,000) was paid to Broadland Properties for property rental on an arm's length basis.

Four Governors had children enrolled in the College during the year with fees payable at normal published rates, with discounts and scholarships applied which are available to all parents, totalling £89,212 (2021: £78,148)

At the year end, the College had an asset under construction valued at £767,324. This relates to the partial completion of the athletics track on the College's Bramcote site. This is donated by a related party, Bramcote Athletics Ltd. Richard Guthrie, a Governor of Scarborough College Ltd, is a Director of this company. Post year end Scarborough College Ltd has received Charities Commission approval to lease an element of the Bramcote Sports Centre site to Bramcote Athletics Ltd on a long term lease.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

h. Pay policy for senior staff

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

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

i. Risk management

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

Reference and administrative details of the Charity, its trustees and advisers

Trustees

Dr J Renshaw, Chairman
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 I G H Renwick (resigned 9 October 2021)
Mr G W Robinson (appointed 5 January 2023)

Key management personnel: Key Executives

Headmaster: Mr G A Emmett

Head of Prep School: Mr C W Barker

Business Manager,
Clerk to the Governors & Company Secretary: Miss A J Higgins

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

The website is:- www.scarboroughcollege.co.uk

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Company registered number	00050404
Charity registered number	529686
Registered office	Scarborough College Filey Road Scarborough North Yorkshire YO11 3BA
Independent auditor	Armstrong Watson Audit Limited Chartered Accountants Third Floor 10 South Parade Leeds West Yorkshire LS1 5QS
Bankers	Lloyds 1 St Nicholas Street Scarborough North Yorkshire YO11 2YY
Solicitors	Lupton Fawcett Denison Till Yorkshire House East Parade Leeds LS1 5BD

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TRUSTEES' REPORT (CONTINUED)
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Disclosure of information to auditors

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

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

Auditors

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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

Dr J Renshaw
Trustee

Date:

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity 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 Trustees and signed on its behalf by:

Dr J Renshaw
Trustee



Date:

25/3/23

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 'charity') for the year ended 31 August 2022 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 2022 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 Auditor's 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 Trustees' 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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees 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

SCARBOROUGH COLLEGE LIMITED
(A company limited by guarantee)

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

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 Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustee's responsibilities statement, on Page 13, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

SCARBOROUGH COLLEGE LIMITED
(A company limited by guarantee)

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

Auditor's responsibilities for the audit of the financial statements

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

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 trustees, 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. This description forms part of our Auditor's 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Karen Rae (Senior statutory auditor)

for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants & Statutory Auditors

Leeds

Date: *28 March 2023*

SCARBOROUGH COLLEGE LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:						
Donations and legacies	4	767,624	-	-	767,624	12,558
Charitable activities	5	6,165,676	109,812	-	6,275,488	5,431,107
Other trading activities	6	313,622	-	-	313,622	189,250
Investments	7	742	-	-	742	1,154
Other income	8	4,364	-	-	4,364	54,689
Total income and endowments		7,252,028	109,812	-	7,361,840	5,688,758
Expenditure on:						
Raising funds	9	351,032	-	-	351,032	423,551
Charitable activities	10	6,227,278	110,812	-	6,338,090	5,430,936
Other expenditure	11	348,122	-	-	348,122	489,529
Total expenditure		6,926,432	110,812	-	7,037,244	6,344,016
Net (expenditure)/ income before other recognised gains		325,596	(1,000)	-	324,596	(655,258)
Other recognised gains:						
Actuarial gains/ (losses) on defined benefit schemes		24,776	-	-	24,776	2,990
Net movement in funds		350,372	(1,000)	-	349,372	(652,268)

SCARBOROUGH COLLEGE LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Reconciliation of funds:					
Total funds brought forward	2,299,310	75,874	102	2,375,286	3,027,554
Net movement in funds	350,372	(1,000)	-	349,372	(652,268)
Total funds carried forward	<u>2,649,682</u>	<u>74,874</u>	<u>102</u>	<u>2,724,658</u>	<u>2,375,286</u>

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

The notes on pages 24 to 53 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	16	28,694	39,026
Tangible assets	17	7,910,735	7,288,116
		<u>7,939,429</u>	<u>7,327,142</u>
Current assets			
Stocks	18	-	7,174
Debtors	19	5,074,145	4,318,774
Cash at bank and in hand		1,282,953	1,181,938
		<u>6,357,098</u>	<u>5,507,886</u>
Creditors: amounts falling due within one year	20	<u>(8,562,183)</u>	<u>(6,982,083)</u>
Net current liabilities		(2,205,085)	(1,474,197)
Total assets less current liabilities		<u>5,734,344</u>	<u>5,852,945</u>
Creditors: amounts falling due after more than one year	21	(2,582,335)	(2,669,071)
Provisions for liabilities	22	(427,351)	(808,588)
Total net assets		<u><u>2,724,658</u></u>	<u><u>2,375,286</u></u>

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


BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Charity funds			
Endowment funds	23	102	102
Restricted funds:			
Peggy Bailey Legacy	23	73,470	73,470
Early Years	23	304	1,304
Cricket Pavilion Fund	23	1,100	1,100
Total restricted funds	23	<u>74,874</u>	75,874
Unrestricted funds			
Called up share capital	23	5,507	5,507
General funds	23	2,628,935	2,278,563
Revaluation reserve		15,240	15,240
Total unrestricted funds	23	<u>2,649,682</u>	2,299,310
Total funds		<u><u>2,724,658</u></u>	<u><u>2,375,286</u></u>

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

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


Dr J Renshaw
Trustee


Mr A S Green
Trustee

Date: 25/3/23

The notes on pages 24 to 53 form part of these financial statements.

SCARBOROUGH COLLEGE LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	26	530,848	1,308,627
Cash flows from investing activities			
Interest received		742	1,154
Purchase of intangible assets		-	(27,028)
Purchase of tangible fixed assets		(229,137)	(220,796)
Interest payable		(125,617)	(128,107)
Net cash used in investing activities		(354,012)	(374,777)
Cash flows from financing activities			
Loan repayments		(75,701)	(56,260)
Capital repayments		(120)	(120)
Net cash used in financing activities		(75,821)	(56,380)
Change in cash and cash equivalents in the year		101,015	877,470
Cash and cash equivalents at the beginning of the year		1,181,938	304,468
Cash and cash equivalents at the end of the year	27	1,282,953	1,181,938

The notes on pages 24 to 53 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 2022

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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Scarborough College Limited Scarborough College 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 Trustees 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 Trustees are confident that reserves will remain sufficient to meet the Charity's needs into the 2022-23 financial year.

In reaching their conclusion, the Trustees 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 Trustees believe that the charity is well placed to manage its financial risks successfully despite the current challenging and unpredictable economic outlook. The Trustees 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 Trustees 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 2022

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

Government grants receivable

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

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 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 which contribute to more than one activity and support costs which 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 Charity 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 which further the Charity'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 2022

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

2.5 Taxation

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

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.

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 improvements	- Over the term of the lease
Other equipment, furnishings and fittings	- 2%, 5%, 10% or 20% straight line

SCARBOROUGH COLLEGE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

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 2022. 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 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks on the first in, first out (FIFO) basis. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 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.

2.10 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.

2.11 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 Charity 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 2022

2. Accounting policies (continued)

2.12 Financial instruments

The Charity 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.

2.13 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 Charity. 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.

2.14 Pension costs and other post-retirement benefits

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 College. Contributions are charged in the financial statements in the period when they fall due. When the scheme is in deficit and where the College has agreed to a deficit funding arrangement, the College recognises a liability for this obligation.

The company also operates three defined contribution schemes and the pension charge represents the amounts payable by the company to the pension funds in respect of the year.

2.15 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees 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 Charity 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 19 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. From time to time, the company is required to make provision for pending legal claims. 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 college 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 Directors do not consider that any other judgements, estimates and assumptions used in the preparation of these financial statements have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Pension Liability

The College 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 30 for the disclosures relating to the pension scheme.

SCARBOROUGH COLLEGE LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	767,624	-	767,624
	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	6,558	6,000	12,558

Included within the income from donations is an amount of £767,624 which relates to a donation from a related party for the construction of an athletics track on the College's Bramcote site.

5. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Fees generated from the Provision of Education	6,165,676	109,812	6,275,488
	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Fees generated from the Provision of Education	5,283,989	147,118	5,431,107

The income from school fees was £6,275,488 (2021: £5,431,107) of which £6,165,676 (2021: £5,283,989) was unrestricted and £109,812 (2021: £147,118) 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 2022

6. Income from other trading activities

Income from non charitable trading activities

	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
Total 2022	313,622	313,622

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Other Trading Income	30,407	30,407
School Holiday and Hiring Income	6,984	6,984
Special Education Needs Income	59,123	59,123
Bus Income	80,215	80,215
Registration Fees	12,521	12,521
<i>Total 2021</i>	<i>189,250</i>	<i>189,250</i>

7. Investment income

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

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7. Investment income (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Deposit Account Interest	1,154	1,154

8. Other income

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

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Government Grants Receivable	54,689	54,689

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9. Expenditure on raising funds

	Unrestricted funds 2022 £	Total funds 2022 £
Bank Loan Interest	125,614	125,614
Bank Charges	20,760	20,760
Bad Debts Write Off	(4,656)	(4,656)
Agent Commission	204,150	204,150
Debt Collection Fees	5,161	5,161
Other Interest	3	3
Total 2022	351,032	351,032
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Bank Loan Interest	124,511	124,511
Bank Charges	27,500	27,500
Bad Debts Write Off	41,757	41,757
Agent Commission	205,144	205,144
Debt Collection Fees	21,216	21,216
Other Interest	3,423	3,423
<i>Total 2021</i>	<i>423,551</i>	<i>423,551</i>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Analysis of expenditure on charitable activities

Summary by fund type

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

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total 2021 £</i>
Provision of Education	5,283,795	147,141	5,430,936

11. Other expenditure

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

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Historic Legal Claim	489,529	489,529

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NOTES TO THE FINANCIAL STATEMENTS
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12. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Provision of Education	<u>5,301,794</u>	<u>1,036,296</u>	<u>6,338,090</u>
	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Provision of Education	<u>4,527,979</u>	<u>902,957</u>	<u>5,430,936</u>

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12. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Salaries	416,623	394,410
Staff Superannuation	16,535	12,765
HR Services	8,066	14,049
Advertising	163,722	136,449
Telephone	49,081	38,971
Postage	90,303	119,774
Vehicles	204,358	127,839
Auditors remuneration	10,650	12,000
Auditors remuneration for non audit work	1,995	6,590
Governors indemnity insurance	3,111	1,051
Legal and Professional fees	52,712	27,355
Amortisation	10,332	8,531
Depreciation	8,808	3,173
Total	1,036,296	902,957

13. Auditor's remuneration

	2022 £	<i>2021 £</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	10,650	12,000
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	1,995	6,590

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14. Staff costs

	2022 £	2021 £
Wages and salaries	2,742,196	2,752,224
Social security costs	293,942	249,063
Contribution to defined contribution pension schemes	364,140	315,704
	3,400,278	3,316,991

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

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

The key management personnel of the College comprise the Governors, the Headmaster, the Headmaster of the Prep School and the Business Manager, The total employee benefits, including employer pension contributions, of the key management personnel of the College were £308,677 (2021: £275,510)

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

	2022 No.	2021 No.
Tuition	73	61
Administration and Services	56	49
	129	110

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	1	1
In the band £100,001 - £110,000	1	1

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

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16. Intangible assets

	Marketing film £	Website Development costs £	Total £
Cost			
At 1 September 2021	46,684	24,635	71,319
At 31 August 2022	46,684	24,635	71,319
Amortisation			
At 1 September 2021	23,260	9,033	32,293
Charge for the year	5,405	4,927	10,332
At 31 August 2022	28,665	13,960	42,625
Net book value			
At 31 August 2022	18,019	10,675	28,694
<i>At 31 August 2021</i>	23,424	15,602	39,026

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17. Tangible fixed assets

	Freehold property £	Short leasehold improv'mts £	Fixtures and fittings £	Assets under construction £	Total £
Cost or valuation					
At 1 September 2021	6,642,301	88,461	3,859,936	-	10,590,698
Additions	84,144	-	144,993	767,323	996,460
Disposals	-	-	(580)	-	(580)
At 31 August 2022	<u>6,726,445</u>	<u>88,461</u>	<u>4,004,349</u>	<u>767,323</u>	<u>11,586,578</u>
Depreciation					
At 1 September 2021	263,752	12,713	3,026,117	-	3,302,582
Charge for the year	115,542	8,846	248,873	-	373,261
At 31 August 2022	<u>379,294</u>	<u>21,559</u>	<u>3,274,990</u>	<u>-</u>	<u>3,675,843</u>
Net book value					
At 31 August 2022	<u><u>6,347,151</u></u>	<u><u>66,902</u></u>	<u><u>729,359</u></u>	<u><u>767,323</u></u>	<u><u>7,910,735</u></u>
At 31 August 2021	<u><u>6,378,549</u></u>	<u><u>75,748</u></u>	<u><u>833,819</u></u>	<u><u>-</u></u>	<u><u>7,288,116</u></u>

Freehold properties totalling £5,492,374 (2021: £5,748,149) have been pledged as security for liabilities.

18. Stocks

	2022 £	2021 £
Stocks	<u><u>-</u></u>	<u><u>7,174</u></u>

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19. Debtors

	2022 £	2021 £
Due after one year		
Trade debtors	95,882	43,377
	95,882	43,377
Due within one year		
Trade debtors	4,746,722	4,071,089
Other debtors	42,209	57,446
Prepayments and accrued income	189,332	146,862
	5,074,145	4,318,774

20. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	77,654	66,739
Trade creditors	289,626	283,394
Other taxation and social security	71,985	60,440
Obligations under finance lease and hire purchase contracts	120	120
Other creditors	1,323,506	546,858
Accruals and deferred income	6,799,292	6,024,532
	8,562,183	6,982,083

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 £6,751,852 (2021: £5,955,302), with amounts being released to the Statement of Financial Activities of £5,955,302 (2021: £4,869,746).

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21. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	2,580,655	2,667,271
Net obligations under finance lease and hire purchase contracts	1,680	1,800
	2,582,335	2,669,071

Included within the above are amounts falling due as follows:

	2022 £	2021 £
Between one and two years		
Bank loans	81,043	80,404
	81,043	80,404
Between two and five years		
Bank loans	256,855	244,259
	256,855	244,259
Over five years		
Bank loans	2,242,757	2,342,608
	2,242,757	2,342,608

Bank borrowings at the year end total £2,658,309. The original bank loan is repayable in 300 consecutive monthly instalments representing principal and interest, which commences 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.

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22. Provisions

	Legal Provision £	Pension Provision £	Total £
At 1 September 2021	450,000	358,588	808,588
Additions	345,096	(21,077)	324,019
Amounts used	(705,256)	-	(705,256)
	<u>89,840</u>	<u>337,511</u>	<u>427,351</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. The balance of £89,840 is in relation to the unknown legal fees for which litigation is currently ongoing. 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Statement of funds

Statement of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds					
Called up share capital					
Called up share capital	5,507	-	-	-	5,507
General funds					
General Funds - all 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>
Total Unrestricted funds	<u>2,299,310</u>	<u>7,252,028</u>	<u>(6,926,432)</u>	<u>24,776</u>	<u>2,649,682</u>
Endowment funds					
Endowment Funds - all funds	102	-	-	-	102
Restricted funds					
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>
Total of funds	<u><u>2,375,286</u></u>	<u><u>7,361,840</u></u>	<u><u>(7,037,244)</u></u>	<u><u>24,776</u></u>	<u><u>2,724,658</u></u>

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

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 College towards the cost of rebuilding a new pavilion within the grounds of the College, following a fire which completely destroyed the previous building.

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23. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds						
Called up share capital						
Called up share capital	5,507	-	-	-	-	5,507
General funds						
General Funds	2,930,808	5,535,640	(6,196,875)	6,000	2,990	2,278,563
Revaluation Reserve	15,240	-	-	-	-	15,240
	<u>2,946,048</u>	<u>5,535,640</u>	<u>(6,196,875)</u>	<u>6,000</u>	<u>2,990</u>	<u>2,293,803</u>
Total Unrestricted funds	<u>2,951,555</u>	<u>5,535,640</u>	<u>(6,196,875)</u>	<u>6,000</u>	<u>2,990</u>	<u>2,299,310</u>
Endowment funds						
Endowment Funds - all funds	102	-	-	-	-	102
Restricted funds						
Peggy Bailey Legacy	73,470	-	-	-	-	73,470
Early Years	1,327	147,118	(147,141)	-	-	1,304
Cricket Pavillion Fund	1,100	-	-	-	-	1,100
Projector Fund	-	6,000	-	(6,000)	-	-
	<u>75,897</u>	<u>153,118</u>	<u>(147,141)</u>	<u>(6,000)</u>	<u>-</u>	<u>75,874</u>

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FOR THE YEAR ENDED 31 AUGUST 2022**

23. Statement of funds (continued)

Total of funds	3,027,554	5,688,758	(6,344,016)	-	2,990	2,375,286
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24. Summary of funds

Summary of funds - current 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
	2,375,286	7,361,840	(7,037,244)	24,776	2,724,658

Summary of funds - prior year

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Designated funds	5,507	-	-	-	-	5,507
General funds	2,946,048	5,535,640	(6,196,875)	6,000	2,990	2,293,803
Endowment funds	102	-	-	-	-	102
Restricted funds	75,897	153,118	(147,141)	(6,000)	-	75,874
	3,027,554	5,688,758	(6,344,016)	-	2,990	2,375,286

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Analysis of net assets between funds

Analysis of net assets between funds - current 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)
Total	2,649,682	74,874	102	2,724,658

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	7,288,116	-	-	7,288,116
Intangible fixed assets	39,026	-	-	39,026
Debtors due after more than one year	43,377	-	-	43,377
Current assets	5,388,533	75,874	102	5,464,509
Creditors due within one year	(6,982,083)	-	-	(6,982,083)
Creditors due in more than one year	(2,669,071)	-	-	(2,669,071)
Provisions for liabilities and charges	(808,588)	-	-	(808,588)
Total	2,299,310	75,874	102	2,375,286

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

	2022	2021
	£	£
Net income/expenditure for the year (as per Statement of Financial Activities)	324,596	(655,258)
Adjustments for:		
Depreciation charges	383,593	320,567
Impairment charges	-	94,400
Interest received	(742)	(1,154)
Interest paid	125,617	128,107
Decrease in stocks	7,174	4,434
Increase in debtors	(755,371)	(116,074)
Increase in creditors	1,569,185	1,117,746
Decrease in provision	(356,461)	415,859
Donated fixed asset	(767,323)	-
Loss on disposal of fixed asset	580	-
Net cash provided by operating activities	530,848	1,308,627

27. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand	1,282,953	1,181,938
Total cash and cash equivalents	1,282,953	1,181,938

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

28. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,181,938	101,015	1,282,953
Debt due within 1 year	(66,739)	(10,915)	(77,654)
Debt due after 1 year	(2,667,271)	86,616	(2,580,655)
Finance leases	(1,920)	120	(1,800)
	<u>(1,553,992)</u>	<u>176,836</u>	<u>(1,377,156)</u>

29. Called up share capital

There are 5,507 Ordinary shares of £1 each which have been allotted, called up and fully paid (2021 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 College.

30. Pension commitments

Scarborough College Limited, 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 Scarborough College Limited. They also operate three defined contribution schemes.

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

	Employer	Employee	Total
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 College. Accordingly the College has accounted for its contributions as if they were defined contribution schemes.

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NOTES TO THE FINANCIAL STATEMENTS
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30. Pension commitments (continued)

Independent Schools' Pension Scheme

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

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

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

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 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 Trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers to the scheme as follows:

Deficit Contributions

From 1 September 2022 to 30 April 2032: £2,687,000 per annum
(payable monthly and increasing by 3% on each
1st September)

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

Deficit Contributions

From 1 September 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 College has agreed to a deficit funding arrangement, the College recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

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	2022	2021
	£	£
Reconciliation of Opening and Closing Provisions		
Provision at start of period	358,588	395,719
Unwinding of the discount factor (interest expense)	3,699	3,378
Deficit contribution paid	(38,645)	(37,519)
Remeasurements - impact of any change in assumptions	(56,028)	(2,990)
Remeasurements - amendments to the contribution schedule	69,897	-
	337,511	358,588
	337,511	358,588
	2022	2021
	£	£
Income and Expenditure Impact		
Interest expense	3,699	3,378
Remeasurements - impact of any change in assumptions	(56,028)	(2,990)
Remeasurements - amendments to the contribution schedule	69,897	-
	17,568	388
	17,568	388

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.

	31st August 2022	31st August 2021	31st August 2020
Discount rate (% per annum)	4.31	1.09	0.90

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

31. Operating lease commitments

At 31 August 2022 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Non-cancellable operating leases		
Within one year	182,673	141,067
Between one and five years	399,887	325,576
In more than five years	385,093	435,036
	967,653	901,679

32. Finance lease commitments

Minimum lease payments under hire purchase fall due as follows:

	2022	2021
	£	£
Within one year	120	120
Between one and five years	480	480
In more than five years	1,200	1,320
	1,800	1,920

SCARBOROUGH COLLEGE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

33. Related Party Transactions

During the year the College leased a property, on an arm's length basis from Broadland Properties Limited, for £60,000 (2021: £60,000). Mr R Guthrie (a Trustee of Scarborough College Limited), is a Director and person with significant control of Broadland Properties Limited.

Four Governors had children enrolled in the College during the year with fees payable at normal published rates, with discounts and scholarships applied which are available to all parents, totalling £89,212 (2021: £78,148)

At the year end, the College had an asset under construction with a total cost valued at £852,582. At present £767,624 has been capitalised as this relates to the partial completion of the athletics track on the College's Bramcote site. This is donated by a related party, Bramcote Athletics Ltd. Richard Guthrie, a Governor of Scarborough College Ltd, is a Director of this company. Post year end Scarborough College Limited has received Charity Commission approval to lease an element of the Bramcote Sports Centre site to Bramcote Athletics Ltd on a long term lease.

As at the time of approval of these accounts there has been no change to the stage of completion of the asset since the year end date.

34. Post balance sheet events

At the year end, the College had an asset under construction with a total cost valued at £852,582. Assets capitalised to date of £767,624 relate to the partial completion of the athletics track on the College's Bramcote site. This is donated by a related party, Bramcote Athletics Ltd. Richard Guthrie, a Governor of Scarborough College Ltd, is a Director of this company. Post year end Scarborough College Ltd has received Charities Commission approval to lease an element of the Bramcote Sports Centre site to Bramcote Athletics Ltd on a long term lease.

As at the time of approval of these accounts there has been no change to the stage of completion of the asset since the year end date.