

Higham Hall College

(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

31 December 2020

Company registration number: 6421365

Charity registration number: 1124959



Higham Hall College

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Higham Hall College
Reference and Administrative Details

Charity name	Higham Hall College
Charity registration number	1124959
Company registration number	6421365
Principal office	Higham Hall Bassenthwaite Lake COCKERMOUTH CA13 9SH
Registered office	Higham Hall Bassenthwaite Lake COCKERMOUTH CA13 9SH
Trustees	H J Scott, Chair M Walker P M Oates S Clarke G Mcqueen L J Birch P J Brown (Appointed 4 March 2020) W Dufton (Appointed 9 September 2020) G Reed (Appointed 20 May 2020)
Secretary	G J Cooke
Bankers	HSBC 3 Pow Street WORKINGTON CA14 3AH
Accountant	Dodd & Co Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW

Higham Hall College

Trustees' Report for the Year Ended 31 December 2020

The trustees have the pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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.

Governance

Higham Hall College is a charitable company limited by guarantee and its governing document is its memorandum and articles of association.

The procedure for appointing new trustees is set out in the charity's articles of association. They provide that appointment can be made at a general meeting or by ordinary resolution. The number of directors cannot be less than three but is not subject to any maximum.

Training is included in a number of board meetings where trustees consider their roles, following charity commission guidelines, and receive guidance from our accountant, Dodd and Co Limited.

The trustees are also directors of the company. They meet every quarter to receive a report from the principal and make decisions based on consensus. Expenditure below £6,000 is delegated to the principal with cheques up to that value requiring 2 staff signatures. Single item expenditure above that value requires board approval and the signature of the chairman or his deputy.

Higham Hall College has one wholly owned subsidiary: Higham Learning Limited. Higham Learning Limited provides conference and similar facilities at Higham Hall, and contributes to any shared costs in order to help support the charity. Higham Learning Limited also aims to pass any surplus made back to Higham Hall College, by way of gift aid or similar provision.

The directors have reviewed the major risks to which the charity is exposed and systems or procedures have been put in place to manage those risks.

Objectives and activities

The charity's objects are:

"The advancement of education of the public in such a manner as may be charitable and in particular, but not to limit the generality of the foregoing, the provision of adult education, including for adults with disabilities, deafness or who are hard of hearing."

The aim of Higham is to provide short residential courses for adults of all ages and in general the advancement of education for the benefit of the public, including people with a disability. The following Public Benefit Statement has been agreed by the Trustees.

Higham Hall College
Trustees' Report for the Year Ended 31 December 2020

Public benefit statement

The objective of the college is the advancement and provision of adult education.

The activities consist of short residential courses and single day events.

The intended outcome is an improvement in the quality of participants lives achieved through:

- Personal educational achievement
- Access to educational opportunities that are not otherwise available
- Employment and new career opportunities
- Improvement in knowledge and skills leading to employment and/or increased confidence in a chosen field of activity

The college also provides wider public benefit through:

- Opportunities for disadvantaged people
- Public access to an historic building
- A significant contribution to the cultural life of the county
- A contribution to the local economy
- Support for other local charities and organisations

Examples of the College's activities include:

- Residential courses throughout the year in Art, Art Appreciation, Pastimes, Bridge, Crafts, Textiles, Wood, Health, History, Archaeology, Literature, Philosophy, Music, the Arts, Nature, the Sciences, Photo, Languages, Field Trips and Summer Schools
- Day events covering a similar range of activities and also including art history talks, art demonstrations, concerts and performances
- Concessionary rates for people on low income
- Bursaries for first timers on low income
- Support for disabled people through specialised accommodation, discounted or free places for support staff or relatives and additional staff help
- Support for local organisations which includes: a fund raising event for the local parish, free use of the premises bar space during the day by a local musician's group and free use of a room and garden tour for a local poetry group
- Discounted letting rates for other registered charities
- Support for young people (18 – 25) through concessionary course fees
- Support for young people (15 – 18) through work experience placements in partnership with local schools

Higham Hall College

Trustees' Report for the Year Ended 31 December 2020

Achievements and performance

The main activity of the charity was severely impacted, beyond the first two months of the year, by the Covid-19 pandemic which forced closures to happen for five months in total.

The months when opening was possible (August to October and the first half of December) were heavily limited due to safety requirements. Notably social distancing measures meant only 60% capacity could be achieved on courses. Despite this, a varied programme of courses was provided and some income was generated for three months before a second lockdown. It was possible to reopen for three weeks in December before a third lockdown which at the time of writing is still ongoing.

Higham Learning Limited, the subsidiary company, continues to be an effective support. Given the present financial climate, and that its services are primarily to other businesses, its performance has been reasonable and made a valuable contribution to the charitable work.

Enquiries and bookings from private groups for some niche learning activities continues to take place. A Brass Band weekend has been scheduled - although delays due to the pandemic have meant postponement. However, events such as this and smaller Cloth Dolls and Jazz composition courses are welcome complements to the college's core curriculum. These appeal to niche groups who tend to be recruited privately via the individual tutors rather than via our course programme. Care is taken to ensure that these activities fit within the remit of lifelong learning and each is run as a Higham course.

When course activity has been possible, the workspaces offered are now more flexible, with decent visual and sound systems in each main workroom and several layout possibilities for tables, easels, chairs etc. Several courses have been positively persuaded to change habits, for instance to use the Lecture Room so to free up other workrooms. This has helped the planning of activities side by side to make best use of the premises. Art may take place in any one of three workrooms, presentations can be held in each space also.

We have recently completed the creation of an ensuite bathroom for a double gatehouse upstairs bedroom, and two twin ensuites downstairs. This means that the Gatehouse now includes three ensuite bedrooms. Previously this has had too little use and is far more desirable as accommodation now.

In terms of overall accommodation, we have 24 usable rooms in the Main House plus 9 in the two annexes in total. 16 rooms across the site are twin and 3 are double. We do get non-residential guests also who are either local or stay locally.

Ultimately this means that we have the capacity for running up to four residential courses side by side, which enables us to plan flexibly for combinations of different sized groups. Having this potential will now be a key part of our recovery effort.

The trustees would like to gratefully acknowledge the time given and commitment shown by the following volunteers in the life of Higham, including helping with aspects of the gardens, minibs driving, event assistance, library, refurbishment and decorating:

Gardeners: Graham Harker, Jean Geater (both Graham and Jean celebrated their 80th birthdays with us in 2020)

Decorators: Charles Wilcock, Carmel Cooke, Heather Scott, Andy Mason, Geoff Philpot

Drivers: Bill Spence, John Matthews

Financial review

The charity's principal funding source is its income from the provision of courses at Higham Hall. The expenditure incurred during the year was in support of those courses and the maintenance and purchase of the premises, through a mortgage, to secure the long term future of the college.

Income for the year totalled £719,782 (2019: £1,011,838) with £535,379 (2019: £943,934) being generated from course fees. Total expenditure was £715,105 (2019: £921,232) resulting in a surplus of £4,677 (2019: £90,606). As a result, total reserves at the end of the year stood at £1,192,052 (2019: £1,187,375) which were all unrestricted and included a revaluation reserve of £530,047 (2019: £530,047).

The charity's trustees have considered the financial risks faced by the charity, and the level of resources that is needed in order to safeguard against these risks.

Higham Hall College
Trustees' Report for the Year Ended 31 December 2020

The charity takes deposits of £50 and course fees in advance, and so the risk that the charity may suffer from a loss of income due to cancellations is fairly small. However, other risks, such as the risk of severe weather, power cuts or tutor absences, which could require the charity to cancel courses, do still exist. In such a case, the charity may have to refund fees already collected. The risk also exists that some courses may be less well attended, and so leave the charity with a shortage of income. To mitigate this, the curriculum is planned where possible so that popular courses take place at the same time as those likely to be smaller.

Having evaluated these risks, the trustees have agreed a reserves policy as shown below.

Higham hall reserves policy

Unrestricted funds are needed:

- (a) to provide funds which can be designated to specific projects to enable these projects to be undertaken; and
- (b) to cover operating costs without which the charity could not function.

The trustees consider it prudent that unrestricted free reserves should be sufficient:

- (a) to avoid the necessity of realising fixed assets held for the charity's use;
- (b) to cover one month of full operating expenditure;
- (c) to provide a pool equal to 12.5% of the average group expenditure over the preceding two years after excluding direct course costs.

Unrestricted free group reserves at the end of 2020 were £141,278, which is in excess of the set reserves target level, and represents a decrease of £67,651 in the level of reserves reported at the previous year end. The Trustees will continue to carefully monitor the charity's financial performance in line with the medium term financial plan. The Trustees are mindful that the property from which Higham Hall operates is of a size and character that brings significant repair and maintenance requirements. These will be limited during our recovery period to essential actions with other projects being on hold (refurbishment of the toilets). We are trying to develop our own capacity for window refurbishment repairs and are already managing our own electrical, plumbing and some of our redecoration work.

COVID-19 - AN OVERVIEW OF ITS IMPACT ON HIGHAM

Approaching the final week of March 2020 Higham was closed due to the Covid-19 pandemic with the furlough for staff covering 80% of wages. This continued in the main for the months of April to July, again in November and is still ongoing since 22nd December.

Essentially the building was shut, with periodical security checks and a few outstanding jobs carried out on the electrics, a phone system installation and recarpeting of the upper corridor during closure. Planned building improvement work has been put on hold.

As the country continued through lockdown, with the Office closed, Higham simply decided to sit things out until such time as some income-generating activity could resume. This was able to happen finally on 2nd August, over four months on from the forced closure. During the couple of weeks before that time, some Staff returned from furlough (which, for the month of July had been reduced to 80% as the period was longer than we had originally hoped), and rescheduling and bookings were starting to be taken again. Of course, there were plenty of refunds to process as well, although some people kindly asked us to carry forward their deposits for future courses. This did help maintain some cash in the account.

In addition to this, we were able to secure a Bounceback Loan of £50,000 (to be paid back over 6 years at a lower rate of interest than our mortgage) plus, eventually, a Discretionary Grant of £25,000 and a smaller one of £3,000.

In all, having been closed for 4 whole months, we conservatively, but with reference to previous years, estimate having lost over £250,000 in potential income. This period would have been the most profitable of the year, and we were aware that any chance of recovery during Autumn and Winter would be at a limited pace.

Higham Hall College

Trustees' Report for the Year Ended 31 December 2020

Recovery has been delayed by further lockdown at the beginning of 2021. However, our plan remains to hit the ground running as much as possible and to ramp up course activity when it is safe and legal to do so.

A significant part of recovery will be the hope that restrictions will be lifted enough for us to operate at a capacity greater than 60%. The rollout of the vaccine should certainly have a positive effect on this. Whatever the prevailing circumstances, we will seek to be proactive and maximise our occupancy as much as we can. This will include organising some popular courses at short notice and pushing out information to dedicated cohorts via several routes. The admin team are prepared for this challenge.

During restrictions, we planned to operate at about 60% guest capacity, due to social distancing requirements, with between 22 and 30 guests. Limitations were such that we were only able to fit 2 people per dining table (previously we had 6), and not use 5 bedrooms that do not have their own bathroom. Such a pattern of income generation enabled us to stay afloat until restrictions are lifted. It is only when restrictions are lifted that we shall be able to begin any significant recovery and then that will likely take us 18 months.

We have withheld our new brochure for April to September until we have a firm reopening date and can unfurlough some admin staff. Many of our students and tutors fall into age or health categories that mean they have already been offered their first jab of vaccine and will feel they have some protection. It is clear many people are keen to venture out once more when they are allowed.

Our safety measures so far have proved effective. We are conscious that the new strains of the virus are more transmissible but these risks should be largely balanced out by ongoing vaccinations. Most courses are able to run safely, perhaps still with reduced numbers for April and May. Some will continue to need special consideration, and we continue to risk assess such courses as Singing, Wind and Field Trips courses in line with guidelines.

Our reserves will have to cushion the blow, but we know we can operate under these conditions safely and effectively until such time as restrictions are lifted. There is a risk that tutors and students may suddenly not be available, hence why we have tried, in the main, to schedule two or three courses of smaller numbers side by side. We have also built up our eNewsletter audience to over 3,000 students, so we have a connected cohort of active subscribers who are willing to find out at short notice about additional courses we might arrange.

Once allowed to reopen, we will continue to take bookings and, if a course is full (in some cases through limited numbers), we can resort to our 'Register An Interest List'. If someone who has booked changes their plans, then this list, as well as enabling some pre-bookings for a course to be initiated, is a direct way of being able to offer an available place to someone keen to fill it. This works well anyway but is now also a very useful tool for us.

Flexibility will be a key aspect for the next year and a half, at least as we juggle courses based upon availability, opportunity and practicality. The printed brochure will be a guide, but we expect many changes to courses published in that, but use of phone, internet and communication skills will be paramount for us to achieve an effective result as we get things back on track.

In very broad terms, due to the Covid-19 pandemic, we will have been deprived of at the very least one half years' worth of our economic activity, and our work will continue to be compromised throughout 2021, having at the time of writing essentially lost the entire first quarter.

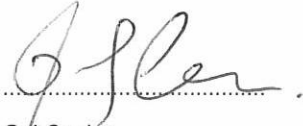
In reality, we know we will need to work hard to ramp up activity once we are allowed to and any recovery will extend well into 2022. We are making plans to continue rebuilding our curriculum with popular courses and keeping occupancy rates as high as possible once circumstances permit. We are encouraged by past performance when, for the previous several years, free of restriction, Higham has been able to prove that it can surpass its financial projections.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Higham Hall College
Trustees' Report for the Year Ended 31 December 2020

Approved by the Board on 19 May 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'G J Cooke', written over a horizontal dotted line.

G J Cooke
Secretary

Higham Hall College

Trustees' Responsibilities in relation to the Financial Statements

The trustees (who are also directors of Higham Hall College for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

**Independent Examiner's Report to the Trustees of
Higham Hall College**

I report on the accounts of the company for the year ended 31 December 2020, which are set out on pages 10 to 29.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of (named body).

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145 (5) (b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


Faye Armstrong FCA
Bodd & Co Limited
Chartered Accountants

19 May 2021

FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

Higham Hall College

Consolidated Statement of Financial Activities (including Income and Expenditure Account) for the Year Ended 31 December 2020

		Unrestricted Funds	Total Funds 2020	Total Funds 2019
	Note	£	£	£
Income and endowments from:				
Donations and legacies	2	152,616	152,616	15,967
Other trading activities	3	21,531	21,531	50,327
Investments	4	1,196	1,196	1,610
Charitable activities	5	535,379	535,379	943,934
Other income	6	9,060	9,060	-
Total income and endowments		<u>719,782</u>	<u>719,782</u>	<u>1,011,838</u>
Expenditure on:				
Raising funds		25,741	25,741	49,618
Charitable activities		689,364	689,364	871,614
Total expenditure		<u>715,105</u>	<u>715,105</u>	<u>921,232</u>
Net movements in funds		4,677	4,677	90,606
Reconciliation of funds				
Total funds brought forward		1,187,375	1,187,375	1,096,769
Total funds carried forward		<u>1,192,052</u>	<u>1,192,052</u>	<u>1,187,375</u>

All of the Charity's activities derive from continuing operations during the above periods.

The notes on pages 14 to 29 form an integral part of these financial statements.

Higham Hall College
Company registration number: 6421365
Consolidated Balance Sheet as at 31 December 2020

		2020	2019
	Note	£	£
Fixed assets			
Tangible assets	13	1,642,276	1,616,225
Current assets			
Stocks and work in progress		6,538	11,117
Debtors	15	24,213	7,860
Cash at bank and in hand		301,406	379,538
		<u>332,157</u>	<u>398,515</u>
Creditors: Amounts falling due within one year	16	<u>(197,040)</u>	<u>(239,321)</u>
Net current assets		<u>135,117</u>	<u>159,194</u>
Total assets less current liabilities		1,777,393	1,775,419
Creditors: Amounts falling due after more than one year	17	<u>(585,341)</u>	<u>(588,044)</u>
Net assets		<u><u>1,192,052</u></u>	<u><u>1,187,375</u></u>
The funds of the charity:			
Unrestricted funds			
Revaluation reserve		530,047	530,047
Unrestricted income funds		662,005	657,328
Total unrestricted funds		<u>1,192,052</u>	<u>1,187,375</u>
Total charity funds		<u><u>1,192,052</u></u>	<u><u>1,187,375</u></u>

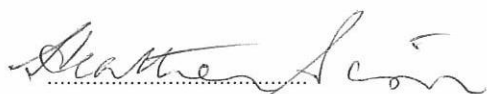
For the financial year ended 31 December 2020, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 19 May 2021 and signed on its behalf by:



H J Scott
Trustee

The notes on pages 14 to 29 form an integral part of these financial statements.

Higham Hall College
Charity Balance Sheet as at 31 December 2020

		2020	2019
	Note	£	£
Fixed assets			
Tangible assets	12	1,642,276	1,616,225
Investments	13	<u>1</u>	<u>1</u>
		1,642,277	1,616,226
Current assets			
Stocks and work in progress		4,833	9,425
Debtors	14	171,121	228,448
Cash at bank and in hand		<u>159,212</u>	<u>159,441</u>
		335,166	397,314
Creditors: amounts falling due within one year	15	<u>(195,840)</u>	<u>(238,121)</u>
Net current assets		<u>139,326</u>	<u>159,193</u>
Total assets less current liabilities		1,781,603	1,775,419
Creditors: amounts falling due after more than one year	16	<u>(585,341)</u>	<u>(588,044)</u>
Net assets		<u><u>1,196,262</u></u>	<u><u>1,187,375</u></u>
The funds of the charity:			
Unrestricted funds			
Revaluation reserve		530,047	530,047
Unrestricted income funds		<u>666,215</u>	<u>657,328</u>
Total unrestricted funds		<u>1,196,262</u>	<u>1,187,375</u>
Total charity funds		<u><u>1,196,262</u></u>	<u><u>1,187,375</u></u>

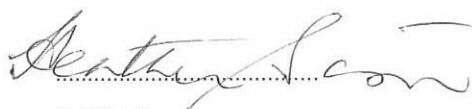
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Approved by the Board on 19 May 2021 and signed on its behalf by:



H J Scott
Trustee

The notes on pages 14 to 29 form an integral part of these financial statements.

Higham Hall College
Cash Flow Statement for the Year Ended 31 December 2020

	2020 £	2019 £
Net cash provided by (used by) operating activities		
Net income for the period	4,677	90,606
Depreciation charges	13,130	15,203
Dividends, interest and rents from investments	(1,196)	(1,610)
Loss on the sale of fixed assets	1,000	-
Decrease in stocks	4,579	-
Increase in debtors	(16,353)	(2,447)
(Decrease)/increase in creditors	(48,199)	25,767
	<u>(42,362)</u>	<u>127,519</u>
Net cash provided by (used in) investing activities		
Dividends, interest and rents from investments	1,196	1,610
Proceeds from the sale of property, plant and equipment	3,000	-
Purchase of property, plant and equipment	(43,181)	(15,410)
	<u>(38,985)</u>	<u>(13,800)</u>
Net cash provided by (used in) financing activities		
Repayment of borrowings	(46,785)	(50,326)
Cash inflows from new borrowing	50,000	-
	<u>3,215</u>	<u>(50,326)</u>
(Decrease)/increase in cash	<u><u>(78,132)</u></u>	<u><u>63,393</u></u>

The notes on pages 14 to 29 form an integral part of these financial statements.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

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

Going concern

The charity has considered whether the use of the going concern basis for accounting is appropriate. To do this, they have considered whether there are any material uncertainties as to the Charity's ability to continue as a going concern.

Following the COVID-19 outbreak, the trustees have prepared detailed cash flow projections and budgets to take into account the uncertainties surrounding the pandemic and its effect on their ability to operate. As a result of this review, the trustees remain confident that there are financial resources available to see the charity through until normal operations resume and are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Further details of each fund are disclosed in note 22.

Income and endowments

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measured with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2020

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Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds are the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

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.

Fixed assets

Individual fixed assets costing £100 or more are initially recorded at cost.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Freehold land and buildings	Not depreciated
Property improvements	2% reducing balance
Minibus	25% reducing balance
Artwork	Not depreciated
Fixtures, fittings and equipment	15% reducing balance

The charity holds various pieces of artwork which the charity does not depreciate in line with its financial policy. The trustees believe each item will maintain its value and does not have a definitive useful life.

The charity does not depreciate its buildings as the trustees believe that the policy of continually maintaining the property means that any depreciation charge would be immaterial due to the property retaining a high residual value at the end of its useful life.

Investments

Fixed asset investments represents the nominal share value of the charity's wholly owned subsidiary, Higham Learning Limited.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2020

..... continued

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Trade Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Liabilities

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

The charity also operates a defined benefit pension scheme administered by the Local Government Pension Scheme. This has been accounted for as if it were a defined contribution scheme whereby contributions are charged to the Statement of Financial Activities when they become due. Further explanation of the pension arrangements is given in note 18 to the accounts.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2020

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Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Consolidation

Consolidated financial statements have been prepared on a line by line basis in accordance with FRS 102 and the Charities Act 2011.

The consolidated financial statements incorporate the accounts of:

- Higham Hall College, the parent
- Higham Learning Limited, the wholly owned subsidiary.

2 Donations and legacies

	Unrestricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Donations and legacies			
Appeals and donations	4,788	4,788	15,967
Grants			
UK Government grants	146,608	146,608	-
Grants receivable	1,220	1,220	-
	147,828	147,828	-
	152,616	152,616	15,967

Of the donations and legacies income in 2019, £15,967 related to unrestricted funds.

Higham Hall College
Notes to the Financial Statements for the Year Ended 31 December 2020

..... continued

3 Other trading activities

	Unrestricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Conference fees	98	98	1,608
Accommodation	6,094	6,094	17,165
Bar	13,060	13,060	27,766
Shop	2,279	2,279	3,788
	<u>21,531</u>	<u>21,531</u>	<u>50,327</u>

Of the other trading activities income in 2019, £50,327 related to unrestricted funds.

4 Investments

	Unrestricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Interest on cash deposits	1,196	1,196	1,610

Of the income from investments in 2019, £1,610 related to unrestricted funds.

5 Charitable activities

	Unrestricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Course fees	535,379	535,379	943,934

Of the income from charitable activities in 2019, £943,934 related to unrestricted funds.

6 Other income

	Unrestricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Sale of stoneware	9,060	9,060	-

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2020

..... continued

7 Expenditure

	Higham Learning Limited	Course provision	Total 2020	Total 2019
	£	£	£	£
Direct costs				
Food and bar purchases	8,604	41,417	50,021	109,014
Course materials and expenses	-	4,420	4,420	11,356
Freelance tutors' fees and expenses	-	85,723	85,723	164,014
Laundry	194	6,303	6,497	12,084
Employment costs	7,262	236,515	243,777	240,447
Rates	158	5,159	5,317	5,231
Water rates	119	3,888	4,007	5,855
Light, heat and power	735	23,930	24,665	34,141
Insurance	392	12,773	13,165	12,695
Repairs and maintenance	1,758	59,809	61,567	104,580
Telephone and fax	69	2,247	2,316	1,669
Computer software and maintenance costs	208	6,767	6,975	10,764
Printing, postage and stationery	292	9,551	9,843	15,402
Subscriptions and licences	13	440	453	449
Auction commission	-	2,412	2,412	-
Cost of trustee meetings	-	660	660	1,687
Motor expenses	32	1,029	1,061	2,315
Advertising	265	8,614	8,879	10,597
	<u>20,101</u>	<u>511,657</u>	<u>531,758</u>	<u>742,300</u>
Support costs				
Employment costs	3,701	120,556	124,257	115,906
Subsidiary accountancy fees	1,333	-	1,333	1,500
The audit of the charity's annual accounts	-	-	-	3,000
Accountancy and payroll	-	9,434	9,434	7,428
Bank interest and charges	606	33,587	34,193	35,895
Depreciation	-	13,130	13,130	15,203
(Profit)/loss on sale of tangible fixed assets held for charity's own use	-	1,000	1,000	-
	<u>5,640</u>	<u>177,707</u>	<u>183,347</u>	<u>178,932</u>
	<u>25,741</u>	<u>689,364</u>	<u>715,105</u>	<u>921,232</u>

Of the expenditure in 2019, £921,232 related to unrestricted funds, and £49,618 of this related to Higham Learning Limited.

8 Government grants

Income from government grants comprises of the Coronavirus Job Retention Scheme to fund wages and Discretionary Business Grants. See note 2 for more details.

Higham Hall College
Notes to the Financial Statements for the Year Ended 31 December 2020

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9 Governance costs

	2020	2019
	£	£
Cost of trustee meetings	660	1,687
Accountancy fees	9,767	8,928
Independent examination fees	1,000	
Auditors remuneration	-	3,000
	<u>11,427</u>	<u>13,615</u>

10 Trustees' remuneration and expenses

No trustees received any remuneration during the year.

During the year the college reimbursed 4 trustees a total of £569 (2019 - £1,454) for travel costs incurred as a result of their role as trustee.

11 Net income

Net income is stated after charging:

	2020	2019
	£	£
Loss/(profit) on disposal of tangible fixed assets	1,000	-
Depreciation of tangible fixed assets	13,130	15,203
Auditors' remuneration	-	3,000
Other financial services	<u>10,767</u>	<u>8,928</u>

Higham Hall College
Notes to the Financial Statements for the Year Ended 31 December 2020

..... continued

12 Employees' remuneration

The monthly average number of persons (including senior management) employed by the charity during the year was as follows:

	2020 No.	2019 No.
Administration and housekeeping	<u>29</u>	<u>33</u>

The aggregate payroll costs of these persons were as follows:

	2020 £	2019 £
Wages and salaries	343,370	334,409
Social security	15,652	14,235
Other pension costs	8,589	6,818
	<u>367,611</u>	<u>355,462</u>

No employee received emoluments of more than £60,000 during the year.

The key management personnel comprise the Trustees, the Principal and head of accounts. The total employee benefits of the key management personnel of the Charity were £78,047 (2019 - £64,339).

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2020

13 Tangible fixed assets

	Freehold land and buildings £	Property improvements £	Minibus £	Artwork £	Fixtures, fittings and equipment £	Total £
Cost or Valuation						
As at 1 January 2020	1,500,000	31,410	9,750	7,900	200,434	1,749,494
Additions	-	39,655	-	2,000	1,526	43,181
Disposals	-	-	-	(4,000)	-	(4,000)
As at 31 December 2020	1,500,000	71,065	9,750	5,900	201,960	1,788,675
Depreciation						
As at 1 January 2020	-	1,499	3,096	-	128,674	133,269
Charge for the year	-	598	1,664	-	10,868	13,130
As at 31 December 2020	-	2,097	4,760	-	139,542	146,399
Net book value						
As at 31 December 2020	1,500,000	68,968	4,990	5,900	62,418	1,642,276
As at 31 December 2019	1,500,000	29,911	6,654	7,900	71,760	1,616,225

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2020

Revaluation of fixed assets

14 Investments in subsidiaries

The charity holds more than 20% of the share capital of the following company:

	Country of incorporation	Principal activity	Class	%
Subsidiary undertakings				
Higham Learning Limited	United Kingdom	Provision of conference facilities	Ordinary	100
		Capital & reserves £	Profit/(loss) for the period £	
Subsidiary undertakings				
Higham Learning Limited		1	(4,210)	

15 Debtors

Group

	2020 £	2019 £
Trade debtors	29	1,383
Other debtors	20,078	-
Prepayments and accrued income	4,106	6,477
	<u>24,213</u>	<u>7,860</u>

Charity

	2020 £	2019 £
Amounts from subsidiary and associated undertakings	146,910	221,470
Prepayments and accrued income	4,106	6,477
Other debtors	20,105	501
	<u>171,121</u>	<u>228,448</u>

Higham Hall College
Notes to the Financial Statements for the Year Ended 31 December 2020

..... continued

16 Creditors: Amounts falling due within one year

Group

	2020	2019
	£	£
Bank loans and overdrafts	55,653	49,735
Trade creditors	22,515	21,589
Receipts in advance	92,388	141,251
Taxation and social security	4,443	5,122
Other creditors	14,258	11,200
Accruals and deferred income	7,783	10,424
	<u>197,040</u>	<u>239,321</u>

Charity

	2020	2019
	£	£
Bank loans and overdrafts	55,653	49,735
Trade creditors	22,515	21,589
Receipts in advance	92,388	141,251
Taxation and social security	4,443	5,122
Other creditors	14,258	11,200
Accruals and deferred income	6,583	9,224
	<u>195,840</u>	<u>238,121</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the charity:

	2020	2019
	£	£
Bank loans and overdraft	<u>49,950</u>	<u>49,735</u>

Higham Hall College
Notes to the Financial Statements for the Year Ended 31 December 2020

..... continued

17 Creditors: Amounts falling due after more than one year

Group and charity

	2020 £	2019 £
Bank loans and overdrafts	<u>585,341</u>	<u>588,044</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the charity:

	2020 £	2019 £
Bank loans and overdrafts	<u>541,552</u>	<u>588,044</u>

Included in the creditors are the following amounts due after more than 5 years:

	2020 £	2019 £
After more than five years by instalments	<u>333,797</u>	<u>370,776</u>

18 Members' liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

19 Operating lease commitments

As at 31 December 2020 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Within one year	1,131	1,271
Within two and five years	<u>-</u>	<u>636</u>
	<u>1,131</u>	<u>1,907</u>

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2020

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20 Pension schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £8,589 (2019 - £6,818).

Contributions totalling £3,096 (2019 - £1,110) were payable to the scheme at the end of the period and are included in creditors.

Defined benefit pension scheme

Eleven of the charity's employees are members of the final salary Local Government Pension Scheme. Following the acquisition of Higham Hall on 19 December 2008 these employees retained the right to continue contributing to this scheme. The charity obtained indemnity from the employees' previous employer such that it would have no obligation to meet the deficit which existed in the final salary pension scheme at 19 December 2008 and would only be liable for any subsequent movement in the scheme value.

The charity has also taken out a bond to indemnify the employees' previous employer against the risk of the charity ceasing to operate, or otherwise being unable to meet its obligations to fund the employees' membership of the scheme, in which case the pension scheme liability would fall due on the previous employer.

The most recent triennial actuarial valuation of the Local Government Pension Scheme, which undertaken as at 31 March 2019, values the charity's share in the scheme assets to be £328,900 in excess of its future pension liabilities. Under the funding strategy of the scheme, as the charity's funding target has been achieved, its pension contributions are therefore calculated based on future service contribution rates only. As this is the case, FRS 102, the contributions to the scheme are therefore accounted for as though it was a defined contribution scheme.

As at 31 December 2020 the college had 6 active members of this scheme.

21 Related parties

Controlling entity

The ultimate control of the charity lies with the board of directors, who are also trustees, and whose membership is set out on page 1.

Related party transactions

Higham Learning Limited has provided a cross company guarantee over the bank loan taken by the charity.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2020

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22 Analysis of funds

	At 1 January 2020	Incoming resources	Resources expended	At 31 December 2020
	£	£	£	£
General Funds				
Unrestricted income fund	1,187,375	719,782	(715,105)	1,192,052

Prior period

	At 1 January 2019	Incoming resources	Resources expended	At 31 December 2020
	£	£	£	£
General Funds				
Unrestricted income fund	1,096,769	1,011,838	(921,232)	1,187,375

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2020

..... continued

23 Net assets by fund

Group

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Tangible assets	1,642,276	-	1,642,276	1,616,225
Current assets	323,207	8,950	332,157	398,515
Creditors: Amounts falling due within one year	(188,090)	(8,950)	(197,040)	(239,321)
Creditors: Amounts falling due after more than one year	(585,341)	-	(585,341)	(588,044)
Net assets	<u>1,192,052</u>	<u>-</u>	<u>1,192,052</u>	<u>1,187,375</u>

Charity

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Tangible assets	1,642,276	-	1,642,276	1,616,225
Investments	1	-	1	1
Current assets	326,216	8,950	335,166	397,314
Creditors: Amounts falling due within one year	(186,890)	(8,950)	(195,840)	(238,121)
Creditors: Amounts falling due after more than one year	(585,341)	-	(585,341)	(588,044)
Net assets	<u>1,196,262</u>	<u>-</u>	<u>1,196,262</u>	<u>1,187,375</u>

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2020

..... continued

Prior period Group

	Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£	£
Tangible assets	1,616,225	-	1,616,225	1,616,018
Current assets	389,565	8,950	398,515	332,675
Creditors: Amounts falling due within one year	(230,371)	(8,950)	(239,321)	(214,145)
Creditors: Amounts falling due after more than one year	(588,044)	-	(588,044)	(637,779)
Net assets	<u>1,187,375</u>	<u>-</u>	<u>1,187,375</u>	<u>1,096,769</u>

Charity

	Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£	£
Tangible assets	1,616,225	-	1,616,225	1,616,018
Investments	1	-	1	1
Current assets	388,364	8,950	397,314	331,474
Creditors: Amounts falling due within one year	(229,171)	(8,950)	(238,121)	(212,945)
Creditors: Amounts falling due after more than one year	(588,044)	-	(588,044)	(637,779)
Net assets	<u>1,187,375</u>	<u>-</u>	<u>1,187,375</u>	<u>1,096,769</u>

