

Company Registration No. 197987 (England and Wales)

Charity Registration No. 529579

HARROGATE LADIES' COLLEGE LIMITED (LIMITED BY GUARANTEE)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

Harrogate Ladies' College Limited

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Harrogate Ladies' College Limited

Directors, Officers and Administrative Details

Directors

Dame Francine Holroyd (Chair)
Mr M. Abraham B Ed (Hons)
Reverend C. Balding BEng (Hons) BA (Hons)
Mr G. Bowring DL MA
Reverend A. Chesworth
Mrs S. Clark LLB CTA
Mr M. Gardiner BSc
Mrs S. Hooper MA B.Ed (Hons)
Ms S. Jackson MA
Mrs S. Papworth BA (Hons) Oxon ACIB
Mr D. Payne BSc (Hons) FCA
Mrs L. Renwick B.Ed NPQH
Mrs J. Roe BSc (Hons)
Mr J. Skinner ACIS ACIB

Company Secretary

Mr M. Porter BA MSc

Key Management Personnel

Mrs S. Bowman
Mrs S. Brett
Mrs J. Fox
Mrs R. Henriksen
Mr J. Savile

Registered Office and Principal Office

Harrogate Ladies' College
Clarence Drive
Harrogate HG1 2QG

Auditors

Saffery Champness LLP
Mitre House
North Park Road
Harrogate HG1 5RX

Bankers

Barclays Bank Plc
PO Box 858
Wytham Court
11 West Way, Botley
Oxford OX2 0XP

Solicitors

Consilia Legal LLP
Park House
Park Square
Leeds LS21 2PW

Financial Statements

The Directors, who are also referred to as Governors and are also Charity Trustees as defined in the Charities Act 2011, are pleased to present their annual Directors' Report together with the financial statements of the charity for the year ending 31 August 2021, which are also prepared to meet the requirements for a Directors' Report and accounts for Companies Act purposes.

OBJECTS, AIMS and VALUES

Charity's Objects

The primary object of the charity, as set out in its Memorandum of Association, is to provide the establishment and maintenance of schools for the education of girls and boys in accordance with the principles of the Church of England. The business of the company is entirely related to running the Schools known as Harrogate Ladies' College (girls only) and Highfield (co-educational) in Harrogate, North Yorkshire (together the 'School').

Charity's Aims

The Harrogate Ladies' College family of Schools - Highfield and College - aims to inspire and nurture pupils so as to engender in them a deep passion for learning and a love of life.

Girls and boys educated at this Christian foundation for day and boarding pupils will be challenged to be the best that they can be: responsible citizens of their community and the world.

Our pupils will value every individual equally with respect and openness of mind. They will go out into the world empowered with self-confidence and equipped with the academic qualities and emotional intelligence to make the most of life.

Charity's Values

Underpinning these aims are the core values of the School as articulated by the words of the School crest, which are Industria, Fide and Pietate:

- hard work and service;
- trust, loyalty, tolerance, inclusiveness and honesty; and
- conscientiousness, decency, forgiveness, compassion and gentleness.

A pupil leaving the Harrogate Ladies' College family of Schools will have had opportunities to develop key skills for life (as articulated by the CBI), some of which are listed here:

- self-management and the ability to take responsibility for one's actions;
- team working based on respect, the ability to listen and self-confidence;
- understanding of the wider world;
- problem solving using creativity and analysis; and
- numeracy, literacy and IT proficiency.

STRATEGIC REPORT – OBJECTIVES and ACTIVITIES

At the start of the academic year beginning 1 September 2020, it was inconceivable that we would face another 12 months of challenges relating to the coronavirus pandemic. After a summer of 'eat out to help out', we were cautiously optimistic that by Christmas we would be celebrating together. Yet, just a few months later we were back in lockdown; the School was open to key worker children and we cared for boarders unable to return home. The simple pleasure of a school chapel service was a distant memory and most pupils and staff remained zoom images in our minds. However, during this year more than ever, the school community showed the strength of its values, the power of its determination to care for its members as well as possible and its considerable ingenuity. Pre-School children entered their 'bubbles' through a curtain of actual bubbles; Highfield families joined together for a weekly singing assembly, 'Rejoice with our Voice', (complete with actions) on Zoom, and College pupils raised money for numerous charities and achieved phenomenal academic outcomes.

Charitable Activities

Highfield developed its 'Lend with Care programme' to offer over £9,000 to entrepreneurs in the developing world. One parent wrote, *'Lend With Care has had a profound effect on my children. Donating through this charity has allowed them to learn that even a small act of kindness can make a big difference when joined with a community of others willing to give'*. Along with donations of money, our community has also donated gifts and food. We supported Harrogate Homeless Shelter as part of our Harvest events and Harrogate-based charity, Resurrected Bites, to ensure those in need locally had access to essential items. A real joy was our Christmas Barnardo's gift appeal, which saw hundreds of beautiful gifts donated to local vulnerable children.

Wellness

Wellbeing was more important than ever this year. Even though at times we could not be together, we always ensured that everybody stayed connected - no matter where they were in the world. The Wellness Ambassadors enjoyed running virtual 'tea and chats' via Zoom during the holidays and throughout lockdown to stay in touch with pupils overseas and to ensure they always had someone to talk to. Virtual events such as 'HLC's Got Talent', sports challenges, quiz nights and even teacher TikToks kept our pupils laughing. Extending break time this year meant pupils had an opportunity to be outside for a little longer.

Academics

The adaptability of staff and pupils was shown clearly this year as Zoom became the norm and staff became experts in blended learning, teaching both those children in the classroom and those isolating in the boarding houses or at home. For the second year there were no public examinations and GCSE and A level grades were awarded through a rigorous exercise of Teacher Assessed Grades. The results were exceptional. At GCSE, 62% of all grades were 7-9 against baseline data predictions of 25.4% showing once again that the added value that pupils gain at Harrogate Ladies' College is exceptional. This performance was echoed at A level where 69% of pupils gained A*-A against baseline predictions of 23.7%. There were 38 UK university applications this year: 87% achieved places at their first choice university and 66% are now studying at Russell Group universities. Courses are as diverse as the pupils and include Midwifery, Astrophysics, Fashion Design, Medicine and Japanese Studies.

Performing Arts

This has been the year to champion technology to keep the flag flying for Music and Drama at school. A highlight of the Autumn Term was our pre-filmed College carol service, featuring recordings from all members of the choirs and filmed items in St Wilfrid's church and our Chapel, with the congregational carols sung on behalf of everyone by the Upper 6 Chapel Choir, prefects and a small number of staff. In the Summer Term, and in a determined effort to have all the Chapel Choir singing together just once, they were filmed in the Music House garden. This produced some very special performances for our end

of year events with the birds singing louder with every piece! Prep 6 produced a moving film for Remembrance Day and four separate nativities were staged for EYFS and KS1 which were professionally filmed for families to enjoy. When pupils finally came back together in March, plans got underway to film a postponed Easter Cantata for Prep 3 and 4 and produce a full-scale musical for Prep 6, 'Treasure Island', for the first time in 18 months.

CHARITY OBJECTIVES

The objectives for 2016-21 were agreed at a Governing Body meeting in November 2016. These objectives, the particular focus that was set out for 2020-21 and an impact assessment of these areas of focus are set out below. The on-going nature of the pandemic meant that the plans are both operational and longer term.

1. Pastoral progress

- a. Covid-19 safety and reassurance.
 - i. Pupils, staff and parents were kept regularly informed about the school's coronavirus policies and procedures, which changed frequently according to the changing situation and the different government advice.
 - ii. An extraordinary team of staff from all areas of school volunteered to be part of the testing team.
 - iii. Pupils reported feeling that this was a 'new normal' and were a constant inspiration in their attitudes and capacity to consider not what was lost, but the small pleasures that could be found.
- b. Proactive management of pastoral issues.
 - i. The introduction of CPOMS has been a very powerful tool in the process of monitoring the welfare of individual pupils and tracking common themes.
 - ii. The process of awarding GCSE and A level grades was stressful for pupils and staff and the School continued to be mindful of this, allowing pupils as much agency as the OfQual process allowed.
- c. Further development of the wellness strategy.
 - i. Regular feedback questionnaires to pupils, parents and staff enabled new initiatives to be introduced, for example a longer lunchtime in winter to allow families to get outside in day light during lock down.

2. Academic progress

- a. Development of more effective and interactive reporting and assessment.
 - i. College introduced 'Reflective Learning Plans' for older pupils to help them track their progress and take ownership of their academic development.
- b. Improved tracking and differentiation including proactive management of issues.
 - i. Deeper analysis of examination data enabled staff to identify trends within the pupil body and also across departments in relation to progress.
- c. Development of blended and remote learning.
 - i. Teachers adapted well to the demands of blended and remote learning and there were regular opportunities for sharing good practice.
- d. Assessment and response to learning gaps and syllabus changes.
 - i. The School found that, in terms of learning gaps, most pupils were at or even beyond where we would expect them to be after 18 months on the pandemic.
 - ii. The key challenges for our pupils in terms of lost learning has been in relation to social skills and emotional maturity.

3. Recruitment and Retention

- a. Ongoing work to increase retention including Transition to Reception, Year 6 to Upper 3 and Year 11 to Year 12.

- i. The school's transition rates were some of the highest we have seen. 82% of pupils moved from Y11 to Sixth Form; 84% moved from Pre-School to Reception but only 50% of girls moved from Highfield to College. Most of those who did not come to College went either to state or to co-ed schools where they had siblings.
- b. Further recruitment of boarders.
 - i. This was our most challenging year for recruitment and retention of boarders. Our boarding numbers were approximately 30 fewer pupils than target. Almost all existing boarding pupils continued their education with the School but many of those who had accepted places in early 2020 then declined them for the start of the 2020-2021 academic year. In addition, it was difficult to recruit new boarding pupils. The Admissions and Marketing team worked hard to maintain active relationships with agents and contacts overseas and numerous virtual events were held across the world.
 - ii. Recruitment activity for 2021-2022 was encouraging.

4. Staff development

- a. Maintaining staff morale.
 - i. The staff have been exceptional in their conscientiousness, good humour and determination to provide the best possible outcomes and support for the pupils.
- b. Increasing staff training in a strategic and focussed manner.
 - i. Sharing Good Practice continued between Highfield and College and within both staff communities.

5. Parent partnership

- a. Continuing to seek parental feedback.
 - i. The Head of Highfield continued to meet representatives of the parent community and was able to discuss concerns as they arose.
 - ii. Regular surveys enabled the school to implement new ideas at the suggestion of parents.

6. Business Viability

- a. Work with our insurers in relation to Covid-19.
 - i. Despite considerable efforts, there was no success in relation to Business Interruption Insurance. However, the travel insurers did pay out for cancelled trips in early 2020.
- b. Rigorous business modelling and planning.
 - i. The 5-year indicative financial model was revised throughout the year to account for the different financial demands of the pandemic.
- c. Work on pensions' provision.
 - i. Alongside the financial modelling, there was detailed work in relation to managing the School's cost base and the decision was made to begin consultation on withdrawal from the Teachers' Pension Scheme in Autumn 2021.

Public Benefit

The Governing Body have referred to the Charity Commission's general guidance on public benefit, and in particular to its supplementary public benefit guidance on advancing education when reviewing the future aims and objectives. The School properly records its public benefit both in terms of activity and monetary value.

Harrogate Ladies' College's main charitable aim is to advance education. The reports on achievements and performance, above, reflect how well the School meets this primary charitable aim. In addition, the School continues to provide direct

financial support to pupils through the provision of scholarships, bursaries and eligibility fee remissions, with £1,528,614 (2020: £1,076,304) spent on directly supporting pupils, representing 17.4% of gross fee income (2020: 13%). Of this 17.4%, 10.5% related to means tested bursaries, which in addition to scholarships and eligibility fee remissions, allow access for pupils from all backgrounds (2020: 7.8%). 55 pupils (2020: 51) received bursaries totalling £925,042 (2020: £645,965). 16 children benefited from a full remission of fees (2020: 10). Bursaries are fully means-tested, awarded on the basis of financial need and are reviewed annually.

Scholarships and bursaries are promoted in the School's marketing literature, on the School's website and through visits to local primary schools. A strong focus on promoting means tested bursaries over the last few years has resulted in a significant increase in bursaries.

The School maintains a strong focus in the local community by offering access to its extensive facilities, many at reduced prices from market rates to offer support to groups and activities, particularly those of a charitable nature. In addition, as part of community development and the Duke of Edinburgh awards, support is given to those groups in need in the local community and international development projects, including active involvement in and sponsorship of a primary school in Uganda. This support consists of both tangible physical input, as well as fund-raising for specific charities. In 2020-21, the pupils and parents raised £38,926 (2020: £119,571) for local, national and international charities.

Fundraising Performance

During the year, the School received donations of £1,058 from parents who opted to donate their initial deposit to the Scholarships and Bursaries Fund upon their child leaving the School. The School is extremely grateful to those parents who have donated to the Scholarships and Bursaries Fund. The School also received a donation of £3,390 from a former teacher to whom the School is also extremely grateful. £4,267 of donations were received as a result of a fund raising project to refurbish the School's theatre.

The School does not use professional fundraisers, is not registered with the Fundraising Regulator and is not signed up to the Code of Fundraising Practice. The School has not been in receipt of any complaints related to fundraising during the year.

FINANCIAL REVIEW AND RESULTS FOR THE PERIOD

Net incoming/outgoing resources, before gains on investments, show a loss of £902,802 for the year to 31 August 2021. The net outgoing resources for the year to 31 August 2020 were a loss of £573,690. This decrease is primarily due to the impact of Covid-19 on the number of international boarders accepting a place at the School for the academic year 2020-21.

Net income for the year to 31 August 2021, which includes gains on investments of £66,785, results in a decrease to funds of £836,017. The year to 31 August 2020 saw a decrease to funds of £580,970, which included losses on investments of £7,280.

School fees receivable increased from £6,918,075 for the year to 31 August 2020 to £7,070,682 for the year to 31 August 2021. School fees receivable were significantly impacted by the fee remission given to parents on their Summer Term 2020 bills as a result of the lockdown during that term.

The School disinvested its investments funds during the year. At the point of disinvestment, the value of the School's investments had increased from £1,551,574 at 31 August 2020 to £1,601,790. Dividends received totalled £10,553 from 1 September 2020 to the point of disinvestment (year to 31 August 2020: £23,180). There was a revaluation gain on the investments of £66,785 from 1 September 2020 to the point of disinvestment (year to 31 August 2020: loss of £7,280).

The School's closing bank balance at 31 August 2021 was £2,961,906 (31 August 2020: £879,405). This increase is due to the net of the impact of the decrease in funds of £832,971, an increase in parent creditors of £766,457, the disinvestment of the investment funds of £1,601,790 and the receipt of a CBILS loan of £250,000. The increase in parent creditors was due to more parents paying the Autumn Term 2021 fees prior to 31 August 2021 and is a timing difference.

Total funds at 31 August 2021 decreased by £836,017 to £6,313,917 (31 August 2020: £7,149,934), of which £5,870,251 were unrestricted (31 August 2020: £6,685,740).

Through its subsidiary, HLC (Properties) Limited, Harrogate Ladies' College makes available its sporting and other amenities for use by the public. HLC (Properties) Limited made a profit of £44,175 during the year ended 31 August 2021 (year to 31 August 2020: loss of £3,046), and a donation under gift aid of £41,129 was made to the School (year to 31 August 2020: £nil).

Group financial statements have not been prepared as it is considered that they would be of no real value, in view of the insignificant overall effect of including the results of HLC (Properties) Limited. A gift-aid distribution of £41,129 has been transferred to the College in the year and the net assets of the company at the year-end are £2.

Coronavirus Pandemic

In the year to 31 August 2020, the School site was shut for all pupils during the Summer Term 2020 as the country went into a national lockdown. The pandemic had a financial impact on the results for the financial year to 31 August 2020 due to fee discounts which were offered to parents for the Summer Term 2020 and the inability of the School to let the site during the Easter and summer holidays. Whilst the School mitigated some of this reduced income by furloughing appropriate non-teaching staff under the Government's Coronavirus Job Retention Scheme and managing the cost base accordingly, the financial result was below what would have been expected pre-Covid.

The pandemic has also had a financial impact on the results for the financial year to 31 August 2021. Whilst day pupil numbers across both College and Highfield held up well, the number of international boarders was significantly below what would have been expected pre-Covid. The School site was shut once again for College and Highfield Prep pupils from the start of the Spring Term 2021 for a period of 8 weeks. The School provided a credit to parents on their Summer Term 2021 bills reflecting the cost savings which the School was able to make during this time.

Whilst Covid-19 has had a financial impact on the results for the financial year to 31 August 2021, asset values in the balance sheet have not been impacted materially. The investments were managed under a conservative strategy, which mitigated any downside risk as a result of Covid-19 and the School has not seen a significant increase in its exposure to debt recoverability.

As required, the Trustees have assessed going concern. In order to do this, detailed forecasts covering the period to August 2025 have been prepared using current and expected pupil numbers and costs. The Trustees have concluded that there is sufficient cash headroom for the School to remain a going concern. Included within this cash headroom is the availability of an unused overdraft facility of £1m. Taking all of the above into account, the Trustees have concluded that the going concern assumption remains appropriate when preparing these financial statements.

FUTURE PLANS

The areas of emphasis for 2021-22 relate to the objectives set out in the 2019-25 strategic plan as presented to the Governors in the autumn of 2021. The on-going nature of the pandemic means that the plans are both operational and longer term. Underpinning all the plans are the priorities of:

- shouting loudly about the School's excellence in all areas;
- being innovative in the School's offering;
- being sector leaders in relation to the School's Wellness programme;
- investing in the School's boarding community;
- strengthening the School's family through its alumni; and
- ensuring that the School offers the best possible pupil experience.

1. Educate to engender a deep passion for learning

Asking the questions:

- a. What are we teaching and is it equipping pupils for their future?
- b. Is our teaching being 'learned'?
- c. How do we support our teachers?

2. Empower with pastoral care to engender a love of life

- a. To ensure that safeguarding culture is woven into every aspect of school life.
- b. Reviewing the boarding experience in relation to staffing, estate, holiday provision and guardianship.
- c. Embedding of new Director of Wellness and PSHE.
- d. A culture of integration and inclusion demonstrated and lived every day.

3. Recruitment and Retention

- a. Ongoing work to increase retention including Transition to Reception, Year 6 to Upper 3 and Year 11 to Year 12.
- b. Further recruitment of boarders.
- c. Development of virtual recruitment activities and content.
- d. Build on the Alumni Relations and Development programmes.

4. Steward our resources

- a. Rigorous business modelling and planning.
- b. Work on pensions' provision.
- c. Estates 5-year plan prioritisation.

5. Develop our staff

- a. Maintaining staff morale and resilience.
- b. Increasing staff training in a strategic and focussed manner.

6. Parent partnership

- a. Continuing to seek parental feedback.

DIRECTORS' RESPONSIBILITIES

The Directors, who are also the Trustees of Harrogate Ladies' College Limited, are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in business.

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

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The company is limited by guarantee and the governing document is the Memorandum and Articles of Association, dated 16 May 1924, as most recently amended on 1 November 2021 by Special Resolution. Each of the seven members has undertaken to contribute an amount not exceeding £1 (one pound) towards the assets of the company in the event of the same being wound up and the assets being insufficient to cover the company's debts and liabilities.

Harrogate Ladies' College Limited is a member of the Allied Schools group of independent schools, all of which were founded by the Martyrs' Memorial and Church of England Trust (MMT). On 26 September 2013, the Allied Schools signed a new Management Agreement with MMT by which the members of the group agreed to the appointment of the Allied Schools Agency to oversee the performance of the schools and to monitor their adherence to the foundational religious principles on behalf of MMT. Allied Schools act in an advisory capacity only and have no managerial influence.

Charitable Status

The company, also referred to as Harrogate Ladies' College, is a registered charity with registered charity number 529579.

Governing Body

The Directors, who are also the Charity trustees, constitute the Governing Body and are elected by the Governing Body, except that two Directors shall be nominated by the MMT if the total number does not exceed 12, three if the number exceeds 12 but does not exceed 18, and four if the number exceeds 18.

The Directors of the company during the year to 31 August 2021 were as follows:

Dame Francine Holroyd	
Mr M. Abraham B Ed (Hons)	<i>(appointed 16 March 2021)</i>
Reverend C. Balding BEng (Hons) BA (Hons)	<i>(appointed 16 March 2021)</i>
Mr G. Bowring DL MA	
Reverend A. Chesworth	
Mrs S. Clark LLB CTA	
Mrs J. Crossley B.Ed	<i>(resigned 2 December 2020)</i>
Mr M. Gardiner BSc	
Mr J. Garnett BSc Hons MRICS	<i>(resigned 3 February 2022)</i>
Mrs L. Gray Cert. Ed MA	<i>(appointed 16 March 2021; resigned 4 June 2021)</i>
Mrs S. Hooper MA B.Ed (Hons)	
Ms S. Jackson MA	
Mrs N. Loudon BA FCSI	<i>(resigned 17 January 2022)</i>
Mrs S. Papworth BA (Hons) Oxon ACIB	
Mr D. Payne BSc (Hons) FCA	
Mrs L. Renwick B.Ed NPQH	
Mrs J. Roe BSc (Hons)	
Mr J. Skinner ACIS ACIB	

In accordance with the Articles of Association Mr Bowring, Reverend Chesworth, Dame Holroyd, Mrs Papworth and Mrs Renwick retire by rotation, but, being eligible, offer themselves for re-election. Mr Abraham and Reverend Balding were appointed during the period and, being eligible, offer themselves for re-election. Mrs Gray was both appointed and resigned during the period. Mrs Crossley resigned during the period. Mrs Loudon and Mr Garnett resigned after the period. None of the directors had a beneficial interest in any contract to which the company was a party during the period, except as disclosed in note 26.

Induction and Training of Directors

Following the recommendation from the Nominations Committee, when new Directors are appointed, care is taken to ensure that the relevant skills and experience are represented. Each new Director is provided with training (including safeguarding training), an information pack and a list of further relevant training courses that they may attend. He/she also meets the Chairman, Principal and Director of Finance and receives a conducted tour of the School. Directors receive regular safeguarding updates and a register of Director training is kept.

Governance

The Directors are responsible for the overall management and control of Harrogate Ladies' College Limited, which includes College (girls 11-18 years) and Highfield (girls and boys 2-11 years) and meet a minimum of once per term and as required if additional meetings are necessary to ratify or discuss major issues of policy and risk. The Finance and General Purposes Committee (F&GP), meet before each full Governing Board meeting and, as required, during the year to review budgets,

performance, annual accounts and reports. There are a number of other committees who perform detailed reviews within their areas of responsibility and who, in most cases, meet termly. These include:

- Education Committee, which monitors the academic and extra-curricular aspects of School life;
- Estates Committee, which oversees all estates matters, household and catering services;
- Health and Safety Committee, which oversees all matters relating to health and safety in School;
- Human Resources Committee, which deals with all matters relating to employment issues including the monitoring and development of policies;
- Investment Committee, which directs and monitors the investment of the assets of Harrogate Ladies' College and, if requested by the Directors, of any associated Trusts for the sole interest of the School and associated beneficiaries;
- Marketing Committee, which oversees the promotion and public relations strategies of the organisation and takes the lead on developing College and Highfield as attractive schools to both parents and pupils. The remit of the Committee covers both national and international marketing;
- Nominations Committee, which oversees the review, recruitment and appointment of Governors;
- Pupil Welfare Committee, which oversees all pupil welfare matters including safeguarding and boarding; and
- Scholarships and Bursaries Committee, which develops, approves and keeps under review the operation of a Scholarships and Bursaries Strategy for the School and ensures appropriate and consistent implementation of such a strategy.

All Committees are chaired by a Director, with membership embracing a combination of other Directors and appropriate members of senior staff.

The day-to-day running of Harrogate Ladies' College is delegated to the Principal and Chief Executive Officer, Mrs Sylvia Brett, who, in turn, delegates responsibilities to the Whole School Leadership Team. As well as themselves, the Directors consider the Principal and the Whole School Leadership Team comprise the key management personnel of the School, in charge of directing and controlling, running and operating the School on a day-to-day basis.

The remuneration of key management personnel is set by the Governing Body and is reviewed annually and normally increased in accordance with average earnings. The remuneration is also benchmarked with other schools of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

All Directors give of their time freely and no Director received remuneration in the year. Details of Directors' expenses and related party transactions are disclosed in notes 8 and 26 to the accounts.

Group Structure and Relationships

Harrogate Ladies' College Limited has a wholly owned non-charitable trading subsidiary, HLC (Properties) Limited, which lets the facilities of the School for use by the public and various organisations for event, educational and leisure purposes.

Harrogate Ladies' College Limited has two linked charities, Harrogate Ladies' College Scholarship, Bursary and Prize Fund and Harrogate College Endowment Fund. The Directors of Harrogate Ladies' College Limited can apply the capital and income of the Harrogate Ladies' College Scholarship, Bursary and Prize Fund for the provision of scholarships and bursaries. The Directors of Harrogate Ladies' College Limited can apply the capital and income of the Harrogate College Endowment Fund both for the provision of scholarships and bursaries and also facilities at the School.

Annual General Meeting

The Annual General Meeting of the company is taking place on 24 March 2022 at Canford School.

Risk Management

The Directors are responsible for risk management within the School. In the opinion of the Directors, the School has established systems, which under normal circumstances should allow those risks to be mitigated to an acceptable level in its day-to-day operations.

The Directors consider the School's financial risk to be low. It has a positive cash balance with no borrowings or other financial instruments except for a CBILS loan of £250,000 which was taken out in November 2020 and paid back in full in November 2021. Additionally, there is an overdraft facility available but this has not been used for the past 10 years.

The Directors keep the School's activities under review, particularly with regard to any major risks that may arise from time to time. A Risk Register is maintained by the School that itemises the risks likely to be encountered by the School, along with the systems and procedures that are in place in order to mitigate the risks. The register is reviewed by the Directors at least annually. The risks are classified on the register as High, Medium and Low.

The major risks to the School as noted on the Risk Register are:

- The on-going Covid-19 pandemic which has had consequences for international boarding pupil retention and recruitment;
- The affordability of school fees for parents particularly in the current economic and political climate;
- The ability to recruit pupils in a highly competitive market; and
- The financial challenges facing all independent schools with the increases to the Teachers' Pension employer contributions, uncertainty surrounding mandatory business rate relief and VAT; all of which are key risks because of their potential impact on affordability.

The Directors believe that appropriate controls are in place to manage these risks successfully. Individual Committees monitor the effectiveness of the controls on a regular basis in relation to the particular risks within each Committee's remit.

The key controls used by the School include:

- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal agendas and minutes for all Committees;
- Terms of reference for all Committees;
- Termly review by each Committee of the risks and controls within the remit of a particular Committee;
- Annual review of the Risk Register by the Governing Body;
- Formal written policies;
- Comprehensive insurance policies;
- Formal risk assessments undertaken for all activities, school trips, classroom environments, and workplaces;
- Clear authorisation and approval levels; and
- Safeguarding procedures as required by law for the protection of the children and vulnerable adults.

Reserves Policy

The Reserves Policy is set by the Governing Body and is designed to protect and safeguard the assets of the Charity. The primary objective of the policy is to ensure sufficient funds are available to meet ongoing operational requirements whilst further investing in facilities, thereby ensuring long-term sustainability and the enduring quality of educational provision.

The level of funds available to the Governing Body as at 31 August 2021 and the composition of the associated assets are set out in note 19 to the financial statements. The funds comprise both unrestricted and restricted elements. The restricted

funds primarily relate to the provision of scholarships and bursaries. The level of scholarships and bursaries provided each year is above that of the total of restricted funds and therefore the restricted funds could be expended in any one year. The Governors therefore believe that the restricted funds can be taken into account when assessing the overall level of reserves. No funds have been set aside for designated purposes.

The Reserves Policy was implemented and approved by the Governing Body in 2016 and reflects both the operational requirements (operational reserves) as well as the longer-term solvency position (protection of assets for the enjoyment of current and future beneficiaries).

The operational element of the Reserves Policy reflects the ability of the School to operate during a period of cost realignment and requires that short-term accessible funds (operational reserves) exceed 13 weeks of operating costs (£1.82m), which is the equivalent of one term. Short term accessible funds are defined as total funds less tangible fixed assets, creditors due after more than one year (including long term fees paid in advance) and investments held for future designated capital expenditure plus any un-utilised overdraft facility. At 31 August 2021, short-term accessible funds totalled £1,881,228 and exceeded 13 weeks of operating expenses by £61k, which is a ratio of 1.04:1.

The Governing Body recognise that to secure the Charity for the future enjoyment of beneficiaries an adequate level of solvency needs to be maintained, especially as a significant level of fixed assets is required to deliver the charitable objectives. The solvency element of the Reserves Policy requires that total funds exceed 52 weeks of operating costs, which is thought to be adequate to secure long-term sustainability. However, if circumstances (other than financial ones) dictate, they also believe the level of reserves should be sufficient to affect an ordered closure. The Governing Body are not aware of any current circumstances that would require an ordered closure to commence.

At 31 August 2021, total funds were £6.3m (of which £6.6m were represented by fixed assets) and target reserves (52 weeks of operating costs) were approximately £7.3m.

The F&GP compare the level of reserves to the policy benchmarks at least once a term.

Investment Policy

The School has two investment funds at its disposal: the General Investment Fund, which is unrestricted, and the Harrogate Ladies' College Scholarship, Bursary and Prize Fund, whose funds are to be used to further the education of pupils attending Harrogate Ladies' College by the awards of scholarships, bursaries, prizes, maintenance allowances and leaving exhibitions. The company's Memorandum of Association empowers it to invest and deal with the monies of the company that are not immediately required, as it thinks fit.

At 31 August 2020, the School's investments were managed by investment managers. The School's policy was to maintain income whilst preserving capital value, subject both to particular requirements of the School and also subject to the particular investment fund. However, during the year to 31 August 2021, the Governors decided that the funds should be disinvested to reduce the investment risk. At 31 August 2021, the investment funds were held as cash. The Governors will consider whether to reinvest these funds in the coming year.

Disabled Employees

The School is committed to equal opportunities for all; it is the policy of the School that no job applicant or employee receives less favourable treatment on the grounds of disability. Harrogate Ladies' College trains and encourages the career development of disabled employees in its employment.

Auditors

Saffery Champness LLP has expressed their willingness to remain in office as auditors of the company.

This Directors' report, including a strategic report, were approved by order of the Board on 8 March 2022 and signed on their behalf by:



Dame Francine Holroyd
Chairman of the Trustees

Opinion

We have audited the financial statements of Harrogate Ladies' College Limited for the year ended 31 August 2021 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including 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 charitable company's state of affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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 Trustees' Responsibilities Statement set out on page 9, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance to the charitable company include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales. Further the charitable company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the charity's operations. We identified the most significant laws and regulations to be the Independent School Standards as found in the Education and Skills Act 2008 and guidance issued by the Department for Education.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of Our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

Sally Appleton (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants	Saffery Champness LLP Mitre House Harrogate HG1 5RX
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Statutory Auditors

Date: 31/3/2022

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Harrogate Ladies' College Limited

Statement of Financial Activities (Incorporating an Income and Expenditure Account)

For the year ended 31 August 2021

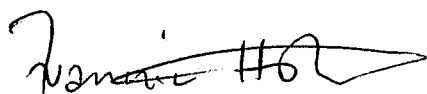
		2021 General Funds £	2021 Restricted Funds £	2021 Total £	2020 Total £
INCOMING RESOURCES					
Income from charitable activities					
School fees receivable	2	7,070,682	-	7,070,682	6,918,075
Other educational income		288,474	-	288,474	292,856
Other ancillary trading income	3	57,891	-	57,891	64,806
		7,417,047	-	7,417,047	7,275,737
Incoming resources from generated funds					
Voluntary income	4	3,502	5,224	8,726	8,359
Activities for generating funds	3	41,129	-	41,129	-
Rents and school lets		64,295	-	64,295	62,952
Investment income	5	6,922	3,765	10,687	23,180
Other incoming resources	6	73,020	-	73,020	178,966
Total incoming resources		7,605,915	8,989	7,614,904	7,549,194
RESOURCES EXPENDED					
Cost of generating funds	7	37,956	2,565	40,521	41,480
Charitable activities					
Provision of education	7	8,477,185	-	8,477,185	8,081,404
Total resources expended	7	8,515,141	2,565	8,517,706	8,122,884
NET (OUTGOING)/INCOMING FUNDS BEFORE INVESTMENT GAINS		(909,226)	6,424	(902,802)	(573,690)
Gains/(losses) on investments	11	43,737	23,048	66,785	(7,280)
Transfer of funds		50,000	(50,000)	-	-
Net movement in funds		(815,489)	(20,528)	(836,017)	(580,970)
Funds brought forward at 1 September		6,685,740	464,194	7,149,934	7,730,904
Funds carried forward at 31 August		5,870,251	443,666	6,313,917	7,149,934

All operations of the company continued throughout both periods and no operations were acquired or discontinued in either period under review. The result for the period for Companies Act purposes is equal to the net incoming/outgoing resources for the period. The accompanying notes are an integral part of this Statement of Financial Activities.

Harrogate Ladies' College Limited
Balance Sheet
As at 31 August 2021

	Notes	As at 31 August 2021 £	As at 31 August 2020 £
Tangible fixed assets	9	6,622,459	6,880,871
Investment assets			
Funds deposited	11	-	1,551,574
Investment in subsidiary	12	2	2
		<u>2</u>	<u>1,551,576</u>
Current assets			
Stocks	13	-	23,290
Debtors	14	595,484	430,017
Cash in hand		<u>2,961,906</u>	<u>879,405</u>
		<u>3,557,390</u>	<u>1,332,712</u>
Creditors: amounts falling due within one year	15	(3,576,164)	(2,480,051)
Net current liabilities		(18,774)	(1,147,339)
Total assets less current liabilities		6,603,687	7,285,108
Creditors: amounts falling due after more than one year	16	(289,770)	(135,174)
Net assets		6,313,917	7,149,934
UNRESTRICTED FUNDS			
General funds	17	5,870,251	6,685,740
RESTRICTED FUNDS	18	443,666	464,194
Total funds		6,313,917	7,149,934

The financial statements on pages 19 to 37 were approved by the board of directors on 8 March 2022 and signed on its behalf by:



Dame Francine Holroyd

Chairman

Company registered number: 197987

The accompanying notes form an integral part of this balance sheet.

Harrogate Ladies' College Limited
Cash Flow Statement
For the year ended 31 August 2021

	Notes	2021 £	2020 £
Net cash inflow/(outflow) from operating activities	21	527,679	(808,663)
Returns on investments and servicing of finance			
Investment income		10,687	23,180
Interest paid		(1,385)	-
Net cash inflow from returns on investments and servicing of finance		9,302	23,180
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(72,839)	(352,787)
Disposal of investments		1,618,359	(19,246)
Net cash inflow/(outflow) from capital expenditure and financial investment		1,545,520	(372,033)
Increase/(decrease) in cash in the year	22	2,082,501	(1,157,516)

The accompanying notes are an integral part of this cash flow statement.

1 Accounting policies

a) Basis of accounting

The financial statements have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice ("SORP(FRS102)") and Financial Reporting Standard 102. The financial statements have been drawn up on the historical cost basis of accounting, with the exception of investments, which are included on a market value basis, and freehold buildings, whose deemed cost is included on a valuation basis adopted on the transition to FRS 102. The financial statements include a Statement of Financial Activities rather than a profit and loss account in order to comply with the SORP. The financial information is presented for the Schools as an individual undertaking and not for the group. The directors have taken advantage of the Companies Act 2006 (S405 (2)) exemption not to prepare group financial statements. They consider they would be of no real value to the members of Harrogate Ladies' College Limited as the effects of any changes would not be material to the financial statements of Harrogate Ladies' College Limited.

Going Concern

The Governors have reviewed the forecasts to August 2025 and believe that the School will continue to operate for the foreseeable future. The Governors have concluded that there is sufficient cash headroom for the School to remain a going concern. Included within this cash headroom is the availability of an unused overdraft facility of £1m.

~~At 31 August 2021, there were net current liabilities of £10,774. In addition, there were approximately £900,000 of pupil deposits included within current liabilities, which are not expected to be repayable within one year.~~

Harrogate Ladies' College meets the definition of a public benefit entity.

b) Income and expenditure

Income

Fees Income

School fees are included in the financial statements on an accruals basis. Registration fees are credited to income in the year in which they are received.

Investment income

Investment income is accounted for in the period in which the School is entitled to receipt. The Statement of Financial Activities includes the realised gain arising from the disinvestment of the investment portfolio during the period.

Donations

Donations of tangible fixed assets are capitalised. Other donations are accounted for within the Statement of Financial Activities.

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Contractual arrangements are recognised as goods or services as supplied. Irrecoverable VAT is included with the item of expenditure to which it relates. The following information is also relevant:

- Charitable Activities – these include expenditure associated with the operation of the charity's Schools.
- Repairs and Maintenance – expenditure is charged as an operating expense in the year in which incurred.

c) Tangible fixed assets and depreciation

Freehold land and buildings

Expenditure relating to the acquisition of, and extensions to, freehold land and buildings together with the initial equipping thereof is capitalised, and is stated in the financial statements at cost less accumulated depreciation and any provision for impairment. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Short leasehold property

The expenditure on leasehold property is shown at cost less amortisation, which is being provided to enable such expenditure to be written off over the term of the lease.

Other

Other tangible fixed assets are stated at cost less accumulated depreciation. Donations of tangible fixed assets are capitalised at their cash value or at estimated cash value if received in kind.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off their cost by equal instalments over the expected useful lives of the assets concerned. The estimated useful lives are considered to be as follows:

Freehold buildings	- 20 to 125 years
Leasehold improvements	- period of lease
Plant and equipment	- 7 years
Computer equipment	- 5 years
Furniture, fixtures and fittings	- 10 years
Motor vehicles	- 4 years or period of lease

Capitalisation of fixed assets

Fixed assets costing more than £500 are capitalised and carried in the balance sheet at cost. Groups of assets whose total values exceed £500 (but individually would not) may be capitalised.

d) Stocks

Stocks are accounted for as consumables and expensed in the year of purchase.

e) Financial Instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

f) Fund Accounting

The charitable trust funds of the College and its subsidiaries are accounted for as unrestricted or restricted income in accordance with the terms of the trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's objects or to benefit the School itself.

Restricted income comprises gifts, legacies and donations where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

g) Pensions

The School's professional teaching staff are members of a Superannuation Scheme operated by the Department for Education and Skills. This is a multi-employer defined benefit scheme where individual schools are not able to identify their share of the underlying assets and liabilities of the scheme and it is therefore treated as a defined contribution scheme for accounting purposes. The School's results for the year are stated after charging the relevant employer's contributions to the scheme.

Other staff are invited to become members of The Pensions Trust Growth Plan or Unitised Ethical Plan. Within The Growth Plan, Series 1, 2 and 3 contain guarantees as to a minimum level of benefits that will be paid and therefore are deemed to be multi-employer defined benefit pension schemes where it is not possible on a reasonable and consistent basis to separately identify the assets and liabilities of participating employers. Consequently, the amounts charged to the Statement of Financial Activities in respect of pension costs are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. Series 4 of The Pensions Trust Growth Plan and the Unitised Ethical Plan are defined contribution schemes. The amounts charged to the Statement of Financial Activities in respect of pension costs are the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

h) Operating and finance leases

Assets used by the School under operating leases are not capitalised. The costs associated with their rental are charged on a straight-line basis to expenditure over the lease term, even if payments are not made on such a basis. Assets that are financed by leasing agreements transferring substantially all risks and rewards of ownership (finance leases) are capitalised and depreciated over their useful lives. The liability to the leasing company is included in creditors. Leasing payments are treated as consisting of capital and interest elements and the interest element is charged to the statement of financial activities.

i) Linked Charities

In accordance with section 25 of SORP 2015, charities linked with Harrogate Ladies' College by the Charity Commission have been incorporated within these financial statements. Details of linked charities, including their activities and funds, are included in note 18.

2 Fees

	2021 £	2020 £
Gross school fees	8,809,142	8,275,668
Less: Scholarships, bursaries, allowances and agent fees	(1,738,460)	(1,357,593)
	<u>7,070,682</u>	<u>6,918,075</u>

The income from fees is all unrestricted (2020: all unrestricted).

3 Other income

	2021 £	2020 £
Other ancillary trading income:		
Transport to/from School	34,931	34,552
Uniform	22,960	30,254
	<u>57,891</u>	<u>64,806</u>
Activity for generating funds:		
Donation from HLC (Properties) Ltd	41,129	-
	<u>41,129</u>	<u>-</u>

Other income is all unrestricted (2020: all unrestricted).

4 Voluntary income

	2021 £	2020 £
Donations – unrestricted	3,502	-
Donations to the Small Hall Fund – restricted	4,167	3,235
Donations to the Scholarship, Bursary and Prize Fund – restricted	1,057	5,124
	<u>8,726</u>	<u>8,359</u>

5 Investment income

	2021 £	2020 £
Dividends from investments – unrestricted	6,788	16,418
Dividends from investments – restricted	3,765	6,762
Bank interest received – unrestricted	134	-
	<u>10,687</u>	<u>23,180</u>

6 Other incoming resources

	2021 £	2020 £
Amounts received under the Coronavirus Job Retention Scheme - unrestricted	67,795	173,755
Miscellaneous income - all unrestricted	5,225	5,211
	<u>73,020</u>	<u>178,966</u>

7 Analysis of total resources expended

	Staff costs £	Other costs £	Depreciation £	2021 Total £	2020 Total £
Cost of generating funds					
Rental costs	12,247	-	-	12,247	11,824
Finance costs comprising:					
Bank charges	-	20,829	-	20,829	20,598
Investment manager fees	-	4,880	-	4,880	6,449
Investment manager fees - restricted	-	2,565	-	2,565	2,609
	<u>12,247</u>	<u>28,274</u>	<u>-</u>	<u>40,521</u>	<u>41,480</u>

Charitable activities

Provision of education					
Teaching	3,857,599	161,471	-	4,019,070	4,146,434
Welfare	693,701	702,571	-	1,396,272	1,271,966
Premises	176,304	1,418,089	331,251	1,925,644	1,659,965
Support costs	661,665	458,247	-	1,119,912	985,138
Governance costs	-	16,287	-	16,287	17,901
	<u>5,389,269</u>	<u>2,756,665</u>	<u>331,251</u>	<u>8,477,185</u>	<u>8,081,404</u>
Total resources expended	<u>5,401,516</u>	<u>2,784,939</u>	<u>331,251</u>	<u>8,517,706</u>	<u>8,122,884</u>

	2021 £	2020 £
Charitable activities include:		
Depreciation on owned assets	331,251	328,804
Operating lease rentals	<u>21,568</u>	<u>414,372</u>
Governance costs include:		
Auditors' remuneration for:		
Audit services, current year accounts	11,868	11,748
Audit services, other services	1,362	1,320
	<u>13,230</u>	<u>13,068</u>

Unless otherwise specified, all costs in this note are unrestricted.

8 Staff costs

	2021 £	2020 £
Total staff costs comprised:		
Wages and salaries	4,328,474	4,320,817
Social security costs	388,508	392,254
Pensions contributions		
Teachers' Pension	586,651	585,258
Pensions Trust Growth Plan	88,735	81,826
Pensions Trust Unitised Ethical Plan	9,148	10,740
	<u>5,401,516</u>	<u>5,390,895</u>
Aggregate employee benefits of key management personnel	<u>436,282</u>	<u>549,249</u>

Staff costs are all unrestricted (2020: all unrestricted). There are no compensation payments included within wages and salaries.

The Directors received no remuneration during the year (2020: £nil). An amount of £508 was reimbursed to one Director during the year in respect of travel and training expenses (2020: £818 to two Directors).

The average numbers of employees in the year were:	2021	2020
Teaching		
Full time	53	62
Part time	66	54
Welfare		
Full time	9	9
Part time	31	29
Premises		
Full time	7	8
Part time	4	2
Support		
Full time	15	13
Part time	6	5
	<u>191</u>	<u>182</u>

The number of employees whose emoluments exceeded £60,000 were:	2021	2020
£60,001 to £70,000	-	1
£70,001 to £80,000	1	1
£80,001 to £90,000	2	-
£90,001 to £100,000	-	1
£120,001 to £130,000	1	1

9 Tangible assets

	Freehold	Leasehold	Furniture, fixtures & fittings	Motor vehicles	Plant & equipment	Computer equipment	Total
	£	£	£	£	£	£	£
Cost (or frozen valuation*)							
1 September 2020	3,501,786	6,697,394	979,113	259,087	1,204,345	294,043	12,935,768
Additions	0	9,718	2,217	28,419	30,666	1,819	72,839
31 August 2021	3,501,786	6,707,112	981,330	287,506	1,235,011	295,862	13,008,607
Depreciation							
1 September 2020	171,502	3,521,069	905,488	243,092	952,044	261,702	6,054,897
Charge for the year	28,089	182,541	23,423	18,102	60,474	18,622	331,251
31 August 2021	199,591	3,703,610	928,911	261,194	1,012,518	280,324	6,386,148
Net Book Value							
31 August 2021	3,302,195	3,003,502	52,419	26,312	222,493	15,538	6,622,459
31 August 2020	3,330,284	3,176,325	73,625	15,995	252,301	32,341	6,880,871

*The School has elected, in accordance with Section 35.10(d) of FRS 102, to use the carrying value on 1 August 2014, the date of transition to FRS 102, of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost.

10 Capital commitments

At the balance sheet date, there was £nil of capital expenditure that was contracted for but not provided for within these financial statements (2020: £9,718).

11 Investments – Funds Deposited

	At 1 Sept 2020	Additions	Disposals	Change in market value	Movement on cash held	At 31 August 2021
	£	£	£	£	£	£
General Investment Fund	1,057,150	170,479	(1,271,366)	43,737	-	0
Cash	33,465	-	-	-	(33,465)	0
Total General Investment Fund	1,090,615	170,479	(1,271,366)	43,737	(33,465)	0
Scholarships and Bursaries Fund	427,728	63,257	(514,033)	23,048	-	0
Cash	33,231	-	-	-	(33,231)	0
Total Scholarships and Bursaries Fund	460,959	63,257	(514,033)	23,048	(33,231)	0
Total Investment	1,551,574	233,736	(1,785,399)	66,785	(66,696)	0

The School investments were managed by Quilter Cheviot Ltd. The decision was made by the Governors to disinvest the investments in full during the year in order to reduce investment risk during the uncertainty of the Covid-19 pandemic. Prior to disinvestment, all investments were managed and held in the UK.

The School is now holding the disinvested funds as cash. A decision on re-investment will be made in the coming year.

12 Investment in subsidiary

	2021 £	2020 £
Shares at cost	<u>2</u>	<u>2</u>

The School owns the whole of the issued ordinary share capital of HLC (Properties) Limited, a company registered in England (company number 03699669). HLC (Properties) Limited lets the School's facilities for use by the public, and prepares its financial statements to 31 August. It made a profit of £44,175 for the year to 31 August 2021 and a gift aid donation of £41,129 was made to the School. In 2020, it made a loss of £3,046, and no donation under gift aid was made to the School.

The following information is disclosed:

	2021 £	2020 £
Balance of Capital and reserves	<u>2</u>	<u>(3,044)</u>
Result for the period	<u>2</u>	<u>(3,046)</u>

13 Stocks

	2021 £	2020 £
Raw material and consumables	<u>-</u>	<u>23,290</u>

The accounting policy relating to stocks was changed during the year. Stocks are now accounted for as consumables and expensed in the year of purchase.

14 Debtors

	2021 £	2020 £
Debtors in respect of school fee accounts	245,578	165,930
Amounts owed by subsidiary undertaking	91,620	14,419
Other debtors	14,354	17,075
Prepayments and accrued income	<u>243,932</u>	<u>232,593</u>
	<u>595,484</u>	<u>430,017</u>

15 Creditors: amounts falling due within one year

	2021	2020
	£	£
School fees paid on account	1,296,773	379,678
Pupils' initial deposits	1,057,977	1,208,615
Amounts owed to Teachers' Pension	73,160	71,053
Taxation and social security	99,180	101,507
Net Present Value of Pensions Trust deficit recovery contributions	34,821	33,807
Accruals and deferred income	499,918	442,690
CBILS loan	57,078	-
Other creditors	457,257	242,701
	<u>3,576,164</u>	<u>2,480,051</u>

Note: Pupils' initial deposits fall due for repayment when the pupil leaves the School either by way of refund or offset against any monies owing at that date. In the normal course of events, the majority of deposits will fall due after more than one year.

16 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
CBILS loan	192,922	-
Net Present Value of Pensions Trust deficit recovery contributions	87,162	121,393
Other creditors	9,686	13,781
	<u>289,770</u>	<u>135,174</u>

17 General funds – unrestricted

	2021	2020
	£	£
At 1 September	6,685,740	7,277,149
Net outgoing resources	(909,226)	(586,202)
Gains/(losses) on investments arising in the periods	43,737	(5,207)
Transfer of funds	50,000	-
At 31 August	<u>5,870,251</u>	<u>6,685,740</u>

Harrogate Ladies' College Limited
Notes to the Financial Statements
For the year ended 31 August 2021

18 Restricted funds

	At 1 September 2020	Incoming resources	Outgoing resources	Gains and losses	Transfer of funds	At 31 August 2021
	£	£	£	£	£	£
Scholarship, Bursary and Prize Fund	460,959	4,722	(2,565)	23,048	(50,000)	436,164
Small Hall Fund	3,235	4,267	-	-	-	7,502
	464,194	8,989	(2,565)	23,048	(50,000)	443,666

	At 1 September 2019	Incoming resources	Outgoing resources	Gains and losses	Transfer of funds	At 31 August 2020
	£	£	£	£	£	£
Scholarship, Bursary and Prize Fund	453,755	11,886	(2,609)	(2,073)	-	460,959
Small Hall Fund	-	3,235	-	-	-	3,235
	453,755	15,121	(2,609)	(2,073)	-	464,194

The Harrogate Ladies' College Scholarship, Bursary and Prize Fund is a linked charity and is made up of many smaller funds, the origins of which are bequests, donations and Speech Day prizes, which were managed separately until 2002 when they were amalgamated into one fund under a Charity Commission approved scheme to make the management more efficient. During the 2014 financial period, an additional fund, the Harrogate Ladies' College Scholarship Fund, which had previously been a separate registered charity, was amalgamated into the Harrogate Ladies' College Scholarship, Bursary and Prize Fund. The funds are to be used to further the education of pupils attending Harrogate Ladies' College by the awards of scholarships, bursaries, prizes, maintenance allowances and leaving exhibitions. The £50k transfer occurs annually from the restricted fund in order to fund bursaries through the College.

The Small Hall Fund relates to monies donated by the alumni for a refurbishment of the School's theatre.

19 Analysis of Net Assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 August 2021 are represented by:			
Tangible fixed assets	6,622,459	-	6,622,459
Investments	2	-	2
Current assets	3,113,724	443,666	3,557,390
Creditors	(3,865,934)	-	(3,865,934)
	5,870,251	443,666	6,313,917

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 August 2020 are represented by:			
Tangible fixed assets	6,880,871	-	6,880,871
Investments	1,090,617	460,959	1,551,576
Current assets	1,329,477	3,235	1,332,712
Creditors	(2,615,225)	-	(2,615,225)
	6,685,740	464,194	7,149,934

20 Reconciliation of movement in total funds

	2021 £	2020 £
Result for the financial period	(902,802)	(573,690)
Gains/(losses) on investments	66,785	(7,280)
Net movement in funds	(836,017)	(580,970)
Opening funds	7,149,934	7,730,904
Closing funds	6,313,917	7,149,934

21 Reconciliation of net movement in funds to net cash inflow from operating activities

	2021 £	2020 £
Net outgoing resources	(902,802)	(573,690)
Investment income	(10,687)	(23,180)
Interest paid	1,385	-
Operating loss for the period	(912,104)	(596,870)
Depreciation charge	331,251	328,804
Decrease in stocks	23,290	3,599
(Increase)/decrease in debtors	(165,467)	175,186
Increase/(decrease) in creditors	1,250,709	(719,382)
Net cash inflow/(outflow) from operating activities	527,679	(808,663)

	At 1 September 2020 £	Cash flow £	At 31 August 2021 £
Cash in hand	13,420	(11,561)	1,859
Cash at bank	865,985	2,094,062	2,960,047
Net cash	879,405	2,082,501	2,961,906

	2021 £	2020 £
Increase/(decrease) in cash in period	2,082,501	(1,157,516)
Change in net cash resulting from cash flows	2,082,501	(1,157,516)
Net cash at 1 September	879,405	2,036,921
Net cash at 31 August	2,961,906	879,405

23 Leases

Operating leases

	2021	2020
	£	£
At 31 August 2021, the total of the company's future minimum lease payments under non-cancellable operating leases was:		
Within one year		
Other leases	31,989	34,125
Land and Buildings	378,893	378,893
Two to five years		
Other leases	33,868	63,584
Land and Buildings	1,670,027	1,630,591
Over 5 years		
Land and Buildings	22,638,702	23,057,030

24 The Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £586,639 (2020: £585,258) and at the year-end, £73,160 (2020 - £71,053) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions. On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

25 The Pensions Trust

Growth Plan

Harrogate Ladies' College Limited participates in The Pensions Trust's Growth Plan, which is a multi-employer scheme which provides benefits to some 950 non-associated participating employers. Within the Growth Plan, the School participates in Series 1, 2, 3 and 4.

Growth Plan Series 1, 2 and 3

Growth Plan Series 1, 2 and 3 (the scheme) is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025	£11,243,000 per annum (payable monthly and increasing by 3% each on 1 st April)
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Unless a concession has been agreed with the Trustee, the term to 31 January 2025 applies.

The Scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025	£12,945,440 per annum (payable monthly and increasing by 3% on 1 st April)
From 1 April 2016 to 30 September 2028	£54,560 per annum (payable monthly and increasing by 3% on 1 st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

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

Present values of Provision

	31 August 2021 (£'000)	31 August 2020 (£'000)	31 August 2019 (£'000)
Present Value of Provision	122	155	185

Reconciliation of Opening and Closing Provisions

	Period ending 31 August 2021 (£'000)	Period ending 31 August 2020 (£'000)
Provision at start of period	155	185
Unwinding of the discount factor (interest expense)	1	2
Deficit contribution paid	(34)	(33)
Remeasurements - impact of any change in assumptions	-	1
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	122	155

Income and Expenditure Impact

	Period ending 31 August 2021 (£'000)	Period ending 31 August 2020 (£'000)
Interest expense	1	2
Remeasurements – impact of any change in assumptions	-	1
Remeasurements – amendments to the contribution schedule	-	-
Costs recognised in income and expenditure account	1	3

Assumptions

	31 August 2021 (% per annum)	31 August 2020 (% per annum)	31 August 2019 (% per annum)
Rate of Discount	0.63	0.55	0.97

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the company and the scheme at each year-end period:

Deficit Contributions Schedule

Year ending	31 August 2021 (£'000)	31 August 2020 (£'000)	31 August 2019 (£'000)
Year 1	35	34	33
Year 2	36	35	34
Year 3	37	36	35
Year 4	16	37	36
Year 5	-	16	37
Year 6	-	-	16
Year 7	-	-	-
Year 8	-	-	-
Year 9	-	-	-
Year 10	-	-	-

The School has recognised a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive the company's balance sheet liability.

Growth Plan Series 4

The Pensions Trust closed the Growth Plan Series 3 to new contributions from 30 September 2013. All employers that participated in Growth Plan Series 3 at the balance sheet date have switched to Growth Plan Series 4 for new contributions from 1 October 2013. Series 4 is a defined contribution scheme.

As at the balance sheet date, there were 98 active members of the Growth Plan employed by the company. These were all members of Series 4.

From 1 October 2013, the company paid contributions into the Growth Plan Series 4 at the rates of up to 7%. Members paid contributions at the rates of up to 4% during the same period. There were £658 of outstanding contributions at the balance sheet (2020: £554).

Unitised Ethical Plan

The School also contributes to the Pensions Trust Unitised Ethical Plan, which is a defined contribution scheme. The School paid contributions at the rates of up to 7% during the accounting period. Members paid contributions at the rate of up to 4% during the accounting period. There were no outstanding contributions at the balance sheet (2020: £nil). As at the balance sheet date, there were 5 active members of the Unitised Ethical Plan employed by the company. The company continues to offer membership of the Unitised Ethical Plan to its employees.

26 Related party transactions

At the year-end the School was owed £91,620 (2020: £14,419) from HLC (Properties) Limited. HLC (Properties) Limited made an annual charitable donation of £41,129 during the year to 31 August 2021 (2020: £nil). During the year, recharges of expenditure of £34,991 (2020: £40,520) were made from Harrogate Ladies' College to HLC (Properties) Limited.

Certain directors send their children to the School but are charged fees on an arm's length basis and receive no discount or concessions by virtue of their directorship.

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