

Company Registration No. 00197987 (England and Wales)

Charity Registration No. 529579

**HARROGATE LADIES' COLLEGE LIMITED
(CHARITABLE COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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Harrogate Ladies' College Limited
Directors, Officers and Administrative Details

Trustees

Dame Francine Holroyd (Chair)

Mr M. Abraham B Ed (Hons)

(Appointed 17 March 2023)

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 FCSI

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

(Appointed 17 March 2023)

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 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 Trustees, who are also referred to as Governors and are also Directors for Companies Act purposes, are pleased to present their annual Trustees' Annual Report together with the financial statements of the charity for the year ending 31 August 2023, 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

The financial year 2022-2023 marked a welcome return to full school activities made all the more special by a greater awareness of the importance of connectedness in our lives and especially for the flourishing of our children. The focus of the year was rebuilding the skills which had been impacted by the pandemic. Whilst our pupils' learning may not have suffered, their social and emotional development has warranted special attention so that they can embrace again all that school and life has to offer. It has been a joyful year during which we could celebrate fully our extraordinary community. The financial resilience of the school continued to grow after the challenges of the pandemic and the Governors and Leadership of the School have shown remarkable nimbleness and dedication to ensuring the long term future of the School.

Charitable Activities

The School community continued to support a wide range of charities during the year including Harrogate Homeless (as the main focus in College) and Candlelighters and the Bombo School project in Highfield. Our fantastic community has baked, played sport, learnt new languages, created art, worn silly clothes and given generously to support our charities. An urgent appeal for support for victims of the Turkey/ Syria disaster lead to an outflowing of gifts and on the one year anniversary of the start of the war in Ukraine pupils taught staff how to create traditional Ukrainian Art raising money for the Disasters Emergency Committee Ukraine Humanitarian Appeal. This year we held our first ever charity fashion show. The show raised £500 for Harrogate Clothes Bank, but also gave a strong message about fashion, clothing and the environment. We wanted to encourage our audience to think about the environmental and ethical impact of buying new clothing and shoes, and consider buying pre-loved.

Boarding

The trips and activities programme this year has been as amazing as ever, with boarders as well as day pupils visiting places such as Harry Potter Studios in London, theme parks, art galleries, museums and Christmas markets. We have also enjoyed being amongst nature, at nearby places including Harlow Carr, Stockeld Park and Valley Gardens. We feel very privileged that we have so many wonderful places on our doorstep and the pupils have really engaged with being outdoors, putting devices down and being present.

Something which is fast becoming a tradition is our firepits, where pupils gather outside around the firepit and toast marshmallows, eat s'mores and share stories. It has been a great bonding experience for so many of our boarders and a lovely way to get to know each other. There have been lots of fantastic activities within boarding, which has meant boarders have been busy baking, tie dying and utilising the school facilities for fun, late evening swim sessions.

Wellness and wellbeing are a priority at College so we conducted a survey with pupils, listened to their opinions, and chose things they want to do to relax. Wellbeing Wednesdays has so far included yoga sessions during the autumn term, pet therapy sessions, pamper evenings and mindfulness colouring. Boarders have really enjoyed spending time with the House dogs and with each other.

Academics

At the heart of the educational ethos of the School is the essential power of progress. We want our pupils to gain the best possible results for them as individuals and celebrate their learning journeys at whatever stage they are.

At GCSE 57% of our grades were 7-9 (the national average was 22.4%) and we were ranked an incredible 27 out of 344 schools in relation to the added value that the pupils gained. This success was echoed at A level where the pupils gained the best grades in comparison with other Harrogate schools. Pupils gained 43% A*-A against a national average of 18.1%. These results were a credit to the students and staff involved, particularly given this was the last cohort to have GCSE examinations cancelled due to covid. 54% of pupils gained places at Russell Group Universities and courses included Aircraft Engineering with Pilot Studies, International Business Management, Fashion Design and Technology, Archeology and Illustration. Two pupils gained places at Cambridge to read Psychological and Behavioural Sciences.

Performing Arts

Our Performing Arts programme is key to our pupils' progress. Whether it is being the star in Annie or speaking in Assembly for the first time, our pupils continue to amaze with their courage and willingness to try new things.

Four nativities at Christmas time were performed on the recently renovated Swinton Theatre stage. All members of Transition to Prep 2 dazzled audiences with their own bespoke retelling of the traditional Christmas story. Springtime saw a colourful and poignant 'Easter Cantata' performed by a Prep 3 and 4 combined ensemble in the Assembly Hall. After only eight days of intensive rehearsal, Prep 6 produced a phenomenal performance of 'Joseph and the Amazing Technicolor Dreamcoat'. The show was an outstanding feat of acting through song and teamwork at its best, as all cast members remained in character on stage for the entire performance. The technicolour set and the chariot of gold only added to the splendour of the production.

In College, the Department's vision was to provide a specialist subject area that evokes a fresh passion for the Arts and strived for an honest focus and energy to be present in the pupils from the moment they stepped into a lesson or rehearsal. The climax of the year was the whole school production of 'Annie Jr'. It's difficult to express the sheer amount of organisation, collaboration, stamina and passion it takes from a huge number of individuals to achieve a show of this scale. The Drama and Music Departments' vision was to stage a fresh, joyful and exhilarating production, and the dedicated pupils took on the challenge to achieve the highest quality performances. The final shows took audiences on an exhilarating roller-coaster of visual and aural delight. They told the timeless tale of a child that overcomes the odds through fierce determination, a bit of luck and remembering that tomorrow is only a day away!

CHARITY OBJECTIVES

The objectives for 2022-23 were agreed at a Governing Body meeting in September 2022. These objectives and an impact assessment of these areas of focus are set out below.

1. Flourishing Pupils

- a. Embed KCSIE2022 and safeguarding practices: staff throughout the School have worked to ensure that safeguarding our pupils is at the top of everyone's agenda. Regular training (online, internal and external) alongside fortnightly interactive bulletins have embedded the importance of safeguarding for everyone and developed understanding. Parents worked with staff in Highfield to create an internet safety leaflet for parents.
- b. Strengthen and coordinate pastoral provision: the Flourish programme of pastoral care now includes 'Team Around the Child' meetings to ensure that pastoral care is joined up between the different areas of school and adults with responsibility for pupils. The launch of the Flourish App enabled pupils to 'measure' their wellbeing and staff to provide appropriate support.
- c. Focus on wellness and resilience for pupils, parents and staff: Wellness Champions are embedded and motivated in College. They worked hard on Mental Health Awareness Week Chapels and activities and have resumed their lunchtime 'hot drink and biscuits' drop-in sessions twice-weekly. Friendship ambassadors continue to work in Highfield and support pupils. A new catering company was appointed with a renewed focus on healthy, locally sourced seasonal food.
- d. Develop boarding provision: Half Term provision continues to be a popular option for boarding pupils. The extensive activity programme and integration between the boarding houses is a welcome return to pre pandemic activities.
- e. Rebuild integration and inclusion programme: whilst 'bubbles' were important to everyone's safety, the community missed the chance to get to know friends across year groups and nationalities. The House Music competition was a wonderful moment of unity in College where the Covid separation had finally been dissolved and the whole community came together to celebrate one another. In Highfield the EDI group continues to meet and it includes pupils from College.

2. Inspired Pupils

- a. Develop a 2-18 academic strategy and review provision at Highfield, KS3, GCSE and A-Level: Useful discussions were had including a clear articulation of what 2-18 means for College and Highfield. The English department working with Highfield on various initiatives, including a whole school Readathon for January 2023.
- b. Curriculum review at College and implement and refine in Highfield: An extensive review of the College curriculum took place and the Lower School Curriculum has been revised for the new academic year to include more choice and greater teaching time. The new phonics scheme in Highfield is now bedded in and is supporting the pupils' learning very well. Learning walks, book scrutinies and observations in College and Highfield contribute useful data to ensuring ongoing progress for pupils.
- c. Review G&T, EAL and SEN programme and links between Highfield and College: The new Head of EAL has introduced some excellent new initiatives this year including the Young Interpreters scheme which is empowering the pupils to provide peer support within school (including senior pupils visiting Highfield). A new Head of Inclusive Learning has been appointed for Highfield for September 2024; the pupil progress tracker is proving helpful in identifying pupils with SEND. In College there has been a focus on STEM through the development of the WISE programme. 13 pupils from Upper 4 upwards have been awarded a WISE award so far, this academic year. In Highfield, the Apollo Talks continue to provide fascinating opportunities for pupils to learn about the world outside of the curriculum; one highlight was a talk from an Antarctic explorer.
- d. Develop a 2-18 digital strategy and review provision at Highfield and College: Key stakeholders have drawn together the HLC Digital Learning 2027 Vision. The decision was made to move to Sharepoint and there has been a focus on digital security.
- e. Embed aspiration and information about diverse careers and different pathways: a comprehensive careers programme introduces pupils of all years to a wide range of career opportunities and post 18 options.

3. Recruitment and Retention

- a. Ensure sustainable recruitment throughout the school from local, national and international markets: A creative enrichment programme for local primary schools was rolled out including an Essay Writing Competition, Art masterclass and Junior Choir Day. Internationally, the School visited Ghana for the first time and welcomed pupils from Kenya and Italy. Recruitment of boarders was strong and bucked national trends.

- b. Develop a whole school fundraising strategy: The opening of the newly refurbished Swinton Theatre thanks to the generous donations from former pupils and current parents was a real highlight of the year. The 1893 Scholarship continues to develop.

4. Steward our resources

- a. Rigorous business modelling and planning: the new Finance Director has worked tirelessly to ensure that the School is in good financial health. Pupil numbers returned to pre-pandemic levels and the new Estates Bursar made significant progress in the stewardship of the Estate.
- b. Develop alternative income streams: the Governors and Leadership continue to work on exciting different projects which could provide additional income streams for the School.
- c. Estates 5-year plan prioritisation: the new Estates Bursar has established a clear list of priorities for the Estate which are being fulfilled including the completion of the redecoration of the front of the School.

5. Develop our staff

- a. Maintaining staff morale and resilience: the commitment of the School's staff body is exceptional. They continue to show the remarkable resilience seen during the pandemic and they never fail to do the very best that they can for the pupils in their care.
- b. Increasing staff training in a strategic and focussed manner: a full training audit was completed by the new HR Manager so as to monitor and identify training needs in relation to Appraisal.

6. Parent partnership

- a. Foster positive relationships with Parents and Guardians in the support of their child's development: the Parents and Friends Association have been extremely generous in their support of the School this year. The new 'Baby Highfield' group has been successful and has included expert talks about key parenting issues. College parents have been invited to drop in sessions with the Heads of School. Whilst parents meetings have returned to being in-person, virtual meetings are now available for overseas parents.
- b. Empower tutors/class teachers/key workers to be an effective first point of contact for parents: the Flourish programme has supported the involvement of all staff in the care of individuals and has empowered Tutors to respond to initial enquiries. Highfield parents have regular opportunities to meet with staff.
- c. Develop a robust Guardianship program: The Marketing and Admissions department hosted an interesting and useful day event for Guardians.

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 £1,510,311 (2022: £1,541,133) spent on directly supporting pupils, representing 13.9% of gross fee income (2022: 14.9%). Of this 13.9%, 10.1% related to means tested bursaries, which in addition to scholarships and eligibility fee remissions, allow access for pupils from all backgrounds (2022: 10.9%). 53 pupils (2022: 57) received bursaries totalling £1,097,183 (2022: £1,120,552). 23 children benefited from a full remission of fees (2022: 18). 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.

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 the sponsorship of a primary school in Uganda. In 2022-23, the pupils and parents raised £42,628 (2022: £59,855) for local, national and international charities.

Fundraising Performance

During the year, the School received donations of £5,407 to the Scholarships and Bursaries Fund, plus a further £160 in unrestricted donations. Donations came from parents, alumni and a former teacher – all to whom the School is extremely grateful. 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 outgoing resources for the year to 31 August 2023 show a loss of £70,187 (31 August 2022: £80,561) with total funds of £6,163,169 carried forward (31 August 2022: £6,233,356), of which £5,807,209 are unrestricted (31 August 2022: £5,832,963).

School fees receivable continue to increase with £9,126,457 received for the year to 31 August 2023, up from £8,435,738 for the year to 31 August 2022.

The School's closing bank balance at 31 August 2023 was £3,119,394 (31 August 2022: £3,285,520). This cash decrease is explained by a timing difference of less parents paying the Autumn 2023 fees prior to 31 August 2023 due to the start of term not falling until the 11 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 £113,284 during the year ended 31 August 2023 and a donation under gift aid of £110,000 was made to the School (year to 31 August 2022: £130,000).

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 £110,000 means the net assets of the company at the year end are £10,135.

FUTURE PLANS

The areas of strategic focus for 2023-24 are given below.

1. Flourishing pupils so that all pupils grow and develop in all areas of their social and academic lives in a secure and nurturing environment.
2. Inspired pupils in order to provide a holistic and inspirational education that leads to outstanding development and excellent academic outcomes.
3. Strengthening recruitment and retention so that targets continue to be met across all areas of School.
4. Steward resources in order to ensure financial stability, a well-maintained estate and resilience to political changes.
5. Fulfilled staff who are engaged and motivated and fully embody the values of the School.
6. Engaged and positive parents who have an active role in their children's development and feel that they are an active part of the School community and ambassadors for it.

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 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 2023 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
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

In accordance with the Articles of Association Reverend Balding, Mrs Papworth, Mr Payne and Mrs Renwick retire by rotation, but, being eligible, offer themselves for re-election. 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 23.

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 Finance Director 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 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 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 23 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 21 March 2024 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 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 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 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 Reserves Policy was implemented and approved by the Governing Body in 2023.

Financial forecasts are regularly reviewed to ensure that the level of free reserves is sufficient to meet the operational requirements and any potential threats to future income, these forecasts consider sensitivity to internal and external factors in determining the level of free reserves required.

The school aims to have a target for free unrestricted reserves of 13 weeks essential expenditure. Free reserves are currently the equivalent of 14.8 weeks expenditure. This includes the overdraft facility at the year end of £500k plus an additional £500k currently in the process of being agreed.

At 31 August 2023, total funds were £6.16m (of which £6.16m were represented by fixed assets).

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 2023, 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 favorable treatment on the grounds of disability. Harrogate Ladies' College trains and encourages the career development of disabled employees in its employment.

Auditors

Saffery 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 7/3/24 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 2023 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows 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 2023 and of 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, Companies Act 2006, 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 charitable company'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.

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

	Saffery LLP
Chartered Accountants	Mitre House
	Harrogate
	HG1 5RX

Statutory Auditors

Date:

Saffery 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 2023

		2023 General Funds £	2023 Restricted Funds £	2023 Total £	2022 Total £
INCOME					
Donations	4	-	5,567	5,567	6,727
Charitable activities					
School fees receivable	2	9,126,457	-	9,126,457	8,435,738
Other educational income		314,977	-	314,977	293,310
Other ancillary trading income	3	94,534	-	94,534	93,541
Raising funds					
Activities for generating funds	3	110,000	-	110,000	130,000
Rents and school lets		130,085	-	130,085	117,194
Investment income	5	-	-	-	232
Other income	6	720	-	720	5,717
TOTAL INCOME		9,776,773	5,567	9,782,340	9,082,459
EXPENDITURE					
Raising Funds	7	28,428	-	28,428	29,362
Charitable activities					
Provision of education	7	9,824,099	-	9,824,099	9,133,658
TOTAL EXPENDITURE	7	9,852,527	-	9,852,527	9,163,020
NET (EXPENDITURE)/INCOME BEFORE OTHER GAINS		(75,754)	5,567	(70,187)	(80,561)
Transfer between funds	16	50,000	(50,000)	-	-
Net movement in funds		(25,754)	(44,433)	(70,187)	(80,561)
Funds brought forward at 1 September		5,832,963	400,393	6,233,356	6,313,917
Funds carried forward at 31 August	17	5,807,209	355,960	6,163,169	6,233,356

All operations of the charitable company are continuing operations.

The statement of financial activities incorporates an income and expenditure account for Companies Act purposes.

The notes on pages 18 - 34 form part of these financial statements.

A comparative statement of financial activities is shown at note 24.

Harrogate Ladies' College Limited
Balance Sheet
As at 31 August 2023

	Notes	As at 31 August 2023 £	As at 31 August 2022 £
Tangible fixed assets	9	6,160,025	6,387,136
Investment assets			
Investment in subsidiary	11	2	2
		<u>2</u>	<u>2</u>
Current assets			
Debtors	12	833,076	754,704
Cash in hand		3,119,394	3,285,520
		<u>3,952,470</u>	<u>4,040,224</u>
Creditors: amounts falling due within one year	13	(3,943,970)	(4,178,329)
Net current assets/(liabilities)		8,500	(138,105)
		<u>8,500</u>	<u>(138,105)</u>
Total assets less current liabilities		6,168,527	6,249,032
		<u>6,168,527</u>	<u>6,249,032</u>
Creditors: amounts falling due after more than one year	14	(5,358)	(15,676)
		<u>(5,358)</u>	<u>(15,676)</u>
Net assets		6,163,169	6,233,356
		<u>6,163,169</u>	<u>6,233,356</u>
UNRESTRICTED FUNDS			
General funds	15	5,807,209	5,832,963
RESTRICTED FUNDS	16	355,960	400,393
		<u>355,960</u>	<u>400,393</u>
Total funds	17	6,163,169	6,233,356
		<u>6,163,169</u>	<u>6,233,356</u>

The financial statements were approved by the board of Trustees on 7/3/24 and signed on its behalf by:



Dame Francine Holroyd

Chairman

Company registered number: 00197987

The notes on pages 18 - 34 form part of these financial statements.

Harrogate Ladies' College Limited
Cash Flow Statement
For the year ended 31 August 2023

	Notes	2023 £	2022 £
Net cash flows from operating activities	19	(84,245)	659,114
Financing activities:			
Investment income		-	232
Interest paid		-	(282)
Loan repayments		-	(250,000)
Net cash flows from financing activities		-	(250,050)
Investing activities:			
Purchase of tangible fixed assets		(81,881)	(85,450)
Disposal of investments		-	-
Net cash flows from investing activities		(81,881)	(85,450)
(Decrease)/Increase in cash in the year		(166,126)	323,614
Cash at the start of the year		3,285,520	2,961,906
Cash at the end of the year		3,119,394	3,285,520

	At 1 September 2022 £	Cash flow £	At 31 August 2023 £
Cash in hand	3,037	7,198	10,235
Cash at bank	3,282,483	(173,324)	3,109,159
Net cash	3,285,520	(166,126)	3,119,394

The charity had no net debt at the end of the year.

1 Accounting policies

a) Basis of accounting

The financial statements have been prepared under the Charities Act 2011 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 prepared 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 Trustees 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 at the year end is the availability of an unused overdraft facility of £500k.

At 31 August 2023, there were net current assets of £8.5k. In addition, there were approximately £1,227k 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.

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 School, and
- Repairs and Maintenance – expenditure is charged as an operating expense in the year in which it is 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 accumulated depreciation, which is being provided to enable such expenditure is 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

Land is not depreciated.

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 charity 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) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital.

g) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid. Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income and expenditure account.

h) Creditors, loans and provisions

Creditors, loans and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors, loans and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Financial liabilities are derecognised when, and only when, the charity's obligations are discharged, cancelled or they expire. Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

i) Fund accounting

The charitable trust funds of the College 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.

j) Pensions

In the prior year, the School's professional teaching staff were 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.

In the current year, the School's professional teaching staff were enrolled into the Royal London Defined Contribution Scheme. Employer contributions are 17% as well as re-investment of saving in ER NI as a result of a salary exchange scheme. The School's results for the year are stated after charging the relevant employer's contributions to the schemes.

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.

k) 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.

l) 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 16.

m) Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

n) Bad debt provision

Fees due to the charity are reviewed regularly for signs of any impairment. Balances are provided for where there is significant uncertainty over the recoverability, and impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

2 Fees

	2023 £	2022 £
Gross school fees	10,898,460	10,315,332
Less: Scholarships, bursaries, allowances and agent fees	(1,772,003)	(1,879,594)
	<u>9,126,457</u>	<u>8,435,738</u>

The income from fees is all unrestricted (2022: all unrestricted).

3 Other income

	2023 £	2022 £
Other ancillary trading income:		
Transport to/from School	56,094	53,047
Uniform	38,440	40,494
	<u>94,534</u>	<u>93,541</u>
Activity for generating funds:		
Donation from HLC (Properties) Ltd	110,000	130,000
	<u>110,000</u>	<u>130,000</u>

Other income is all unrestricted (2022: all unrestricted).

4 Donation income

	2023 Restricted £	2022 Restricted £
Donations to the Small Hall Fund	-	814
Donations to the Scholarship, Bursary and Prize Fund	5,567	5,912
	<u>5,567</u>	<u>6,726</u>

5 Investment income

	2023 £	2022 £
Bank interest received	-	232
	<u>-</u>	<u>232</u>

Investment income is all unrestricted (2022: all unrestricted).

6 Other income

	2023 £	2022 £
Miscellaneous income	720	5,717
	<u>720</u>	<u>5,717</u>

Other income is all unrestricted (2022: all unrestricted).

7 Analysis of total expenditure

Year ended 31 August 2023	Staff costs £	Other costs £	Depreciation £	2023 Total £
Cost of generating funds				
Rental costs	8,108	-	-	8,108
Bank charges	-	20,320	-	20,320
	<u>8,108</u>	<u>20,320</u>	<u>-</u>	<u>28,428</u>
Charitable activities				
Provision of education				
Teaching	4,281,296	310,066	-	4,591,362
Welfare	686,331	1,227,423	-	1,913,754
Premises	263,143	1,554,993	310,191	2,128,327
Support costs	771,567	389,159	-	1,160,726
Governance costs	-	29,930	-	29,930
	<u>6,002,337</u>	<u>3,511,571</u>	<u>310,191</u>	<u>9,824,099</u>
Total resources expended	<u>6,010,445</u>	<u>3,531,891</u>	<u>310,191</u>	<u>9,852,527</u>
Year ended 31 August 2022	Staff costs £	Other costs £	Depreciation £	2022 Total £
Cost of generating funds				
Rental costs	8,250	-	-	8,250
Bank charges	-	21,112	-	21,112
	<u>8,250</u>	<u>21,112</u>	<u>-</u>	<u>29,362</u>
Charitable activities				
Provision of education				
Teaching	4,089,196	185,769	-	4,274,965
Welfare	696,151	926,924	-	1,623,075
Premises	230,484	1,543,487	320,773	2,094,744
Support costs	688,411	419,471	-	1,107,882
Governance costs	-	32,992	-	32,992
	<u>5,704,242</u>	<u>3,108,643</u>	<u>320,773</u>	<u>9,133,658</u>
Total resources expended	<u>5,712,492</u>	<u>3,129,755</u>	<u>320,773</u>	<u>9,163,020</u>

7 Analysis of total expenditure (continued)

	2023 £	2022 £
Charitable activities include:		
Depreciation on owned assets	310,191	320,773
Operating lease rentals	37,832	21,537
	<u>348,023</u>	<u>342,310</u>
Governance costs include:		
Auditors' remuneration for:		
Audit services	16,400	13,000
Accountancy services	3,900	3,000
	<u>20,300</u>	<u>16,000</u>

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

8 Staff costs

	2023 £	2022 £
Total staff costs comprised:		
Wages and salaries	4,960,143	4,544,456
Social security costs	432,018	424,315
Pensions contributions		
Teachers' Pension schemes	530,069	610,703
Pensions Trust Growth Plan	79,067	127,940
Pensions Trust Unitised Ethical Plan	9,148	5,078
	<u>6,010,445</u>	<u>5,712,492</u>

Staff costs are all unrestricted (2022: all unrestricted). There are no compensation payments included within wages and salaries.

The Trustees received £nil remuneration during the year (2022: £nil). An amount of £3,550 was reimbursed to three Trustees during the year in respect of travel and training expenses (2022: £1,632 to three Trustees).

The average numbers of employees in the year were:	2023	2022
Teaching		
Full time	60	49
Part time	65	76
Welfare		
Full time	11	11
Part time	28	29
Premises		
Full time	8	7
Part time	3	5
Support		
Full time	13	14
Part time	8	6
	<u>196</u>	<u>197</u>

The aggregate remuneration (including gross pay and employer's pension contributions) paid to key management personnel during the period was: £446,929 (2022: £459,367).

The number of employees whose emoluments (gross pay) exceeded £60,000 were:	2023	2022
£60,001 to £70,000	2	1
£70,001 to £80,000	3	3
£80,001 to £90,000	1	1
£100,001-£110,000	-	1
£110,001-£120,000	1	-

9 Tangible assets

	Freehold	Leasehold	Furniture, fixtures & fittings	Motor vehicles	Plant & equipment	Computer equipment	Total
	£	£	£	£	£	£	£
Cost (or frozen valuation*)							
1 September 2022	3,501,786	6,730,175	996,369	286,306	1,235,011	344,410	13,094,057
Adjustment	-	-	-	1200	-	-	1,200
Additions	-	34,266	28,220	12,300	5,069	2,026	81,881
Disposals	-	-	-	(180,292)	-	-	(180,292)
31 August 2023	3,501,786	6,764,441	1,024,589	119,514	1,240,080	346,436	12,996,846
Depreciation							
1 September 2022	227,680	3,886,712	948,437	273,298	1,072,992	297,802	6,706,921
Charge for the year	28,089	183,958	10,935	10,180	60,398	16,631	310,191
Disposals	-	-	-	(180,293)	-	-	(180,293)
31 August 2023	255,769	4,070,670	959,372	103,185	1,133,390	314,433	6,836,819
Net Book Value							
31 August 2023	3,246,017	2,693,771	65,217	16,329	106,690	32,003	6,160,025
31 August 2022	3,274,106	2,843,463	47,932	13,008	162,019	46,608	6,387,136

*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 (2022: £3,500).

11 Investment in subsidiary

	2023	2022
	£	£
Shares at cost	2	2

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 £113,284 for the year to 31 August 2023 and a gift aid donation of £110,000 was made to the School. In 2022, it made a profit of £136,849, and a gift aid donation of £130,000 was made to the School.

The following information is disclosed:

	2023	2022
	£	£
Balance of Capital and reserves	10,135	6,851
Result for the period after distributions	10,133	6,849

12 Debtors

	2023	2022
	£	£
Debtors in respect of school fee accounts	244,274	224,838
Amounts owed by subsidiary undertaking	338,282	286,774
Other debtors	11,090	8,872
Prepayments and accrued income	239,430	234,220
	833,076	754,704

13 Creditors: amounts falling due within one year

	2023	2022
	£	£
School fees paid on account	1,690,851	1,831,378
Pupils' initial deposits	1,227,363	1,144,114
Amounts owed to Teachers' Pension schemes	67,999	67,967
Taxation and social security	118,057	100,168
Net Present Value of Pensions Trust deficit recovery contributions	10,339	10,339
Accruals	307,909	394,181
Other creditors	521,452	630,182
	3,943,970	4,178,329

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. Total deferred income at the year end totalled £2,918,214 (2022: £2,975,492) constituting fees and deposits paid in advance.

14 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Net Present Value of Pensions Trust deficit recovery contributions	3,750	13,418
Other creditors	1,608	2,258
	<u>5,358</u>	<u>15,676</u>

15 General funds – unrestricted

	2023 £	2022 £
At 1 September	5,832,963	5,870,251
Net outgoing resources	(75,754)	(87,288)
Transfer of funds	50,000	50,000
At 31 August	<u>5,807,209</u>	<u>5,832,963</u>

16 Restricted funds

	At 1 September 2022 £	Incoming resources £	Outgoing resources £	Transfer of funds £	At 31 August 2023 £
Scholarship, Bursary and Prize Fund	392,076	5,567	-	(50,000)	347,643
Small Hall Fund	8,317	-	-	-	8,317
	<u>400,393</u>	<u>5,567</u>	<u>-</u>	<u>(50,000)</u>	<u>355,960</u>

	At 1 September 2021 £	Incoming resources £	Outgoing resources £	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
	<u>443,666</u>	<u>6,727</u>	<u>-</u>	<u>(50,000)</u>	<u>400,393</u>

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.

17 Analysis of Net Assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 August 2023 are represented by:			
Tangible fixed assets	6,160,025	-	6,160,025
Investments	2	-	2
Current assets	3,596,510	355,960	3,952,470
Creditors	(3,949,328)	-	(3,949,328)
	<u>5,807,209</u>	<u>355,960</u>	<u>6,163,169</u>

	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)
	<u>5,832,963</u>	<u>400,393</u>	<u>6,233,356</u>

18 Reconciliation of movement in total funds

	2023	2022
	£	£
Result for the financial period	(70,187)	(80,561)
Gains/(losses) on investments	-	-
Net movement in funds	<u>(70,187)</u>	<u>(80,561)</u>
Opening funds	6,233,356	6,313,917
Closing funds	<u>6,163,169</u>	<u>6,233,356</u>

19 Reconciliation of net movement in funds to net cash flows from operating activities

	2023	2022
	£	£
Net expenditure for the period	(70,187)	(80,561)
Investment income	-	(232)
Interest paid	-	282
Operating loss for the period	<u>(70,187)</u>	<u>(80,511)</u>
Depreciation charge	310,191	320,773
Profit on disposal of asset	(2,199)	-
(Increase) in debtors	(78,372)	(159,220)
(Decrease)/increase in creditors	(243,678)	578,072
Net cash inflow from operating activities	<u>(84,245)</u>	<u>659,114</u>

20 Leases

Operating leases

	2023	2022
	£	£
At 31 August 2023, the total of the company's future minimum lease payments under non-cancellable operating leases was:		
Within one year		
Other leases	37,832	36,030
Land and Buildings	411,368	393,140
Two to five years		
Other leases	120,254	171,150
Land and Buildings	1,803,534	1,572,558
Over 5 years		
Land and Buildings	23,396,829	21,229,916

21 The Teachers' Pension Scheme

In the prior year, The School participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £nil (2022: £610,703) and at the year-end, £nil (2022 - £67,967) 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.

On leaving the Teachers Pension scheme at 31 August 2022, Teaching staff were enrolled into the Royal London Defined Contribution Scheme. Employer contributions are 17% as well as re-investment of saving in ER NI as a result of a salary exchange scheme. The pension charge for the year includes contributions payable to the scheme of £530,069 and at the year-end, £67,999 was accrued in respect of contributions to this scheme.

22 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 2023 (£'000)	31 August 2022 (£'000)	31 August 2021 (£'000)
Present Value of Provision	14	24	122

Reconciliation of Opening and Closing Provisions

	Period ending 31 August 2023 (£'000)	Period ending 31 August 2022 (£'000)
Provision at start of period	24	122
Unwinding of the discount factor (interest expense)	1	1
Deficit contribution paid	(10)	(24)
Remeasurements - impact of any change in assumptions	-	(1)
Remeasurements - amendments to the contribution schedule	(140)	(74)
Provision at end of period	14	24

Income and Expenditure Impact

	Period ending 31 August 2023 (£'000)	Period ending 31 August 2022 (£'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	1	(74)

Assumptions

	31 August 2023 (% per annum)	31 August 2022 (% per annum)	31 August 2021 (% per annum)
Rate of Discount	6.04	4.46	0.63

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 2023 (£'000)	31 August 2022 (£'000)	31 August 2021 (£'000)
Year 1	10	10	35
Year 2	4	10	36
Year 3		4	37
Year 4		-	16
Year 5		-	-
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 £17,530 of outstanding contributions at the balance sheet (2022: £78).

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 (2022: £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.

23 Related party transactions

At the year-end the School was owed £338,282 (2022: £286,774) from HLC (Properties) Limited. HLC (Properties) Limited made an annual charitable donation of £110,000 during the year to 31 August 2023 (2022: £130,000). During the year, expenditure of £75,609 (2022: £108,622) was recharged from Harrogate Ladies' College to HLC (Properties) Limited.

Certain Trustees 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 Trusteeship.

24 Comparative Statement of Financial Activities

	2022 General Funds £	2022 Restricted Funds £	2022 Total £
INCOME			
Donations	-	6,727	6,727
Charitable activities			
School fees receivable	8,435,738	-	8,435,738
Other educational income	293,310	-	293,310
Other ancillary trading income	93,541	-	93,541
Raising funds			
Activities for generating funds	130,000	-	130,000
Rents and school lets	117,194	-	117,194
Investment income	232	-	232
Other income	5,717	-	5,717
TOTAL INCOME	9,075,732	6,727	9,082,459
EXPENDITURE			
Raising Funds	29,362	-	29,362
Charitable activities			
Provision of education	9,133,658	-	9,133,658
TOTAL EXPENDITURE	9,163,020	-	9,163,020
NET (EXPENDITURE)/INCOME BEFORE OTHER GAINS	(87,288)	6,767	(80,561)
Transfer between funds	50,000	(50,000)	-
Net movement in funds	(37,288)	(43,273)	(80,561)
Funds brought forward at 1 September	5,870,251	443,666	6,313,917
Funds carried forward at 31 August	5,832,963	400,393	6,233,356