

Higham Hall College

(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

31 December 2023

**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	P J Brown, Chair H J Scott M Walker P M Oates (Resigned 24 May 2023) S Clarke G Mcqueen (Resigned 24 August 2023) L J Birch W Dufton G Reed
Secretaries	G J Cooke (Resigned 4 September 2023) E A Fisher (Appointed 4 September 2023)
Bankers	HSBC 3 Pow Street WORKINGTON CA14 3AH
Auditor	Dodd & Co Audit Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW

Higham Hall College

Trustees' Report for the Year Ended 31 December 2023

The trustees have the pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2023.

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 the board meetings structure 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 £10,000 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.

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.

Higham Hall College

Trustees' Report for the Year Ended 31 December 2023

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: events for the local parish, free use of space during the day by local groups. These now include activities such as art, knitting and 'man-trailing' (dog training).
- 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
- Support for young people (15 – 18) through assistantships, in co-operation with tutors, to enable them to experience affordable course activity which might benefit their choices of formal and informal study. Examples where young people have been able to join courses so far include Enamelling and Musicianship courses.

Achievements and performance

The last four years proved challenging for many organisations and Higham Hall College was no exception. From March 2020 Covid 19, and its immediate aftermath, greatly disrupted established routines and ways of working. It created huge pressure on the resources of the College. Barely had we moved on from that challenge than the war in Ukraine began in February 2022.

The effect on the UK economy, prompted by the worldwide disruption to oil and gas supplies, was a surge in inflation hitting 20% at one point. The impact in respect of food and heating costs was particularly severe. This was followed by a big increase in interest rates in an effort to control inflation. Our response at Higham was to maintain our schedule of courses which had only just returned to levels last seen prior to Covid. The Trustees were concerned to support our workforce through these exceptional times. Consequently, we awarded a second wage increase in December 2022 over and above our annual review in April to our lowest-paid employees.

We entered 2023 with a range of costs pressures confronting the College. However, the number of students attending courses has continued to increase. Income from all sources increased by 10%, resulting in a trading surplus of £36,529 for the year.

Higham Hall College
Trustees' Report for the Year Ended 31 December 2023

In 2019, we had embarked on a major project within the property to improve facilities and access for disabled people. The cost was entirely funded from our own resources. The bulk of that cost of £120,148 was incurred during the 4 years of maximum disruption from 2020 to 2023 –

- 2019 - £15,410
- 2020 - £43,750
- 2021 - £0
- 2022 - £35,549
- 2023 - £25,439

Throughout the turmoil of the last four years, we have continued to repay our outstanding mortgage without any change to the schedule. Capital repayments in that period totalled £198,274.

The Trustees are mindful that the combined effect of the capital improvements and mortgage repayments have adversely affected the Free Reserves available over the 4-year period.

2023 saw a change in the senior personnel at Higham. George Cooke, the Principal since 2012, decided it was time to move on. He had overseen the expansion of Higham and established its reputation for the quality of the courses and the overall Higham "experience" which many students returned to enjoy on a regular basis. The Trustees own him a huge debt of gratitude for his contribution over the years, in particular his handling of the impact of the Covid crisis.

In September 2023, Dr Elizabeth Fisher was appointed as the new Principal. Lizzie Fisher brings a wealth of experience and enthusiasm to the College. We look forward to 2024 and the prospect of a return to more normalised working conditions.

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 £1,079,922 (2022: £982,786) with £1,022,261 (2022: £916,505) being generated from course fees. Total expenditure was £1,043,393 (2022: £943,078) resulting in a surplus of £36,529 (2022: surplus of £39,708). As a result, total reserves at the end of the year stood at £1,281,619 (2022: £1,245,090) which were all unrestricted and included a revaluation reserve of £530,047 (2022: £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.

The charity takes deposits of £50 and course fees in advance, and so the risk that the charity may suffer a sudden and unforeseen loss of income 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;

Higham Hall College

Trustees' Report for the Year Ended 31 December 2023

(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 2023 were £35,813 (2022 - £57,570), which is in deficit of the set reserves target level, and represents a decrease of £21,757 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 also mindful that the property from which Higham Hall operates is of a size and character that brings significant repair and maintenance requirements. Our reserves may therefore be required at any point to fund such work, examples of this being refurbishment of the toilets, and window repairs.

Small company provisions

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

Approved by the Board on 22 May 2024 and signed on its behalf by:

A handwritten signature in dark ink, appearing to be 'E A Fisher', written over a dotted line.

E A Fisher
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 Auditors' Report to the Trustees of Higham Hall College

Opinion

We have audited the financial statements of Higham Hall College for the year ended 31 December 2023 which comprise Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cash Flow Statement 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 consolidated and charitable company's affairs at 31 December 2023 and of the group's 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 group and individual charitable company's ability to continue as a going concern for a period of at least 12 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 trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors' Report to the Trustees of Higham Hall College

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Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- certain disclosures of trustees' remuneration specified by law are not made; or
- 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
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of 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 controls as they 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 nature of the industry and sector, control environment and charity's performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their:
- policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they are aware of any instances of non-compliance;

Independent Auditors' Report to the Trustees of Higham Hall College

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- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud to be in relation to revenue recognition and management override which, in common with all audits under ISAs (UK), we are required to perform specific procedures to respond to this risk.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context was the Companies Act, Charities Act, pension legislation, employment law, tax legislation and relevant health and safety laws.

As a result of performing the above, in response to the risks identified, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations. In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of the charity's work.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

**Independent Auditors' Report to the Trustees of
Higham Hall College**

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Use of our report

This report is made solely to the group and 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 group and 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 group and charitable company and the group and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Faye Armstrong (Senior Statutory Auditor)
For and on behalf of Dodd & Co Audit Limited, Statutory
Auditor

FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

Date: 27-09-2024

Dodd & Co Audit Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Higham Hall College

Consolidated Statement of Financial Activities (including Income and Expenditure Account) for the Year Ended 31 December 2023

		Unrestricted Funds	Total Funds 2023	Total Funds 2022
	Note	£	£	£
Income and endowments from:				
Donations and legacies	2	4,963	4,963	15,999
Other trading activities	3	51,510	51,510	50,043
Investments	4	1,188	1,188	121
Charitable activities	5	1,022,261	1,022,261	916,505
Other income	6	-	-	118
Total income and endowments		<u>1,079,922</u>	<u>1,079,922</u>	<u>982,786</u>
Expenditure on:				
Raising funds		38,115	38,115	38,430
Charitable activities		1,005,278	1,005,278	904,648
Total expenditure		<u>1,043,393</u>	<u>1,043,393</u>	<u>943,078</u>
Net movements in funds		36,529	36,529	39,708
Reconciliation of funds				
Total funds brought forward		<u>1,245,090</u>	<u>1,245,090</u>	<u>1,205,382</u>
Total funds carried forward		<u>1,281,619</u>	<u>1,281,619</u>	<u>1,245,090</u>

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

The notes on pages 15 to 30 form an integral part of these financial statements.

Higham Hall College
Company registration number: 6421365
Consolidated Balance Sheet as at 31 December 2023

		2023		2022	
	Note	£	£	£	£
Fixed assets					
Tangible assets	12		1,684,884		1,672,333
Current assets					
Stocks and work in progress		11,692		11,301	
Debtors	14	9,616		4,728	
Cash at bank and in hand		202,315		211,553	
		<u>223,623</u>		<u>227,582</u>	
Creditors: Amounts falling due within one year	15	<u>(236,164)</u>		<u>(218,691)</u>	
Net current (liabilities)/assets			<u>(12,541)</u>		<u>8,891</u>
Total assets less current liabilities			1,672,343		1,681,224
Creditors: Amounts falling due after more than one year	16		<u>(390,724)</u>		<u>(436,134)</u>
Net assets			<u>1,281,619</u>		<u>1,245,090</u>
The funds of the charity:					
Unrestricted funds					
Revaluation reserve			530,047		530,047
Unrestricted income funds			751,572		715,043
Total unrestricted funds			<u>1,281,619</u>		<u>1,245,090</u>
Total charity funds			<u>1,281,619</u>		<u>1,245,090</u>

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

Approved by the Board on 22 May 2024 and signed on its behalf by:



P J Brown
Trustee

The notes on pages 15 to 30 form an integral part of these financial statements.


Higham Hall College
Charity Balance Sheet as at 31 December 2023

		2022	2021
	Note	£	£
Fixed assets			
Tangible assets	12	1,684,884	1,672,333
Investments	13	<u>1</u>	<u>1</u>
		1,684,885	1,672,334
Current assets			
Stocks and work in progress		9,146	8,833
Debtors	14	83,755	73,854
Cash at bank and in hand		<u>129,124</u>	<u>143,278</u>
		222,025	225,965
Creditors: amounts falling due within one year	15	<u>(234,567)</u>	<u>(217,075)</u>
Net current assets		<u>(12,542)</u>	<u>8,890</u>
Total assets less current liabilities		1,672,343	1,681,224
Creditors: amounts falling due after more than one year	16	<u>(390,724)</u>	<u>(436,134)</u>
Net assets		<u>1,281,619</u>	<u>1,245,090</u>
The funds of the charity:			
Unrestricted funds			
Revaluation reserve		530,047	530,047
Unrestricted income funds		<u>751,572</u>	<u>715,043</u>
Total unrestricted funds		1,281,619	1,245,090
Total charity funds		<u>1,281,619</u>	<u>1,245,090</u>

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

No Statement of Financial Activity is presented for the charity as permitted by Section 408 of the Companies Act 2006. The charity posted a surplus for the financial year of £36,529 (2022 - £39,708).

Approved by the Board on 22 May 2024 and signed on its behalf by:



 P J Brown
 Trustee

The notes on pages 15 to 30 form an integral part of these financial statements.

Higham Hall College

Consolidated Cash Flow Statement for the Year Ended 31 December 2023

	2023 £	2022 £
Net cash provided by (used by) operating activities		
Net income for the period	36,529	39,708
Depreciation charges	12,888	13,576
Increase in stocks	(391)	(878)
Increase in debtors	(4,888)	(527)
Increase in creditors	17,797	34,135
	<u>61,935</u>	<u>86,014</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(25,439)	(42,249)
	<u>(25,439)</u>	<u>(42,249)</u>
Repayment of borrowings	(45,734)	(51,032)
Decrease in cash	<u>(9,238)</u>	<u>(7,267)</u>

The notes on pages 15 to 30 form an integral part of these financial statements.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2023

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.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

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 21.

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.

Income from Government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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 2023

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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 £500 or more are initially recorded at cost.

Land and buildings

Upon transition to FRS102 / SORP 2015 in year ended 31 December 2015, the charity chose to carry land and buildings at their deemed cost using the latest valuation as at 1 January 2014.

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% straight line
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 2023

..... 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 2023

..... continued

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 2023 £	Total Funds 2022 £
Donations and legacies			
Appeals and donations	4,963	4,963	15,999

All of the donations and legacies income in 2022 related to unrestricted funds.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2023

..... continued

3 Other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Conference fees	938	938	1,012
Accommodation	16,148	16,148	15,714
Bar	30,089	30,089	28,679
Shop	4,182	4,182	4,638
Other sales	153	153	-
	<u>51,510</u>	<u>51,510</u>	<u>50,043</u>

All of the other trading activities income in 2022 related to unrestricted funds.

4 Investments

	Unrestricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Interest on cash deposits	1,188	1,188	121

All of the donations and legacies income in 2022 related to unrestricted funds.

5 Charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Course fees	1,022,261	1,022,261	916,505

All of the income from charitable activities in 2022 related to unrestricted funds.

6 Other income

	Unrestricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Sale of assets	-	-	118

All of the other income in 2022 related to unrestricted funds.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2023

..... continued

7 Expenditure

	Higham Learning Limited	Course provision	Total 2023	Total 2022
	£	£	£	£
Direct costs				
Food and bar purchases	21,670	96,920	118,590	107,221
Course materials and expenses	-	10,458	10,458	10,037
Freelance tutors' fees and expenses	-	159,926	159,926	154,438
Laundry	784	15,651	16,435	13,283
Employment costs	6,000	342,055	348,055	307,871
Staff training	-	123	123	722
Rates	-	6,047	6,047	5,325
Water rates	-	1,636	1,636	903
Light, heat and power	1,200	44,360	45,560	43,094
Insurance	821	16,387	17,208	16,116
Repairs and maintenance	2,927	58,438	61,365	63,622
Telephone and fax	188	3,752	3,940	3,024
Computer software and maintenance costs	563	11,241	11,804	7,993
Printing, postage and stationery	389	7,763	8,152	7,972
Subscriptions and licences	39	781	820	454
Sundry expenses	114	2,280	2,394	2,494
Cost of trustee meetings	-	988	988	1,104
Motor expenses	102	2,047	2,149	4,232
Advertising	502	10,028	10,530	9,403
	<u>35,299</u>	<u>790,881</u>	<u>826,180</u>	<u>759,308</u>
Support costs				
Employment costs	-	135,730	135,730	124,059
Subsidiary accountancy fees	1,820	-	1,820	2,082
The audit of the charity's annual accounts	-	7,020	7,020	-
Accountancy and payroll	-	8,642	8,642	8,131
Bank and card processing charges	996	15,580	16,576	15,201
Mortgage interest	-	34,537	34,537	20,721
Depreciation	-	12,888	12,888	13,576
	<u>2,816</u>	<u>214,397</u>	<u>217,213</u>	<u>183,770</u>
	<u>38,115</u>	<u>1,005,278</u>	<u>1,043,393</u>	<u>943,078</u>

Of the expenditure in 2022, all related to unrestricted funds and £38,430 of this related to Higham Learning Limited.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2023

..... continued

8 Governance costs

	2023	2022
	£	£
Cost of trustee meetings	988	2,351
Accountancy fees	5,427	4,288
Payroll processing	3,215	2,843
Subsidiary accountancy fees	1,820	2,082
Auditors fees	7,020	-
Independent examiner's fee	-	1,000
	<u>18,470</u>	<u>12,564</u>

9 Trustees' remuneration and expenses

No trustees received any remuneration during the year.

During the year the college reimbursed 3 trustees a total of £988 (2022 - £1,104) for travel costs incurred as a result of their role as trustee.

10 Net income

Net income is stated after charging:

	2023	2022
	£	£
Depreciation of tangible fixed assets	12,888	13,576
Auditors' remuneration	7,020	-
Other financial services	<u>10,462</u>	<u>10,213</u>

Higham Hall College
Notes to the Financial Statements for the Year Ended 31 December 2023

..... continued

11 Employees' remuneration

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

	2023 No.	2022 No.
Administration and housekeeping	<u>34</u>	<u>34</u>

The aggregate payroll costs of these persons were as follows:

	2023 £	2022 £
Wages and salaries	449,029	407,682
Social security	24,262	15,115
Other pension costs	10,494	9,133
	<u>483,785</u>	<u>431,930</u>

No employee received emoluments of more than £60,000 during the year, (2022 - 1 employee received between £60,000 - £70,000).

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 £80,601 (2022 - £84,631).

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2023

12 Tangible fixed assets

	Freehold land and buildings £	Property improvements £	Motor vehicles £	Artwork £	Fixtures, fittings and equipment £	Total £
Cost or Valuation						
As at 1 January 2023	1,500,000	106,613	15,250	6,000	217,086	1,844,949
Additions	-	25,439	-	-	-	25,439
As at 31 December 2023	<u>1,500,000</u>	<u>132,052</u>	<u>15,250</u>	<u>6,000</u>	<u>217,086</u>	<u>1,870,388</u>
Depreciation						
As at 1 January 2023	-	4,984	7,975	-	159,657	172,616
Charge for the year	-	2,455	1,819	-	8,614	12,888
As at 31 December 2023	<u>-</u>	<u>7,439</u>	<u>9,794</u>	<u>-</u>	<u>168,271</u>	<u>185,504</u>
Net book value						
As at 31 December 2023	<u>1,500,000</u>	<u>124,613</u>	<u>5,456</u>	<u>6,000</u>	<u>48,815</u>	<u>1,684,884</u>
As at 31 December 2022	<u>1,500,000</u>	<u>101,629</u>	<u>7,275</u>	<u>6,000</u>	<u>57,429</u>	<u>1,672,333</u>

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2023

13 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 accommodation and other services at Higham Hall	Ordinary	100
		Capital & reserves £	Profit/(loss) for the period £	

Subsidiary undertakings				
Higham Learning Limited		1	13,395	

14 Debtors

Group

	2023 £	2022 £
Other debtors	336	750
Prepayments and accrued income	9,280	3,978
	<u>9,616</u>	<u>4,728</u>

Charity

	2023 £	2022 £
Amounts from subsidiary and associated undertakings	74,139	69,126
Prepayments and accrued income	9,280	3,978
Other debtors	336	750
	<u>83,755</u>	<u>73,854</u>

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2023

..... continued

15 Creditors: Amounts falling due within one year

Group

	2023	2022
	£	£
Bank loans and overdrafts	48,355	48,679
Trade creditors	13,894	12,051
Receipts in advance	138,153	131,971
Taxation and social security	7,799	6,714
Other creditors	11,496	11,579
Accruals and deferred income	16,467	7,697
	<u>236,164</u>	<u>218,691</u>

Charity

	2023	2022
	£	£
Bank loans and overdrafts	48,355	48,679
Trade creditors	13,894	12,051
Receipts in advance	138,153	131,971
Taxation and social security	7,799	6,714
Other creditors	11,496	11,578
Accruals and deferred income	14,870	6,082
	<u>234,567</u>	<u>217,075</u>

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

	2023	2022
	£	£
Bank loans and overdraft	<u>48,354</u>	<u>48,679</u>

Higham Hall College
Notes to the Financial Statements for the Year Ended 31 December 2023

..... continued

16 Creditors: Amounts falling due after more than one year

Group and charity

	2023	2022
	£	£
Bank loans and overdrafts	<u>390,724</u>	<u>436,134</u>

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

	2023	2022
	£	£
Bank loans and overdrafts	<u>390,724</u>	<u>436,134</u>

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

	2023	2022
	£	£
After more than five years by instalments	<u>152,165</u>	<u>204,167</u>

17 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.

18 Operating lease commitments

As at 31 December 2023 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Within one year	2,315	2,315
Within two and five years	2,683	4,998
	<u>4,998</u>	<u>7,313</u>

19 Pension scheme

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 £10,494 (2022 - £9,133).

Contributions totalling £2,746 (2022 - £2,829) were payable to the scheme at the end of the period and are included in creditors.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2023

..... continued

Defined benefit pension scheme

Following the acquisition of Higham Hall on 19 December 2008, existing employees at that date retained the right to continue contributing to the final salary Local Government Pension Scheme that was otherwise closed to new members. 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 2022, values the charity's share in the scheme assets to be in excess of its future pension liabilities by £447,000. 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 2023 the college had 3 active members of this scheme.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2023

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20 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

The charity has received a commitment to a donation of £13,395 from Higham Learning Limited, a wholly owned subsidiary (2022 - £11,613). This amount remained outstanding at the year end (2022 - £11,613).

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

21 Analysis of funds

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General Funds				
Unrestricted income fund	1,245,090	1,079,922	(1,043,393)	1,281,619

Prior period

	At 1 January 2022	Incoming resources	Resources expended	At 31 December 2022
	£	£	£	£
General Funds				
Unrestricted income fund	1,205,382	982,786	(943,078)	1,245,090

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2023

..... continued

22 Net assets by fund

Group

	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Tangible assets	1,684,884	-	1,684,884	1,672,333
Current assets	214,873	8,750	223,623	227,582
Creditors: Amounts falling due within one year	(227,414)	(8,750)	(236,164)	(218,691)
Creditors: Amounts falling due after more than one year	(390,724)	-	(390,724)	(436,134)
Net assets	<u>1,281,619</u>	<u>-</u>	<u>1,281,619</u>	<u>1,245,090</u>

Charity

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Tangible assets	1,681,205	-	1,681,205	1,643,660
Investments	1	-	1	1
Current assets	213,275	8,750	222,025	232,340
Creditors: Amounts falling due within one year	(225,817)	(8,750)	(234,567)	(190,001)
Creditors: Amounts falling due after more than one year	(390,724)	-	(390,724)	(480,618)
Net assets	<u>1,277,940</u>	<u>-</u>	<u>1,277,940</u>	<u>1,205,382</u>

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2023

..... continued

Prior period Group

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Tangible assets	1,672,333	-	1,672,333	1,643,660
Current assets	218,832	8,750	227,582	233,443
Creditors: Amounts falling due within one year	(209,941)	(8,750)	(218,691)	(191,103)
Creditors: Amounts falling due after more than one year	(436,134)	-	(436,134)	(480,618)
Net assets	<u>1,245,090</u>	<u>-</u>	<u>1,245,090</u>	<u>1,205,382</u>

Charity

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Tangible assets	1,672,333	-	1,672,333	1,643,660
Investments	1	-	1	1
Current assets	217,215	8,750	225,965	232,340
Creditors: Amounts falling due within one year	(218,038)	(8,750)	(226,788)	(190,001)
Creditors: Amounts falling due after more than one year	(423,326)	-	(423,326)	(480,618)
Net assets	<u>1,248,185</u>	<u>-</u>	<u>1,248,185</u>	<u>1,205,382</u>