HARROGATE SKILLS 4 LIVING CENTRE

England & Wales · Charity number 1138346

Details

Other names	HS4LC
Status	Registered
Legal form	Charitable company
Company number	07219977
Registered	2010-10-11
Register	View on the Charity Commission register

Contact

Address	9 North Park Road Harrogate HG1 5PD
Phone	01423593719
Email	learning@HS4LC.org.uk
Website	www.hs4lc.org.uk

Activities

Objects: "TO RELIEVE THE NEEDS OF ADULTS IN THE HARROGATE AND SURROUNDING AREA WITH LEARNING DIFFICULTIES AND DISABILITIES IN SUCH WAYS AS THE DIRECTORS SHALL THINK FIT; IN PARTICULAR BUT NOT EXCLUSIVELY BY PROVIDING EDUCATION AND TRAINING, SUPPORT, INFORMATION AND ADVICE AND SOCIAL ACTIVITIES TO IMPROVE THEIR CONDITIONS OF LIFE SO THAT THEY MAY PARTICIPATE MORE FULLY IN THEIR COMMUNITY

Activities: WE PROVIDE LIFELONG LEARNING AND SUPPORT FOR MORE THAN 100 PEOPLE WITH LEARNING DISABILITIES, AUTISM, PHYSICAL DISABILITIES AND MENTAL HEALTH CHALLENGES.IN OUR SKILLS TRAINING CENTRE WE PROVIDE ACCREDITED LEARNING AND INFORMAL LEARNING ACTIVITIES DAY CARE SUPPORT. IN OUR RESIDENTIAL CARE HOMES, BRACKENLEY AND BRIARDENE, WE SUPPORT 26 PEOPLE WITH LEARNING DISABILITIES.

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Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** Education/training, Disability, Accommodation/housing, Economic/community Development/employment, Human Rights/religious Or Racial Harmony/equality Or Diversity, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities

Geography

- **Area of benefit:** HARROGATE
- North Yorkshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£2,456,957	£2,577,930	£1,172,280	80
2023-08-31	£2,299,372	£2,376,126	£1,293,253	79
2022-08-31	£2,117,686	£2,094,981	£1,370,007	73
2021-08-31	£1,986,939	£1,820,064	£1,347,302	64
2020-08-31	£1,802,796	£1,635,369	£1,180,426	63

Trustees

Name	Role	Appointed
Barbara Grant	Chair	2022-03-07
Angela Macready		2023-12-23
Jennifer Wain		2023-10-24
Jodie Marie Williams		2022-05-25
Lee Ford		2023-05-22
Michael Edward Carter		2022-03-07

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HARROGATE SKILLS 4 LIVING CENTRE

England & Wales - Charity number 1138346

Accounts

Company registration number: 07219977
Charity registration number: 1138346

Harrogate Skills 4 Living Centre

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2024

Harrogate Skills 4 Living Centre

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Harrogate Skills 4 Living Centre

Reference and Administrative Details

Chief Executive Officer	H A Moorby-Davies
Trustees	M E Carter Mrs B R Grant Ms J M Williams Mr L G Ford Ms J Wain Ms A Macready Dr T Spackman - Resigned 26.12.2023
Principal Office	9 North Park Rd Harrogate North Yorkshire HG1 5PD
	The charity is incorporated in England and Wales.
Company Registration Number	07219977
Charity Registration Number	1138346
Auditor	Xeinadin Audit Limited Trinity House Thurston Road Northallerton DL6 2NA

Harrogate Skills 4 Living Centre

Trustees' Report

Structure, governance and management.

Harrogate Skills 4 Living Centre is a Company limited by guarantee, company number 07219977 and a registered Charity governed by its Memorandum and Articles of Association, charity number 1138346.

The Directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. As set out in the Articles of Association the Company shall have a Board of Trustees comprising not less than six and not more than twelve persons. The chairman is appointed by the Trustees from their own number. The Trustees, who are also the directors for the purpose of company law, who served during the year are listed in the Reference and Administrative Details. The Trustees meet regularly to administer the charity.

The charity has reviewed its major risks during the year and systems have been established to manage those risks.

Trustees are recruited by various means such as, by placing of an advert on a website designed for recruiting Trustees, through our own networks or via other social media platforms.

Trustees are selected due to their business experience and have generally held or continue to hold senior or executive level roles across a range of both public and private sector organisations. They are required to remain up to date with sector developments and undergo regular training in specific areas such as safeguarding and GDPR.

During the reporting period the board have engaged in a recruitment process as it is necessary to continue to add a broad level of experience and diversity to help the charity carry out its work and meet its aims.

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2024.

As chair of the trustees, on behalf of the board, we are extremely grateful for the ongoing commitment, integrity and above all resilience of our care workforce, supporting of some of the most vulnerable and marginalised in our society. Everything we are trying to achieve relies on having the right staff with the right attitudes and values who are committed to delivering the highest quality care. Care work is complicated and significantly undervalued by society; our biggest challenge is recruiting and retaining the right staff who we must train and support, so that they want to stay in the organisation and the sector.

Continuing to strengthen and further embed our values culture whilst equipping staff with the right skills through training will allow HS4L to maintain its high-quality service provision and retain a skilled and passionate workforce.

Maintaining the financial security of our charity naturally remains the highest priority. Set against the context of an underfunded social care sector, the cost-of-living crisis and rising demand creates unique challenges requiring appropriate strategic responses that ameliorate the impacts of this 'triple-squeeze.'

Understanding the needs of our beneficiaries and providing support and resources that helps them overcome their barriers gives us the greatest opportunities for improving outcomes and delivering impact. Gaining appropriate feedback from our beneficiaries remains a paramount and vital aspect of what we do. Despite inherent communication difficulties we must use creative ways to obtain feedback that we can act on to inform our future work

Objectives and activities.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on the relief of those in need and the advancement of education.

There are approximately 1.5 million adults with learning disabilities and a further 1% of the population have an autistic spectrum disorder in the UK. Typically, these individuals have lower educational attainment, difficulty finding and maintaining paid employment, poorer health outcomes and few opportunities for living independently.

The objectives of the Charity are:

To support adults in the Harrogate area and surrounds, with learning difficulties and disabilities and to enable them to enjoy rich fulfilling lives, learning, working, volunteering in our community.

To provide or assist with the provision of educational courses, social activities, training and advice to meet people's needs and abilities so that they may participate in community life.

To promote such other charitable purposes for the benefit of persons with learning needs and associated physical disabilities living in the Harrogate area and surrounds.

Our social objectives are to support our beneficiaries to experience:

1.Reduced isolation and more inclusion.
2.Increased independence and participation.
3.Well-being and to make informed healthy lifestyle choices.

Our vision is of a world without inequalities where our beneficiaries have the same opportunities to flourish and lead meaningful lives as their peers.

Harrogate Skills 4 Living Centre

Trustees' Report Continued

Aims

Harrogate Skills for Living (HS4L) is a charity with 30 years' experience supporting vulnerable people with learning disabilities and autism. Our mission is to support our beneficiaries to overcome the barriers and inequalities they face, so they can lead happy and fulfilled lives. HS4L is committed to supporting adults and young people (14 +) who have learning disabilities, autism, physical and mental health needs within the Harrogate Community and surrounding area.

HS4L seeks to promote and encourage the values of Communication, Care, Commitment, Competence, and Courage within our staff teams. Our staff are recruited for these values and are supported to engage in continual professional development to learn and maintain the competencies required to meet the needs of users with complex disabilities. We recognise the importance of positive, respectful communication and have the courage to hold each other and ourselves to account. Staff understand and recognise the behaviours that demonstrate our values and as such feel part of and committed to an organisation which values and appreciates staff working with us to deliver a service that goes "above and beyond".

Objectives

To provide a range of flexible and personalised services to vulnerable and socially excluded adults with learning disabilities in our community.

To empower individuals, so they can achieve maximum independence.

To increase individuals' control and choice over their lives and support them to achieve what matters to them.

To promote social inclusion and help people learn skills which help them in the community.

To provide best practice and individually tailored care, accommodation and learning services that specialise in working with people with learning, disabilities and autism.

To ensure that the views and opinions of beneficiaries are considered when making decisions around the way HS4LC runs its services.

To promote disability, gender and race equality.

To encourage positive risk-taking and individual outcome setting.

To support staff to engage in continual professional development as part of our culture of continued learning.

To work with our professional partners, including health services to ensure our beneficiaries receive timely and specialist support.

To provide information, advice and guidance in a sensitive, individualised manner.

To work in partnership with others, contributing to local policies and planning disabilities.

To ensure individuals' best interests are at the centre of every decision made.

To ensure individuals feel safe and are supported with dignity in all of our services.

To embed the principles of Positive Behaviour Support in all training and behaviour intervention.

Key strategies include:

Employing the right staff based on our values (care, compassion, competence, courage and commitment) and empowering them by giving them the skills they need to do the job to the best of their ability.

Engaging with our local community to better understand their needs and providing a diverse range of needs-based services.

Adopting a cycle of continuous improvement and development based on quality audit and assessments.

Maintaining appropriate health and social care specific accreditation such as, MATRIX and Excellence in Care.

Focusing on person centered outcomes and well-being.

To fulfill HS4L's purposes, our current activities include residential care, community-based day opportunities, pathways to employment, bespoke education and running two social enterprises that provide invaluable work-experience. In early 2025 we'll take responsibility for providing specialist supported living for 6 individuals with learning disabilities and autism. Through the provision of these services, we aim to help our beneficiaries overcome the barriers they face to leading happy, healthy, safe and meaningful lives.

Short-term (on-going) aims and objectives

Safeguarding our vulnerable beneficiaries from harm.

Gain outstanding for domains in residential care when assessed by the CQC.

Maintain Excellence in Care and MATRIX standards in 2024.

Recruit trustees to further diversify our board.

Deliver contracts and grant-aided projects effectively and efficiently.

Use appropriate outcomes measures to build our theory-of-change model and evaluate impact.

Long term aims and objectives

Develop partnerships to work together on reducing health inequalities.

Clearly demonstrate social value and impact.

Enable a user-led group to report directly to the board and coproduce future service solutions.

Register with Ofsted and Education Skills Funding Agency.

Develop housing options for beneficiaries.

Facilitate a local employer network and forum.

Current service provision approximate resource allocation:

1. Residential care homes – 45 staff work in our 2 care homes, which accounts for approximately 70% of our income and expenditure.
2. Day opportunities – 14 staff work in our day centre, which accounts for approximately 10% of our income and expenditure.
3. Employment and education – 17 staff work in our Skills Bridge centre, which accounts for approximately 20% of our income and expenditure.

Achievements and performance

Social Enterprise Award 2023

In March 2024 HS4L won the Social Enterprise Yorkshire and Humber - Large Social Enterprise (over £200k income) of the Year (2023) Award. The judges summed up why they chose HS4L against the other shortlisted finalists saying, "they are an impressive and inclusive organisation that is growing to meet the needs of their client base".

The award is a credit to staff in all parts of the charity and further demonstrates their commitment and passion for the invaluable work they do.

Recruiting and retaining our staff

"Recruitment and retention were already a major concern for employers; now, after the Covid-19 pandemic ravaged the sector and the UK exited the EU, it has become firmly entrenched as an existential threat for the foreseeable future." (Neil Eastwood, Saving Social Care, 2023).

The Care Quality Commission – State of the social care sector report (2024), stated that "despite recent reductions driven mainly by international recruitment, the sector still has a vacancy rate around 3 times higher than the wider economy. Furthermore, with turnover at 27%, this meant that at the end of 2023/24, over a quarter of staff in care homes had left their roles within a year".

Providing quality service provision in a highly regulated sector requires significant staff skills and competences. Until this reporting period (2023-2024), HS4L had been fortunate to have minimal turnover which meant that staff built long-term relationships with our beneficiaries who often have complex, coexisting health and social care difficulties. During the reporting period, largely as a response to the cost-of-living crisis, nearly 25% of our care staff left the sector altogether.

Ninety percent of applications for filling these vacancies were coming from non-UK domiciles seeking sponsorship to extend either student or dependency visas. When comparing the CVs, job experience, and qualifications of these applicants with local candidates, the standard was strikingly high. The local candidates we did encounter often had fractured CVs and disclosed mental health difficulties, which affected their reliability in previous roles.

In October 2023, we decided to apply for a sponsor license. Although the process was complex, it opened the door to a new workforce. Over the past 12 months, we have hired four Nigerian nationals at Brackenley Care Home and one Zimbabwean national, as well as another Nigerian national at Briardene Care Home. One of our recruits from Nigeria was appointed directly to a senior role, demonstrating competence in leading shifts and supervising the team from the first shift and quickly earning the respect of her colleagues.

In total, we have paid for four sponsorship certificates. The costs associated with our license and sponsorship certificates have largely been covered by a grant from the International Recruitment Bursary. All our international staff have been with us for at least eight months; one has already completed her care certificate, another is enrolled in a level three diploma, and a third has been accepted into the nurse associate training program, during which she will work with us. By pursuing this new recruitment strategy, we have successfully maintained safe staffing levels with competent, skilled workers.

Best Interests Decisions

The Deprivation of Liberty Safeguards (DOLs) were introduced under the Mental Capacity Act (MCA) 2005. The safeguards were designed to protect the human rights of people aged 18 or over if they do not have the mental capacity to consent to their care arrangements and they need to be deprived of their liberty. The safeguards apply in care homes and hospitals. If a person is deprived of their liberty, they are not free to leave the premises on a permanent basis, for example to live where and with whom they choose to, and they are subject to continuous supervision and control. This means they are monitored or supervised for significant periods of the day, and they are not allowed to make important decisions about their own life. The safeguards are vital in ensuring that such deprivation of liberty only happens when it is necessary, proportionate and in the person's best interests.

Representing our beneficiaries' best interests is a key part of our service delivery, which can require an in-depth knowledge and understanding of the Mental Capacity Act 2005. The following two examples illustrate this in practice:

The 2023/24 period presented the home (Briardene) with the challenge of supporting a resident with mental health needs and learning disabilities in making decisions regarding their care for end-stage kidney disease. Management and staff were concerned that the resident might be denied access to dialysis due to their learning disability, as this seemed to be the case in initial discussions.

The home manager skillfully coordinated a best interest process involving all healthcare professionals and the resident's family, ensuring that all principles of the Mental Capacity Act were upheld. Various methods were employed to help the resident understand both dialysis and an alternative conservative treatment pathway. This included visits to the dialysis unit at York Hospital and multiple home visits. Ultimately, the best interest decision concluded that a conservative pathway was the best option, but only after thoroughly exploring every available option, including solutions for ongoing staffing to support multiple treatments a week, reassuring the family that resources would not influence the outcome.

Both our homes have experienced occasional diagnostic overshadowing where a healthcare professional attributes someone's symptoms or behaviours to their learning disability or autism without exploring other physical or mental health determinants. It means co-existing health conditions such as anxiety, depression, hormone imbalances and pain conditions can be overlooked without persistent advocacy.

Brackenley resident (P) who has been with us for over 30 years was having a great deal of trouble with severe arthritis in her knee, an x-ray showed that her knee was bone on bone which will have been extremely painful. Her GP, however, decided that she couldn't have a new knee as in his opinion, P wouldn't cope with the recovery.

This didn't sit well with the staff team so we asked for a second opinion from another GP at her surgery who agreed that the operation should go ahead and made a referral to the consultant to meet her. The consultant also agreed that the operation needed to happen as P is relatively young and in extreme pain, often needing a wheelchair to get out and about.

The manager contacted the learning disability nurse specialist at Harrogate hospital and organised an Independent Mental Capacity Advocate (IMCA) to come and see P and spend time with her to ensure that she wanted a new knee. The IMCA helped P understand what having a replacement knee would be like and gave her information in easy-read and videos to watch, to further inform her understanding. All parties agreed that it was in her best interest to go ahead with the operation and the disability nurse practitioner booked P's theatre slot.

The surgery went well, and staff then supported P on the ward as she recovered and continued to support her to regain her confidence in her new knee.

Maintaining quality marks and accreditations:

1 Excellence in Care assessment feedback - HS4LC (Harrogate Skills 4 Living Centre) are based in the centre of Harrogate and operate a day service for adults with learning disabilities and autism. HS4LC has two residential care homes, Brackenley and Briardene. The Homes provide residential care to people who may be living with a learning disability or autistic spectrum disorder, dementia, a physical disability, sensory impairment, mental health needs or an eating disorder. Both homes provide twenty-four-hour residential care to 26 residents in total. The two Homes were successfully reviewed in February 2023.

Subsequently, HS4LC concentrated on embedding excellence still further. The current focus is on getting things right first time, and this includes recruitment, with a need to get a person that fits the job and the culture. In addition, the 18 months has seen PCS (Person Centred Software) being massively increased in its scope - 'There was a clear determination to maximise its potential'. PCS is now recording and reporting the highly personalised service which is indicative of HS4LC. 'PCS is demonstrating the lengths we go to in order to engage and support in a person centred, totally inclusive approach'. This review provided the opportunity to discuss the impact of PCS and the continuous improvements being made by HS4LC in their determination to maintain excellence

2 Information, advice and guidance (IAG) - Matrix Standard - maintained (09/2024) Learners enter the service through self-referral, signposting from NYC, or as an 'added value offer' for residents of the two residential homes. The use of social media has proved to be particularly beneficial in attracting new learners and this is now being tracked by the Centre Manager to ascertain which channel works best. When an enquiry comes in, the administration team gathers relevant information from the referrer, potential learner, or family member about their likes, dislikes, interests, medical history, or physical needs. This ensures the right 'match' of services to individuals. Detailed information is given about the courses on offer, which may also include costs, any accessibility considerations, and the venue. The organisation's website is also a good place to gain information, and this has improved over recent years to include case studies and more details on each service offered. Courses have a basic outline with the exact content being shaped by the learners themselves. It is not unusual for everyone in the group to have differing targets or milestones to achieve and tutors work hard to ensure the session meets these.

Each learner accessing the service has a different set of needs and desires which are noted on individual learning plans. The main objective of the service is to meet these needs which could include participating more fully in society, gaining employment, or developing new skills. Many of the learning plans change as learners are exposed to new experiences, with revisions being noted and acted on. Progress is monitored through observations, reviews of learning plans as well as more naturally occurring interaction with learners.

Most of the objectives around developing new skills within learning plans are met although due to the nature of some of the learners' disabilities, some are 'not met yet' and carried over to the next year or session. In most cases these are then met, or good progress is made towards them. Everyone makes progress in some way although this can sometimes be in areas not expected. Stimulating opportunities continue to be added to the support services on offer for learners such as the Café a short distance away from the Day centre. This provides a real-life experience of the world of work for many learners. "It's a game-changer, there are so many opportunities for our learners to get a proper job and develop really important skills". As several of the learners are also residents of the homes, staff from across the organisation now work much more closely, with some shared resources resulting in a more complete picture of learners' needs and progress. "It's lovely when someone from one of the homes tells me that X was trying something out in the home that we'd done here."

Much of the learner's success is down to the commitment and passion of the staff. This has been especially evident post pandemic as the whole team have shown how adaptable and flexible they are, with numerous examples being shared during the assessment.

Health Inequalities

Health inequalities for autistic people and people with a learning disability is still an unacceptable issue. The latest Learning from Lives and Deaths – people with a learning disability and autistic people (LeDeR) report, published in November 2023, highlighted that life expectancy for these groups of people remains lower than for the general population. The report again shows that people from all ethnic minority backgrounds are at an increased risk of premature death.

While the report shows evidence of an increase in life expectancy for women with a learning disability, they are still dying 23 years earlier than women in the general population. In addition, the number of deaths of people with a learning disability who live in the most deprived areas of the country are 3 times more than those living in the least deprived areas. The LeDeR report goes on to say that 42% of deaths of people with a learning disability were rated as avoidable, compared with 22% for the general population.

Only around a quarter of people with a learning disability were recorded on the learning disability register, which means that many people are missing out on the proactive care and treatment they are entitled to. Despite fewer new referrals for autism diagnoses over 2023/24, the average waiting time to start an assessment reached a peak of nearly a year (328 days) in April 2024, rather than the recommended 3 months.

HS4L provides services and support that aim to tackle the root causes of health inequalities with an emphasis on making informed choices that are more likely to lead to better long-term health outcomes. For example, sessions making healthy meals or taking regular physical activities, such as walking and going to the gym. Unfortunately, many of our beneficiaries are unable to access mainstream activities such as leisure centers independently but can gain valuable health benefits, with our support and encouragement. Staff also make sure that our beneficiaries get the care and support that they should receive from primary health care by signposting to relevant services and liaising with professionals.

Future support services will continue to focus on helping our beneficiaries to overcome the health inequalities that they face. Working in partnership with other local providers and primary care providers is likely to produce a more joined-up approach to overcoming these seemingly intractable issues and HS4L will be proactive in seeking like-minded partners to achieve long term and lasting changes.

Mid-summer 2024, HS4L led a partnership funding bid to the Yorkshire and Humber Integrated Care Board for a project aimed at tackling systemic health inequalities such as diagnostic overshadowing, but the bid was not successful.

Diagnostic overshadowing in the context of learning disabilities this means that 'symptoms of physical ill health are mistakenly attributed to either a mental health/behavioural problem or as being inherent in the person's learning disabilities' (Emerson and Baines, 2010).

Our main goals are outlined in our strategic business plan (2022-2025).

1 The development of specialist supported housing in the locality.

2 Improving engagement with our local learning disability and autistic community.

3 Increasing income in both our social enterprises and maximising employment opportunities for our beneficiaries.

4 Diversifying our board and developing a user-led sub-group.

Progress against these goals:

1 Specialised Supported Housing (SSH) -working with property developer Purpose Homes limited and Registered Housing provider Westmorland Housing Association limited, HS4L are due to take on the provision of care of a 6-apartment block* on 20th January 2025. Applications to CQC and NYC are being processed and potential tenants assessed for occupation in early February 2025.

* Built on the site of the former Little Wonder Hotel and completed in late Autumn 2024, Little Wonder House has 6 modern, specialised supported living apartments over 3 floors. Each apartment is self-contained with living room, kitchen, shower/toilet and separate bedroom. Office and staff sleep-in accommodation is on the 3rd floor.

Outside the property there is a small communal area and parking for one car. Two further staff and visitor parking spaces are allocated in the car park of the adjacent property Epsom House.

Located less than a mile from the town centre the apartments are within easy walking distance of shops and all local amenities. Little Wonder House is well served by public transport with a bus stop less than 25 metres away giving access to local services as well as those further afield.

The accommodation is suitable for adults with mild to moderate learning disabilities and autism who have a degree of independence but require support and guidance to maintain autonomy and enhance the quality of their lives.

Little Wonder House aims to provide a safe, inclusive, and empowering environment for six independent adults with learning difficulties and autism. Our core objective is to foster autonomy while ensuring tailored support that enables individuals to thrive in their daily lives. We are

2 Community engagement - HS4L's National Lottery funded 'engage-22' project was completed in the autumn 2023. The report outlined what 'a good life looked like' with suggestions for where things could be better, and improvements made. A small group of people with lived experience formed a co-production group consider the next steps and ways to codesign future service provision.

3 Increasing income and opportunities for employment – both our social enterprises have worked hard to increase revenue whilst continuing to provide opportunities for work experience and gaining transferable work skills. Demand for these opportunities is high and we're currently operating a waiting list. Café sales have increased by over 10% and remain steady. Chocolate sales have fallen a little and we're working with a marketing advisor to improve our reach. We're currently going through SALSA (Safe and Local Supplier Approval) self-assessment prior to a full audit. We need SALSA accreditation to supply supermarkets and it'll demonstrate our commitment to high quality food standards. Operational staff are working hard to increase income and raise awareness of our

4 Diversifying the board – HS4L continues to look for more trustees in order to diversify the board further.

Further developments:

Our day-centre numbers have returned to close to pre-pandemic levels with regular referrals being taken.

Skills Bridge student numbers remain steady for the period (n=35). Towards the end of the reporting period, we began the Rise2Thrive, UK Shared Prosperity funded programme which will continue to support both economically active and inactive people with learning disabilities and autism to gain skills, qualifications and work experience with the ultimate goal of paid employment for some. HS4L is both a keyworking partner and intervention provider. It is anticipated that the UKSPF will continue beyond spring 2025.

Whilst improving wellbeing for our beneficiaries underpins all our work, we will need to improve our data gathering and use of metrics to clearly show what specific benefits are attributable to our work and thereby demonstrate our impact. Our 'theory-of-change' model needs to be finalised and shared more widely.

We currently have several staff trained to use the Star Outcomes assessment process which takes a holistic approach focused on important domains that influence the individuals' outcomes. To make the most of this valuable assessment tool we will need more trained staff in all areas of the charity. Using Stars Outcomes, combined with recognised tools for measuring mental wellbeing such as the Short Warick Edinburgh Mental Wellbeing Scale (SWEMWBS) will give HS4L more opportunities to capture data and demonstrate impact more consistently.

Financial review

We are disappointed to report that there has been a further decrease in total charity funds this year from £1,293,253 in 2023 to £1,172,850 in 2024, largely as a result of rising wages, interest and resources costs. Total funds include £1,002,458 Unrestricted funds and £170,392 Restricted funds.

Two unexpected care home voids contributed to the decrease in funds, however we are pleased to report that both have been filled by the time of this report.

Management have continued to work on reviewing supplier contracts in order to keep a stronger control over spiraling overheads. Whilst progress has been made with reduced energy costs and the BOE interest rate reducing, wages costs continue to rise following the impact of the government's budget policy decisions.

We are pleased to report that since year end, the BOE interest rate has continued to fall, which is having a favorable impact on our previously rising interest costs.

While the majority of our income continues to be derived from statutory contracts, amidst rising wages costs, local authorities have been prompt and supportive in our requests for reviews of individual contracts, where client care needs have increased or altered. Furthermore we have continued with our success in securing additional future grant and contract income from other sources.

Grants received in the reporting period from:

IGEN Trust
Shears Charitable Foundation
Bailey Thomas Foundation
Fenton Trust

HS4L are most grateful to all our supporters, volunteers and benefactors who recognise the value of the work we do, and we will continue to support our beneficiaries to lead healthy, happy and fulfilled lives by providing choices and opportunities that will lead to positive outcomes and personal well-being.

Reserves

The level of reserves held by the charity is calculated annually by the business planning sub-group taking into account all potential risks to the charity's finances. The aim is to have two to three months of operating costs as free reserves. However the current level is £80,000 based on net current assets.

Plans for Future Periods

Our 2022-2025 business plan sets out our main goals and objectives. User-involvement and co-production are seen as essential elements for third sector organisations wishing to find solutions to systemic difficulties within health and social care. Wherever feasible and within current resources, HS4L will seek grant funding to ameliorate and facilitate additional projects that fall within our core aims and objectives for instance, overcoming health inequalities by training 'health ambassadors' and supporting young people and their families during 'transitions' between children's and adults' services. Grant applications will also be made for core funding as a result of our budget forecast.

HS4L tries wherever possible to gain feedback from our beneficiaries both about the services and support they're receiving as well as activities they'd like to do in the future. These views are fed back to the trustees via our business planning sub-group and are reflected in our strategic plans. We need to find ways to measure appropriate metrics that will clearly show how our beneficiaries are achieving positive outcomes throughout their time with us. This is a complex area needing significant focus over to coming years.

The trustees are fully supportive of the charity's direction and activities which continue to meet the needs of beneficiaries and their families.

The board recognise the need to consolidate funds in the short to medium term and will only develop new provision where the business case demonstrates a high likelihood of a good return on resource investment. The economic climate remains challenging for all charities and particularly those in the health and social care sector. Being efficient with our resources and finding savings where possible continues as a high priority.

Harrogate Skills 4 Living Centre

Trustees' Report Continued

Disclosure of information to auditor.

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 29/5/25 and signed on its behalf

B Grant Trustee

Harrogate Skills 4 Living Centre

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Harrogate Skills 4 Living Centre for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Approved by the trustees of the charity on 29/5/25 and signed on its behalf by:

B Grant
Trustee

Harrogate Skills 4 Living Centre

Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

Opinion

We have audited the financial statements of Harrogate Skills 4 Living Centre (the 'charity') for the year ended 31 August 2024, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charity's affairs as at 31 August 2024 and of its incoming resources and application of resources 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we 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 Auditor's Report to the Members of Harrogate Skills 4 Living Centre

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' 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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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.

Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement principal ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with directors and other management, and from our commercial knowledge and experience of the charitable sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the company's legal advisors and any other relevant regulator or body.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

.....

Deborah Fletcher-McVay (Senior Statutory Auditor)
For and on behalf of Xeinadin Audit Limited
Statutory Auditor

Trinity House
Thurston Road
Northallerton
DL6 2NA
Date: 29/5/25

Harrogate Skills 4 Living Centre

Statement of Financial Activities for the Year Ended 31 August 2024

(Including Income and Expenditure Account)

	Note	Unrestricted funds	Restricted Income Funds	Total 2024
		£	£	£
Income and Endowments from:				
Donations and legacies	3	10,995	450	11,445
Charitable activities	4	2,419,462	26,050	2,445,512
Total Income		2,430,457	26,500	2,456,957
Expenditure on:				
Charitable activities	5	(2,542,762)	(35,168)	(2,577,930)
Other expenditure		-	-	-
Total Expenditure		(2,542,762)	(35,168)	(2,577,930)
Net income/(expenditure)		(112,305)	(8,668)	(120,973)
Transfers between funds	16	-	-	-
Net movement in funds		(112,305)	(8,668)	(120,973)
Reconciliation of funds				
Total funds brought forward		1,114,193	179,060	1,293,253
Total funds carried forward	16	1,001,888	170,392	1,172,280

	Note	Unrestricted funds	Restricted Income Funds	Total 2023
		£	£	£
Income and Endowments from:				
Donations and legacies	3	2,621	14,059	16,680
Charitable activities	4	2,253,289	29,403	2,282,692
Total Income		2,255,910	43,462	2,299,372
Expenditure on:				
Charitable activities	5	(2,335,724)	(40,402)	(2,376,126)
Other expenditure		-	-	-
Total Expenditure		(2,335,724)	(40,402)	(2,376,126)
Net income/(expenditure)		(79,814)	3,060	(76,754)
Transfers between funds	16	-	-	-
Net movement in funds		(79,814)	3,060	(76,754)
Reconciliation of funds				
Total funds brought forward		1,194,007	176,000	1,370,007
Total funds carried forward	16	1,114,193	179,060	1,293,253

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

The funds breakdown for 2024 is shown in note 16.

Harrogate Skills 4 Living Centre

(Registration number: 07219977)
Balance Sheet as at 31 August 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	10	83,327	104,159
Tangible assets	11	1,899,079	1,933,484
		1,982,406	2,037,643
Current assets			
Stock		6,971	-
Debtors	12	100,010	81,014
Cash at bank and in hand		239,813	340,740
		346,794	421,754
Creditors: Amounts falling due within one year	13	(265,634)	(263,801)
Net current assets/(liabilities)		81,160	157,953
Total assets less current liabilities		2,063,566	2,195,596
Creditors: Amounts falling due after more than one year	14	(891,286)	(902,343)
Net assets		1,172,280	1,293,253
Funds of the charity:			
Restricted income funds		170,392	179,060
Unrestricted funds		1,001,888	1,114,193
Total funds	16	1,172,280	1,293,253

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements on pages 21 to 36 were approved by the trustees, and authorised for issue on 29/5/25 and signed on their behalf by:

B Grant
Trustee

Harrogate Skills 4 Living Centre

Statement of Cash Flows for the Year Ended 31 August 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net income/(expenditure)		(120,973)	(76,754)
Adjustments to cash flows from non-cash items			
Depreciation	5	85,267	82,215
Amortisation	5	20,832	20,832
(Profit)/loss on disposal	5	1,375	-
		(13,499)	26,293
Working capital adjustments			
Decrease/(increase) in debtors	12	(18,996)	(45,606)
Decrease/(increase) in stocks		(6,973)	
(Decrease)/increase in creditors	13	2,832	35,532
Net cash flows from operating activities		(36,636)	16,219
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(52,235)	(452,191)
Sale of tangible fixed assets		-	-
Net cash flows from investing activities		(52,235)	(452,191)
Cash flows from financing activities			
Increase/(Decrease) in loans and borrowings	13	(12,056)	290,582
Net increase in cash and cash equivalents		(100,927)	(145,390)
Cash and cash equivalents at 1 September		340,738	486,128
Cash and cash equivalents at 31 August		239,811	340,738
Reconciliation of net cash flow to movement in net funds			
(Decrease)/Increase in cash		(100,927)	(145,390)
Cash outflow from repayment of loans/ (Inflow from new loans)		12,056	(290,582)
Change in net (debt)/funds resulting from cash flows		(88,871)	(435,972)
Net debt at 1 September 2023		(574,661)	(138,689)
Net debt at 31 August 2024	18	(663,532)	(574,661)

All of the cash flows are derived from continuing operations during the above two periods.

Notes to the Financial Statements for the Year Ended 31 August 2024

1 Charity status

The charity is a charitable company, incorporated in England and Wales, limited by guarantee and consequently does not have share capital.

The address of its registered office is:
9 North Park Road
Harrogate
North Yorkshire
HG1 5PD

Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

The accounts are presented in Sterling (GBP).

2 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
Harrogate Skills 4 Living Centre 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 trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments
All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably. Income derived from the provision of goods and services is shown net of VAT.

Donations and legacies

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.

Grants receivable

Grants received are declared as income in the period of receipt, unless they relate specifically to a purpose in a later period.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

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.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

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.

Tangible fixed assets

Individual fixed assets costing £100.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Amortisation

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

Asset class	Amortisation method and rate
Goodwill	14 years straight line

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:

Asset class	Depreciation method and rate
Freehold Building	2% Straight line
Leasehold Improvements	7.5% Straight line
Fixtures and fittings	20% Reducing balance
Office Equipment	20% Reducing balance
Plant and machinery	20% Reducing balance
Motor Vehicles	20% Reducing balance

Stock and finished goods

Stock and finished goods are valued at the lower of cost and net realisable value.

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.

Trade creditors

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.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

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

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

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.

Recognition and measurement

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.

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) i The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

Debt instruments (continued)

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

3 Income from donations and legacies

	Unrestricted funds		Total	Total
	General	Restricted funds	2024	2023
	£	£	£	£
Donations and legacies;				
WAV Fundraising	-	450	450	14,059
Donations from individuals and other organisations	10,995	-	10,995	2,621
	10,995	450	11,445	16,680

There are no unfulfilled conditions or contingencies attached to these donations.

4 Income from charitable activities

	Unrestricted funds			Total	Total
	General	Other income	Restricted funds	2024	2023
	£	£	£	£	£
Charitable income;					
Daycentre income	588,325	-	-	588,325	513,759
Carehome income	1,699,655	-	-	1,699,655	1,622,093
Chocolatiere income	5,207	-	-	5,207	41,483
Café income	42,236	-	-	42,236	41,327
Sundry Income	24,721	-	-	24,721	13,248
Access to Work	44,318	-	-	44,318	21,379
Infection control grant	-	-	-	-	-
Daycentre grants	-	-	900	900	7,750
iGen Trust	-	-	25,150	25,150	21,653
Bailey Thomas	15,000	-	-	15,000	-
Workforce development fund	-	-	-	-	-
	2,419,462	-	26,050	2,445,512	2,282,692

Included in Restricted Funds income are grants of £25,150 (2023 - £21,653) awarded for the purpose of supported employment and £900 (2023 - £7,750) for management costs.

5 Expenditure on charitable activities

	Activity undertaken directly	Activity support costs	Direct costs (restricted)	Total 2024	Total 2023
	£	£	£	£	£
Consumable resources	146,176	-	-	146,176	130,812
Wages and salaries	37,121	1,713,235	25,150	1,775,506	1,594,316
Rent and rates	48,000	215,809	-	263,809	268,688
Office expenses	-	203,191	419	203,610	228,984
Depreciation, amortisation and other similar costs	-	97,879	9,599	107,478	96,915
Care Home Supplies	-	-	-	-	-
Residents Activities	-	-	-	-	-
Loan interest	-	74,781	-	74,781	50,411
	231,297	2,304,895	35,168	2,571,360	2,370,126

In addition to the expenditure analysed above, there are also governance costs of £6,570 (2023 - £6,000) which relate directly to charitable activities. See note 6 for further details.

iGen grant supported the funding of an employee with a salary of £21,684.

6 Analysis of governance and support costs

Governance costs

	Total 2024	Total 2023
	£	£
Auditors Fees	6,570	6,000
	6,570	6,000

7 Trustees remuneration and expenses

There were no trustee expenses or remuneration paid in the year.

8 Staff costs

The aggregate payroll costs were as follows:

	2024	2023
	£	£
Staff costs during the year were:		
Wages and salaries	1,616,663	1,452,691
Social security costs	122,678	110,912
Pension costs	36,165	30,713
	1,775,506	1,594,316

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

	2024	2023
	No	No
Employees	80	79

80 (2023 - 79) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £36,165 (2023 - £29,032).

Pension contributions of £2,094 (2023 - £1,910) were paid on behalf of Key Management Personnel during the year.

One employee (Key Management Personnel) received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £72,836 (2023 - £63,704).

9 Taxation

The charity is a registered charity and is therefore exempt from taxation.

10 Intangible fixed assets

	Goodwill	Total
	£	£
Cost		
At 1 September 2023	291,645	291,645
Additions		
At 31 August 2024	291,645	291,645
Amortisation		
At 1 September 2023	187,486	187,486
Charge for the year	20,832	20,832
At 31 August 2024	208,318	208,318
Net book value		
At 31 August 2024	83,327	83,327
At 31 August 2023	104,159	104,159

Goodwill arose on the purchase of Brackenley care home. It is operating from leased business premises. The assets and contracts were purchased.

11 Tangible fixed assets

	Land and buildings	Furniture and equipment	Total
	£	£	£
Cost			
At 1 September 2023	2,057,362	336,994	2,394,356
Additions	-	52,235	52,235
Disposals	-	(20,933)	(20,933)
At 31 August 2024	2,057,362	368,296	2,425,658
Depreciation			
At 1 September 2023	248,919	211,953	460,872
Charge for the year	50,087	35,180	85,267
Eliminated on disposals	-	(19,560)	(19,560)
At 31 August 2024	299,006	227,573	526,579
Net book value			
At 31 August 2024	1,758,356	140,723	1,899,079
At 31 August 2023	1,808,443	125,041	1,933,484

Included within the net book value of land and buildings above is £1,635,959 (2023 - £1,673,855) in respect of freehold land and buildings and £122,397 (2023 - £134,590) in respect of leaseholds.

12 Debtors

	2024	2023
	£	£
Trade debtors	53,126	26,674
Prepayments and accrued income	39,452	48,879
Other debtors	7,432	5,461
	100,010	81,014

13 Creditors: amounts falling due within one year

	2024	2023
	£	£
Bank loans	12,056	13,055
Trade creditors	43,707	24,816
Other taxation and social security	46,656	41,235
Other creditors	59,248	51,105
Accruals and deferred income	103,967	133,590
	265,634	263,801

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

	2024	2023
	£	£
Charity Bank	12,056	13,055

The loan is secured by fixed charge on the buildings on East Parade, North Park Road and North Barn, and a floating charge over all other assets.

There was no grant income received during the year that relates to the following period.

14 Creditors: amounts falling due after one year

	2024	2023
	£	£
Bank loans	891,286	902,343

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

	2024	2023
	£	£
Charity Bank	891,286	902,343

The loan is secured by fixed charge on the buildings on East Parade, North Park Road and North Barn, and a floating charge over all other assets.

Included in the creditors are the following amounts due after more than five years:
Included within long term creditors is a loan from Charity Bank of £891,286 repayable by 288 monthly installments of £7,248.69

Interest is charged at a rate of 3% above Bank of England Base Rate

The amount payable after five years is £822,836 (2023 - £845,060)

15 Lease Commitments

Non-cancellable operating leases under 1 year	2024	2023
	£	£
Brackenley	48,000	48,000
Café	22,450	22,450
	70,450	70,450

Non-cancellable operating leases between 1 and 5 years	2024	2023
	£	£
Brackenley	192,000	192,000
Café	89,800	89,800
	281,800	281,800

Non-cancellable operating leases over 5 years	2024	2023
	£	£
Brackenley	-	48,000
Café	33,675	67,350
	33,675	115,350

16 Funds

	Balance at 1 September 2023	Incoming resources	Resources expended	Transfers	Balance at 31 August 2024
	£	£	£	£	£
Unrestricted funds					
General	1,114,193	2,430,457	(2,542,762)	-	1,001,888
Total unrestricted funds	**1,114,193**	**2,430,457**	**(2,542,762)**	**-**	**1,001,888**
Restricted funds					
iGen Trust	-	25,150	(25,150)	-	-
Power to Change Grant	172,000	-	(4,000)	-	168,000
WAV Fundraising	7,060	450	(5,599)	-	1,911
Other Grants	-	900	(419)	-	481
Total restricted funds	**179,060**	**26,500**	**(35,168)**	**-**	**170,392**
Total funds	**1,293,253**	**2,456,957**	**(2,577,930)**	**-**	**1,172,280**

	Balance at 1 September 2022	Incoming resources	Resources expended	Transfers	Balance at 31 August 2023
	£	£	£	£	£
Unrestricted funds					
General	1,194,007	2,255,910	(2,335,724)	-	1,114,193
Total unrestricted funds	**1,194,007**	**2,255,910**	**(2,335,724)**	**-**	**1,114,193**
Restricted funds					
iGen Trust	-	21,653	(21,653)	-	-
Power to Change Grant	176,000		(4,000)	-	172,000
SEIF	-	14,059	(6,999)	-	7,060
Other Grants	-	7,750	(7,750)	-	-
Total restricted funds	**176,000**	**43,462**	**(40,402)**	**-**	**179,060**
Total funds	**1,370,007**	**2,299,372**	**(2,376,126)**	**-**	**1,293,253**

Power to Change Grant was received in December 2016 to support the purchase of Briardene Carehome
The donation is depreciated at 2% straight line

The WAV fundraising income was used to purchase the wheelchair accessible vehicle. This is depreciated at 20% reducing balance basis. The fundraising did not cover the full cost of the car purchase and funds continue to be raised.

Grants from iGen Trust and other grants were all received to support people in work. Resources were fully expended in the year

17 Analysis of net assets between funds

	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024
	£	£	£
Intangible fixed assets	83,327	-	83,327
Tangible fixed assets	1,728,687	170,392	1,899,079
Current assets	346,796	-	346,796
Current liabilities	(265,634)	-	(265,634)
Creditors over 1 year	(891,286)	-	(891,286)
Total net assets	1,001,890	170,392	1,172,282

	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023
	£	£	£
Intangible fixed assets	104,159	-	104,159
Tangible fixed assets	1,754,424	179,060	1,933,484
Current assets	421,754	-	421,754
Current liabilities	(263,801)	-	(263,801)
Creditors over 1 year	(902,343)	-	(902,343)
Total net assets	1,114,193	179,060	1,293,253

18 Analysis of net funds

	Balance at 1 September 2023	Cash flow	Balance at 31 August 2024
	£	£	£
Cash at bank and in hand	340,740	(100,927)	239,813
Debt due within one year	(13,055)	999	(12,056)
Debt due after more than one year	(902,346)	11,057	(891,289)
Net debt	(574,661)	(88,871)	(663,532)

	Balance at 1 September 2022	Cash flow	Balance at 31 August 2023
	£	£	£
Cash at bank and in hand	486,126	(145,388)	340,738
Debt due within one year	(26,173)	13,118	(13,055)
Debt due after more than one year	(598,643)	(303,700)	(902,343)
Net debt	(138,690)	(435,970)	(574,660)

19 Capital Commitments

There were no unfulfilled capital commitments

20 Related party transactions

There were no related party transactions in the year (2023 - none)

HARROGATE SKILLS 4 LIVING CENTRE

England & Wales - Charity number 1138346

Accounts

Company registration number: 07219977
Charity registration number: 1138346

Harrogate Skills 4 Living Centre

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2023

Harrogate Skills 4 Living Centre

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Harrogate Skills 4 Living Centre

Reference and Administrative Details

Chief Executive Officer	H A Moorby-Davies
Trustees	T R Lincoln (Resigned 22 May 2023) Mrs M B King (Resigned 22 May 2023) M E Carter Mrs B R Grant Ms J M Williams Dr T Spackman (Appointed 2 November 2022 Resigned 26 December 2023) L G Ford (Appointed 22 May 2023) Ms J Wain (Appointed 24 October 2023) Ms A Macready (Appointed 23 January 2024)
Principal Office	9 North Park Rd Harrogate North Yorkshire HG1 5PD The charity is incorporated in England and Wales.
Company Registration Number	07219977
Charity Registration Number	1138346
Auditor	Xeinadin Audit Limited Oak House, Market Place Bedale North Yorkshire DL8 1AQ

Harrogate Skills 4 Living Centre

Trustees' Report

Structure, governance and management.

Harrogate Skills 4 Living Centre is a Company limited by guarantee, company number 07219977 and a registered Charity governed by its Memorandum and Articles of Association, charity number 1138346.

The Directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. As set out in the Articles of Association the Company shall have a Board of Trustees comprising not less than six and not more than twelve persons. The chairman is appointed by the Trustees from their own number. The Trustees, who are also the directors for the purpose of company law, who served during the year are listed in the Reference and Administrative Details. The Trustees meet regularly to administer the charity.

The charity has reviewed its major risks during the year and systems have been established to manage those risks.

Trustees are recruited by various means such as, by placing of an advert on a website designed for recruiting Trustees, through our own networks or via other social media platforms.

Trustees are selected due to their business experience and have generally held or continue to hold senior or executive level roles across a range of both public and private sector organisations. They are required to remain up to date with sector developments and undergo regular training in specific areas such as safeguarding and GDPR.

During the reporting period the board have engaged in a recruitment process as it is necessary to continue to add a broad level of experience and diversity to help the charity carry out its work and meet its aims.

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2023.

As Chair of the trustees, amidst all the change and continuing uncertainty I am relieved that we have been able to maintain a healthy financial picture and confident that we will continue to weather the storms ahead as we continue to build and maintain our services.

The board are pleased to note that the compassionate leadership style that filters down through the organisation has undoubtedly helped ensure staff wellbeing and was a key factor that assisted navigation through our post-pandemic times. There is a need to focus energy and attention to mental health and wellbeing going forwards. The board confidence in the charity CEO's abilities to carry out his delegated duties continues to be high.

Trustees considered the principal risks to HS4LC during this period of turbulence to be twofold: the human cost caused to staff and beneficiaries alike due to the unprecedented circumstances being experienced, and the financial risk also due to this uncertainty.

It was evident that many charities facing the same issues were struggling whilst also trying to cope with increased demand for services and support from their beneficiaries. The impact of rising costs of living meant that staff loyal to social care had little or no option but to seek employment in other sectors. Staff shortages naturally puts further pressures both in financial and personal contexts.

Nevertheless, despite all these difficulties staff continue to go the extra mile and deliver excellence in care across the board; we're eternally thankful for their compassionate resolve and determination to succeed against all odds.

Objectives and activities.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on the relief of those in need and the advancement of education.

The objectives of the Charity are:

"TO RELIEVE THE NEEDS OF ADULTS IN THE HARROGATE AND SURROUNDING AREA WITH LEARNING DIFFICULTIES AND DISABILITIES IN SUCH WAYS AS THE DIRECTORS SHALL THINK FIT; IN PARTICULAR BUT NOT EXCLUSIVELY, BY PROVIDING EDUCATION AND TRAINING, SUPPORT, INFORMATION AND ADVICE AND SOCIAL ACTIVITIES TO IMPROVE THEIR CONDITIONS OF LIFE, SO THAT THEY MAY PARTICIPATE MORE FULLY IN THEIR COMMUNITY."

This translates into our mission statement:

"To provide high quality care and support that meets the diverse needs of individuals with learning disabilities and autism in the Harrogate and Rural District."

Harrogate Skills 4 Living (HS4L) currently run two residential care homes with 13 residents with learning disabilities and complex needs living in each home. Our residential care provision is regulated by the Care Quality commission. The homes have been inspected and rated as Outstanding and Good respectively. Our aim is to achieve Outstanding for both.

In 2010, a grant from Power to Change (Big Society Capital) was used to purchase the current daycentre and head office at 9 North Park Road, Harrogate. This is a busy and vibrant setting for our day-services where beneficiaries engage in a wide range of activities such as, arts and crafts, cooking, drama, computer studies and much more.

In 2019, our Skills Bridge education and employment programmes began delivering supported internships as a sub-contractor with North Yorkshire Council and more recently, Leeds City Council. Due to the continued growth of Skills Bridge programmes, HS4L used some of its reserves to purchase an education centre in April 2023.

Augmenting our services are two social enterprises, the Harrogate Chocolate Factory (established 2019) and the Harrogate Chocolate Factory Café (opened July 2022). These provide work experience for our Skills Bridge students amongst others.

Our National Lottery funded 'Engage 22' project highlighted gaps in opportunities for our beneficiaries and we've since facilitated a 'co-production' group to find solutions to some of the issues outlined in the final report.

HS4L tries wherever possible to gain feedback from beneficiaries both about services and support they're receiving and activities they'd like to do in the future. These views are fed-back to the trustees via our business planning sub-group and are reflected in our strategic plans.

Since our beneficiaries face many disadvantages in terms of living independent lives compared to the majority of the population, HS4L endeavours to find ways to make life fairer and overcome barriers that impede natural development, growth and inclusion. The activities we provide have our social objectives embedded within, often encompassing them all in one way or another. Underpinning our social objectives is a desire to help improve overall health and wellbeing.

We're experimenting with ways to measure changes to our beneficiaries health and wellbeing that can be directly attributed to our activities and interventions. For example, as well as using surveys and feedback questionnaires, several staff are trained as Outcomes Star™ assessors. The Outcomes Star™ provide a domain-based holistic assessment tool that focuses on life-domains that are relevant to the individual such as, health, friendships and communication. The assessment leads to defining several key goals for beneficiaries to work towards. Beneficiary engagement with Outcomes Star™ has been very encouraging so far.

Gathering and collating data from our assessments will give us a better understanding and help us develop our theory-of-change model and improve the ways we measure and report our impact.

Achievements and performance.

Our organisational social objectives are to:

1. Reduce isolation and promote inclusion.
2. Increase independence and participation.
3. Promote wellbeing and healthy lifestyle choices.

Our 2022-2025 strategic plan set out the goals and objectives for the next 3 years; goals and objectives that we all need to work together towards achieving whilst maintaining the excellent standards evident across all our services.

Aside from continuing to provide high quality and compliant services, the board agreed 4 primary goals:

1. The development of specialist supported housing in the locality.
2. Improving engagement with our local learning disability and autistic community.
3. Increasing income in both our social enterprises and maximising employment opportunities for our beneficiaries.
4. Diversifying our board and developing a user-led sub-group.

In the financial reporting period progress against these goals has been as follows:

1. Specialised Supported Housing (SSH) - working with property developer Purpose Homes limited and Registered Housing provider Westmorland limited, HS4L are due to take on the provision of care, at the site of the former Little Wonder Hotel, 212 Ripon Road, Harrogate. Construction commenced on-site in January 2023 with completion due in December 2024.

Several other alternatives are currently under review. There is a large un-met need for specialised supported housing in the locality and there are complex systems and barriers in place that HS4L alone do not have the resources to manage. Therefore, we are adopting a collaborative partnership approach towards SSH provision.

2. Community engagement – HS4L's National Lottery funded 'engage-22' project continued throughout the reporting period. Inclusion North managed the project with the final report due late 2023. The findings will be covered in the financial reporting period 1st September 2023 to 31st August 2024.

The charity takes a person-centred approach when working with beneficiaries and seeks engagement and feedback wherever possible and appropriate. The views and opinions expressed are taken seriously and fed-back to the board for inclusion in future business planning meetings.

3. Increasing income and opportunities for employment – neither the Harrogate Chocolate Factory nor the Harrogate Chocolate Factory Café make profit when seen as standalone social enterprises however, they attract raise our profile and attract students onto our education and employment programmes whilst also offering significant opportunities for paid work. Without the enterprises our Skills Bridge student numbers would be far smaller.

Operational staff are working hard to increase income and raise awareness of our social enterprises.

4. Diversifying the board and developing a user-led sub-group – 2 new trustees were appointed during the reporting period leading to a more diverse board in terms of both ethnicity and gender. The user-led group is in it's early formation stage.

In the 2022-2023 academic year we delivered more than 20,000 hours of group activities with an additional 190 hours of direct one to one support. In total we supported 117 individuals with learning difficulties and/or autism. Our day-skills-centre delivered 2400 sessions which equates to 50 weekly, to an average of 60 service users weekly. 12 services users completed their Outcome Stars assessments and developed personal action plans. Feeback from the end of year survey reported: significant improvements in confidence (self, carer and family reported), more friends this year compared to last year, a feeling of safety and one of overall happiness. Many service users have come to our day-skills-centre for a long time and often comment about the knowledgeable, kind, and caring staff and the happy, safe environment.

Our Skills Bridge employment programmes supported 31 students, delivering a total of 13,380 hours: 8,020 hours in work placements, 5,360 hours in classroom-based activities such as, functional maths and English, employability, and enterprise. 52% of supported internship students gained paid employment by the end of the programme (compared to the National employment rate of <6%). 96% students had a minimum of 2 work placements, 100% had careers advice and created bespoke CV's. Students expressed 98% satisfaction with their programme and 97% students had annual reviews. There was 96% attendance across all programmes, 75% of students said they did not want to leave at the end of their course.

Financial review.

We are disappointed to report that there has been a decrease in total charity funds this year from £1,370,007 in 2022 to £1,293,253 in 2023, largely as a result of rising interest, energy and resources costs. Total funds include £1,114,193 Unrestricted funds and £179,060 Restricted funds.

However, we continue to remain in a healthy financial position despite the current economic circumstances that see us facing additional overhead costs, particularly on energy and insurance.

Due to the continued growth of our Skills Bridge programmes the board agreed to use available funds for the deposit and conveyancing costs of a new education centre.

Fundraising resulted in £14,059 being raised towards the purchase of a second wheelchair accessible vehicle.

With approximately 80% of our income derived from statutory contracts our reliance on grant income has generally been around 5% but we anticipate this increasing as the downward pressure on social care income increases and the challenging economic environment continues.

Principal risks to the charity's finances remain the threat of further disruption to services and income post pandemic. Continued uncertainty around rising utility costs and interest rates. Trustees are aware of the risks relating to HS4L's finances and meet regularly to discuss strategies to mitigate these.

New utility contracts will be sought once the current levels of market volatility subside. This is estimated to be late summer or early autumn 2023.

HS4L's 2022-2023 budget forecast indicated a significantly reduced surplus for the operating period due to the challenging economic climate and indications that the economy is unlikely to recover in the financial period covered here.

Grants received in the reporting period from:

The National Lottery – Reaching Communities Fund.

IGEN Trust.

Shears Charitable Foundation.

HS4L are most grateful to all our supporters, volunteers and benefactors who recognise the value of the work we do and we will continue to support our beneficiaries to lead healthy, happy and fulfilled lives by providing choices and opportunities that will lead to positive outcomes and personal well-being.

Reserves.

The level of reserves held by the charity is calculated annually by the business planning sub-group taking into account all potential risks to the charity's finances. The trustees felt that holding 6 months of operating costs would likely deter funders as the charity would appear to have significant funds available.

In the reporting period, the reserves fund held in Shawbrook Bank was reduced to £140,000 as £50,000 was used for conveyancing fees and a deposit on our new education centre (purchased in April 2023).

Plans for Future Periods.

Our 2022-2025 business plan sets out our main goals and objectives. It is clear that user-involvement and co-production are seen as essential elements for third sector organisations wishing to find solutions to systemic difficulties within health and social care. Wherever feasible and within current resources, HS4L will seek grant funding to ameliorate and facilitate additional projects that fall within our core aims and objectives for instance, overcoming health inequalities by training 'health ambassadors' and supporting young people and their families during 'transitions' between children's and adults' services. Grant applications will also be made for core funding as a result of our budget forecast.

The trustees are fully supportive of the charity's direction and activities which continue to meet the needs of it's beneficiaries and their families. If new, un-met needs are recognised the trustees will look at ways of meeting such needs. For example, supporting children under 16 years-of-age.

The board recognises the need to consolidate funds in the short to medium term and will only develop new provision where the business case demonstrates a high likelihood of a good return on resource investment.

Trustees' Report Continued

Disclosure of information to auditor.

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 26/4/24 and signed on its behalf

.....

M Carter Trustee

Harrogate Skills 4 Living Centre

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Harrogate Skills 4 Living Centre for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Approved by the trustees of the charity on 26/4/24 and signed on its behalf by:

.....

M Carter
Trustee

Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

Opinion

We have audited the financial statements of Harrogate Skills 4 Living Centre (the 'charity') for the year ended 31 August 2023, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charity's affairs as at 31 August 2023 and of its incoming resources and application of resources 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we 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 Auditor's Report to the Members of Harrogate Skills 4 Living Centre

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' 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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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.

Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement principal ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with directors and other management, and from our commercial knowledge and experience of the charitable sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the company's legal advisors and any other relevant regulator or body.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

.....

Deborah Fletcher-McVay (Senior Statutory Auditor)
For and on behalf of Xeinadin Audit Limited
Statutory Auditor

Oak House, Market Place
Bedale
North Yorkshire
DL8 1AQ
Date: 7 MAY 2024

Harrogate Skills 4 Living Centre

Statement of Financial Activities for the Year Ended 31 August 2023

(Including Income and Expenditure Account)

	Note	Unrestricted funds	Restricted Income Funds	Total 2023
		£	£	£
Income and Endowments from:				
Donations and legacies	3	2,621	14,059	16,680
Charitable activities	4	2,253,289	29,403	2,282,692
Total Income		2,255,910	43,462	2,299,372
Expenditure on:				
Charitable activities	5	(2,335,724)	(40,402)	(2,376,126)
Other expenditure		-	-	-
Total Expenditure		(2,335,724)	(40,402)	(2,376,126)
Net income/(expenditure)		(79,814)	3,060	(76,754)
Transfers between funds	16	-	-	-
Net movement in funds		(79,814)	3,060	(76,754)
Reconciliation of funds				
Total funds brought forward		1,194,007	176,000	1,370,007
Total funds carried forward	16	1,114,193	179,060	1,293,253

	Note	Unrestricted funds	Restricted Income Funds	Total 2022
		£	£	£
Income and Endowments from:				
Donations and legacies	3	6,404	-	6,404
Charitable activities	4	2,005,021	106,261	2,111,282
Total Income		2,011,425	106,261	2,117,686
Expenditure on:				
Charitable activities	5	(1,984,720)	(110,261)	(2,094,981)
Other expenditure		-	-	-
Total Expenditure		(1,984,720)	(110,261)	(2,094,981)
Net income/(expenditure)		26,705	(4,000)	22,705
Transfers between funds	16	-	-	-
Net movement in funds		26,705	(4,000)	22,705
Reconciliation of funds				
Total funds brought forward		1,167,302	180,000	1,347,302
Total funds carried forward	16	1,194,007	176,000	1,370,007

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

The funds breakdown for 2023 is shown in note 16.

Harrogate Skills 4 Living Centre

(Registration number: 07219977)
Balance Sheet as at 31 August 2023

	Note	2023	2022
		£	£
Fixed assets			
Intangible assets	10	104,159	124,991
Tangible assets	11	1,933,484	1,563,508
		2,037,643	1,688,499
Current assets			
Debtors	12	81,014	35,408
Cash at bank and in hand		340,740	486,126
		421,754	521,534
Creditors: Amounts falling due within one year	13	(263,801)	(241,382)
Net current assets/(liabilities)		157,953	280,152
Total assets less current liabilities		2,195,596	1,968,650
Creditors: Amounts falling due after more than one year	14	(902,343)	(598,643)
Net assets		1,293,253	1,370,007
Funds of the charity:			
Restricted income funds		179,060	176,000
Unrestricted funds		1,114,193	1,194,007
Total funds	16	1,293,253	1,370,007

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements on pages 18 to 30 were approved by the trustees, and authorised for issue on 26/4/24 and signed on their behalf by:

M C

M Carter
Trustee

Harrogate Skills 4 Living Centre

Statement of Cash Flows for the Year Ended 31 August 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net income/(expenditure)		(76,754)	22,705
Adjustments to cash flows from non-cash items			
Depreciation	5	82,215	73,243
Amortisation	5	20,832	20,832
		26,293	116,780
Working capital adjustments			
Decrease/(increase) in debtors	12	(45,606)	12,736
(Decrease)/increase in creditors	13	35,532	(2,012)
Net cash flows from operating activities		16,219	127,504
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(452,191)	(136,640)
Sale of tangible fixed assets		-	-
Net cash flows from investing activities		(452,191)	(136,640)
Cash flows from financing activities			
Increase/(Decrease) in loans and borrowings	13	290,582	(30,449)
Net increase in cash and cash equivalents		(145,390)	(39,585)
Cash and cash equivalents at 1 September		486,128	525,713
Cash and cash equivalents at 31 August		340,738	486,128
Reconciliation of net cash flow to movement in net funds			
(Decrease)/Increase in cash		(145,390)	(39,586)
Cash outflow from repayment of loans/ (Inflow from new loans)		(290,582)	30,449
Change in net (debt)/funds resulting from cash flows		(435,972)	(9,137)
Net debt at 1 September 2022		(138,689)	(129,552)
Net debt at 31 August 2023	18	(574,661)	(138,689)

All of the cash flows are derived from continuing operations during the above two periods.

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

1 Charity status

The charity is a charitable company, incorporated in England and Wales, limited by guarantee and consequently does not have share capital.

The address of its registered office is:
9 North Park Road
Harrogate
North Yorkshire
HG1 5PD

Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

The accounts are presented in Sterling (GBP).

2 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
Harrogate Skills 4 Living Centre 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 trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments
All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably. Income derived from the provision of goods and services is shown net of VAT.

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

Donations and legacies

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.

Grants receivable

Grants received are declared as income in the period of receipt, unless they relate specifically to a purpose in a later period.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

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.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

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.

Tangible fixed assets

Individual fixed assets costing £100.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Amortisation

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

Asset class	Amortisation method and rate
Goodwill	14 years straight line

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:

Asset class	Depreciation method and rate
Freehold Building	2% Straight line
Leasehold Improvements	7.5% Straight line
Fixtures and fittings	20% Reducing balance
Office Equipment	20% Reducing balance
Plant and machinery	20% Reducing balance
Motor Vehicles	20% Reducing balance

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.

Trade creditors

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.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

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

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

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.

Recognition and measurement

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.

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) i The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

Debt instruments (continued)

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

3 Income from donations and legacies

	Unrestricted funds		Total	Total
	General	Restricted funds	2023	2022
	£	£	£	£
Donations and legacies;				
CJRS Grant	-	-	-	96
WAV Fundraising	-	14,059	14,059	-
Donations from individuals and other organisations	2,621	-	2,621	6,308
	2,621	14,059	16,680	6,404

There are no unfulfilled conditions or contingencies attached to these donations.

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

4 Income from charitable activities

	Unrestricted funds			Total	Total
	General	Other income	Restricted funds	2023	2022
	£	£	£	£	£
Charitable income;					
Daycentre income	513,759	-	-	513,759	370,066
Carehome income	1,622,093	-	-	1,622,093	1,535,676
Chocolatiere income	41,483	-	-	41,483	28,037
Café income	41,327	-	-	41,327	46,609
Sundry Income	13,248	-	-	13,248	12,861
Access to Work	21,379	-	-	21,379	11,772
Infection control grant	-	-	-	-	12,743
Daycentre grants	-	-	7,750	7,750	14,400
iGen Trust	-	-	21,653	21,653	33,867
Forbes Charitable Trust	-	-	-	-	19,500
Workforce development fund	-	-	-	-	25,751
	2,253,289	-	29,403	2,282,692	2,111,282

Included in Restricted Funds income are grants of £21,653 (2022 - £84,118) awarded for the purpose of supported employment, £7,750 (2022 - £9,400) for management costs and £nil (2022 - £12,743) for the purpose of infection control.

5 Expenditure on charitable activities

	Activity undertaken directly	Activity support costs	Direct costs (restricted)	Total 2023	Total 2022
	£	£	£	£	£
Consumable resources	130,812	-	-	130,812	131,145
Wages and salaries	138,416	1,426,497	29,403	1,594,316	1,430,362
Rent and rates	48,000	220,688	-	268,688	229,250
Office expenses	-	228,984	-	228,984	180,541
Depreciation, amortisation and other similar costs	-	85,916	10,999	96,915	94,072
Care Home Supplies	-	-	-	-	-
Residents Activities	-	-	-	-	-
Loan interest	-	50,411	-	50,411	22,698
	317,228	2,012,496	40,402	2,370,126	2,088,068

In addition to the expenditure analysed above, there are also governance costs of £6,000 (2022 - £6,520) which relate directly to charitable activities. See note 6 for further details.

iGen grant supported the funding of two additional employees with salaries of £17,662 and £16,205.

6 Analysis of governance and support costs

Governance costs

	Total 2023	Total 2022
	£	£
Auditors Fees	6,000	6,520
	6,000	6,520

7 Trustees remuneration and expenses

There were no trustee expenses or remuneration paid in the year.

8 Staff costs

The aggregate payroll costs were as follows:

	2023	2022
	£	£
Staff costs during the year were:		
Wages and salaries	1,452,691	1,308,002
Social security costs	110,912	94,966
Pension costs	30,713	27,394
	1,594,316	1,430,362

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

	2023	2022
	No	No
Employees	79	73

79 (2022 - 73) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £29,032 (2022 - £27,140).

Pension contributions of £1,910 (2022 - £1,820) were paid on behalf of Key Management Personnel during the year.

One employee (Key Management Personnel) received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £63,704 (2022 - £62,493).

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

9 Taxation

The charity is a registered charity and is therefore exempt from taxation.

10 Intangible fixed assets

	Goodwill	Total
	£	£
Cost		
At 1 September 2022	291,645	291,645
Additions		
At 31 August 2023	291,645	291,645
Amortisation		
At 1 September 2022	166,654	166,654
Charge for the year	20,832	20,832
At 31 August 2023	187,486	187,486
Net book value		
At 31 August 2023	104,159	104,159
At 31 August 2022	124,991	124,991

Goodwill arose on the purchase of Brackenley care home. It is operating from leased business premises. The assets and contracts were purchased.

11 Tangible fixed assets

	Land and buildings	Furniture and equipment	Total
	£	£	£
Cost			
At 1 September 2022	1,666,380	275,785	1,942,165
Additions	390,982	61,209	452,191
Disposals	-	-	-
At 31 August 2023	2,057,362	336,994	2,394,356
Depreciation			
At 1 September 2022	197,965	180,692	378,657
Charge for the year	50,954	31,261	82,215
Eliminated on disposals	-	-	-
At 31 August 2023	248,919	211,952	460,872
Net book value			
At 31 August 2023	1,808,443	125,042	1,933,484
At 31 August 2022	1,468,415	95,093	1,563,508

Included within the net book value of land and buildings above is £1,673,855 (2022 - £1,318,852) in respect of freehold land and buildings and £134,590 (2022 - £149,563) in respect of leaseholds.

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

12 Debtors

	2023	2022
	£	£
Trade debtors	26,674	12,686
Prepayments and accrued income	48,879	20,723
Other debtors	5,461	1,999
	81,014	35,408

13 Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans	13,055	26,173
Trade creditors	24,816	28,789
Other taxation and social security	41,235	34,176
Other creditors	51,105	41,713
Accruals and deferred income	133,590	110,531
	263,801	241,382

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

	2023	2022
	£	£
Charity Bank	13,055	26,173

The loan is secured by fixed charge on the buildings on East Parade, North Park Road and North Barn, and a floating charge over all other assets.

	2022
	£
Deferred income at 1 September 2022	90,781
Resources deferred in the period	
Amounts released from previous periods	(90,781)
Deferred income at 31 August 2023	-

There was no grant income received during the year that relates to the following period.

14 Creditors: amounts falling due after one year

	2023	2022
	£	£
Bank loans	902,343	598,643

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

	2023	2022
	£	£
Charity Bank	902,343	598,643

The loan is secured by fixed charge on the buildings on East Parade, North Park Road and North Barn, and a floating charge over all other assets.

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

Included within long term creditors is a loan from Charity Bank of £915,318 repayable by 300 monthly installments of £7,248.69

Interest is charged at a rate of 3% above Bank of England Base Rate

The amount payable after five years is £845,060 (2022 - £479,235)

15 Lease Commitments

Non-cancellable operating leases under 1 year

	2023	2022
	£	£
Brackenley	48,000	48,000
Café	22,450	22,450
	70,450	70,450

Non-cancellable operating leases between 1 and 5 years

	2023	2022
	£	£
Brackenley	192,000	192,000
Café	89,800	89,800
	281,800	281,800

Non-cancellable operating leases over 5 years

	2023	2022
	£	£
Brackenley	48,000	96,000
Café	67,350	89,800
	115,350	185,800

16 Funds

	Balance at 1 September 2022	Incoming resources	Resources expended	Transfers	Balance at 31 August 2023
	£	£	£	£	£
Unrestricted funds					
General	1,194,007	2,255,910	(2,335,724)	-	1,114,193
Total unrestricted funds	**1,194,007**	**2,255,910**	**(2,335,724)**	**-**	**1,114,193**
Restricted funds					
Infection Control	-	-	-	-	-
Forbes Charitable Trust	-	-	-	-	-
iGen Trust	-	21,653	(21,653)	-	-
Power to Change Grant	176,000	-	(4,000)	-	172,000
WAV Fundraising	-	14,059	(6,999)	-	7,060
Workforce Development	-	-	-	-	-
Other Grants	-	7,750	(7,750)	-	-
Total restricted funds	**176,000**	**43,462**	**(40,402)**	**-**	**179,060**
Total funds	**1,370,007**	**2,299,372**	**(2,376,126)**	**-**	**1,293,253**

	Balance at 1 September 2021	Incoming resources	Resources expended	Transfers	Balance at 31 August 2022
	£	£	£	£	£
Unrestricted funds					
General	1,167,302	2,011,425	(1,984,720)	-	1,194,007
Total unrestricted funds	**1,167,302**	**2,011,425**	**(1,984,720)**	**-**	**1,194,007**
Restricted funds					
Infection Control	-	12,743	(12,743)	-	-
Forbes Charitable Trust	-	19,500	(19,500)	-	-
iGen Trust	-	33,867	(33,867)	-	-
Power to Change Grant	180,000	-	(4,000)	-	176,000
SEIF	-	-	-	-	-
Workforce Development	-	25,751	(25,751)	-	-
Other Grants	-	14,400	(14,400)	-	-
Total restricted funds	**180,000**	**106,261**	**(110,261)**	**-**	**176,000**
Total funds	**1,347,302**	**2,117,686**	**(2,094,981)**	**-**	**1,370,007**

Power to Change Grant was received in December 2016 to support the purchase of Briardene Carehome
The donation is depreciated at 2% straight line

The WAV fundraising income was used to purchase the wheelchair accessible vehicle. This is depreciated at 20% reducing balance basis. The fundraising did not cover the full cost of the car purchase and funds continue to be raised.

Grants from iGen Trust and other grants were all received to support people in work. Resources were fully expended in the year

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

17 Analysis of net assets between funds

	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023
	£	£	£
Intangible fixed assets	104,159	-	104,159
Tangible fixed assets	1,754,424	179,060	1,933,484
Current assets	421,754	-	421,754
Current liabilities	(263,801)	-	(263,801)
Creditors over 1 year	(902,343)	-	(902,343)
Total net assets	1,114,193	179,060	1,293,253

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022
	£	£	£
Intangible fixed assets	124,991	-	124,991
Tangible fixed assets	1,387,508	176,000	1,563,508
Current assets	521,534	-	521,534
Current liabilities	(241,382)	-	(241,382)
Creditors over 1 year	(598,643)	-	(598,643)
Total net assets	1,194,007	176,000	1,370,007

18 Analysis of net funds

	Balance at 1 September 2022	Cash flow	Balance at 31 August 2023
	£	£	£
Cash at bank and in hand	486,126	(145,388)	340,738
Debt due within one year	(26,173)	13,118	(13,055)
Debt due after more than one year	(598,643)	(303,700)	(902,343)
Net debt	(138,690)	(435,970)	(574,660)

	Balance at 1 September 2021	Cash flow	Balance at 31 August 2022
	£	£	£
Cash at bank and in hand	525,713	(39,587)	486,126
Debt due within one year	(31,822)	5,649	(26,173)
Debt due after more than one year	(623,443)	24,800	(598,643)
Net debt	(129,552)	(9,138)	(138,690)

19 Capital Commitments

There were no unfulfilled capital commitments

20 Related party transactions

There were no related party transactions in the year (2022 - none)

HARROGATE SKILLS 4 LIVING CENTRE

England & Wales - Charity number 1138346

Accounts

Company registration number: 07219977
Charity registration number: 1138346

Harrogate Skills 4 Living Centre

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

Harrogate Skills 4 Living Centre

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Harrogate Skills 4 Living Centre

Reference and Administrative Details

Chief Executive Officer	H A Moorby-Davies
Trustees	Miss JC Oliver (resigned 1 October 2021) C H Jones (resigned 20 September 2021) T R Lincoln Mrs M B King W R F Gosling (resigned 29 September 2021) D T Handslip (resigned 28 July 2022) R Allison (appointed 15 April 2021, resigned 4 October 2021) M E Carter (appointed 7 March 2022) Mrs B R Grant (appointed 7 March 2022) J M Williams (appointed 25 May 2022)
Principal Office	9 North Park Rd Harrogate North Yorkshire HG1 5PD
	The charity is incorporated in England and Wales.
Company Registration Number	07219977
Charity Registration Number	1138346
Auditor	Xeinadin Audit Limited 1 City Road East Manchester M15 4PN

Harrogate Skills 4 Living Centre

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2022.

Structure, governance and management

Harrogate Skills 4 Living Centre is a Company limited by guarantee, company number 07219977 and a registered Charity governed by its Memorandum and Articles of Association, charity number 1138346.

The Directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. As set out in the Articles of Association the Company shall have a Board of Trustees comprising not less than six and not more than twelve persons. The chairman is appointed by the Trustees from their own number. The Trustees, who are also the directors for the purpose of company law, who served during the year are listed in the Reference and Administrative Details. The Trustees meet regularly to administer the charity.

The charity has reviewed its major risks during the year and systems have been established to manage those risks.

Aims and Objectives

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on the relief of those in need and the advancement of education. The objectives of the Charity are:

"TO RELIEVE THE NEEDS OF ADULTS IN THE HARROGATE AND SURROUNDING AREA WITH LEARNING DIFFICULTIES AND DISABILITIES IN SUCH WAYS AS THE DIRECTORS SHALL THINK FIT; IN PARTICULAR BUT NOT EXCLUSIVELY BY PROVIDING EDUCATION AND TRAINING, SUPPORT, INFORMATION AND ADVICE AND SOCIAL ACTIVITIES TO IMPROVE THEIR CONDITIONS OF LIFE SO THAT THEY MAY PARTICIPATE MORE FULLY IN THEIR COMMUNITY "

This is translated into our mission statement:

"To reduce inequalities and overcome barriers that will enable the people we support to lead fulfilled lives"

Who we are:

We are an established charity working with adults with learning disabilities and autism with an education centre and two residential care homes and provision for SEN employment pathways.

Staff are passionate about the support they give and go the extra mile to deliver excellent services and we have a high staff retention rate. We employ 73 staff across our 4 sites.

Our staff are our greatest resource and we make sure they are properly trained and well equipped to do what can be a demanding albeit rewarding job. We recognise the challenges faced within the health and social care sector that impact our staff wellbeing and we respond compassionately and proportionately to these additional pressures.

We promote a culture of personal learning and development throughout the organisation whilst holding ourselves accountable to our values.

Why are we needed:

There are over 800 adults with learning disabilities in Harrogate and studies suggest this number will increase by around 15% by 2025. There are also 1550 adults with autism in the area, roughly 50% of whom have a learning disability. We support adults (16+) with learning disabilities and autism or dual diagnosis. The prevalence rate for autism has increased by 30% since 2008, due largely to raised awareness and continues to rise steadily.

The numbers of Education, Health and Care plans for 16–24-year-olds continues to rise year on year locally and nationally and there is a general shortage of specialist alternative providers available to meet this growing need.

HS4L provides a range of services for adults with a learning disability autism designed to meet their needs. Currently these incorporate, two residential care homes, an accredited adult education centre which provides a wide range of learning pathways and supported employment services. These services are needs-led, and we make considerable efforts to ensure we are providing the right support, in the right place and at the right time. To do so, HS4L carries out a range of exercises throughout the year to gather feedback on the impact our beneficiaries receive from our services. Starting in January 2022, we carried out an engagement exercise across the Harrogate and Rural district to better understand 'what a good life' looks like for our service users. This lottery funded 'Engage 22' project will help us consider how we co-design and co-produce our services going forwards.

Social Objectives:

Our organisational social objectives are to...

1. Reduce isolation and promote inclusion
2. Increase independence and participation
3. Promote wellbeing and healthy lifestyle choices

Our vision is to...

Reduce inequalities and support people with learning disabilities and autism to overcome the barriers they face to leading fulfilled lives.

Our mission is to...

Provide quality services to adults and young people (16+) with learning disabilities and autism that promote inclusion, choice and independence in the Harrogate and rural district.

Our values are...

2022-2025 Goals - Rationale and Impact

Our strategic plan sets out the goals and objectives for the next 3 years; goals and objectives that we all need to work together to achieve and maintain the excellent standards evident across all our services. We recognise too how integral marketing is to our work and wherever possible we will consider what additional resources are required to support our efforts. As a growing organisation it is vital that we share our stories and narratives with our growing networks of supporters, and we'll do this through the most appropriate channels available to us.

HS4L 2021-2022 budget forecast indicated a significantly reduced surplus for the operating period primarily due to the development of our new social enterprises and particularly the Café alongside a continued historic deficit position for our Day-services. Combined with the necessary post-pandemic rebuild and recovery period, a cautious approach towards service development may be advisable.

However, HS4L will be looking towards achieving the goals outlined below within in the 3 year period and will consider opportunities for further development should they present.

Goal	Rationale	Impact
1. Development of our housing options and maintaining quality provision	There is a strong business case for providing supported living opportunities in the area – *(see SSH Business Case).* Further asset management and planning will assist with the decision-making process in respect of our current residential care. Lead – HMD/JM	Future proof, homes for life. Accessible and adapted living spaces for our service users. Improved life outcomes, quality of life, community inclusion and participation.
2. Community engagement for day-services future provision	Finding out what's working and what's not working is a vital part of co-producing future services. The LA are also reviewing the day-care approved provider list and re-defining the offer. TNL grant. Lead - HMD/JO	Engage22 - a National Lottery funded project aims to build links in the local LD and autism communities to find out 'what good looks like' and co-produce or co-design services to meet any unmet needs if appropriate. Inclusion North are managing the project having developed a steering group which aims to bring the project together over a 12 -18 month timeframe.
3. Maximise enterprise and employment income	With 2 new social enterprises recently started and our employment services being relatively new we need to invest time and resources into the commercial aspects of the enterprises and our broader offer so that we're financially robust and able to offer more opportunities to young people via our education and employment pathways. Potential for further enterprises to be explored if/when opportunities arise. Develop employer base for supported internships. Lead – CM/CC/TH	Increased sales within chocolate factory and café which will lead to more opportunities for training and employment for our service users – ultimately allowing us to offer more work based placements and broader educational programmes to prospective students. Potential new enterprise opportunities will be thoroughly assessed in line with current business goals for example, taking over the canteen at Ilke Homes, Flaxby and setting up micro-enterprises for those interested in self-employment.
4. Diversify board and develop user-led advisory group	Recent research recommends charities do more to promote diversity on their boards and encourage applications from women, young people, people from ethnic minorities and socially diverse backgrounds. HS4L also recognises the need to support service users to have their say on operations by being involved throughout the charity including on the board. Lead – HMD/Chair/Board	We have been actively seeking new trustees and have a group of 5 diverse individuals wanting to join the board. Ideally from our Engage 22 project we'll be able to establish a user-led group that will advise our board about changes required to meet our aspirations and develop our skills with a view towards full board involvement.

Performance against goals

Goal	How did we do?	Comments
Improve our residential care home ratings from good to outstanding in at least one domain	Brackenley CQC – Good overall with Outstanding for Well-led. Briardene CQC – Good overall, both homes EI2 – Excellence in Care awards	CQC currently not inspecting homes unless there are concerns about the service so neither of our homes are going to be inspected this year.
Deliver an ESFA registered supported internship programme for 10 beneficiaries each year	Whilst not yet ESFA registered our Skills Bridge programmes have developed beyond our expectations	We'll decide whether or not ESFA registration is necessary for us as we become established as the supported internship provider of choice
Develop enterprises to increase employability for 10 beneficiaries each year	The Harrogate Chocolate Factory was launched in 2019 and continues to thrive as a social enterprise	Scaling-up capacity as we move production into the renovated basement
Provide supported employment opportunities for 10 beneficiaries each year	Our supported employment programmes have exceeded all targets and continue to grow	Developing links to more employers is an on-going need
Invest in another residential care home to ameliorate void risk should the opportunity arise	Not viable currently as we look more towards supported living accommodation	
Develop suitable accommodation for 5 beneficiaries in supported living	We started working with a developer in 2021 and have two potential sites in Harrogate	High priority for the coming business plan
Renovate day-centre basement for enterprise hub and improved accessibility	Despite many setbacks with this project we're about to move our chocolate production into the basement (March 22)	Delays have impacted on day-centre operations as they've been delivered at different venues.
Develop our 'love your heart' campaign to enable 50 beneficiaries yearly to access our gym	This was successfully completed, and we continue to develop opportunities for service users to access mainstream facilities	The pandemic disrupted our ability to deliver this programme. Health and wellbeing remains a priority.
Raise our organisational profile to aid increasing the number of beneficiaries accessing our day-services from 75 to 100 over three years	Having two enterprises has allowed us to promote all our activities via social media and increase our engagement significantly	Marketing and social media are key priorities for our 2022-2025 plans.
Develop robust impact measurement systems to evaluate and demonstrate our benefit	We developed our theory of change	Further work required to develop our impact measurement systems – especially as our provision develops into different areas such as education.

Foreword from the CEO

The start of the financial accounting period September 2022 ushered in a new Skills Bridge supported internship cohort as our education and employment programmes continue to expand.

Day-Centre service user numbers returned closer to pre-pandemic levels as anxiety reduced and confidence grew amongst our beneficiaries.

In the early stages of this financial reporting period, we were very much dealing with the challenges presented by the after-effects of the global pandemic. Stress and anxiety amongst staff and service users was a key factor at play and continues to be so. Compassionate leadership is a prerequisite in all our settings.

At both board and management levels, risk management continues to be a priority particularly as further, significant financial challenges lie ahead.

Despite the challenges presented by the pandemic HS4L managed to deliver core services and meet the majority of its objectives in doing so. Having a strong emphasis on our values of Care, Commitment, Courage, Competence and Communication and the behaviours that align to these has enabled managers and staff to remain resilient whilst also holding each other to account through the provision of authentic feedback. We are grateful to Cranfield Trust for their support in delivering training in flexible ways to help embed our organisational values.

Both care homes - Brackenley and Brairdene staff have been commended on their commitment to keeping our residents safe and well. To do so has required a level of care, compassion and courage not previously appreciated. The ingenuity and inventiveness of staff to continue providing home based activities that have undoubtedly helped our residents maintain their health and wellbeing has been noted and rewarded. Both home managers regularly went above and beyond their duties to keep their staff teams and residents safe and well.

After considerable time planning our second enterprise -The Harrogate Chocolate Factory Cafe, opened in July 2021 as restrictions were lifted. The opening of the cafe provided a welcome positive story and generated a large interest in the charities work as well as increasing the capacity for work-base experience for our students; the café continues to develop a loyal customer base and grow links to the local community.

With high levels of demand for all our services and continuing broad challenges for charities across the board, the term 'more for less' remains a constant and all-encompassing truth. I am nevertheless confident that we will continue to meet the needs of our beneficiaries and develop the necessary skills to do so with our values close to heart.

Trustees' Report

As Chair of the trustees, amidst all the change and continuing uncertainty I am relieved that we have been able to maintain a healthy financial picture and confident that we will continue to weather the storms ahead as we build back better and stronger.

In such unprecedented times trustees naturally focus on the organisations risk both in financial and human terms. HS4LC has very robust systems in place for risk management that are delegated to the Business Planning sub-group. The whole board participated in rigorous VUCA exercises in the autumn of 2021 and despite meetings being held virtually the board were confident in the ability of its governance to ameliorate any significant risks or concerns. The board confidence in the charity CEO's abilities to carry out his delegated duties being high.

Trustees considered the principle risks to HS4LC during this period of turbulence to be twofold: the human cost caused to staff and beneficiaries alike due to the unprecedented circumstances being experienced, and the financial risk also due to this uncertainty. It was evident that many charities facing the same issues were struggling and grappling with the same challenges; these were after all the most challenging and unprecedented times being experienced globally and in reality, there is only so much that can be done during periods of such flux.

The board are pleased to note that the compassionate leadership style that filters down through the organisation undoubtedly helped ensure staff wellbeing and was a key factor that assisted navigation through such turbulent waters. There is a need to focus energy and attention to mental health and wellbeing going forwards.

Trustees

Trustees are recruited by various means such as, by placing of an advert on a website designed for recruiting Trustees, through our own networks or via other social media platforms.

Trustees are selected due to their business experience and have generally held or continue to hold senior or executive level roles across a range of both public and private sector organisations. They are required to remain up to date with sector developments and undergo regular training in specific areas such as safeguarding and GDPR.

During the reporting period the number of trustees was 6 which is the minimum required as per our articles of memorandum. The board have engaged in a recruitment process as it is necessary to continue to add a broad level of experience and diversity to help the charity carry out its work and meet its aims.

Financial Review

We are pleased to report that there has been an increase in total charity funds this year from £1,347,302 in 2021 to £1,370,007 in 2022, despite the costs of depreciation and loan finance charges. Total funds includes £1,194,007 Unrestricted funds and £176,000 Restricted funds.

We continue to remain in a healthy financial position despite the current economic circumstances that see us facing additional overhead costs, particularly on energy and insurance costs.

2022 saw us consolidating and strengthening our financial reserves following several years of growth, diversification and investment in our revenue streams. We continue to explore new opportunities to diversify our operations whilst maintaining a strong capital base.

Thanks

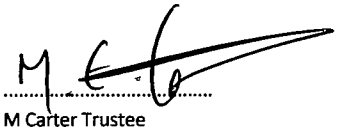
Thank you this year to:
IGEN Trust
Forbes Charitable Foundation
Shears Foundation
The National Lottery

HS4LC are most grateful to all our supporters, volunteers and benefactors who recognise the value of the work we do and we will continue to support our beneficiaries to lead healthy, happy and fulfilled lives by providing choices and opportunities that will lead to positive outcomes and personal well-being.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 24th April 2023 and signed on its behalf by:



M Carter Trustee

Harrogate Skills 4 Living Centre

Statement of Trustees' Responsibilities

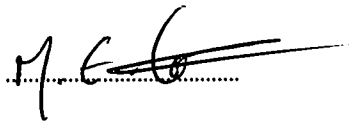
The trustees (who are also the directors of Harrogate Skills 4 Living Centre for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Approved by the trustees of the charity on 24th April 2023 and signed on its behalf by:



M Carter
Trustee

Harrogate Skills 4 Living Centre

Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

Opinion

We have audited the financial statements of Harrogate Skills 4 Living Centre (the 'charity') for the year ended 31 August 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charity's affairs as at 31 August 2022 and of its incoming resources and application of resources 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we 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 Auditor's Report to the Members of Harrogate Skills 4 Living Centre

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' 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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

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

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

Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement principal ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with directors and other management, and from our commercial knowledge and experience of the charitable sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation:
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the company's legal advisors and any other relevant regulator or body.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

.....

Deborah Fletcher-McVay (Senior Statutory Auditor)
For and on behalf of Xeinadin Audit Limited
Chartered Accountants and Statutory Auditor

1 City Road East
Manchester
M15 4PN

Date: 28/04/2023

Harrogate Skills 4 Living Centre

Statement of Financial Activities for the Year Ended 31 August 2022
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds	Restricted Income Funds	Total 2022
		£	£	£
Income and Endowments from:				
Donations and legacies	3	6,404	0	6,404
Charitable activities	4	2,005,021	106,261	2,111,282
Total Income		2,011,425	106,261	2,117,686
Expenditure on:				
Charitable activities	5	(1,984,720)	(110,261)	(2,094,981)
Other expenditure		-	-	-
Total Expenditure		(1,984,720)	(110,261)	(2,094,981)
Net income/(expenditure)		26,705	(4,000)	22,705
Transfers between funds	16	-	-	-
Net movement in funds		26,705	(4,000)	22,705
Reconciliation of funds				
Total funds brought forward		1,167,302	180,000	1,347,302
Total funds carried forward	16	1,194,007	176,000	1,370,007

	Note	Unrestricted funds	Restricted Income Funds	Total 2021
		£	£	£
Income and Endowments from:				
Donations and legacies	3	28,655	-	28,655
Charitable activities	4	1,803,708	154,576	1,958,284
Total Income		1,832,363	154,576	1,986,939
Expenditure on:				
Charitable activities	5	(1,644,128)	(175,936)	(1,820,064)
Other expenditure		-	-	-
Total Expenditure		(1,644,128)	(175,936)	(1,820,064)
Net income/(expenditure)		188,235	(21,360)	166,875
Transfers between funds	16	109,932	(109,932)	-
Net movement in funds		298,167	(131,292)	166,875
Reconciliation of funds				
Total funds brought forward		869,135	311,292	1,180,427
Total funds carried forward	16	1,167,302	180,000	1,347,302

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

The funds breakdown for 2022 is shown in note 16.

Harrogate Skills 4 Living Centre

(Registration number: 07219977)
Balance Sheet as at 31 August 2022

	Note	2022	2021
		£	£
Fixed assets			
Intangible assets	10	124,991	145,822
Tangible assets	11	1,563,508	1,500,109
		1,688,498	1,645,931
Current assets			
Debtors	12	35,408	48,144
Cash at bank and in hand		486,126	525,713
		521,534	573,857
Creditors: Amounts falling due within one year	13	(241,382)	(249,043)
Net current assets/(liabilities)		280,152	324,814
Total assets less current liabilities		1,968,650	1,970,745
Creditors: Amounts falling due after more than one year	14	(598,643)	(623,443)
Net assets		1,370,007	1,347,302
Funds of the charity:			
Restricted income funds		176,000	180,000
Unrestricted funds		1,194,007	1,167,302
Total funds	16	1,370,007	1,347,302

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements on pages 16 to 31 were approved by the trustees, and authorised for issue on 24th April 2023 and signed on their behalf by:

M Carter
Trustee

Harrogate Skills 4 Living Centre

Statement of Cash Flows for the Year Ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net income/(expenditure)		22,705	166,875
Adjustments to cash flows from non-cash items			
Depreciation	5	73,243	62,306
Amortisation	5	20,832	20,832
		116,780	250,013
Working capital adjustments			
Decrease/(increase) in debtors	12	12,736	(4,133)
(Decrease)/increase in creditors	13	(2,012)	3,156
Net cash flows from operating activities		127,504	249,036
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(136,640)	(227,359)
Sale of tangible fixed assets		-	-
Net cash flows from investing activities		(136,640)	(227,359)
Cash flows from financing activities			
Decrease in loans and borrowings	13	(30,449)	(32,245)
Net increase in cash and cash equivalents		(39,585)	(10,568)
Cash and cash equivalents at 1 September		525,713	536,281
Cash and cash equivalents at 31 August		486,128	525,713
Reconciliation of net cash flow to movement in net funds			
(Decrease)/Increase in cash		(39,586)	(10,568)
Cash outflow from repayment of loans		30,449	32,245
Change in net (debt)/funds resulting from cash flows		(9,137)	21,677
Net debt at 1 September 2021		(129,552)	(151,229)
Net debt at 31 August 2022	18	(138,689)	(129,552)

All of the cash flows are derived from continuing operations during the above two periods.

Notes to the Financial Statements for the Year Ended 31 August 2022

1 Charity status

The charity is a charitable company, incorporated in England and Wales, limited by guarantee and consequently does not have share capital.

The address of its registered office is:
9 North Park Road
Harrogate
North Yorkshire
HG1 5PD

Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

The accounts are presented in Sterling (GBP).

2 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

Harrogate Skills 4 Living Centre 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 trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably. Income derived from the provision of goods and services is shown net of VAT.

Donations and legacies

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.

Grants receivable

Grants received are declared as income in the period of receipt, unless they relate specifically to a purpose in a later period.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

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.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

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.

Tangible fixed assets

Individual fixed assets costing £100.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Amortisation

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

Asset class	Amortisation method and rate
Goodwill	14 years straight line

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:

Asset class	Depreciation method and rate
Freehold Building	2% Straight line
Leasehold Improvements	7.5% Straight line
Fixtures and fittings	20% Reducing balance
Office Equipment	20% Reducing balance
Plant and machinery	20% Reducing balance

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.

Trade creditors

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.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

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

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

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.

Recognition and measurement

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.

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) I The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

Debt instruments (continued)

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or Issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

3 Income from donations and legacies

	Unrestricted funds		Total	Total
	General	Restricted funds	2022	2021
	£	£	£	£
Donations and legacies;				
CJRS Grant	96	-	96	17,456
Donations from individuals and other organisations	6,308	-	6,308	11,199
	6,404	-	6,404	28,655

There are no unfulfilled conditions or contingencies attached to these donations.

4 Income from charitable activities

	Unrestricted funds			Total	Total
	General	Other income	Restricted funds	2022	2021
	£	£	£	£	£
Charitable income;					
Sales of goods and services	-	-	-	-	-
Daycentre income	370,066	-	-	370,066	252,321
Carehome income	1,535,676	-	-	1,535,676	1,491,619
Chocolatiere income	28,037	-	-	28,037	17,887
Café income	46,609	-	-	46,609	9,905
Sundry Income	12,861	-	-	12,861	12,509
Access to Work	11,772	-	-	11,772	19,468
Infection control grant	-	-	12,743	12,743	55,606
Daycentre grants	-	-	14,400	14,400	27,603
iGen Trust	-	-	33,867	33,867	33,867
Forbes Charitable Trust	-	-	19,500	19,500	37,500
Workforce development fund	-	-	25,751	25,751	-
	2,005,021	-	106,261	2,111,282	1,958,284

Included in Restricted Funds income are grants of £84,118 (2021 - £98,970) awarded for the purpose of supported employment, £9,400 (2021 - £0) for management costs and £12,743 (2021 - £55,606) for the purpose of infection control.

5 Expenditure on charitable activities

	Activity undertaken directly	Activity support costs	Direct costs (restricted)	Total 2022	Total 2021
	£	£	£	£	£
Consumable resources	131,145	-	-	131,145	2,612
Wages and salaries	941,443	392,058	96,861	1,430,362	1,278,762
Rent and rates	48,000	181,250	-	229,250	206,089
Office expenses	-	171,141	9,400	180,541	148,963
Depreciation, amortisation and other similar costs	-	90,072	4,000	94,072	83,138
Care Home Supplies	-	-	-	-	70,252
Residents Activities	-	-	-	-	6,304
Loan interest	-	22,698	-	22,698	18,944
	1,120,588	857,219	110,261	2,088,068	1,815,064

In addition to the expenditure analysed above, there are also governance costs of £6,520 (2021 - £5,000) which relate directly to charitable activities. See note 6 for further details.

iGen grant funded two additional employees with salaries of £17,662 and £16,205. A further additional employee salary of £19,500 was funded by the Forbes Charitable trust income. £43,494 of other wages and staffing costs were funded by the remaining restricted grant income.

6 Analysis of governance and support costs

Governance costs

	Total 2022	Total 2021
	£	£
Auditors Fees	6,520	5,000
	6,520	5,000

7 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

Miss JC Oliver
Miss JC Oliver received remuneration of £25,883 (2021 - £26,169) during the year.
Miss JC Oliver resigned 1 October 2022.

Pension contributions of £1,991 (2021 - £2,150) were made on behalf of Miss Oliver during the year.

Miss Oliver was an employee of the charity, the Day Centre manager, and her payments were made in accordance with the governing document of the charity.

There were no trustee expenses incurred in the year.

8 Staff costs

The aggregate payroll costs were as follows:

	2022	2021
	£	£
Staff costs during the year were:		
Wages and salaries	1,308,002	1,176,750
Social security costs	94,966	75,998
Pension costs	27,394	26,014
	1,430,362	1,278,762

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

	2022	2021
	No	No
Employees	73	64

73 (2021 - 64) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £27,140 (2021 - £25,894).

Pension contributions of £1,820 (2021 - £2,300) were paid on behalf of Key Management Personnel during the year.

One employee (Key Management Personnel) received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £62,493 (2021 - £56,961).

Notes to the Financial Statements for the Year Ended 31 August 2022

9 Taxation

The charity is a registered charity and is therefore exempt from taxation.

10 Intangible fixed assets

	Goodwill	Total
	£	£
Cost		
At 1 September 2021	291,645	291,645
Additions		
At 31 August 2022	291,645	291,645
Amortisation		
At 1 September 2021	145,822	145,822
Charge for the year	20,832	20,832
At 31 August 2022	166,654	166,654
Net book value		
At 31 August 2022	124,991	124,991
At 31 August 2021	145,823	145,823

Goodwill arises on the purchase of Brackenley care home. It is a leased business. The assets and contracts were purchased.

11 Tangible fixed assets

	Land and buildings	Furniture and equipment	Total
	£	£	£
Cost			
At 1 September 2021	1,554,724	250,801	1,805,525
Additions	111,657	24,984	136,640
Disposals	-	-	-
At 31 August 2022	1,666,380	275,785	1,942,165
Depreciation			
At 1 September 2021	154,831	150,585	305,415
Charge for the year	43,134	30,108	73,242
Eliminated on disposals	-	-	-
At 31 August 2022	197,965	180,692	378,657
Net book value			
At 31 August 2022	1,468,415	95,092	1,563,508
At 31 August 2021	1,399,893	100,216	1,500,109

Included within the net book value of land and buildings above is £1,318,852 (2021 - £1,241,145) in respect of freehold land and buildings and £149,563 (2021 - £158,748) in respect of leaseholds.

12 Debtors

	2022	2021
	£	£
Trade debtors	12,686	17,277
Prepayments and accrued income	20,723	28,827
Other debtors	1,999	2,040
	35,408	48,144

13 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	26,173	31,822
Trade creditors	28,789	47,574
Other taxation and social security	34,176	30,366
Other creditors	41,713	48,076
Accruals and deferred income	110,531	91,205
	241,382	249,043

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

	2022	2021
	£	£
Charity Bank	26,173	31,822

The loan is secured by fixed charge on the buildings on East Parade and North Park Road, and a floating charge over all other assets.

	2021
	£
Deferred income at 1 September 2021	88,510
Resources deferred in the period	90,781
Amounts released from previous periods	(88,510)
Deferred income at 31 August 2022	90,781

There was no grant income received during the year that relates to the following period

14 Creditors: amounts falling due after one year

	2022	2021
	£	£
Bank loans	598,643	623,443

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

	2022	2021
	£	£
Charity Bank	598,643	623,443

The loan is secured by fixed charge on the buildings on East Parade and North Park Road, and a floating charge over all other assets.

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

Included within long term creditors is a loan from Charity Bank of £624,815 repayable by 184 monthly installments of £5,197.70

Interest is charged at a rate of 3% above Bank of England Base Rate

The amount payable after five years is £479,235 (2021 - £485,564)

15 Lease Commitments

Non-cancellable operating leases under 1 year	2022	2021
	£	£
Brackenley	48,000	48,000
Café	22,450	17,500
	70,450	65,500

Non-cancellable operating leases between 1 and 5 years	2022	2021
	£	£
Brackenley	192,000	192,000
Café	89,800	70,000
	281,800	262,000

Non-cancellable operating leases over 5 years	2022	2021
	£	£
Brackenley	96,000	144,000
Café	89,800	70,000
	185,800	214,000

16 Funds

	Balance at 1 September 2021	Incoming resources	Resources expended	Transfers	Balance at 31 August 2022
	£	£	£	£	£
Unrestricted funds					
General	1,167,302	2,011,425	(1,984,720)	-	1,194,007
Total unrestricted funds	**1,167,302**	**2,011,425**	**(1,984,720)**	**-**	**1,194,007**
Restricted funds					
Infection Control	-	12,743	(12,743)	-	-
Forbes Charitable Trust	-	19,500	(19,500)	-	-
iGen Trust	-	33,867	(33,867)	-	-
Power to Change Grant	180,000	-	(4,000)	-	176,000
SEIF	-	-	-	-	-
Workforce Development	-	25,751	(25,751)		
Other Grants	-	14,400	(14,400)	-	-
Total restricted funds	**180,000**	**106,261**	**(110,261)**	**-**	**176,000**
Total funds	**1,347,302**	**2,117,686**	**(2,094,981)**	**-**	**1,370,007**

	Balance at 1 September 2020	Incoming resources	Resources expended	Transfers	Balance at 31 August 2021
	£	£	£	£	£
Unrestricted funds					
General	869,135	1,832,363	(1,644,128)	109,932	1,167,302
Total unrestricted funds	**869,135**	**1,832,363**	**(1,644,128)**	**109,932**	**1,167,302**
Restricted funds					
Infection Control	-	55,607	(55,607)	-	-
Forbes Charitable Trust	56,783	37,500	(50,621)	(43,662)	-
iGen Trust	-	33,867	(33,867)	-	-
Power to Change Grant	188,239	-	(8,239)	-	180,000
SEIF	38,993	-	-	(38,993)	-
Other Grants	27,277	27,602	(27,602)	(27,277)	-
Total restricted funds	**311,292**	**154,576**	**(175,936)**	**(109,932)**	**180,000**
Total funds	**1,180,427**	**1,986,939**	**(1,820,064)**	**-**	**1,347,302**

Power to Change Grant was received in December 2016 to support the purchase of Briardene Carehome
The donation is depreciated at 2% straight line

The Infection Control funds were received to support controlling infection in carehomes and resources were fully expended in the year

Grants from Forbes Charitable Trust, iGen Trust and other grants were all received to support people in work and resources were fully expended in the year

Notes to the Financial Statements for the Year Ended 31 August 2022

17 Analysis of net assets between funds

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022
	£	£	£
Intangible fixed assets	124,991	-	124,991
Tangible fixed assets	1,387,508	176,000	1,563,508
Current assets	521,534	-	521,534
Current liabilities	(241,382)	-	(241,382)
Creditors over 1 year	(598,643)	-	(598,643)
Total net assets	1,194,007	176,000	1,370,007

	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£	£	£
Intangible fixed assets	145,822	-	145,822
Tangible fixed assets	1,320,109	180,000	1,500,109
Current assets	573,857	-	573,857
Current liabilities	(249,043)	-	(249,043)
Creditors over 1 year	(623,443)	-	(623,443)
Total net assets	1,167,302	180,000	1,347,302

18 Analysis of net funds

	Balance at 1 September 2021	Cash flow	Balance at 31 August 2022
	£	£	£
Cash at bank and in hand	525,713	(39,587)	486,126
Debt due within one year	(31,822)	5,649	(26,173)
Debt due after more than one year	(623,443)	24,800	(598,643)
Net debt	(129,552)	(9,138)	(138,690)

	Balance at 1 September 2020	Cash flow	Balance at 31 August 2021
	£	£	£
Cash at bank and in hand	536,281	(10,568)	525,713
Debt due within one year	(30,832)	(990)	(31,822)
Debt due after more than one year	(656,678)	33,235	(623,443)
Net debt	(151,229)	21,677	(129,552)

19 Capital Commitments

There were no unfulfilled capital commitments

20 Related party transactions

There were no related party transactions in the year (2021 - none)

HARROGATE SKILLS 4 LIVING CENTRE

England & Wales - Charity number 1138346

Accounts

Company registration number: 07219977
Charity registration number: 1138346

Harrogate Skills 4 Living Centre

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021

Harrogate Skills 4 Living Centre

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Harrogate Skills 4 Living Centre

Reference and Administrative Details

Chief Executive Officer	H A Moorby-Davies
Trustees	Miss JC Oliver (resigned 1 October 2021) C H Jones (resigned 20 September 2021) T R Lincoln Mrs M B King W R F Gosling (resigned 29 September 2021) D T Handslip R Allison (appointed 15 April 2021, resigned 4 October 2021) M E Carter (appointed 7 March 2022) Mrs B R Grant (appointed 7 March 2022)
Principal Office	9 North Park Rd Harrogate North Yorkshire HG1 5PD
	The charity is incorporated in England and Wales.
Company Registration Number	07219977
Charity Registration Number	1138346
Auditor	Kenneth Easby Limited Oak House Market Place Bedale DL8 1AQ

Harrogate Skills 4 Living Centre

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020.

Structure, governance and management

Harrogate Skills 4 Living Centre is a Company limited by guarantee, company number 07219977 and a registered Charity governed by its Memorandum and Articles of Association, charity number 1138346.

The Directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. As set out in the Articles of Association the Company shall have a Board of Trustees comprising not less than six and not more than twelve persons. The chairman is appointed by the Trustees from their own number. The Trustees, who are also the directors for the purpose of company law, who served during the year are listed in the Reference and Administrative Details. The Trustees meet regularly to administer the charity.

The charity has reviewed its major risks during the year and systems have been established to manage those risks.

Aims and Objectives

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on the relief of those in need and the advancement of education. The objectives of the Charity are:

"TO RELIEVE THE NEEDS OF ADULTS IN THE HARROGATE AND SURROUNDING AREA WITH LEARNING DIFFICULTIES AND DISABILITIES IN SUCH WAYS AS THE DIRECTORS SHALL THINK FIT; IN PARTICULAR BUT NOT EXCLUSIVELY BY PROVIDING EDUCATION AND TRAINING, SUPPORT, INFORMATION AND ADVICE AND SOCIAL ACTIVITIES TO IMPROVE THEIR CONDITIONS OF LIFE SO THAT THEY MAY PARTICIPATE MORE FULLY IN THEIR COMMUNITY "

This is translated into our mission statement:

"To reduce inequalities and overcome barriers that will enable the people we support to lead fulfilled lives"

Who we are:

We are an established charity working with adults with learning disabilities and autism with an education centre and two residential care homes.

Whilst our roots are firmly fixed within the Harrogate local community we also work in the surrounding rural areas if there is a demand.

Staff are passionate about the support they give and go the extra mile to deliver excellent services – we have a high staff retention rate. We employ 65 staff across our 3 sites.

Our staff are our greatest resource and we make sure they are properly trained and well equipped to do what can be a demanding albeit rewarding job.

We promote a culture of personal learning and development throughout the organisation – 'being the best you can'

Why are we needed:

There are over 800 adults with learning disabilities in Harrogate and studies suggest this number will increase by around 15% by 2025. There are also 1550 adults with autism in the area, roughly 50% of whom have a learning disability. We support adults (16+) with learning disabilities and autism or dual diagnosis. The prevalence rate for autism has increased by 30% since 2008, due largely to raised awareness and continues to rise steadily.

Social Objectives:

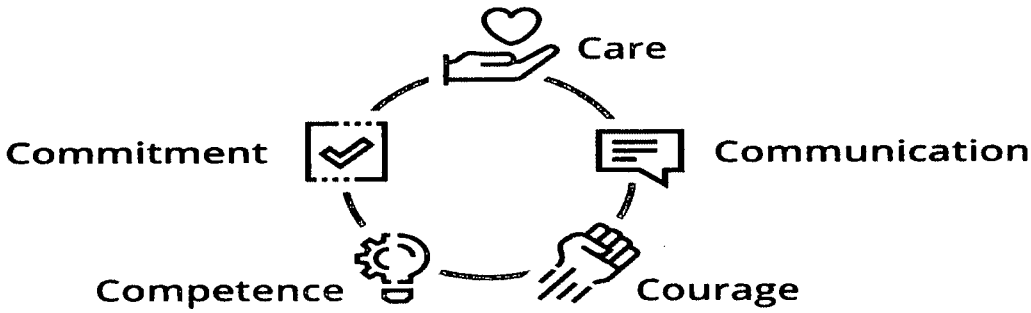
Our organisational social objectives are to...

1. Reduce isolation and promote inclusion
2. Increase independence and participation
3. Promote wellbeing and healthy lifestyle choices

Business Objectives (2018-2021)

1. Improve our residential care home ratings from good to outstanding in at least one domain
2. Deliver supported internship programme for 10 beneficiaries each year
3. Develop enterprises to increase employability for 10 beneficiaries each year
4. Provide supported employment opportunities for 10 beneficiaries each year
5. Invest in another residential care home to ameliorate void risk providing business case supports theory
6. Develop suitable accommodation for 5 beneficiaries in supported living
7. Renovate day-centre basement for enterprise hub and improved accessibility
8. Develop our 'healthy hearts' campaign to enable 50 beneficiaries yearly to access our gym
9. Raise our organisational profile to aid increasing the number of beneficiaries accessing our day-services
10. Develop robust impact measurement systems to evaluate and demonstrate our benefit

Our values:



To achieve this HS4LC provides a range of services for adults with a learning disability autism designed to meet their needs. Currently these incorporate, two residential care homes, an accredited adult education centre which provides a wide range of learning pathways and supported employment services. These services are naturally needs-led and we make considerable efforts to ensure we are providing the right support, in the right place and at the right time. To do so, HS4LC carries out a range of exercises throughout the year to gather feedback on the impact our beneficiaries receive from our services. Whilst this impact measurement was significantly impaired throughout the pandemic, it was still evident that we are meeting a broad range of needs for our beneficiaries, their families and carers. Developing a range of impact measures across our diverse services remains a challenge that we're endeavoring to overcome.

Foreword from the CEO

In the early stages of this financial reporting period we were very much dealing with the challenges presented by the effects of the global pandemic. Our care homes were in lockdown and day-centre staff had just returned to work after the first furloughing ever experienced in the UK. Stress and anxiety amongst staff and service users was a key factor at play and compassionate leadership was required more than ever before as everyone struggled with their own personal issues.

At both board and management levels, risk management which included significant VUCA analysis took precedent as we focused on keeping both our staff teams and our vulnerable clients safe from Covid-19. Local Authority guidance helped managers risk assess their specific areas of responsibility and develop effective infection control regimes which enabled us to continue to support the most vulnerable clients in the most appropriate ways possible. Fortunately, we had no outbreaks of infection in any of our operations.

NYCC Health and Adult Services and Public Health played a pivotal role in supporting HS4LC and similar organisations and continue to do so. The level of communication across statutory services was generally exemplary and this had a significantly positive impact on our ability to deliver safe and effective services during the whole accounting period.

Achievements and Performance

Despite the challenges presented by the pandemic HS4LC managed to deliver core services and meet the majority of its objectives in doing so.

Both care homes – Brackenley and Brairdene staff have been commended on their commitment to keeping our residents safe and well. To do so has required a level of care, compassion and courage never before appreciated. The ingenuity and inventiveness of staff to continue providing home based activities that have undoubtedly helped our residents maintain their health and wellbeing has been noted and rewarded. Both home managers regularly went above and beyond their duties to keep their staff teams and residents safe and well.

Balancing the need for community activities and participation was a difficult task as both expectations and guidance for the general public and our vulnerable clients differed in content – and continues to do so.

Our day-centre staff too have gone above and beyond to maintain contact with our most vulnerable clients during periods of lockdown or restricted community access. Our clients have experienced very high levels of anxiety and some are still struggling to come to terms with life as it is. Change is often very difficult for our clients who're unable to fully grasp what is happening to them and their environment. As time has gone on however we've managed to run a variety of day-service activities despite the need to use different venues due to social distancing and capacity issues. A second lockdown and staff furloughing further exacerbated the situation during winter and spring although some semblance of 'normality' followed. Day-service attendance gradually improved but remained at about 50% of previous numbers to the end of the reporting period. Reports indicated that very low numbers of our service users contracted Covid-19 during this time.

Apart from a few weeks of virtual service delivery our Skills Bridge education/employment programmes for young people with Education, Health and Care Plans (EHCPs) continued face to face throughout the whole period irrespective of lockdowns. Staff adapted to deliver a full-time education provision since employers were not able to support students during this time. NYCC SEND teams were hugely supportive and enabled students to continue their programmes without an emphasis upon work-based experience. Having our own social enterprise – The Harrogate Chocolate Factory made gaining work skills possible as chocolate production and sales continued.

Unfortunately, work on our basement renovation was severely disrupted which meant the Chocolate making enterprise had to continue operating from our day-centre kitchen and an official launch was postponed.

Finally after considerable time planning our second enterprise – The Harrogate Chocolate Factory Café, opened in July 2021 as restrictions were lifted. The opening of the café provided a welcome positive story and generated a large interest in the charities work as well as increasing the capacity for work-base experience for our students.

Having a strong emphasis on our values of Care, Commitment, Courage, Competence and Communication and the behaviours that align to these has enabled managers and staff to remain resilient whilst also holding each other to account through the provision of authentic feedback. We are grateful to Cranfield Trust for their support in delivering training in flexible ways to help embed our organisational values.

Performance against goals

Objectives	Year 3: 2020/21
1. Improve our residential care home ratings from good to outstanding in at least one domain **Targets: 'Excellence in care', MATRIX accreditation and 'Outstanding' CQC in well-led**	1. CQC 'Outstanding' for well-led at both homes with 'good' overall 2. Excellence in care and MATRIX accreditation maintained 3. Lamplight embedded as evidence of good practice NEW PCS purchased
2. Deliver registered supported internship programme for 3+ beneficiaries each year **Targets: 10 internships yearly, NYCC registration in 2019, 10 employers offering placements, set up employers forum by 2021**	1. Registered 10 interns through NYCC 2. Promote programme through schools and colleges 3. Develop employer forum 4. Increase number of active employers to 10 5. Continue to engage with CONSULT process and ESFA for registrations 6. Develop skills for EHCP assessments through 'can-do' process
3. Develop enterprises to increase employability for 5+ beneficiaries each year **Targets: 5+ beneficiaries, capital funding for project, £10k income generation by 2021**	1. Minimum 5 beneficiaries engaged 2. Maximise employability skills development for beneficiaries 3. Maximise income generation 4. Review business plans 5. Scale-up existing enterprise if viable 6. Recruit extra staffing if necessary 7. Aim for breakeven during 3rd year of operations 8. Seek further grant funding as Forbes comes to an end 9. HCF and HCFC

4. Provide supported employment opportunities for 5+ beneficiaries each year **Targets: secure IGEN funding and recruit employment coach, enrol 5+ beneficiaries yearly**	1. Final funding bid for IGEN to support programme 2. Look for sustainable funding through DWP 3. Engage with new candidates, employers, networks and forum 4. Work alongside 'skills-bridge' programme to develop employers forum and parent/carer network 5. Support candidates in work to develop skills/competencies and reduce risk of breakdown 6. Continue to develop DWP funding streams – access to work.
5. Invest in another residential care home to ameliorate void risk providing business case supports theory **Target: Purchase 3rd care home with 10+ residents**	1. Embed organisational culture and recruit to vacancies if required 2. Instigate Home improvement plans 3. Improve quality of care in line with other establishments
6. Develop suitable accommodation for 5 beneficiaries in supported living **Target: completed and occupied flats**	1. Manage properties in line with CQC guidelines for supported living 2. Look for further contract supported living opportunities
7. Renovate basement as per planning permission for enterprise hub **Target: Functional enterprise hub with wheelchair access**	1. Use as base for enterprise developments and learning aspects of supported internship delivery
8. Develop our 'love your heart' campaign to enable 50 beneficiaries to access our gym **Targets: 50 beneficiaries using gym, Big Lottery funding applications**	1. Build on case studies that show positive health benefits and look for opportunities to scale-up project 2. Actively advocate reduced health inequalities from 'love your heart' campaign 3. Continue to engage beneficiaries and increase/maintain attendance 4. Run 3 day sessions for minimum 50 beneficiaries signed up to programme
9. Raise our organisational profile to aid increasing the number of beneficiaries accessing our day-services from 75 to 100 over three years **Targets: increase number of beneficiaries to 100, 700 Facebook followers**	1. Distribute 2020/21 prospectus throughout networks 2. Increase social media presence including Instagram for enterprises
10. Develop robust impact measurement systems to evaluate our benefit **Target: Impact measures**	3. Impact assessment SeeAhead

Trustees' Report

As Chair of the trustees, I'm delighted to be able to report that Coronavirus did not enter either of our homes and although several staff caught the virus, measures in place quickly picked up and contained the infection before it managed to spread. Whilst our day-services re-opened in July, numbers remained lower as individuals pieced their sometimes fragile lives back together; a legacy that will doubtless remain with us all for some time.

However, amidst all the change and continuing uncertainty I am relieved that we have been able to maintain a healthy financial picture and confident that we will continue to weather the storms ahead as we build back better and stronger.

In such unprecedented times trustees naturally focus on the organisations risk both in financial and human terms. HS4LC has very robust systems in place for risk management that are delegated to the Business Planning sub-group. The whole board participated in rigorous VUCA exercises in the autumn of 2021 and despite meetings being held virtually the board were confident in the ability of its governance to ameliorate any significant risks or concerns. The board confidence in the charity CEO's abilities to carry out his delegated duties being high.

Trustees considered the principle risks to HS4LC during this period of turbulence to be twofold: the human cost caused to staff and beneficiaries alike due to the unprecedented circumstances being experienced, and the financial risk also due to this uncertainty. It was evident that many charities facing the same issues were struggling and grappling with the same challenges; these were after all the most challenging and unprecedented times being experienced globally and in reality, there is only so much that can be done during periods of such flux.

The board are pleased to note that the compassionate leadership style that filters down through the organisation undoubtedly helped ensure staff wellbeing and was a key factor that assisted navigation through such turbulent waters. There is a need to focus energy and attention to mental health and wellbeing going forwards.

Trustees

Trustees are recruited by various means such as, by placing of an advert on a website designed for recruiting Trustees, through our own networks or via other social media platforms.

Trustees are selected due to their business experience and have generally held or continue to hold senior or executive level roles across a range of both public and private sector organisations. They are required to remain up to date with sector developments and undergo regular training in specific areas such as safeguarding and GDPR.

During the reporting period the number of trustees was 6 which is the minimum required as per our articles of memorandum. However, subsequently and due to unforeseen circumstances that number fell below the desired number. At that point, the board were already engaged in a recruitment process but this was made more difficult because of the pandemic. 3 new trustees have recently joined the board and are undergoing induction. 2 further potential trustees are also going through the initial recruitment phase and the current Chair is confident that the minimum number of trustees will be governing the charity in the very near future.

Financial Review

We are pleased to report that there has been an increase in total charity funds this year from £1,180,427 in 2020 to £1,347,302 in 2021, despite the costs of depreciation and loan finance charges. Total funds includes £1,167,302 Unrestricted funds and £180,000 Restricted funds.

Our overall position remains healthy, the variety of our funding sources mirroring the growing diversity of service provision. Reserves are sound and reflect our agreed policy.

The broad diversity of our revenue streams has allowed us to remain largely unaffected financially during the pandemic. Whilst we have continued to diversify our operations the board recognize the need for consolidation and strengthening our financial reserves before any further significant investment in new services goes ahead.

Plans for future periods

Our 2022-2025 business plans have the following major goals:

1. Engagement with our learning disabled and autistic communities through the National Lottery funded project "Engage22" followed by co-production and co-design of potential new service pathways
2. Development of Board diversity and self-advocacy advisory sub-group (user-led group)
3. Social enterprise commercial income maximization
4. Specialist Supported Housing provision

HS4LC also recognises the importance of a cohesive marketing and communications strategy that is consistent across all areas of business and makes best use of current social media platforms. A new website and marketing strategy are soon to be launched.

During Covid-19 is has been difficult to attract new funders as the majority of trusts have only funded their existing charities or charities that could demonstrate significant hardship – something we've not experienced. With several main grant funders approaching the end of their commitment to us we're acutely aware of the need to find replacement funders and this will be a top priority going forwards.

We continue to be very mindful of the on-going impact of the pandemic particularly on staff mental health and we'll work tirelessly to maintain their health and wellbeing through proactive engagement. Values and behaviours training will continue to be an important part of our strategy as will values based recruitment.

Maintaining our high staff retention rate will be of vital importance in the coming few years as the sector continues to experience turbulence and pressure from all sides.

Thanks

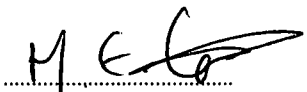
Thank you this year to:
IGEN Trust
Forbes Charitable Foundation
The Bramhall Foundation

HS4LC are most grateful to all our supporters, volunteers and benefactors who recognise the value of the work we do and we will continue to support our beneficiaries to lead healthy, happy and fulfilled lives by providing choices and opportunities that will lead to positive outcomes and personal well-being.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 24th May 2022 and signed on its behalf by:



M Carter Trustee

Harrogate Skills 4 Living Centre

Statement of Trustees' Responsibilities

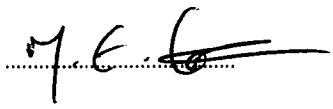
The trustees (who are also the directors of Harrogate Skills 4 Living Centre for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Approved by the trustees of the charity on 24**th May 2022** and signed on its behalf by:



M Carter
Trustee

Harrogate Skills 4 Living Centre

Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

Opinion

We have audited the financial statements of Harrogate Skills 4 Living Centre (the 'charity') for the year ended 31 August 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charity's affairs as at 31 August 2021 and of its incoming resources and application of resources 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we 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 Auditor's Report to the Members of Harrogate Skills 4 Living Centre

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' 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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

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

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

Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement principal ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with directors and other management, and from our commercial knowledge and experience of the charitable sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the company's legal advisors and any other relevant regulator or body.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

.....

Deborah Fletcher-McVay (Senior Statutory Auditor)
For and on behalf of Kenneth Easby Limited
Chartered Accountants and Statutory Auditor

Oak House
Market Place
Bedale
North Yorkshire
DL8 1AQ

Date: 25 May 2022

Harrogate Skills 4 Living Centre

Statement of Financial Activities for the Year Ended 31 August 2021
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds	Restricted Income Funds	Total 2021
		£	£	£
Income and Endowments from:				
Donations and legacies	3	28,655	-	28,655
Charitable activities	4	1,803,708	154,576	1,958,284
Total Income		1,832,363	154,576	1,986,939
Expenditure on:				
Charitable activities	5	(1,644,128)	(175,936)	(1,820,064)
Other expenditure		-	-	-
Total Expenditure		(1,644,128)	(175,936)	(1,820,064)
Net income/(expenditure)		188,235	(21,360)	166,875
Transfers between funds	16	109,932	(109,932)	-
Net movement in funds		298,167	(131,292)	166,875
Reconciliation of funds				
Total funds brought forward		869,135	311,292	1,180,427
Total funds carried forward	16	1,167,302	180,000	1,347,302

	Note	Unrestricted funds	Restricted Income Funds	Total 2020
		£	£	£
Income and Endowments from:				
Donations and legacies	3	68,998	-	68,998
Charitable activities	4	1,682,102	51,696	1,733,798
Total Income		1,751,100	51,696	1,802,796
Expenditure on:				
Charitable activities	5	(1,596,794)	(38,575)	(1,635,369)
Other expenditure		-	-	-
Total Expenditure		(1,596,794)	(38,575)	(1,635,369)
Net income/(expenditure)		154,306	13,121	167,427
Transfers between funds	16	-	-	-
Net movement in funds		154,306	13,121	167,427
Reconciliation of funds				
Total funds brought forward		714,829	298,171	1,013,000
Total funds carried forward	16	869,135	311,292	1,180,427

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

The funds breakdown for 2021 is shown in note 16.

Harrogate Skills 4 Living Centre

(Registration number: 07219977)
Balance Sheet as at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	10	145,822	166,654
Tangible assets	11	1,500,109	1,335,055
		1,645,931	1,501,709
Current assets			
Debtors	12	48,144	44,011
Cash at bank and in hand		525,713	536,281
		573,857	580,292
Creditors: Amounts falling due within one year	13	(249,043)	(244,897)
Net current assets/(liabilities)		324,814	335,395
Total assets less current liabilities		1,970,745	1,837,105
Creditors: Amounts falling due after more than one year	14	(623,443)	(656,678)
Net assets		1,347,302	1,180,427
Funds of the charity:			
Restricted income funds		180,000	311,292
Unrestricted funds		1,167,302	869,135
Total funds	16	1,347,302	1,180,427

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements on pages 16 to 31 were approved by the trustees, and authorised for issue on 24**th May 2022** and signed on their behalf by:

M Carter
Trustee

Harrogate Skills 4 Living Centre

Statement of Cash Flows for the Year Ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net income/(expenditure)		166,875	167,427
Adjustments to cash flows from non-cash items			
Depreciation	5	62,306	53,921
Amortisation	5	20,832	20,832
		250,013	242,180
Working capital adjustments			
Decrease/(increase) in debtors	12	(4,133)	(14,071)
(Decrease)/increase in creditors	13	3,156	100,417
Net cash flows from operating activities		249,036	328,526
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(227,359)	(176,450)
Sale of tangible fixed assets		-	-
Net cash flows from investing activities		(227,359)	(176,450)
Cash flows from financing activities			
Decrease in loans and borrowings	13	(32,245)	(26,405)
Net increase in cash and cash equivalents		(10,568)	125,671
Cash and cash equivalents at 1 September		536,281	410,610
Cash and cash equivalents at 31 August		525,713	536,281
Reconciliation of net cash flow to movement in net funds			
(Decrease)/Increase in cash		(10,568)	125,671
Cash outflow from repayment of loans		32,245	26,406
Change in net (debt)/funds resulting from cash flows		21,677	152,077
Net debt at 1 September 2020		(151,229)	(303,306)
Net debt at 31 August 2021	18	(129,552)	(151,229)

All of the cash flows are derived from continuing operations during the above two periods.

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Charity status

The charity is a charitable company, incorporated in England and Wales, limited by guarantee and consequently does not have share capital.

The address of its registered office is:
9 North Park Road
Harrogate
North Yorkshire
HG1 5PD

Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

The accounts are presented in Sterling (GBP).

2 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

Harrogate Skills 4 Living Centre 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 trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably. Income derived from the provision of goods and services is shown net of VAT.

Donations and legacies

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.

Grants receivable

Grants received are declared as income in the period of receipt, unless they relate specifically to a purpose in a later period.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

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.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

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.

Tangible fixed assets

Individual fixed assets costing £100.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Amortisation

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

Asset class	Amortisation method and rate
Goodwill	14 years straight line

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:

Asset class	Depreciation method and rate
Freehold Building	2% Straight line
Leasehold Improvements	7.5% Straight line
Fixtures and fittings	25% Reducing balance
Office Equipment	25% Reducing balance
Plant and machinery	25% Reducing balance

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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of

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

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

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

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial Instruments

Classification

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.

Recognition and measurement

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.

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) i The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

Debt instruments (continued)

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

3 Income from donations and legacies

	Unrestricted funds		Total	Total
	General	Restricted funds	2021	2020
	£	£	£	£
Donations and legacies;				
CJRS Grant	17,456	-	17,456	42,595
Donations from individuals and other organisations	11,199	-	11,199	26,403
	28,655	-	28,655	68,998

There are no unfulfilled conditions or contingencies attached to these donations.

4 Income from charitable activities

	Unrestricted funds General	Other income	Restricted funds	Total 2021	Total 2020
	£	£	£	£	£
Charitable income;					
Sales of goods and services	-	-	-	-	-
Daycentre income	252,321	-	-	252,321	196,391
Carehome income	1,491,619	-	-	1,491,619	1,424,847
Chocolatiere income	17,887	-	-	17,887	35,111
Café income	9,905	-	-	9,905	-
Sundry Income	12,509	-	-	12,509	12,839
Access to Work	19,468	-	-	19,468	12,914
Infection control grant	-	-	55,606	55,606	26,696
Daycentre grant	-	-	27,603	27,603	-
iGen Trust	-	-	33,867	33,867	-
Forbes Charitable Trust	-	-	37,500	37,500	25,000
	1,803,708	-	154,576	1,958,284	1,733,798

Included in Restricted Funds income are grants of £98,970 (2020 - £25,000) awarded for the purpose of supported employment and £55,606 (2020 - £26,696) for the purpose of infection control.

5 Expenditure on charitable activities

	Activity undertaken directly	Activity support costs	Direct costs (restricted)	Total 2021	Total 2020
	£	£	£	£	£
Consumable resources	2,612	-	-	2,612	83,346
Wages and salaries	851,427	336,194	91,141	1,278,762	1,137,598
Rent and rates	48,000	158,089	-	206,089	164,038
Office expenses	-	148,963	-	148,963	100,666
Depreciation, amortisation and other similar costs	-	74,899	8,239	83,138	74,753
Care Home Supplies	-	-	70,252	70,252	44,992
Residents Activities			6,304	6,304	
Loan interest	-	18,944	-	18,944	26,376
	902,039	737,089	175,936	1,815,064	1,631,769

In addition to the expenditure analysed above, there are also governance costs of £5,000 (2020 - £3,600) which relate directly to charitable activities. See note 6 for further details.

iGen grant funded two additional employees with salaries of £18,562 and £16,205. A further additional employee salary of £25,991 was funded by the Forbes Charitable trust income. £30,383 of other wages and staffing costs were funded by the remaining restricted grant income.

6 Analysis of governance and support costs

Governance costs

	Total 2021	Total 2020
	£	£
Auditors Fees	5,000	3,600
	5,000	3,600

7 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

Miss JC Oliver

Miss JC Oliver received remuneration of £26,169 (2020 - £23,892) during the year.
Miss JC Oliver resigned post year end.

Pension contributions of £2,150 (2020 - £2,096) were made on behalf of Miss Oliver during the year.

Miss Oliver was an employee of the charity, the Day Centre manager, and her payments were made in accordance with the governing document of the charity.

There were no trustee expenses incurred in the year.

8 Staff costs

The aggregate payroll costs were as follows:

	2021	2020
	£	£
Staff costs during the year were:		
Wages and salaries	1,176,750	1,056,288
Social security costs	75,998	59,020
Pension costs	26,014	22,290
	1,278,762	1,137,598

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

	2021 No	2020 No
Employees	64	63

64 (2020 - 63) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £25,894 (2020 - £22,678).

Pension contributions of £2,300 (2020 - £2,155) were paid on behalf of Key Management Personnel during the year.

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

The total employee benefits of the key management personnel of the charity were £56,961 (2020 - £53,401).

9 Taxation

The charity is a registered charity and is therefore exempt from taxation.

10 Intangible fixed assets

	Goodwill	Total
	£	£
Cost		
At 1 September 2020	291,645	291,645
Additions		
At 31 August 2021	291,645	291,645
Amortisation		
At 1 September 2020	124,991	124,991
Charge for the year	20,832	20,832
At 31 August 2021	145,823	145,823
Net book value		
At 31 August 2021	145,822	145,822
At 31 August 2020	166,654	166,654

Goodwill arises on the purchase of Brackenley care home. It is a leased business. The assets and contracts were purchased.

11 Tangible fixed assets

	Land and buildings	Furniture and equipment	Total
	£	£	£
Cost			
At 1 September 2020	1,356,924	221,241	1,578,165
Additions	197,800	29,560	227,360
Disposals	-	-	-
At 31 August 2021	1,554,724	250,801	1,805,525
Depreciation			
At 1 September 2020	125,930	117,180	243,110
Charge for the year	28,901	33,405	62,306
Eliminated on disposals	-	-	-
At 31 August 2021	154,831	150,585	305,416
Net book value			
At 31 August 2021	1,399,893	100,216	1,500,109
At 31 August 2020	1,230,994	104,061	1,335,055

Included within the net book value of land and buildings above is £1,241,145 (2020 - £1,223,694) in respect of freehold land and buildings and £158,748 (2020 - £7,300) in respect of leaseholds.

12 Debtors

	2021	2020
	£	£
Trade debtors	17,277	9,671
Prepayments and accrued income	28,827	24,485
Other debtors	2,040	9,855
	48,144	44,011

13 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans	31,822	30,832
Trade creditors	47,574	35,329
Other taxation and social security	30,366	25,031
Other creditors	48,076	35,116
Accruals and deferred income	91,205	118,589
	249,043	244,897

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

	2021	2020
	£	£
Charity Bank	31,822	30,832

The loan is secured by fixed charge on the buildings on East Parade and North Park Road, and a floating charge over all other assets.

	2021
	£
Deferred income at 1 September 2020	102,852
Resources deferred in the period	88,510
Amounts released from previous periods	(102,852)
Deferred income at 31 August 2021	88,510

Grant income received during the year that relates to the following period has been deferred and is included in accruals.

14 Creditors: amounts falling due after one year

	2021	2020
	£	£
Bank loans	623,443	656,678

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

	2021	2020
	£	£
Charity Bank	623,443	656,678

The loan is secured by fixed charge on the buildings on East Parade and North Park Road, and a floating charge over all other assets.

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

Included within long term creditors is a loan from Charity Bank of £655,265 repayable by 208 monthly installments of

Interest is charged at a rate of 3% above Bank of England Base Rate

The amount payable after five years is £485,564 (2020 - £545,259)

15 Lease Commitments

Non-cancellable operating leases under 1 year	2021	2020
	£	£
Brackenley	48,000	48,000
Café	17,500	-
	65,500	48,000

Non-cancellable operating leases between 1 and 5 years	2021	2020
	£	£
Brackenley	192,000	240,000
Café	70,000	-
	262,000	240,000

Non-cancellable operating leases over 5 years	2021	2020
	£	£
Brackenley	144,000	192,000
Café	70,000	-
	214,000	192,000

16 Funds

	Balance at 1 September 2020	Incoming resources	Resources expended	Transfers	Balance at 31 August 2021
	£	£	£	£	£
Unrestricted funds					
General	869,135	1,832,363	(1,644,128)	109,932	1,167,302
Total unrestricted funds	**869,135**	**1,832,363**	**(1,644,128)**	**109,932**	**1,167,302**
Restricted funds					
Infection Control	-	55,607	(55,607)	-	-
Forbes Charitable Trust	56,783	37,500	(50,621)	(43,662)	-
iGen Trust	-	33,867	(33,867)	-	-
Power to Change Grant	188,239	-	(8,239)	-	180,000
SEIF	38,993	-	-	(38,993)	-
Other Grants	27,277	27,602	(27,602)	(27,277)	-
Total restricted funds	**311,292**	**154,576**	**(175,936)**	**(109,932)**	**180,000**
Total funds	**1,180,427**	**1,986,939**	**(1,820,064)**	**-**	**1,347,302**

	Balance at 1 September 2019	Incoming resources	Resources expended	Transfers	Balance at 31 August 2020
	£	£	£	£	£
Unrestricted funds					
General	714,829	1,751,100	(1,596,794)	-	869,135
Total unrestricted funds	**714,829**	**1,751,100**	**(1,596,794)**	**-**	**869,135**
Restricted funds					
Infection Control	-	26,696	(26,696)	-	-
Forbes Charitable Trust	43,662	25,000	(11,879)	-	56,783
Power to Change Grant	188,239	-	-	-	188,239
Other grants	27,277	-	-	-	27,277
SEIF	38,993	-	-	-	38,993
Total restricted funds	**298,171**	**51,696**	**(38,575)**	**-**	**311,292**
Total funds	**1,013,000**	**1,802,796**	**(1,635,369)**	**-**	**1,180,427**

Power to Change Grant was received in December 2016 to support the purchase of Briardene Carehome
The donation is depreciated at 2% straight line
The transfers relate to expenditure from previous years that was recorded as unrestricted resources expended but should have been restricted resourses expended

The Infection Control funds were received to support controlling infection in carehomes and resources were fully expended in the year

Grants from Forbes Charitable Trust, iGen Trust and other grants were all received to support people in work and resources were fully expended in the year

Notes to the Financial Statements for the Year Ended 31 August 2021

17 Analysis of net assets between funds

	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£	£	£
Intangible fixed assets	145,822	-	145,822
Tangible fixed assets	1,320,109	180,000	1,500,109
Current assets	573,857	-	573,857
Current liabilities	(249,043)	-	(249,043)
Creditors over 1 year	(623,443)	-	(623,443)
Total net assets	1,167,302	180,000	1,347,302

	Unrestricted funds 2020	Restricted funds 2020	Total funds 2020
	£	£	£
Intangible fixed assets	166,654	-	166,654
Tangible fixed assets	1,107,823	227,232	1,335,055
Current assets	496,232	84,060	580,292
Current liabilities	(244,896)	-	(244,896)
Creditors over 1 year	(656,678)	-	(656,678)
Total net assets	869,135	311,292	1,180,427

18 Analysis of net funds

	Balance at 1 September 2020	Cash flow	Balance at 31 August 2021
	£	£	£
Cash at bank and in hand	536,281	(10,568)	525,713
Debt due within one year	(30,832)	(990)	(31,822)
Debt due after more than one year	(656,678)	33,235	(623,443)
Net debt	(151,229)	21,677	(129,552)

	Balance at 1 September 2019	Cash flow	Balance at 31 August 2020
	£	£	£
Cash at bank and in hand	410,610	125,671	536,281
Debt due within one year	(27,547)	(3,285)	(30,832)
Debt due after more than one year	(686,369)	29,691	(656,678)
Net debt	(303,306)	152,077	(151,229)

19 Capital Commitments

Capital committed to OKS Construction to complete works to basement is £47,700

20 Related party transactions

There were no related party transactions in the year (2020 - none)

HARROGATE SKILLS 4 LIVING CENTRE

England & Wales - Charity number 1138346

Accounts

Company registration number: 07219977
Charity registration number: 1138346

Harrogate Skills 4 Living Centre

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

DSC Accountants Limited
Chartered Accountants & Registered Auditors
Tattersall House
East Parade
Harrogate
HG1 5LT

Harrogate Skills 4 Living Centre

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Harrogate Skills 4 Living Centre

Reference and Administrative Details

Chief Executive Officer	H A Moorby-Davies
Trustees	Miss JC Oliver C H Jones T R Lincoln B Marsden (resigned 15 April 2020) Mrs M B King W R F Gosling D T Handslip
Principal Office	9 North Park Rd Harrogate North Yorkshire HG1 5PD
	The charity is incorporated in England and Wales.
Company Registration Number	7219977
Charity Registration Number	1138346
Auditor	DSC Accountants Limited Chartered Accountants & Registered Auditors Tattersall House East Parade Harrogate HG1 5LT

Harrogate Skills 4 Living Centre

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020.

Structure, governance and management

Harrogate Skills 4 Living Centre is a Company limited by guarantee, company number 07219977 and a registered Charity governed by its Memorandum and Articles of Association, charity number 1138346.

The Directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. As set out in the Articles of Association the Company shall have a Board of Trustees comprising not less than six and not more than twelve persons. The chairman is appointed by the Trustees from their own number. The Trustees, who are also the directors for the purpose of company law, who served during the year are listed in the Reference and Administrative Details. The Trustees meet regularly to administer the charity.

The charity has reviewed it's major risks during the year and systems have been established to manage those risks.

Objectives and activities

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on the relief of those in need and the advancement of education. The objectives of the Charity are:

"TO RELIEVE THE NEEDS OF ADULTS IN THE HARROGATE AND SURROUNDING AREA WITH LEARNING DIFFICULTIES AND DISABILITIES IN SUCH WAYS AS THE DIRECTORS SHALL THINK FIT; IN PARTICULAR BUT NOT EXCLUSIVELY BY PROVIDING EDUCATION AND TRAINING, SUPPORT, INFORMATION AND ADVICE AND SOCIAL ACTIVITIES TO IMPROVE THEIR CONDITIONS OF LIFE SO THAT THEY MAY PARTICIPATE MORE FULLY IN THEIR COMMUNITY"

This is translated into our mission statement:

"To reduce inequalities and overcome barriers that will enable the people we support to lead fulfilled lives"

To achieve this HS4LC provides a range of services for adults with a learning disability autism designed to meet their needs. Currently these incorporate, two residential care homes, an accredited adult education centre which provides a wide range of learning pathways and supported employment services.

HS4LC did not carry out significant funding activities during the year.

Foreword from the CEO

The financial reporting period 1st September 2019 to 31st August 2020 became a story of two-halves quite like no other. Business as usual for the first 7 months followed by the 1st national lockdown due to the pandemic, for the remaining 5 months.

Business as usual saw our supported interns enjoying a range of work placements with local employers such as Covance, Tech-buyer and Compass (Army Foundation College); development of our first social enterprise – the Harrogate Chocolate Factory; delivery of a broad range of meaningful day-skills activities; and whatever daily life brought for our residents.

As we all now know, everything changed in March 2020; day-services closed; interns placements stopped and all learning became virtual (immediately); the official launch of our social enterprise was cancelled; and residents stayed home without visitors being allowed.

Staff responded to the new normal with one priority foremost – to protect our vulnerable beneficiaries by all possible means. Infection Prevention and Control became the guiding principle – one that was already well ingrained.

Harrogate Skills 4 Living Centre

Trustees' Report

I'm delighted to be able to report that Coronavirus did not enter either of our homes and although several staff caught the virus, measures in place quickly picked up and contained the infection before it managed to spread. Whilst our day-services re-opened in July, numbers remained lower as individuals pieced their sometimes fragile lives back together;a legacy that will doubtless remain with us all for some time.
However, amidst all the change and continuing uncertainty I am relieved that we have been able to maintain a healthy financial picture and confident that we will continue to weather the storms ahead as we build back better and stronger.

Services

Both of our Care Homes now hold the respected "Excellence in Care" award, acknowledging the quality of care we provide and the hard work behind this.
Covid has affected, significantly, our Employment and training delivery but good contingency planning has allowed us and our external partners to maintain services, albeit in different form. Development of our in-house Chocolatier enterprise has provided valuable learning and work experience, here.

Financial Review

We are pleased to report that there has been an increase in total charity funds this year from £1,013,000 in 2019 to £1,180,427 in 2020, despite the costs of depreciation and loan finance charges. Total funds includes £869,135 Unrestricted funds and £311,292 Restricted funds.

Our overall position remains healthy, the variety of our funding sources mirroring the growing diversity of service provision. Reserves are sound and reflect our agreed policy. The uncertainty arising in the second half of the year, prompting necessary but unforeseen adjustments to service delivery and planned expansion, confirms the validity of our approach.

Plans for future periods

Future planning for HS4LC has to be put into the context of our current position as the government eases restrictions on everybody post the Covid-19 pandemic. Our key aims having shifted focus to a more preventative model of care and support where our beneficiaries' safety, health and wellbeing are more explicitly front and centre.
We are nearing the end of our 2018 -2021 strategic business plan in which we focused on the development of our Skills Bridge employment and education programmes alongside starting-up two new social enterprises.
Over the coming months as we prepare our business plans for the next 18 months, recognising the uncertainty that a post pandemic world holds, we will largely be consolidating our most recent developments and gauging the demand for our services going forwards.
It's is clear that our beneficiaries have been affected more than the general public by Covid-19 and that the inequalities they experience have been exacerbated in many instances. Health and social care is now under the spotlight more than ever and HS4LC will engage in discourse to highlight these inequalities and raise the voice of beneficiaries wherever possible. HS4LC will provide appropriate care and support services wherever there is a desire and need whilst endeavouring not to create dependencies but, rather promoting; independence, inclusion and wellbeing.

Harrogate Skills 4 Living Centre

Trustees' Report

Trustees

Trustees are recruited by various means such as, by placing of an advert on a website designed for recruiting Trustees, through our own networks or via other social media platforms.

Trustees are selected due to their business experience and have generally held or continue to hold senior or executive level roles across a range of both public and private sector organisations. They are required to remain up to date with sector developments and undergo regular training in specific areas such as safeguarding and GDPR.

Thanks

Thank you this year to:

IGEN Trust

Forbes Charitable Foundation

Harrogate Borough Council

Clothworkers Foundation

HS4LC are most grateful to all our supporters, volunteers and benefactors who recognise the value of the work we do and we will continue to support our beneficiaries to lead healthy, happy and fulfilled lives by providing choices and opportunities that will lead to positive outcomes and personal well-being.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 24th May 2021 and signed on its behalf by:

JC Oliver
Trustee

Harrogate Skills 4 Living Centre

Statement of Trustees' Responsibilities

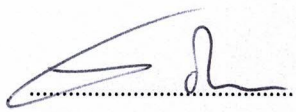
The trustees (who are also the directors of Harrogate Skills 4 Living Centre for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Approved by the trustees of the charity on 24th May 2021 and signed on its behalf by:



J Oliver
Trustee

Harrogate Skills 4 Living Centre

Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

Opinion

We have audited the financial statements of Harrogate Skills 4 Living Centre (the 'charity') for the year ended 31 August 2020, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2020 and of its results 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.

Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 5], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

-

Use of our report

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

.....

Graham French (Senior Statutory Auditor)

For and on behalf of DSC Accountants Limited Chartered Accountants & Registered Auditors, Statutory Auditor

Tattersall House
East Parade
Harrogate
HG1 5LT
Date:

Harrogate Skills 4 Living Centre

Statement of Financial Activities for the Year Ended 31 August 2020
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies	3	26,403	51,696	78,099
Charitable activities	4	1,724,697	-	1,724,697
Total Income		1,751,100	51,696	1,802,796
Expenditure on:				
Charitable activities	5	(1,515,624)	-	(1,515,624)
Other expenditure	6	(81,170)	(38,575)	(119,745)
Total Expenditure		(1,596,794)	(38,575)	(1,635,369)
Net income		154,306	13,121	167,427
Net movement in funds		154,306	13,121	167,427
Lifting of Restricted Funds	16	-	-	-
Reconciliation of funds				
Total funds brought forward		714,829	298,171	1,013,000
Total funds carried forward	16	869,135	311,292	1,180,427

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £
Income and Endowments from:				
Donations and legacies	3	1,780	36,312	38,092
Charitable activities	4	1,560,680	-	1,560,680
Total Income		1,562,460	36,312	1,598,772
Expenditure on:				
Charitable activities	5	(1,428,026)	-	(1,428,026)
Other expenditure	6	(57,883)	(37,124)	(95,007)
Total Expenditure		(1,485,909)	(37,124)	(1,523,033)
Net income		76,551	(812)	75,739
Net movement in funds		76,551	(812)	75,739
Lifting of Restricted Funds	16	340,805	(340,805)	-
Reconciliation of funds				
Total funds brought forward		297,473	639,788	937,261
Total funds carried forward	16	714,829	298,171	1,013,000

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

The funds breakdown for 2020 is shown in note 16.

Harrogate Skills 4 Living Centre

(Registration number: 07219977)
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	11	166,654	187,486
Tangible assets	12	1,335,055	1,212,527
		1,501,709	1,400,013
Current assets			
Debtors	13	44,011	29,940
Cash at bank and in hand		536,281	410,610
		580,292	440,550
Creditors: Amounts falling due within one year	14	(244,897)	(141,194)
Net current assets/(liabilities)		335,395	299,356
Total assets less current liabilities		1,837,105	1,699,369
Creditors: Amounts falling due after more than one year	15	(656,678)	(686,369)
Net assets		1,180,427	1,013,000
Funds of the charity:			
Restricted funds		311,292	298,171
Unrestricted funds		869,135	714,829
Total funds	16	1,180,427	1,013,000

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements on pages 10 to 23 were approved by the trustees, and authorised for issue on 24th May 2021 and signed on their behalf by:

J Oliver
Trustee

Harrogate Skills 4 Living Centre

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash income		167,427	75,739
Adjustments to cash flows from non-cash items			
Depreciation	6	53,921	46,462
Amortisation	6	20,832	20,832
		242,180	143,033
Working capital adjustments			
Decrease/(increase) in debtors	13	(14,071)	(10,597)
(Decrease)/increase in creditors	14	100,417	12,470
Net cash flows from operating activities		328,526	144,906
Cash flows from investing activities			
Purchase of tangible fixed assets	12	(176,450)	(57,291)
Sale of tangible fixed assets		-	330
Net cash flows from investing activities		(176,450)	(56,961)
Cash flows from financing activities			
Increase/(decrease) in loans and borrowings	14	(26,405)	(26,605)
Net increase in cash and cash equivalents		125,671	61,340
Cash and cash equivalents at 1 September		410,610	349,270
Cash and cash equivalents at 31 August		536,281	410,610
Reconciliation of net cash flow to movement in net funds			
Increase in cash		125,671	61,340
Cash (inflow)/outflow from drawdown/repayment of loans		26,405	26,605
Change in net (debt)/funds resulting from cash flows		152,076	87,945
Net debt at 1 September 2019		(303,306)	(391,251)
Net debt at 31 August 2020		(151,230)	(303,306)

All of the cash flows are derived from continuing operations during the above two periods.

Harrogate Skills 4 Living Centre

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

1 Charity status

The charity is a charity, incorporated in England and Wales, limited by guarantee and consequently does not have share capital.

The address of its registered office is:
9 North Park Road
Harrogate
North Yorkshire
HG1 5PD

Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

The accounts are presented in Sterling (GBP).

2 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
Harrogate Skills 4 Living Centre 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 trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments
All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies
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.

Grants receivable

Grants received are declared as income in the period of receipt, unless they relate specifically to a purpose in a later period.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

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.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

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.

Tangible fixed assets

Individual fixed assets costing £100.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Amortisation

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

Asset class	Amortisation method and rate
Goodwill	14 years straight line

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:

Asset class	Depreciation method and rate
Freehold Building	2% Straight line
Leasehold Improvements	7.5% Straight line
Fixtures and fittings	15% Reducing balance
Office Equipment	25% Reducing balance
Plant and machinery	25% Reducing balance

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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of

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

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

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

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

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.

Recognition and measurement

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.

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) i The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

Debt instruments (continued)

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

3 Income from donations and legacies

	Unrestricted funds		Total	Total
	General	Restricted funds	2020	2019
	£	£	£	£
Donations and legacies;				
Donations from individuals and other organisations	26,403	51,696	78,099	38,092
	26,403	51,696	78,099	38,092

Included in Restricted Funds income are grants of £25,000 awarded for the purpose of supported employment and £26,696 for the purpose of infection control.

There are no unfulfilled conditions or contingencies attached to these grants.

4 Income from charitable activities

	Unrestricted funds			Total	Total
	General	Other income	Restricted funds	2020	2019
	£	£	£	£	£
Charitable income;					
Sales of goods and services	1,682,102	42,595	-	1,724,697	1,560,680
	1,682,102	42,595	-	1,724,697	1,560,680

HS4LC received grant income from the Government of £42,595 from the Coronavirus Job Retention Scheme.
HS4LC received no further government grant income.

5 Expenditure on charitable activities

	Activity undertaken directly	Activity support costs	Total 2020	Total 2019
	£	£	£	£
Consumable resources	83,346	-	83,346	136,422
Wages and salaries	836,400	301,198	1,137,598	1,003,952
Rent and rates	48,000	116,038	164,038	181,161
Office expenses	-	100,666	100,666	75,574
Loan interest	-	26,376	26,376	27,316
	967,746	544,278	1,512,024	1,424,425

In addition to the expenditure analysed above, there are also governance costs of £3,600 (2019 - £3,600) which relate directly to charitable activities. See note 7 for further details.

6 Other expenditure

	Unrestricted funds General	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Depreciation, amortisation and other similar costs	74,753	-	74,753	67,295
Other resources expended	6,417	38,575	44,992	27,712
	81,170	38,575	119,745	95,007

7 Analysis of governance and support costs

Governance costs

	Total 2020	Total 2019
	£	£
Auditors Fees	3,600	3,600
	3,600	3,600

8 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

Miss JC Oliver

Miss JC Oliver received remuneration of £23,892 (2019: £22,156) during the year.

Pension contributions of £2,096 (2019: £1,748) were made on behalf of Miss Oliver during the year.

Miss Oliver is an employee of the charity, the Day Centre manager, and her payments were made in accordance with the governing document of the charity.

There were no trustee expenses incurred in the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2020	2019
	£	£
Staff costs during the year were:		
Wages and salaries	1,056,288	924,606
Social security costs	59,020	64,292
Pension costs	22,290	15,054
	1,137,598	1,003,952

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

	2020	2019
	No	No
Employees	63	56

63 (2019 - 56) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £22,678 (2019 - £15,037).

Pension contributions of £2,155 (2019: £1,183) were paid on behalf of Key Management Personnel during the year.

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

The total employee benefits of the key management personnel of the charity were £53,401 (2019 - £50,665).

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

11 Intangible fixed assets

	Goodwill	Total
	£	£
Cost		
At 1 September 2019	291,645	291,645
Additions		
At 31 August 2020	291,645	291,645
Amortisation		
At 1 September 2019	104,159	104,159
Charge for the year	20,832	20,832
At 31 August 2020	124,991	124,991
Net book value		
At 31 August 2020	166,654	166,654
At 31 August 2019	187,486	187,486

Goodwill arises on the purchase of Brackenley care home. It is a leased business. The assets and contracts were purchased.

12 Tangible fixed assets

	Land and buildings	Furniture and equipment	Total
	£	£	£
Cost			
At 1 September 2019	1,221,028	180,687	1,401,715
Additions	135,896	40,554	176,450
Disposals	-	-	-
At 31 August 2020	1,356,924	221,241	1,578,165
Depreciation			
At 1 September 2019	98,236	90,953	189,189
Charge for the year	27,694	26,227	53,921
Eliminated on disposals	-	-	-
At 31 August 2020	125,930	117,180	243,110
Net book value			
At 31 August 2020	1,230,994	104,061	1,335,055
At 31 August 2019	1,122,792	89,734	1,212,526

Included within the net book value of land and buildings above is £1,223,694 (2019 - £1,113,954) in respect of freehold land and buildings and £7,300 (2019 - £8,058) in respect of leaseholds.

13 Debtors

	2020	2019
	£	£
Trade debtors	9,671	14,018
Prepayments	24,485	15,269
Other debtors	9,855	653
	44,011	29,940

14 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans	30,832	27,547
Trade creditors	35,329	12,604
Other taxation and social security	25,031	20,490
Other creditors	35,116	25,864
Accruals	118,589	54,689
	244,897	141,194

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

	2020	2019
	£	£
Charity Bank	30,832	27,547

The loan is secured on the buildings on East Parade and North Park Road.

	2020
	£
Deferred income at 1 September 2019	44,030
Resources deferred in the period	102,852
Amounts released from previous periods	(44,030)
Deferred income at 31 August 2020	102,852

Grant income received during the year that relates to the following period has been deferred and is included in accruals.

15 Creditors: amounts falling due after one year

	2020	2019
	£	£
Bank loans	656,678	686,369

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

	2020	2019
	£	£
Charity Bank	656,678	686,369

The loan is secured on the buildings on East Parade and North Park Road.

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

Borrowings due after five years
Included within long term creditors is a loan from Charity Bank of £687,510 repayable by 220 monthly installments of £4,266

Interest is charged at a rate of 3% above Bank of England Base Rate

The amount payable after five years is £545,259

16 Related Party Transactions

There were no related party transactions in the year.

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

17 Funds

	Balance at 1 September 2019	Incoming resources	Resources expended	Restriction Lifted	Balance at 31 August 2020
	£	£	£	£	£
Unrestricted funds					
General	(714,829)	(1,751,100)	1,596,794	-	(869,135)
Restricted funds	(298,171)	(51,696)	38,575	-	(311,292)
Total funds	(1,013,000)	(1,802,796)	1,635,369	-	(1,180,427)

	Balance at 1 September 2018	Incoming resources	Resources expended	Restriction Lifted	Balance at 31 August 2019
	£	£	£	£	£
Unrestricted funds					
General	(297,473)	(1,562,460)	1,485,909	(340,805)	(714,829)
Restricted funds	(639,788)	(36,312)	37,124	340,805	(298,171)
Total funds	(937,261)	(1,598,772)	1,523,033	-	(1,013,000)

18 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Intangible fixed assets	166,654	-	166,654
Tangible fixed assets	1,327,755		1,327,755
Current assets	276,300	311,292	587,592
Current liabilities	(244,896)	-	(244,896)
Creditors over 1 year	(656,678)	-	(656,678)
Total net assets	869,135	311,292	1,180,427

19 Analysis of net funds

	Balance at 1 September 2019	Cash flow	Balance at 31 August 2020
	£	£	£
Cash at bank and in hand	410,610	125,671	536,281
Debt due within one year	(27,547)	(3,285)	(30,832)
Debt due after more than one year	(686,369)	29,691	(656,678)
Net debt	(303,306)	152,077	(151,229)