

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:**

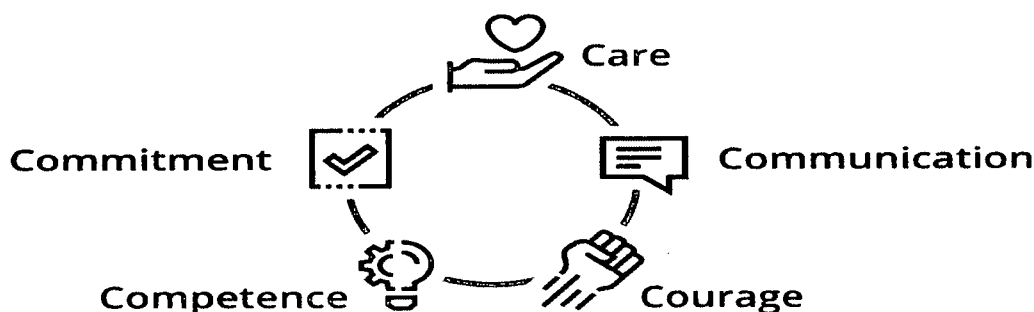
Our organisational social objectives are to...

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
<p>1. Improve our residential care home ratings from good to outstanding in at least one domain</p> <p><b>Targets: 'Excellence in care', MATRIX accreditation and 'Outstanding' CQC in well-led</b></p>	<ol style="list-style-type: none"> <li>1. CQC 'Outstanding' for well-led at both homes with 'good' overall</li> <li>2. Excellence in care and MATRIX accreditation maintained</li> <li>3. Lamplight embedded as evidence of good practice NEW PCS purchased</li> </ol>
<p>2. Deliver registered supported internship programme for 3+ beneficiaries each year</p> <p><b>Targets: 10 internships yearly, NYCC registration in 2019, 10 employers offering placements, set up employers forum by 2021</b></p>	<ol style="list-style-type: none"> <li>1. Registered 10 interns through NYCC</li> <li>2. Promote programme through schools and colleges</li> <li>3. Develop employer forum</li> <li>4. Increase number of active employers to 10</li> <li>5. Continue to engage with CONSULT process and ESFA for registrations</li> <li>6. Develop skills for EHCP assessments through 'can-do' process</li> </ol>
<p>3. Develop enterprises to increase employability for 5+ beneficiaries each year</p> <p><b>Targets: 5+ beneficiaries, capital funding for project, £10k income generation by 2021</b></p>	<ol style="list-style-type: none"> <li>1. Minimum 5 beneficiaries engaged</li> <li>2. Maximise employability skills development for beneficiaries</li> <li>3. Maximise income generation</li> <li>4. Review business plans</li> <li>5. Scale-up existing enterprise if viable</li> <li>6. Recruit extra staffing if necessary</li> <li>7. Aim for breakeven during 3<sup>rd</sup> year of operations</li> <li>8. Seek further grant funding as Forbes comes to an end</li> <li>9. HCF and HCFC</li> </ol>



<p>4. Provide supported employment opportunities for 5+ beneficiaries each year</p> <p><b>Targets: secure IGEN funding and recruit employment coach, enrol 5+ beneficiaries yearly</b></p>	<ol style="list-style-type: none"> <li>1. Final funding bid for IGEN to support programme</li> <li>2. Look for sustainable funding through DWP</li> <li>3. Engage with new candidates, employers, networks and forum</li> <li>4. Work alongside 'skills-bridge' programme to develop employers forum and parent/carer network</li> <li>5. Support candidates in work to develop skills/competencies and reduce risk of breakdown</li> <li>6. Continue to develop DWP funding streams – access to work.</li> </ol>
<p>5. Invest in another residential care home to ameliorate void risk providing business case supports theory</p> <p><b>Target: Purchase 3<sup>rd</sup> care home with 10+ residents</b></p>	<ol style="list-style-type: none"> <li>1. Embed organisational culture and recruit to vacancies if required</li> <li>2. Instigate Home improvement plans</li> <li>3. Improve quality of care in line with other establishments</li> </ol>
<p>6. Develop suitable accommodation for 5 beneficiaries in supported living</p> <p><b>Target: completed and occupied flats</b></p>	<ol style="list-style-type: none"> <li>1. Manage properties in line with CQC guidelines for supported living</li> <li>2. Look for further contract supported living opportunities</li> </ol>
<p>7. Renovate basement as per planning permission for enterprise hub</p> <p><b>Target: Functional enterprise hub with wheelchair access</b></p>	<ol style="list-style-type: none"> <li>1. Use as base for enterprise developments and learning aspects of supported internship delivery</li> </ol>
<p>8. Develop our 'love your heart' campaign to enable 50 beneficiaries to access our gym</p> <p><b>Targets: 50 beneficiaries using gym, Big Lottery funding applications</b></p>	<ol style="list-style-type: none"> <li>1. Build on case studies that show positive health benefits and look for opportunities to scale-up project</li> <li>2. Actively advocate reduced health inequalities from 'love your heart' campaign</li> <li>3. Continue to engage beneficiaries and increase/maintain attendance</li> <li>4. Run 3 day sessions for minimum 50 beneficiaries signed up to programme</li> </ol>
<p>9. Raise our organisational profile to aid increasing the number of beneficiaries accessing our day-services from 75 to 100 over three years</p> <p><b>Targets: increase number of beneficiaries to 100, 700 Facebook followers</b></p>	<ol style="list-style-type: none"> <li>1. Distribute 2020/21 prospectus throughout networks</li> <li>2. Increase social media presence including Instagram for enterprises</li> </ol>
<p>10. Develop robust impact measurement systems to evaluate our benefit</p> <p><b>Target: Impact measures</b></p>	<ol style="list-style-type: none"> <li>3. Impact assessment SeeAhead</li> </ol>

## **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 it 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**

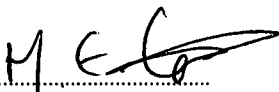
Thank you this year to:  
IGEN Trust  
Forbes Charitable Foundation  
The Bramhall Foundation

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

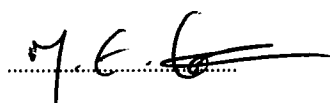
The trustees (who are also the directors of Harrogate Skills 4 Living Centre for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 **24th May 2022** and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'M Carter', is written over a horizontal dotted line.

**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.

## **Harrogate Skills 4 Living Centre**

### **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.

## **Harrogate Skills 4 Living Centre**

### **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.



## Harrogate Skills 4 Living Centre

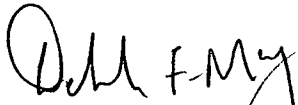
### Independent Auditor's Report to the Members of Harrogate Skills 4 Living Centre

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

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

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

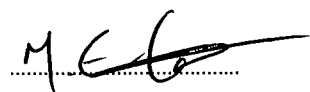
The funds breakdown for 2021 is shown in note 16.

**Harrogate Skills 4 Living Centre**  
**(Registration number: 07219977)**  
**Balance Sheet as at 31 August 2021**

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

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

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 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.

## **Harrogate Skills 4 Living Centre**

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

#### **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.

## Harrogate Skills 4 Living Centre

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

#### 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.

## **Harrogate Skills 4 Living Centre**

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

#### **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.



## Harrogate Skills 4 Living Centre

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

#### 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) 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.

## Harrogate Skills 4 Living Centre

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

#### 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
	<u>28,655</u>	<u>-</u>	<u>28,655</u>	<u>68,998</u>

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

## Harrogate Skills 4 Living Centre

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

#### 4 Income from charitable activities

	Unrestricted funds		Restricted funds	Total	Total
	General	Other income		2021	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
	<b>1,803,708</b>	<b>-</b>	<b>154,576</b>	<b>1,958,284</b>	<b>1,733,798</b>

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	Total
	£	£	£	2021	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
	<b>902,039</b>	<b>737,089</b>	<b>175,936</b>	<b>1,815,064</b>	<b>1,631,769</b>

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.

## Harrogate Skills 4 Living Centre

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

#### 6 Analysis of governance and support costs

##### Governance costs

	Total	Total
	2021	2020
	£	£
Auditors Fees	5,000	3,600
	<u>5,000</u>	<u>3,600</u>

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

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	2020
	No	No
Employees	<u>64</u>	<u>63</u>

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).

## Harrogate Skills 4 Living Centre

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

#### 9 Taxation

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

#### 10 Intangible fixed assets

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

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 £
<b>Cost</b>			
At 1 September 2020	1,356,924	221,241	1,578,165
Additions	197,800	29,560	227,360
Disposals	-	-	-
At 31 August 2021	<u>1,554,724</u>	<u>250,801</u>	<u>1,805,525</u>
<b>Depreciation</b>			
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	<u>154,831</u>	<u>150,585</u>	<u>305,416</u>
<b>Net book value</b>			
At 31 August 2021	<u>1,399,893</u>	<u>100,216</u>	<u>1,500,109</u>
At 31 August 2020	<u>1,230,994</u>	<u>104,061</u>	<u>1,335,055</u>

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.

## Harrogate Skills 4 Living Centre

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

#### 12 Debtors

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

#### 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
	<u>249,043</u>	<u>244,897</u>

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

	2021	2020
	£	£
Charity Bank	<u>31,822</u>	<u>30,832</u>

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	<u>88,510</u>

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

## Harrogate Skills 4 Living Centre

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

#### 14 Creditors: amounts falling due after one year

	2021	2020
	£	£
Bank loans	<u>623,443</u>	<u>656,678</u>

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	<u>623,443</u>	<u>656,678</u>

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	-
	<u>65,500</u>	<u>48,000</u>

##### Non-cancellable operating leases between 1 and 5 years

	2021	2020
	£	£
Brackenley	192,000	240,000
Café	70,000	-
	<u>262,000</u>	<u>240,000</u>

##### Non-cancellable operating leases over 5 years

	2021	2020
	£	£
Brackenley	144,000	192,000
Café	70,000	-
	<u>214,000</u>	<u>192,000</u>

## Harrogate Skills 4 Living Centre

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

#### 16 Funds

	Balance at 1 September 2020	Incoming resources	Resources expended	Transfers	Balance at 31 August 2021
	£	£	£	£	£
<b>Unrestricted funds</b>					
General	869,135	1,832,363	(1,644,128)	109,932	1,167,302
<b>Total unrestricted funds</b>	<b>869,135</b>	<b>1,832,363</b>	<b>(1,644,128)</b>	<b>109,932</b>	<b>1,167,302</b>
<b>Restricted funds</b>					
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)	-
<b>Total restricted funds</b>	<b>311,292</b>	<b>154,576</b>	<b>(175,936)</b>	<b>(109,932)</b>	<b>180,000</b>
<b>Total funds</b>	<b>1,180,427</b>	<b>1,986,939</b>	<b>(1,820,064)</b>	<b>-</b>	<b>1,347,302</b>

	Balance at 1 September 2019	Incoming resources	Resources expended	Transfers	Balance at 31 August 2020
	£	£	£	£	£
<b>Unrestricted funds</b>					
General	714,829	1,751,100	(1,596,794)	-	869,135
<b>Total unrestricted funds</b>	<b>714,829</b>	<b>1,751,100</b>	<b>(1,596,794)</b>	<b>-</b>	<b>869,135</b>
<b>Restricted funds</b>					
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
<b>Total restricted funds</b>	<b>298,171</b>	<b>51,696</b>	<b>(38,575)</b>	<b>-</b>	<b>311,292</b>
<b>Total funds</b>	<b>1,013,000</b>	<b>1,802,796</b>	<b>(1,635,369)</b>	<b>-</b>	<b>1,180,427</b>

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 resources 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



## Harrogate Skills 4 Living Centre

### 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	<u>1,167,302</u>	<u>180,000</u>	<u>1,347,302</u>

	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	<u>869,135</u>	<u>311,292</u>	<u>1,180,427</u>

#### 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	<u>(151,229)</u>	<u>21,677</u>	<u>(129,552)</u>

	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	<u>(303,306)</u>	<u>152,077</u>	<u>(151,229)</u>

#### 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)