

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 2022

Harrogate Ladies' College Limited

Contents

Contents	Page
Directors, Officers and Administrative Details	1
Directors' Report	2-12
Independent Auditor's Report	13-16
Statement of Financial Activities	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Financial Statements	20-36

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
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
Dr H. Kemp MBChB MRCP FRCA

Company Secretary

Mr M. Porter BA MSc

Key Management Personnel

Mrs S. Bowman
Mrs S. Brett
Mrs J. Fox
Mrs E. Richards
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 2022, 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 2021, we were beginning to emerge from the restrictions of the pandemic more aware than ever of the importance of offering educational opportunities which develop character and resilience as well as academic progress. The focus of the year was to provide stability for our pupils whilst maintaining their educational development; keeping members of our community as safe and well as possible and maintaining the joy and optimism that working in a School family such as ours brings in abundance. Meanwhile the Governors and Leadership worked successfully to ensure that the School's financial position was as strong as possible with the seeds of future growth sown. In the context of events on the global stage, it was our privilege to welcome 3 refugees from Ukraine into the School family who have enriched our community greatly, not least by their example of inner strength and determination.

Charitable Activities

The School supported a wide range of charities during the year including the School of Sanctuary, Red Cross Ukrainian Appeal, Red Nose Day and Harrogate Rumbly Tuns. Our harvest collection was the largest donation to date and exceeded the expectations of Harrogate Homeless Project. We were also overwhelmed by the generous gifts donated for our Barnardo's Christmas gift appeal; we filled 4 large cars with Christmas gifts for local children. One of the most enjoyable charity events was the Colour Run where everyone had a brilliant afternoon and in doing so we raised £1185 for breast cancer support.

Boarding

The academic year 2021-22 has been another fantastic one in boarding, particularly in the Summer Term, as we were able to now operate completely as we did pre-covid. The boarders went on some excellent trips going to theme parks, museums, universities, dined out for their House meals and had a really good, unique end to the year with the 'Boarders Festival.' The festival was a real highlight in particular, as there were many games, a silent disco, a bouncy castle, bell tents, tattoos and nail painting, karaoke and much more. The event really brought the community together, and it was simply wonderful to toast marshmallows and have hot chocolate by the fire pit, gazing at the summer pink sky and setting sun.

Academics

It was a joy to be able to return to classroom-based learning. There is no doubt that staff and pupils became experts in the use of IT in the classroom and the progress that our pupils made during this year was exceptional throughout the School. At GCSE, 64% of all grades were 7-9 (the national average was 26%) against baseline data predictions of 44% showing once again that the added value that pupils gain at Harrogate Ladies' College is outstanding. This performance was echoed at A level where 22% of grades were A* against baseline predictions of 0%. Post 18 destinations included a wide range of Russell Group university courses alongside vocational and practical courses like Comic Book Design and Formula 1 Engine Development.

Performing Arts

Drama saw a real increase in pupils showing an increased willingness to be both brave and creatively ambitious. The school play, Fantastic Mr Fox, featured 2 casts and 4 performances including one for local primary schools. On young visitor wrote afterwards "I just want to say thanks for the show. I loved it so much I want to see it every day!". Prep 5 and 6 travelled to Manchester Arena to take part in Young Voices which was a singing experience with 9000 children which will never be forgotten. Prep 3 and 4 produced a moving Easter Cantata and the progression of singing in the school was showcased at the Spring Concert – the first major whole Highfield live musical event since lockdown. The return of College House Music was a wonderful occasion, with all College pupils participating. We heard some fabulous performances across all different styles, including the riotous whole House songs, this year on the theme of the Queen's Platinum Jubilee, all put together and rehearsed by the pupils themselves. Straight after this, we celebrated the joy of singing with a Choral Day for 136 Year 5 and

6 pupils from across the Harrogate area. The children learned an astonishing amount of music in just one day, performing confidently for parents at the end.

CHARITY OBJECTIVES

The objectives for 2021-22 were agreed at a Governing Body meeting in September 2021. These objectives and an impact assessment of these areas of focus are set out below. The recovery from the pandemic meant that the plans were both operational and longer term and were flexed during the year.

1. Educate to engender a deep passion for learning: *Empowering pupils in readiness for public examinations and transition to the next key stage.*

In Highfield a new phonics scheme was introduced to address some of the literacy concerns post Covid. Pupils and staff also launched an EDI initiative. In College greater flexibility was introduced to the Lower School Curriculum to increase Computing Studies provision and the Science Department launched the WISE@HLC programme to celebrate and develop the School's work to promote women in Science and Engineering. Pupils sitting GCSE and A levels were very well supported by teachers. Confirmation of examinations and not TAGs did not come until April which led to considerable additional stress as neither U5 nor U6 had sat public examinations before. They responded to the challenge brilliantly. ISC benchmark data showed that Harrogate Ladies' College compares on post 18 destinations extremely well with local and national ISC schools, many of whom are far more academically selective.

2. Empower with pastoral care to engender a love of life: *Responding to pupil, parent and staff 'living with Covid' anxiety and working on how to re-establish expectations and aims in terms of behaviour, conduct and fulfilment of duties. 'Re-opening' the school community with a wide range of community activities.*

The Pastoral Team came together to plan a cohesive 'Team Around the Child' approach which will be launched in the following academic year. The Boarding provision was considerably enhanced by the formalisation of the half term provision for boarders who cannot return home. Wellness Champions and Ambassadors provided drop in sessions in College and Friendship Ambassadors were introduced in Highfield. The 'bubbles' and zoom culture of covid have been significant impediments to the integration of pupils and promoting an inclusive school community. However, there has been considerable progress in College in recognition of the LGBTQ+ community. Having more whole school events has also been invaluable in rebuilding a sense of an inclusive community. In Highfield there has been the P6 production, book mornings, residentials, peri concerts, prep school choral day and active PFA planning of events. In College there has been an in person U3 parents meeting, a chance for U3 and L4 pupils to show their families around 'their school', the Jubilee Supper and whole school Ceilidh, Musical Showcase, House Music, Scholars' Dinner, HCU Reunion and a L5 Parent Supper and Junior House Drama to come. Highfield and College held 'normal' Sports' Days and Speech Days.

3. Recruit and retain pupils who thrive: *Re-engaging with prospective families in person, reaffirming relationships with families who have accepted places and reacquainting current families about all that the school has to offer.*

There was been a full programme of retention events focussing on pupils moving from P6 to U3 in College including Prep 4 & 5 attending Fantastic Mr Fox performance; Junior Art Masterclass for Prep 5 artists; Junior Choir Day for Prep 5; Essay Writing competition for Prep 3, 4 & 5; Food & Nutrition event for Prep 5 and Prep 5 Rounders Tournament. Recruitment and retention in other areas was impacted by financial concerns from parents and the difficulty of international travel. However, the School's overall pupil numbers including those recruited for the following year during this one were the highest for a number of years. There is no doubt that the excellent work of staff during lockdowns and the work that was done to maintain relationships with prospective families has borne fruit.

4. Steward our resources: *Reviewing the Finance and Operations function of the school including the Estate.*

It has been wonderful to see growth in the fundraising aspect of the School's life and our engagement with our Alumni who bring such a depth of experience and expertise to the community. Plans were completed for the refurbishment of the Small Hall with funds from former pupils and a Sixth Form Scholarship Fund was launched.

The Financial Strategy was closely discussed with a renewed determination to ensure that the School grows sustainably long into the future. Costs were carefully managed not least through the remarkable commitment of teachers who accepted the proposal to exit the TPS and the worst of the impact of Covid was shown to be in the past.

5. Develop our staff: *Empowering staff as they came out of Covid.*

The staff showed remarkable resilience and flexibility this year alongside their extraordinary commitment to the School. The Governors and Leadership are very grateful to them all.

6. Partner our parents: *'Re-building' parent confidence in the school by meeting them in person in Highfield and College and sending positive and optimistic communications about the school.*

Increasing opportunities for meeting parents in person has been very valuable and rewarding. The Parent Forum groups were constructive in their ideas for future development and the Parents and Friends showed creativity and good humour in their support and fundraising efforts.

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 £1,541,133 (2021: £1,528,614) spent on directly supporting pupils, representing 14.9% of gross fee income (2021: 17.4%). Of this 14.9%, 10.9% related to means tested bursaries, which in addition to scholarships and eligibility fee remissions, allow access for pupils from all backgrounds (2021: 10.5%). 57 pupils (2021: 55) received bursaries totalling £1,120,552 (2021: £925,042). 18 children benefited from a full remission of fees (2021: 16). 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 2021-22, the pupils and parents raised £59,855 (2021: £38,926) for local, national and international charities.

Fundraising Performance

During the year, the School received donations of £1,938 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. £814 of donations were received as a result of a fund-raising project to refurbish the School's theatre. Together with funds raised since 2019-20, this project is now underway.

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 show a loss of £80,561 for the year to 31 August 2022. The net outgoing resources for the year to 31 August 2021 were a loss of £902,802. This significant improvement in performance is primarily due to the impact of Covid-19 not only on the number of international boarders accepting a place at the School for the academic year 2020-21, but also the impact on our regular letting facilities during that year.

The net movement in funds for the year to 31 August 2022 is therefore a loss of £80,561, with total funds of £6,233,356 carried forward (31 August 2021: £6,313,917), of which £5,832,963 unrestricted (31 August 2021: £5,870,251).

School fees receivable continue to increase with £8,435,738 received for the year to 31 August 2022, up from £7,070,682 for the year to 31 August 2021.

The School's closing bank balance at 31 August 2022 was £3,285,520 (31 August 2021: £2,961,906). This cash increase is explained by a timing difference of more parents paying the Autumn 2022 fees prior to 31 August 2022 due to the start of term falling at the very beginning of September.

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 £136,849 during the year ended 31 August 2022 (year to 31 August 2021: £44,175), and a donation under gift aid of £130,000 was made to the School (year to 31 August 2021: £41,129).

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. The gift-aid distribution of £130,000 means the net assets of the company at the year-end are £6,851.

FUTURE PLANS

The areas of emphasis for 2022-23 are given below. They are both operational and strategic given the opportunities and threats in the sector educationally and globally.

1. Inspired Pupils

- a. Develop a 2-18 academic strategy and review provision at Highfield, KS3, GCSE and A-Level
- b. Curriculum review at College and implement and refine in Highfield
- c. Review G&T, EAL and SEN programme and links between Highfield and College
- d. Develop a 2-18 digital strategy and review provision at Highfield and College
- e. Embed aspiration and information about diverse careers and different pathways

2. **Flourishing pupils**
 - a. Embed KCSIE2022 and safeguarding practices
 - b. Strengthen and coordinate pastoral provision
 - c. Focus on wellness and resilience for pupils, parents and staff
 - d. Develop boarding provision
 - e. Rebuild integration and inclusion programme
3. **Recruitment and Retention**
 - a. Ensure sustainable recruitment throughout the school from local, national and international markets
 - b. Develop a whole school fundraising strategy
4. **Steward our resources**
 - a. Rigorous business modelling and planning
 - b. Develop alternative income streams
 - 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
 - c. Review of appraisal process
 - d. Development of Staff Voice
6. **Parent partnership**
 - a. Foster positive relationships with Parents and Guardians in the support of their child's development
 - b. Empower tutors/class teachers/key workers to be an effective first point of contact for parents
 - c. Review all current parent communication to identify and implement best practice so that parents feel heard
 - d. Develop a robust Guardianship program

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 2022 were as follows:

Dame Francine Holroyd	
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	<i>(resigned December 2021)</i>
Mr J. Garnett BSc Hons MRICS	<i>(resigned February 2022)</i>
Mrs S. Hooper MA B.Ed (Hons)	<i>(resigned June 2022)</i>
Ms S. Jackson MA	
Mrs N. Loudon BA FCSI	<i>(resigned 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	
Dr H. Kemp MBChB MRCP FRCA	

In accordance with the Articles of Association Mrs Clark, Mrs Jackson, Mrs Roe and Mr Skinner retire by rotation, but, being eligible, offer themselves for re-election. Dr Kemp was appointed during the period.

Mrs S Hooper was both appointed and resigned during the period. Mr Garnett, Mr Loudon and Mr Gardiner resigned during 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 23 March 2023 at Harrogate Ladies' College.

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. 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 itemizes 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 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 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 organizational 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 authorization 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 2022 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 Reserves Policy will undergo a review in 2023.

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-utilized overdraft facility. At 31 August 2022, short-term accessible funds totaled £2,005,897 and exceeded 13 weeks of operating expenses by £185,897, which is a ratio of 1.10:1.

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 2022, total funds were £6.2m (of which £6.3m 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

During the year to 31 August 2021, the Governors decided that the funds, which were previously managed by investment managers, should be disinvested to reduce the investment risk. At 31 August 2022, the investment funds were held as cash. The Governors will consider whether to reinvest these funds in the coming year.

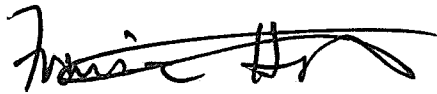
Disabled Employees

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 23 March 2023 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 2022 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 2022 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 7, 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.

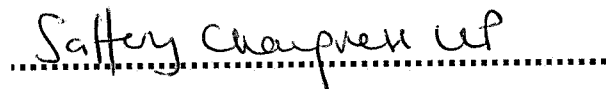
There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement 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.

Independent Auditor's Report to Harrogate Ladies College Limited: a Company Limited by Guarantee

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.



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: 11 May 2023

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 2022

		2022 General Funds £	2022 Restricted Funds £	2022 Total £	2021 Total £
INCOMING RESOURCES					
Income from charitable activities					
School fees receivable	2	8,435,738	-	8,435,738	7,070,682
Other educational income		293,310	-	293,310	288,474
Other ancillary trading income	3	93,541	-	93,541	57,891
		8,822,589	-	8,822,589	7,417,047
Incoming resources from generated funds					
Voluntary income	4	-	6,727	6,727	8,726
Activities for generating funds	3	130,000	-	130,000	41,129
Rents and school lets		117,194	-	117,194	64,295
Investment income	5	232	-	232	10,687
Other incoming resources	6	5,717	-	5,717	73,020
Total incoming resources		9,075,732	6,727	9,082,459	7,614,904
RESOURCES EXPENDED					
Cost of generating funds	7	29,362	-	29,362	40,521
Charitable activities					
Provision of education	7	9,133,658	-	9,133,658	8,477,185
Total resources expended	7	9,163,020	-	9,163,020	8,517,706
NET (OUTGOING)/INCOMING FUNDS BEFORE INVESTMENT GAINS		(87,288)	6,727	(80,561)	(902,802)
Gains/(losses) on investments	11	-	-	-	66,785
Transfer of funds		50,000	(50,000)	-	-
Net movement in funds		(37,288)	(43,273)	(80,561)	(836,017)
Funds brought forward at 1 September		5,870,251	443,666	6,313,917	7,149,934
Funds carried forward at 31 August		5,832,963	400,393	6,233,356	6,313,917

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 2022

	Notes	As at 31 August 2022 £	As at 31 August 2021 £
Tangible fixed assets	9	6,387,136	6,622,459
Investment assets			
Funds deposited	11	-	-
Investment in subsidiary	12	2	2
		<u>2</u>	<u>2</u>
Current assets			
Stocks	13	-	-
Debtors	14	754,704	595,484
Cash in hand		3,285,520	2,961,906
		<u>4,040,224</u>	<u>3,557,390</u>
Creditors: amounts falling due within one year	15	(4,178,329)	(3,576,164)
Net current liabilities		(138,105)	(18,774)
		<u>6,249,032</u>	<u>6,603,687</u>
Total assets less current liabilities		6,249,032	6,603,687
Creditors: amounts falling due after more than one year	16	(15,676)	(289,770)
Net assets		6,233,356	6,313,917
UNRESTRICTED FUNDS			
General funds	17	5,832,963	5,870,251
RESTRICTED FUNDS	18	400,393	443,666
Total funds		6,233,356	6,313,917

The financial statements on pages 18 to 36 were approved by the board of directors on 23 March 2023 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 2022

	Notes	2022 £	20201 £
Net cash inflow from operating activities	21	409,114	527,679
Returns on investments and servicing of finance			
Investment income		232	10,687
Interest paid		(282)	(1,385)
Net cash inflow from returns on investments and servicing of finance		(50)	9,302
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(85,450)	(72,839)
Disposal of investments		-	1,618,359
Net cash (outflow) from capital expenditure and financial investment		(85,450)	1,545,520
Increase in cash in the year	22	323,614	2,082,501

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 2024 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 2022, there were net current liabilities of £138k. In addition, there were approximately £1,144k of pupil deposits included within current liabilities, which are not expected to be repayable within one year.

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.

Harrogate Ladies' College Limited
Notes to the Financial Statements
For the year ended 31 August 2022

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.

Harrogate Ladies' College Limited
Notes to the Financial Statements
For the year ended 31 August 2022

2 Fees

	2022	2021
	£	£
Gross school fees	10,315,332	8,809,142
Less: Scholarships, bursaries, allowances and agent fees	(1,879,594)	(1,738,460)
	<u>8,435,738</u>	<u>7,070,682</u>

The income from fees is all unrestricted (2021: all unrestricted).

3 Other income

	2022	2021
	£	£
Other ancillary trading income:		
Transport to/from School	53,047	34,931
Uniform	40,494	22,960
	<u>93,541</u>	<u>57,891</u>
Activity for generating funds:		
Donation from HLC (Properties) Ltd	130,000	41,129
	<u>130,000</u>	<u>41,129</u>

Other income is all unrestricted (2021: all unrestricted).

4 Voluntary income

	2022	2021
	£	£
Donations – unrestricted	-	3,502
Donations to the Small Hall Fund – restricted	814	4,167
Donations to the Scholarship, Bursary and Prize Fund – restricted	5,912	1,057
	<u>6,727</u>	<u>8,726</u>

5 Investment income

	2022	2021
	£	£
Dividends from investments – unrestricted	-	6,788
Dividends from investments – restricted	-	3,765
Bank interest received – unrestricted	232	134
	<u>232</u>	<u>10,687</u>

Harrogate Ladies' College Limited
Notes to the Financial Statements
For the year ended 31 August 2022

6 Other incoming resources

	2022	2021
	£	£
Amounts received under the Coronavirus Job Retention Scheme - unrestricted	-	67,795
Miscellaneous income - all unrestricted	5,717	5,225
	<u>5,717</u>	<u>73,020</u>

7 Analysis of total resources expended

	Staff costs	Other costs	Depreciation	2022 Total	2021 Total
	£	£	£	£	£
Cost of generating funds					
Rental costs	8,250	-	-	8,250	12,247
Finance costs comprising:					
Bank charges	-	21,112	-	21,112	20,829
Investment manager fees	-	-	-	-	4,880
Investment manager fees - restricted	-	-	-	-	2,565
	<u>8,250</u>	<u>21,112</u>	<u>-</u>	<u>29,362</u>	<u>40,521</u>
Charitable activities					
Provision of education					
Teaching	4,089,196	185,769	-	4,274,965	4,019,070
Welfare	696,151	926,924	-	1,623,075	1,396,272
Premises	230,484	1,543,487	320,773	2,094,744	1,925,644
Support costs	688,411	419,471	-	1,107,882	1,119,912
Governance costs	-	32,992	-	32,992	16,287
	<u>5,704,242</u>	<u>3,108,643</u>	<u>320,773</u>	<u>9,133,658</u>	<u>8,477,185</u>
Total resources expended	<u>5,712,492</u>	<u>3,129,755</u>	<u>320,773</u>	<u>9,163,020</u>	<u>8,517,706</u>

Harrogate Ladies' College Limited
Notes to the Financial Statements
For the year ended 31 August 2022

	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>

	2022 £	2021 £
Charitable activities include:		
Depreciation on owned assets	320,773	331,251
Operating lease rentals	<u>21,537</u>	<u>21,568</u>
Governance costs include:		
Auditors' remuneration for:		
Audit services, current year accounts	13,000	11,868
Audit services, other services	<u>3,000</u>	<u>1,362</u>
	<u>16,000</u>	<u>13,230</u>

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

Harrogate Ladies' College Limited
Notes to the Financial Statements
For the year ended 31 August 2022

8 Staff costs

	2022	2021
	£	£
Total staff costs comprised:		
Wages and salaries	4,544,456	4,328,474
Social security costs	424,315	388,508
Pensions contributions		
Teachers' Pension	610,703	586,651
Pensions Trust Growth Plan	127,940	88,735
Pensions Trust Unitised Ethical Plan	5,078	9,148
	<u>5,712,492</u>	<u>5,401,516</u>
Aggregate employee benefits of	<u>493,226</u>	<u>436,282</u>

Staff costs are all unrestricted (2021: all unrestricted). There are no compensation payments included within wages and salaries.

The Directors received £nil remuneration during the year (2021: £nil). An amount of £1,632 was reimbursed to three Directors during the year in respect of travel and training expenses (2021: £508 to one Director).

The average numbers of employees in the year were:	2022	2021
Teaching		
Full time	49	53
Part time	76	66
Welfare		
Full time	11	9
Part time	29	31
Premises		
Full time	7	7
Part time	5	4
Support		
Full time	14	15
Part time	6	6
	<u>197</u>	<u>191</u>

The number of employees whose emoluments exceeded £60,000 were:	2022	2021
£60,001 to £70,000	3	-
£70,001 to £80,000	-	1
£80,001 to £90,000	2	2
£120,001 to £130,000	-	1
£140,001 to £150,000	1	-

Harrogate Ladies' College Limited
Notes to the Financial Statements
For the year ended 31 August 2022

9 Tangible assets

	Freehold	Leasehold	Furniture, fixtures & fittings	Motor vehicles	Plant & equipment	Computer equipment	Total
	£	£	£	£	£	£	£
Cost (or frozen valuation*)							
1 September 2021	3,501,786	6,707,111	981,330	287,506	1,235,011	295,862	13,008,606
Additions	-	23,064	15,039	(1,200)	-	48,548	85,451
31 August 2022	3,501,786	6,730,175	996,369	286,306	1,235,011	344,410	13,094,057
Depreciation							
1 September 2021	199,591	3,703,610	928,911	261,194	1,012,518	280,324	6,386,148
Charge for the year	28,089	183,102	19,526	12,104	60,474	17,478	320,773
31 August 2022	227,680	3,886,712	948,437	273,298	1,072,992	297,802	6,706,921
Net Book Value							
31 August 2022	3,274,106	2,843,463	47,932	13,008	162,019	46,608	6,387,136
31 August 2021	3,302,195	3,003,502	52,419	26,312	222,493	15,538	6,622,459

*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 £3,500 of capital expenditure that was contracted for but not provided for within these financial statements (2021: £nil).

11 Investments – Funds Deposited

The School investments were managed by Quilter Cheviot Ltd. The decision was made by the Governors to disinvest the investments in full during the prior 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.

Harrogate Ladies' College Limited
Notes to the Financial Statements
For the year ended 31 August 2022

12 Investment in subsidiary

	2022	2021
	£	£
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 £136,849 for the year to 31 August 2022 and a gift aid donation of £130,000 was made to the School. In 2021, it made a profit of £44,175, and a gift aid donation of £41,129 was made to the School.

The following information is disclosed:

	2022	2021
	£	£
Balance of Capital and reserves	<u>6,851</u>	<u>2</u>
Result for the period	<u>6,849</u>	<u>2</u>

13 Stocks

	2022	2021
	£	£
Raw material and consumables	<u>-</u>	<u>-</u>

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

14 Debtors

	2022	2021
	£	£
Debtors in respect of school fee accounts	224,838	245,578
Amounts owed by subsidiary undertaking	286,774	91,620
Other debtors	8,872	14,354
Prepayments and accrued income	<u>234,220</u>	<u>243,932</u>
	<u>754,704</u>	<u>595,484</u>

Harrogate Ladies' College Limited
Notes to the Financial Statements
For the year ended 31 August 2022

15 Creditors: amounts falling due within one year

	2022	2021
	£	£
School fees paid on account	1,831,378	1,296,773
Pupils' initial deposits	1,144,114	1,057,977
Amounts owed to Teachers' Pension	67,967	73,160
Taxation and social security	100,168	99,180
Net Present Value of Pensions Trust deficit recovery contributions	10,339	34,821
Accruals and deferred income	394,181	499,918
CBILS loan	-	57,078
Other creditors	630,182	457,257
	<u>4,178,329</u>	<u>3,576,164</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

	2022	2021
	£	£
CBILS loan	-	192,922
Net Present Value of Pensions Trust deficit recovery contributions	13,418	87,162
Other creditors	2,258	9,686
	<u>15,676</u>	<u>289,770</u>

17 General funds – unrestricted

	2022	2021
	£	£
At 1 September	5,870,251	6,685,740
Net outgoing resources	(87,288)	(909,226)
Gains/(losses) on investments arising in the periods	-	43,737
Transfer of funds	50,000	50,000
At 31 August	<u>5,832,963</u>	<u>5,870,251</u>

Harrogate Ladies' College Limited
Notes to the Financial Statements
For the year ended 31 August 2022

18 Restricted funds

	At 1 September 2021 £	Incoming resources £	Outgoing resources £	Gains and losses £	Transfer of funds £	At 31 August 2022 £
Scholarship, Bursary and Prize Fund	436,164	5,912	-	-	(50,000)	392,076
Small Hall Fund	7,502	815	-	-	-	8,317
	443,666	6,727	-	-	(50,000)	400,393

	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

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 2022 are represented by:			
Tangible fixed assets	6,387,136	-	6,387,136
Investments	2	-	2
Current assets	3,639,831	400,393	4,040,224
Creditors	(4,194,006)	-	(4,194,006)
	5,832,963	400,393	6,233,356

	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

Harrogate Ladies' College Limited
Notes to the Financial Statements
For the year ended 31 August 2022

20 Reconciliation of movement in total funds

	2022	2021
	£	£
Result for the financial period	(80,561)	(902,802)
Gains/(losses) on investments	-	66,785
Net movement in funds	(80,561)	(836,017)
Opening funds	6,313,917	7,149,934
Closing funds	6,233,356	6,313,917

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

	2022	2021
	£	£
Net outgoing resources	(80,561)	(902,802)
Investment income	(232)	(10,687)
Interest paid	282	1,385
Operating loss for the period	(80,511)	(912,104)
Depreciation charge	320,773	331,251
Decrease in stocks	-	23,290
(Decrease) in debtors	(159,220)	(165,467)
Increase/(decrease) in creditors	385,149	1,250,709
Net cash inflow from operating activities	409,114	527,679

	At 1 September 2021	Cash flow	At 31 August 2022
	£	£	£
Cash in hand	1,859	1,178	3,037
Cash at bank	2,960,047	322,436	3,282,483
Net cash	2,961,906	323,614	3,285,520

	2022	2021
	£	£
Increase in cash in period	323,614	2,082,501
Change in net cash resulting from cash flows	323,614	2,082,501
Net cash at 1 September	2,961,906	879,405
Net cash at 31 August	3,285,520	2,961,906

23 Leases

Operating leases

	2022	2021
	£	£
At 31 August 2022, the total of the company's future minimum lease payments under non-cancellable operating leases was:		
Within one year		
Other leases	36,030	31,989
Land and Buildings	393,140	378,893
Two to five years		
Other leases	171,150	33,868
Land and Buildings	1,572,558	1,670,027
Over 5 years		
Land and Buildings	21,229,916	22,638,702

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 £610,703 (2021: £586,639) and at the year-end, £69,619 (2021 - £73,160) 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 2022 (£'000)	31 August 2021 (£'000)	31 August 2020 (£'000)
Present Value of Provision	24	122	155

Reconciliation of Opening and Closing Provisions

	Period ending 31 August 2022 (£'000)	Period ending 31 August 2021 (£'000)
Provision at start of period	122	155
Unwinding of the discount factor (interest expense)	1	1
Deficit contribution paid	(24)	(34)
Remeasurements - impact of any change in assumptions	(1)	-
Remeasurements - amendments to the contribution schedule	(74)	-
Provision at end of period	24	122

Harrogate Ladies' College Limited
Notes to the Financial Statements
For the year ended 31 August 2022

Income and Expenditure Impact

	Period ending 31 August 2022 (£'000)	Period ending 31 August 2021 (£'000)
Interest expense	1	1
Remeasurements – impact of any change in assumptions	(1)	-
Remeasurements – amendments to the contribution schedule	(74)	-
Costs recognised in income and expenditure account	(74)	1

Assumptions

	31 August 2022 (% per annum)	31 August 2021 (% per annum)	31 August 2020 (% per annum)
Rate of Discount	4.46	0.63	0.55

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 2022 (£'000)	31 August 2021 (£'000)	31 August 2020 (£'000)
Year 1	10	35	34
Year 2	10	36	35
Year 3	4	37	36
Year 4		16	37
Year 5		-	16
Year 6		-	-
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 £78 of outstanding contributions at the balance sheet (2021: £658).

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 £nil outstanding contributions at the balance sheet (2021: £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 £286,774 (2021: £91,620) from HLC (Properties) Limited. HLC (Properties) Limited made an annual charitable donation of £130,000 during the year to 31 August 2022 (2021: £41,129). During the year, recharges of expenditure of £108,622 (2021: £34,991) 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.